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Dear AEMO,

AEMO NEM Participant Fee Structure Review

AGL welcomes the opportunity to provide comment to the AEMO's NEM Participant Fee Structure consultation paper. Our positions on key proposals are provided below:

Changes to Registered Participant Categories

We support changes to the NEM fee structure to reflect the introduction of new participant categories, including Integrated Resource Providers (IRPs). The current fee structure does not, as yet, reflect appropriate fees for these new categories. Batteries registered as IRPs are currently charged Market Customer fees based solely on energy consumption. This results in a misalignment, as these assets are not equivalent to other Market Customers in terms of market interaction or system impact.

We recommend that AEMO revise the NEM fee structure to ensure that fees are proportionate to the participant's level of engagement with AEMO's systems, services, and market impact. There should be clear and consistent rules for cost allocation as IRPs, and other participant categories, are fully integrated into the fee framework.

Registered Participant Fee Allocation

We are supportive of Distribution Network Service Providers (DNSPs) to be included as Registered Participant type to be allocated fee payments. Noting the increasing integration of Consumer Energy Resources (CER) and the upcoming rule consultation on Distribution System Operations, it is appropriate for DNSPs and other relevant emerging participant categories to be allocated fee payments. Their growing operational role and influence on system changes justify their contribution to reform-related costs.

We suggest that AEMO consider structuring fees by a much higher-level category, such as Wholesale Participants, Retail, Operations, Transportation and Connection, and then within the procedures specify the subcategories such as Generator, Market Customer (Retailer), IRP. This could enable seamless integration of new participant categories as the market evolves.

NEM Reform Program

We propose to consolidate all initiatives delivered under the NEM Reform Program to be cost recovered exclusively through the NEM Reform cost recovery fee. Currently certain reform initiatives are being recovered under the other fee structures, such as NEM Core and Electricity Retail fees. This proposed approach would align cost recovery with program delivery ensuring consistency in how reform related costs are funded. It will also improve transparency for Market Participants by clearly defining the full cost of the NEM Reform program.



About AGL

At AGL, we believe energy makes life better and are passionate about powering the way Australians live, move, and work. Proudly Australian for more than 185 years, AGL supplies around 4.5 ¹ million energy, telecommunications, and Netflix customer services. AGL is committed to providing our customers simple, fair, and accessible essential services as they decarbonise and electrify the way they live, work, and move.

We operate Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and storage assets. We are building on our history as one of Australia's leading private investors in renewable energy to now lead the business of transition to a lower emissions, affordable and smart energy future in line with the goals of our Climate Transition Action Plan. We'll continue to innovate in energy and other essential services to enhance the way Australians live, and to help preserve the world around us for future generations.

If you have any questions in relation to this submission, please contact Sherry Bonini, Connection and Regulation Manager at SBonini@agl.com.au.

Yours sincerely,

Chris Streets
Senior Manager Wholesale Market Regulation

¹ Services to customers number is as at 31 December 2024.