



Notice

16 December 2016

Allowable Revenue and Forecast Capital Expenditure Proposal for the Australian Energy Market Operator

FINAL DETERMINATION

The Economic Regulation Authority (**ERA**) has published its [determination](#) on the allowable revenue and forecast capital expenditure proposal from the Australian Energy Market Operator (**AEMO**) for the period 1 July 2016 to 30 June 2019.

The ERA has approved funding required for AEMO's market operations, system management functions and gas services information functions. The ERA has not approved AEMO's proposed capital expenditure to implement the market reforms required by the Electricity Market Review in this determination. However, AEMO has the opportunity to consult with stakeholders to clarify the market systems required and seek the ERA's further approval early next year.

Background

The Wholesale Electricity Market Rules (2015) and the Gas Services Information Rules (2015) require the ERA to assess and determine allowable revenue and forecast capital expenditure proposed by AEMO.

AEMO provided its [proposal](#) to the ERA on 16 September 2016. This proposal is available on the [ERA's website](#).

This is AEMO's first allowable revenue submission since assuming responsibility for these functions on 30 November 2015, as part of the Energy Market Review being undertaken by the state government.

AEMO's submission replaced previous submissions made by the IMO and System Management in November 2015 and February 2016 respectively. Rule changes were made on 1 July 2016 deeming these submissions to have been withdrawn, and required AEMO to submit its own proposal by 16 September 2016. The ERA was required to make its determination by 16 December 2016.

For further information contact:

General Enquiries

Elizabeth Walters

Phone: 08 6557 7958

Email: records@erawa.com.au

Media Enquiries

Tracy Wealleans

Work: 08 6557 7942

Mobile: 0428 859 826

Email: communications@erawa.com.au