Issues Paper

Australian Energy Market Operator

Electricity Transmission Pricing Methodology

1 July 2022 to 30 June 2027

June 2021

AUSTRALIAN ENERGY REGULATOR

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Contents

1 Introduction

The Australian Energy Regulator (AER) works to make all Australian energy consumers better off, now and in the future. We regulate electricity networks in all jurisdictions except Western Australia. Our work is guided by the National Electricity Objective (NEO) which promotes efficient investment in, and operation and use of, electricity services in the long term interests of consumers.[1]

We must make a transmission determination for the Australian Energy Market Operator (AEMO) consisting of a pricing methodology.[2] We do not make a revenue determination for AEMO. Rather, AEMO is required to develop and publish its own revenue methodology for the services it provides in Victoria, which is available on its website: aemo.com.au.

On 19 April 2021, AEMO submitted its proposed pricing methodology for the 2022–27 period (**proposed pricing methodology**).[3] The proposed pricing methodology contains some amendments to the pricing methodology that applied to the 2014–19 regulatory control period and the 2019–20 to 2021–22 years (**current pricing methodology**).[4]

This issues paper highlights some of the key elements, and how stakeholders can assist in our review, of the proposed pricing methodology.[5]

Stakeholder consultation is a key part of our review. The purpose of publishing this issues paper is to assist stakeholders by identifying those aspects of AEMO's proposal which, after our preliminary review, are likely to be relevant to our assessment. Stakeholders can assist our process by providing their views on these aspects, or any other aspect, of AEMO's proposal.

1.1 How can you get involved?

Consumer engagement is not only something we must have regard to when making our transmission determinations. It is a valuable input, which we encourage. When we receive stakeholder submissions that articulate consumer preferences, address issues in a proposal, and provide evidence and analysis, our decision-making process is strengthened. It also provides greater transparency, predictability and builds trust and confidence in the regulatory framework.

We published the proposed pricing methodology on our website on 5 May 2021 and invited stakeholder submissions.[6]

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1 National Electricity Law (NEL), s. 7.

2 Schedule 6A.4.2(f) of the National Electricity Rules (NER) sets out the application of chapter 6A of the NER to AEMO.

3 AEMO, *Draft pricing methodology 2022–2027*, April 2021.

4 For the 2019–20 to 2021–22 years, AEMO applied the pricing methodology we approved for the 2014–19 regulatory control period through an enforceable undertaking with the AER. See https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/aemo-determination-2014-19/update.

5 As required under the NER, cl. 6A.11.3(b1).

6 See AER website: https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/aemo-determination-2022-27/proposal

Following the release of this issues paper, we will hold an online public forum on **29 June 2021**.[7] The public forum will provide further insight into the key issues in this review, and we encourage stakeholders to comment on topics of interest and where our assessment should focus. Details of how to participate are available on our website.[8]

Submissions on this issues paper and AEMO's proposal are due by **27 July 2021**.

We must have regard to submissions on the issues paper and the proposed pricing methodology when making our draft decision.[9]

Table 1.1 sets out the key milestones planned for this review.

Table 1.1 Key dates for AEMO's 2022–27 transmission determination

Milestone	Date
AER publishes issues paper on AEMO's proposal	15 June 2021
AER holds public forum on issues paper and AEMO's proposal	29 June 2021
Submissions due on AEMO's proposal	27 July 2021
AER publishes draft decision	30 September 2021
AER holds public forum on draft decision (predetermination conference)	October 2021
AEMO submits revised proposal to AER	6 December 2021
Submissions due on draft decision and AEMO's revised proposal	20 January 2022
AER publishes final decision	29 April 2022

Note: Timelines are indicative and subject to change.

1.2 Our initial observations

This issues paper sets out the key issues evident from our initial review of AEMO's 2022–27 proposal. While we welcome submissions on any aspect of the proposal, we are particularly interested in stakeholder views on the following areas:

- AEMO's proposal to change its method for setting locational charges from the "MD10" method to the "365 day" method (section 4.1 describes these methods in more detail).
- AEMO's proposal to treat all negative consumption and demand values as zero for the purposes of deriving transmission prices (section 4.2).
- AEMO's proposal not to charge energy storage systems for either supply (discharging) or consumption (charging), with some exceptions (section 4.2).

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7 COVID-19 continues to impact our stakeholder consultation approach and the ability of all market participants to engage. In line with our Statement of Expectations, the AER acknowledges the changing operating environment and the potential for this to impact on AEMO's proposal. We propose to adopt a greater degree of flexibility in our approach to requesting and receiving information (from all stakeholders), as well as the way we consider the extenuating circumstances in our analysis.

