

Ministerial Council on Energy

Energy Market Reform Bulletin No. 126

Release of Statement of Proposed Approach for the establishment of AEMO

The Ministerial Council on Energy's (MCE) Australian Energy Market Operator Implementation Steering Committee (ISC) - comprising MCE Standing Committee of Officials (SCO) representatives as well as the Chief Executive Officers of each of the market operators) is today releasing its [Statement of Proposed Approach](#) (the 'Statement') regarding the proposed process for implementing the Council of Australian Governments' (COAG) initiative for the establishment of the Australian Energy Market Operator (AEMO).

The Statement outlines the ISC's suggestions and proposals for key elements of the regulatory framework within which AEMO will operate. In particular, the paper discusses key regulatory design issues associated with the assumption by AEMO of functions carried out by the Gas Market Company (GMC) in New South Wales, the National Electricity Market Management Company (NEMMCO), the Victorian Energy Networks Corporation (VENCorp) including as Bulletin Board Operator, the Gas Retail Market Operator in Queensland (GRMO) and the Retail Energy Market Company (REMCO) in South Australia.

The Statement does not discuss issues associated with the establishment of AEMO as a not for profit company limited by guarantee, such as the terms of its constitution or members' agreement.

The purpose of the Statement is to facilitate discussion about the key proposals. Importantly the Statement does not represent the final views of the ISC and the ISC is particularly keen to receive stakeholder's comments to ensure successful commencement of AEMO operation on 1 July 2009.

The ISC anticipates supplementing the Statement with a later paper detailing how it is proposed to provide for AEMO's assumption of responsibilities for the National Transmission Planner, Gas Statement of Opportunities and, to the extent possible, the Gas Short Term Trading Market.

The ISC will conduct an information session at the **Holiday Inn, Melbourne Airport on 19 August 2008 from 10am to 12 noon** to explain key aspects of the proposed approach to interested stakeholders.

Stakeholders wishing to attend this session are asked to register their interest with the MCE Secretariat at MCE@ret.gov.au.

While stakeholders are encouraged to raise any issues they may have at the information session, the ISC will also accept **written submissions** on the Statement, which are to be submitted to the MCE Secretariat by **close of business on 19 September 2008**.

Those who wish to make written submissions may do so by submitting their documents, preferably electronically to:

MCE@ret.gov.au

Alternatively submissions may be made by mail, to:

Manager, MCE Secretariat
Department of Resources, Energy and Tourism
GPO Box 1564
CANBERRA ACT 2601

Following consultation on the draft legislation and rules later this year it is anticipated that the legislation will be introduced into the South Australian Parliament in early 2009.

Ministerial Council on Energy AEMO Implementation Steering Committee
7 August 2008