

Ministerial Council on Energy

Energy Market Reform – Bulletin No. 156

Establishment of the Australian Energy Market Operator

The Ministerial Council on Energy (MCE) is pleased to announce the Australian Energy Market Operator (AEMO) has today commenced operations. The establishment of AEMO as an integrated gas and electricity market operator is intended to strengthen the national character of energy market governance in Australia.

The creation of AEMO is in response to a decision by the Council of Australian Governments in April 2007. AEMO will operate electricity and gas markets in all jurisdictions other than Western Australia and the Northern Territory. Both these jurisdictions will be eligible to join at a later date if they choose to do so. AEMO is also responsible for a number of planning functions, including the new National Transmission Planner for electricity, the Gas Statement of Opportunities and Victorian and South Australian planning functions.

The establishment of AEMO and its commencement of operations is the culmination of a process that the Commonwealth, States and Territories, and industry have worked on for two years. The establishment of AEMO involved close cooperation between all participating jurisdictions to ensure the new national energy market operator will be well equipped to manage and address the operational challenges of Australia's energy sector into the future.

AEMO will be jointly owned by governments and the energy industry. Participating jurisdictions will have majority membership, acknowledging the strategic importance of energy services and ensuring government is in a strong position to represent the long term interests of consumers.

The MCE notes the significant contribution made by industry to the establishment of AEMO. Industry membership will help ensure AEMO's relevance to those involved in the Australian energy sector and provide opportunities for more effective energy market operations in the years ahead.

Further information on AEMO can be found at www.aemo.com.au

MCE Standing Committee of Officials
1 July 2009