8 See www.aer.gov.au/networks-pipelines/determinations-access-arrangements/aemo-determination-2022-27/proposal.

9 NER, cl. 6A.12.1(a1)(2) and sch. 6A.4.2(f)6.

- AEMO's consumer engagement approach (section 5)
    - AEMO began public consultation on its proposed pricing methodology in September 2020.
    - We are interested in stakeholder views on whether they consider AEMO's consultation process was appropriate, or whether further engagement in specific areas is required prior to our draft decision in September 2021.

2 The Victorian transmission arrangements

Households and businesses consume electricity which is commonly supplied through a network of 'poles and wires' divided into:

- transmission – carrying electricity from large generators to major load centres
- distribution – carrying electricity from the points of connection with the transmission network to virtually every residence and building in Victoria.

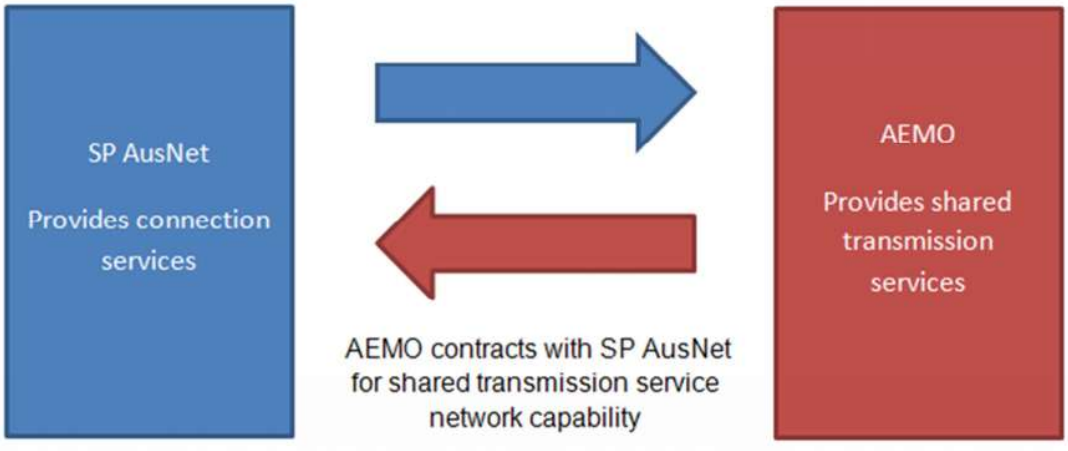
The Victorian transmission arrangements are different to other regions in the National Electricity Market.

As part of its functions, AEMO is responsible for providing shared transmission services. These consist of prescribed transmission use of system (TUOS) services and prescribed common transmission services. Hence, AEMO is a transmission network service provider (TNSP) under the National Electricity Rules (NER).[10]

AEMO does not actually own assets that provide transmission services. Rather, it procures network capability under long-term contracts. Additionally, AEMO does not provide connection services to customers. AusNet Services owns and operates Victoria's shared electricity transmission network, and provides connection services. AusNet Services is also the main source from which AEMO procures shared transmission services under contract. Figure 2.1 provides a basic overview of the Victorian transmission arrangements.

AEMO also has a substantial planning role under the Victorian transmission arrangements. It forecasts demand for prescribed transmission services, identifies network constraints, and commissions network augmentations.

Figure 2.1 Overview of the Victorian transmission arrangements



[10] NER, sch. 6A.4.1.

In addition to AusNet Services and AEMO, Murraylink provides transmission services in Victoria. Where there are multiple TNSPs in a region, those providers must appoint a coordinating network service provider responsible for allocating all the AER-determined regulated revenue in that region.[11] Both AusNet Services and Murraylink appointed AEMO as the co-ordinating network service provider for Victoria.

Under this arrangement, AusNet Services and Murraylink provide AEMO information regarding their regulated revenues. AEMO then uses this information, among others, to derive prices for prescribed TUOS services and prescribed common transmission services in the Victorian region.

We are currently consulting on AusNet Services' proposed pricing methodology for the 2022–27 regulatory control period.[12] Murraylink's approved pricing methodology is applicable up to 1 July 2023.[13]

In section 3, we set out the framework for AEMO's revenue and pricing methodologies in more detail, including interactions with AusNet Services and Murraylink.

Section 4 summarises AEMO's proposed pricing methodology for the 2022–27 regulatory control period, including our questions for stakeholders.

Section 5 summarises AEMO's stakeholder consultation for its proposed pricing methodology, including our questions for stakeholders.

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[11] NER, cl. 6A.29.1(a).

[12] See https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausnet-services-determination-2022-27/proposal.

[13] See https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/murraylink-determination-2018-23/final-decision.

3 AEMO's revenues and pricing

3.1 Revenue methodology

Under the NER, AEMO must develop and publish a revenue methodology describing how it calculates its revenue requirement.[14]

In formulating its revenue methodology, or an amendment to its revenue methodology, AEMO must consult with the public.[15] Unlike other TNSPs, AEMO is not required to submit a revenue proposal to us for approval because there is no requirement that a transmission determination for AEMO include a revenue determination.[16] Rather, AEMO must develop and publish its own revenue methodology for the services it provides in Victoria.

In its proposed pricing methodology, AEMO stated the majority of the revenue it collects consist of:[17]

- AER-determined regulated revenue of AusNet Services and Murraylink
- the costs under contracts between AEMO and service providers that provide transmission network services, equivalent services by the use of other alternative networks or non-network alternatives
- modified load export charges
- net intra-regional settlements residues
- auction revenue.

3.2 Transmission pricing

We must specify a pricing methodology for AEMO. A pricing methodology provides a 'formula, process or approach' for recovering a TNSP's maximum allowed revenue (MAR).[18] In effect, it answers the question 'who should pay how much' in order for a TNSP to recover its MAR from transmission customers.[19]

Below, we summarise the steps pricing methodologies take to derive transmission prices.

3.2.1 Pricing principles

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14 NER, cl. S6A.4.2(c)(2)

15 NER, cl. S6A.4.2(c)(3).

16 NER, cl. S6A.4.2(c)(1).

17 AEMO, *Draft pricing methodology 2022–2027*, April 2021, p. 6.

18 NER, cl. 6A.24.1(b).

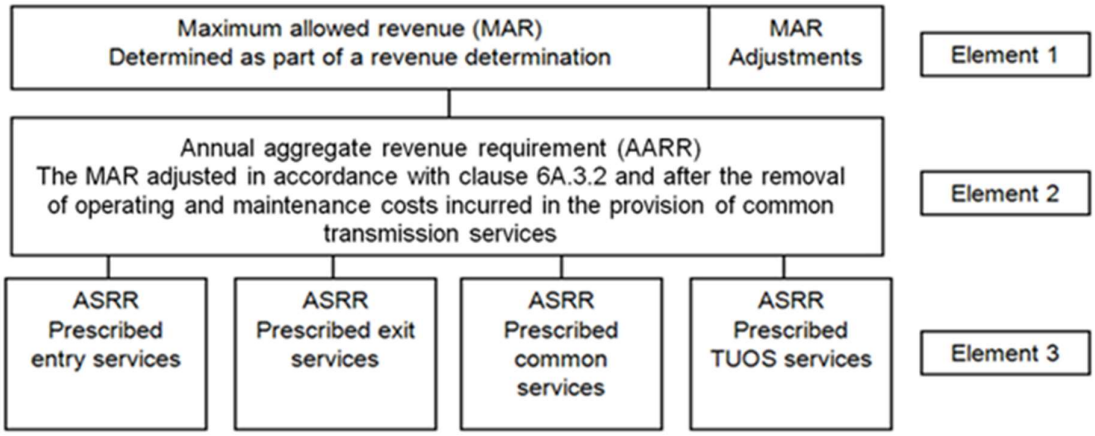
19 AEMC, *Rule determination: National electricity amendment (Pricing of prescribed transmission services) rule 2006 No 22*, 21 December 2006, p. 1.

The transmission pricing principles in the NER involve three steps.[20] The first two steps are commonly known as 'cost allocation'.[21] The third step involves developing pricing structures. The following sections outline each step.

Step one – cost allocation between services

The first step is a cost allocation between prescribed transmission services. To do this involves three elements. The pricing methodologies we approve for AusNet Services and Murraylink sets out the operation of these three elements in Victoria. Figure 3.1 outlines them.

Figure 3.1 Step one – cost allocation between services



The first of the three elements involves adjustments to the MAR we have set for a TNSP in a transmission determination. In Victoria, these include the MAR we set for AusNet Services and Murraylink, as we noted earlier. The adjustments are for rewards or penalties under efficiency and service standard schemes we administer, amongst other things. The outcome of the adjustments is a TNSP's aggregate annual revenue requirement (AARR).

The second element involves removing operating and maintenance costs, which are not part of the AARR.

The third element involves specifying a method for allocating a TNSP's AARR to the categories of prescribed transmission services. This allocation is based on the cost of assets directly attributable to the provision of those services and results in the annual service revenue requirement (ASRR). In determining whether an asset is attributable to a category of prescribed transmission services, a pricing methodology must apply a 'causation basis' approach.

In some instances, the AARR a TNSP must allocate is attributable to more than one category of prescribed transmission services. Because of this, a TNSP's pricing methodology must provide guidance about a priority ordering methodology.

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[20] NER, cl. 6A.23 contains the transmission pricing principles.

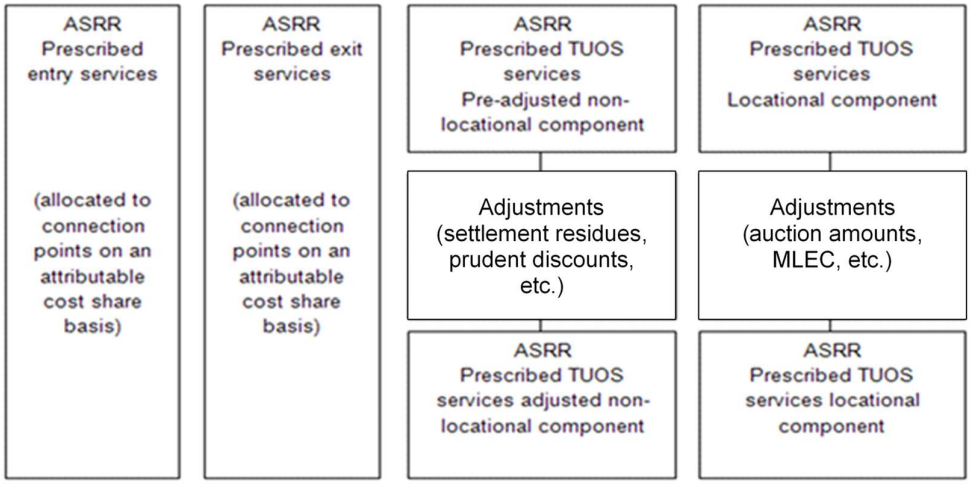
[21] AEMC, *Rule determination: National electricity amendment (Pricing of prescribed transmission services) rule 2006 No 22*, 21 December 2006, p. 29.

Step two – cost allocation within services

The intention of step one is to allocate a TNSP's AARR *between* different categories of prescribed transmission services.

The second step involves a cost allocation *within* prescribed transmission services. This involves allocating the ASRR derived in step one amongst network users and connection points. Figure 3.2 sets out this process.

Figure 3.2 Step two – cost allocation with services



Source: AER, *Determination: Pricing methodology guideline amendments for inter–regional charging arrangements*, July 2014, p. 14.

For prescribed exit and prescribed entry services, the ASRR must be allocated on the basis of an 'attributable cost share'. This involves determining the relative cost of a service provided to a network user as a proportion of the total cost of providing all prescribed entry and exit services.[22] In Victoria, AusNet Services' pricing methodology, and not AEMO's, sets out the steps to allocate the ASRR for prescribed entry services and prescribed exit services to transmission connection points.[23]

The ASRR allocated to prescribed transmission use of system (TUOS) services must be allocated to transmission customer connection points on a locational and non-locational basis.[24] In Victoria, AEMO's pricing methodology sets out this allocation. The locational component is based on 'estimated proportionate use' and results in a lump sum dollar amount to be recovered at each transmission connection point.[25] The non-locational component is postage stamped, that is, the same $/MWh or $/MW price is applied

[22] NER, cll. 6A.22.4 and 6A.23.3(i) and (j).

[23] We are currently assessing AusNet Services' pricing methodology. See https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausnet-services-determination-2022-27/proposal#step-73405.

[24] NER, cl. 6A.23.3.

[25] AER, *Final: Electricity transmission network service providers: Pricing methodology guidelines*, July 2014, p. 6.

throughout the region. The portion of the locational and non-locational components must be a 50 per cent share.[26]

The ASRR allocated to common transmission services must be recovered through a postage stamp price. The AEMC stated this is intended to:[27]

> limit any rebalancing of Prescribed Transmission Service charges to Transmission Customers in different locations and help maintain the stability and predictability of the pricing arrangements.

In Victoria, AEMO's pricing methodology also sets out the recovery of prescribed transmission services.

Step three – price structure principles

To recover the ASRR, a TNSP develops separate prices for each category of prescribed transmission services consistent with the NER transmission pricing principles. This is the third step which a transmission pricing methodology must address.

Clause 6A.23.4 of the NER requires that prices for:

- prescribed entry and exit services are a fixed annual amount.
- common transmission services and the non-locational component of the prescribed TUOS services are postage stamped.
- the locational component of prescribed TUOS services is based on demand at times of greatest network utilisation for which investment is likely to be contemplated.

In addition, prices for the recovery of the locational component of prescribed TUOS services ASRR must not change by more than two per cent per annum compared with the load-weighted average price for this component for the relevant region. The exceptions are where the load at a connection point has materially changed or the transmission customer has requested a renegotiation of its connection point agreement and the AER approved the change.[28]

The third step, once completed, satisfies all the requirements a pricing methodology must meet under the NER transmission pricing principles. Figure 3.3 provides an overview of each of the three steps and shows the shared pricing responsibilities in Victoria between AEMO and AusNet Services.

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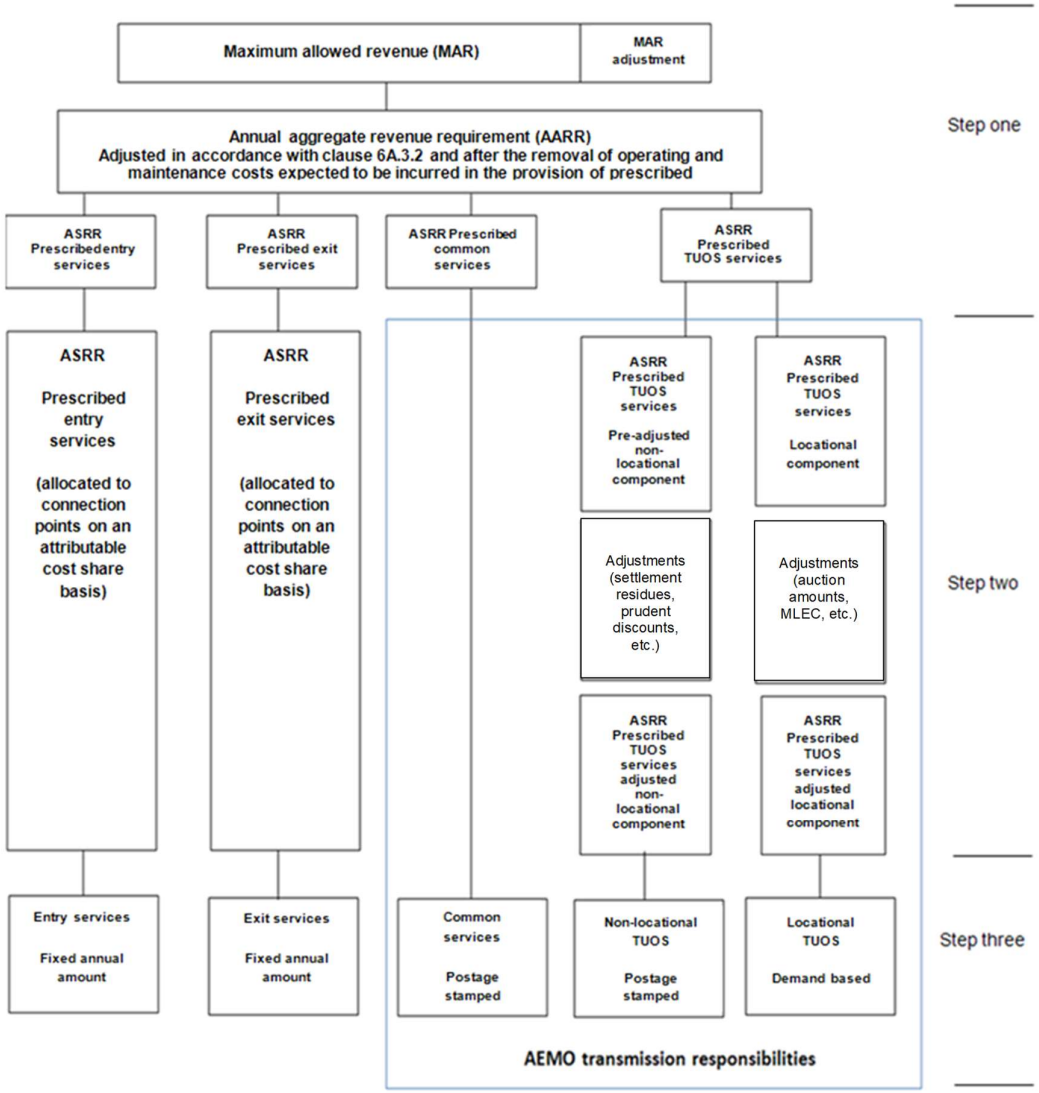
[26] Alternatively, the allocation can be based on a reasonable estimate of future network utilisation and the likely need for future transmission investment with the objective of providing a more efficient locational price.

[27] AEMC, *Transmission pricing for prescribed transmission services: Rule proposal report: Proposed national electricity amendment (Pricing of prescribed transmission services) rule 2006*, 24 August 2006, p. 61.

[28] NER, clause 6A.23.4(b)(2) and (3).

Figure 3.3 The delineation of transmission pricing responsibilities in Victoria



Source: AER analysis; AER, *Determination: Pricing methodology guideline amendments for inter–regional charging arrangements*, July 2014, p. 14.

4 Proposed pricing methodology

AEMO has proposed a number of amendments in its proposed pricing methodology to that of its current pricing methodology.

Section 4.1 discusses the most substantive amendment, regarding the demand measures for deriving locational prices.

Section 4.2 summarises other proposed amendments.

4.1 Demand measures for the derivation of locational prices

As we noted in section 3.2.1, TNSPs allocate the ASRR for prescribed locational TUOS services to transmission connection points based on estimated proportionate use.[29] This results in a lump sum dollar amount to be recovered through locational prices at each transmission connection point.

In AEMO's current pricing methodology, the estimated proportionate use is the average of a transmission customer's half-hourly maximum demand on the 10 weekdays, between the hours of 11:00 and 19:00 when system demand was highest in the last 12 months (the MD10 method).[30] Hence, transmission connection points with relatively higher maximum demands on the 10 days of system maximum demand would be allocated a relatively a higher lump sum dollar amount under the MD10 method.

AEMO has proposed to replace the MD10 method with the 365 day method. Under the latter method, AEMO would use the average of the transmission customer's half-hourly monthly maximum demand over a period of 365 days.[31] Under the 365 day method, AEMO would allocate the ASRR for prescribed locational TUOS services using the average monthly maximum demand at each transmission connection points—regardless of time of day or the time of system maximum demand. Hence, transmission connection points with relatively higher monthly maximum demands would be allocated a relatively a higher lump sum dollar amount under the 365 day method.

The proposed change to the 365 day method would therefore allocate different lump sum dollar amounts to transmission connection points if the proportionate use it estimates differs from the MD10 method. We note prices for locational prescribed TUOS services must not change by more than two per cent per annum compared with the load-weighted average price for this component for the relevant region.[32]

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29 See "Step two – cost allocation within services".

30 AEMO, *Approved pricing methodology for prescribed shared transmission services*, 15 May 2015, p.10.

31 AEMO, *Draft pricing methodology 2022–2027*, April 2021, pp.10–11. AEMO would use 366 days if the relevant year is a leap year.

32 NER, clause 6A.23.4(b)(2) and (3).

AEMO considered the 365 day method is better aligned with the transmission pricing principles for locational prices.[33] AEMO stated the 365 day method "looks at all hours during the year and finds the one with the maximum utilisation of each element."[34]

In proposing this amendment, AEMO considered that maximum demand in the power system—which the MD10 method represents—no longer reflects the period of "greatest utilisation of the transmission network". Further, maximum demand does not always drive investment given the technological changes occurring in the electricity system.[35]

4.2 Other amendments

AEMO noted the transmission system was originally conceived to deliver energy from large generators to major load centres. However, transmission connection points are now experiencing reverse flows due to new technologies (distributed energy generation, storage devices and so on). In the absence of TUOS for generators, there is a question on how to price connection points when there are reverse flows.[36]

In the proposed pricing methodology, AEMO proposed to consider only half-hourly demand and energy intervals with positive values for the purposes of the pricing methodology.[37] AEMO proposed to treat all negative consumption and demand values as zero as it considers this is less distortionary than other options.[38]

AEMO considered other options for treating reverse flows at transmission connection points but did not adopt them because they would require potentially distortionary re-allocation of revenue. One option AEMO explored was to include negative half-hourly intervals of consumption and demand in its calculations. Doing so would reduce the total consumption and average maximum demand measurements, respectively, for transmission connection points with reverse flows. This in turn would reduce the transmission charges for those connection points, all else being equal, but increase transmission charges for transmission connection points with no reverse flows.[39]

Another amendment in the proposed pricing methodology is a new section clarifying the treatment of energy storage systems. AEMO proposed not to charge energy storage systems for either supply (discharging) or consumption (charging) in the 2022–27 regulatory control period. This is consistent with the approach set out in the enforceable undertakings between the AER and AEMO for the 2019–20 to 2021–22 years.[40] However, AEMO included circumstances in which it proposed to charge energy storage systems:[41]

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33 AEMO, *TUOS pricing methodology decision paper*, March 2021, p. 5.

34 AEMO, *TUOS pricing methodology issues paper*, September 2020, p. 11.

35 AEMO, *TUOS pricing methodology issues paper*, September 2020, p. 11.

36 AEMO, *TUOS pricing methodology decision paper*, March 2021, p. 2.

37 Energy and demand are one of the inputs (among others) AEMO uses to derive non-locational prices and locational prices (demand only).

38 For greater discussion, see AEMO, *TUOS pricing methodology issues paper*, September 2020, pp. 2–9; AEMO, *Draft pricing methodology 2022–2027*, April 2021, pp. 11–13 and 16.

39 AEMO, *TUOS pricing methodology issues paper*, September 2020, pp. 6–9.

40 AEMO, *Extension to NEL s59A Undertaking – July 2019 to June 2022*, September 2020, p. 5.

41 AEMO, *Draft pricing methodology 2022–2027*, April 2021, p. 14.

- The energy storage system is co-located with a customer's load that is connected to the transmission system and is itself behind the meter.
- Pumped hydro storage systems that use electrically powered pumps to recharge, but also use those pumps for other purposes.
- Energy storage systems connected to the distribution network.
- AEMO proposed to retain the right to determine whether to charge an energy storage system at the time the facility applies to connect.

Section 11 of AEMO's proposed pricing methodology summarises several other differences with the current pricing methodology.[42]

Questions

1. Do you consider the 365 day method better reflects the locational price calculation principles in the NER (clause 6A.23.4(b)) compared to the MD10 method?
2. Do you consider AEMO's proposed treatment of negative half-hourly energy and demand values are appropriate and give effect to the pricing principles for prescribed transmission services?
3. Do you consider AEMO's proposed treatment of energy storage systems are appropriate and give effect to the pricing principles for prescribed transmission services?
4. Do you consider AEMO's other proposed changes to its pricing methodology for the 2022–27 period are appropriate and give effect to the pricing principles for prescribed transmission services?

[42] AEMO, *Draft pricing methodology 2022–2027*, April 2021, p. 16.

5 Stakeholder engagement and assessment

Stakeholder engagement helps network businesses determine how best to provide services that align with consumers' long term interests. Stakeholder engagement in this context is about AEMO working openly and collaboratively with its stakeholders and providing opportunities for their views and preferences to be heard and to influence AEMO's decisions.

In addition to our assessment of AEMO's pricing methodology, the NER requires us to consider the extent to which elements of the proposed pricing methodology addresses relevant concerns identified during its engagement with stakeholders. Strong stakeholder engagement can help us test AEMO's proposal, and can raise alternative views.

We will use a range of considerations to demonstrate whether stakeholders have been genuinely engaged in the development of the proposed pricing methodology. As Table 5.1 sets out, our framework for stakeholder engagement includes the following elements:[43]

- nature of engagement
- breadth and depth of engagement
- clearly evidenced impact
- assessment of outcomes (or 'proof points').

[43] See also Table 7: AER, *Draft decision, Jemena distribution determination 2021–26, Overview*, September 2020, p. 43.

Table 5.1 AER framework for considering stakeholder engagement

Element	Examples of how this could be assessed
Nature of engagement	• The proposal is formed in partnership with stakeholders rather than asked for feedback on the network business's proposal • Stakeholders who were engaged possess the relevant skills and experience • Stakeholders provided with impartial support to engage with energy sector issues • Sincerity of engagement with stakeholders • Independence of stakeholders and their funding • Multiple channels used to engage with a range of stakeholders
Breadth and depth	• Clear identification of topics for engagement and how these will feed into the regulatory proposal • Stakeholders consulted on broad range of topics • Stakeholders able to influence topics for engagement • Stakeholders encouraged to test the assumptions and strategies underpinning the proposal • Stakeholders were able to access and resource independent research and engagement
Clearly evidenced impact	• Proposal clearly tied to expressed views of stakeholders • High level of business engagement (e.g. stakeholders given access to the network business's CEO/Board) • Network business responds to stakeholders views rather than just recording them • Impact of engagement can be clearly identified • Submissions on proposal show stakeholders feel the impact is consistent with their expectations

Proof point	• Pricing methodology proposed:[44]
	  ○ gives effect to, and complies with, the pricing principles for prescribed transmission services
	  ○ complies with information requirements of the pricing methodology guidelines.

[44] NER, cl. 6A.24.1(c); AER, *Electricity transmission service providers pricing methodology guidelines*, July 2014.

5.2 AEMO's consumer engagement approach

Below is an overview of the consumer engagement approach AEMO undertook in developing the proposed pricing methodology.

On 16 September 2020, AEMO published an issues paper (AEMO issues paper) that investigated the changing nature of the power system and how that may affect AEMO's pricing methodology. The AEMO issues paper focused on three aspects:

- Reverse flows at transmission connection points
- Energy storage systems and payment for using the transmission network
- The MD10 method vs the 365 day method for deriving prescribed TUOS prices

The AEMO issues paper identified options to address the three aspects and explained AEMO's initial preference for dealing with each aspect. AEMO requested that stakeholders submit their responses to the AEMO issues paper by 29 September 2020, which is 14 days after publishing the AEMO issues paper.[45] AEMO did not receive any submissions.[46]

On 25 November 2020, AEMO published a consultation paper which set out AEMO's proposed changes to the pricing methodology to address the aspects raised in the AEMO issues paper. The consultation paper also set out AEMO's proposed changes to the pricing methodology to address other aspects, such as recovery of the National Transmission Planner Costs and timing issues.[47]

AEMO requested that stakeholders submit their response to the consultation paper by 7 January 2021.[48] AEMO received two submissions. One was a confidential submission from BlueScope Steel.[49] The other was from the Energy Users Association of Australia (EUAA) encouraging its members to consult with AEMO to understand how changes to the pricing methodology might affect their situation.[50]

On 30 March 2021, AEMO published the proposed pricing methodology on its website (several weeks prior to submitting it to the AER). At the same time, AEMO published a decision paper setting out AEMO's reasons for the amendments it made to the proposed pricing methodology for the 2022–27 regulatory control period.[51]

AEMO also met with stakeholders individually during the consultation period summarised above. Stakeholders included large transmission-connected customers (such as Kirkland Gold, Air Liquide and Alcoa), Victorian electricity distributors and the EUAA.[52]

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45 AEMO, *TUOS pricing methodology issues paper*, September 2020, p. 12.

46 AEMO, *TUOS pricing methodology consultation paper*, November 2020, p. 1.

47 AEMO, *TUOS pricing methodology consultation paper*, November 2020, pp. 5–6.

48 AEMO, *TUOS pricing methodology consultation paper*, November 2020, p. 1.

49 See https://aemo.com.au/en/consultations/current-and-closed-consultations/transmission-use-of-system-pricing-methodology-vic.

50 EUAA, *Submission: Transmission Use of System Pricing Methodology – Victoria*, 7 January 2021

51 AEMO, *TUOS pricing methodology decision paper*, March 2021.

52 AEMO, *Cover letter: Draft pricing methodology 2022–2027*, 19 April 2021, p. 3.

For stakeholders' reference, AEMO submitted the AEMO issues paper, consultation paper and decision paper as supporting evidence to the proposed pricing methodology.[53]

Questions

5. What are your views on AEMO's consumer engagement in developing the proposed pricing methodology?
6. Do you think AEMO engaged meaningfully with consumers on all key elements of the proposed pricing methodology? Are there any key elements that require further engagement?
7. To what extent do you consider you were able to influence the topics engaged on by AEMO? Please give examples.
8. To what extent do you consider the proposed pricing methodology ties to your expressed views as a consumer?
9. Are there any aspects of AEMO's consumer engagement that could have been done better? If yes, what opportunities are there for AEMO to act on your feedback?

[53] See https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/aemo-determination-2022-27/proposal.

Shortened forms

Shortened form	Extended form
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
MW / MWh	Megawatt / megawatt hour
NEL or Law	National Electricity Law
NEM	National Electricity Market
NEO	National Electricity Objective
NER or Rules	National Electricity Rules
TNSP	Transmission network service provider