Consultation:	Australian Energy Market Operator second in-period allowable revenue and forecast capital expenditure - Draft determination
Are you submitting as an individual or on behalf of an organisation?:	Organisation
Organisational name:	Newmont Mining
Full Name:	[redacted]
Email:	
Telephone:	
Comments:	RE: AEMO AR6 SECOND IN-PERIOD ALLOWABLE REVENUE AND FORECAST CAPITAL EXPENDITURE PROPOSAL: DRAFT DETERMINATION Newmont Boddington Operations are a major SWIS system & WEM customer with a average 120 MW load consuming 1 TWh annually or ~ 5% of SWIS consumption. As such approvals by the ERA of increased Market Fees in response to AEMO requests have a direct effect on the cost of Boddington operations. Thank you for the opportunity to comment on the AEMO AR6 second in - period allowable revenue and forecast capital expenditure proposal and the ERA's draft determination in this regard. Newmont has been concerned for some time that the upward trajectory of market fees and allowable revenue and capital expenditure requested by AEMO represent a serious and unsustainable impost on market participants and electricity customers. Even after the substantial reductions in the request proposed by the ERA draft finding the allowable revenue for 2024/25 will be a 300% increase over the cost of market operations in 2017/18. The capital expenditure request would represent a 210% increase in the original amount approved by the ERA under AR6 in May 2022, just 24 months ago. Market participants have been exposed to substantial increases in market fees for uncertain benefits. Energy costs have shown a 20% increase under the "New Market" when compared to the 12 months ended September 2023. As outlined in their request while AEMO speaks to the increase in market participants and energy in the WEM they are still only settling 19% of the energy with 81% transacted by bi-lateral contracts yet revenue increases for operating costs and capital expenditure have been well above the increase and other items outlined. Increases of these magnitudes are unreasonable given the unchanged level of service and failure by AEMO to manage the market appropriately over the past three years resulting in numerous market failures and the need for higher cost SRC and NCESS programs. The ERA has not subjected AEMO revenue requests to value for money analysis, cost benefit analysis or efficient execution bench marking claiming that the WEM is too unique and too small to allow measurement. The Lantau Group report which accompanied the AR6 approval appeared to suggest otherwise. Newmont believes AEMO should be subjected to performance indicator measurement and/or service standard benchmarks, visible to all market

participants rather than the ERA simply approving revenue requests in isolation.

Each program of work proposed under a capital expenditure request should be subject to a business case review and cost benefit analysis to determine that the expenditure will in fact provide value to the WEM market participants and electricity customers.

Thank you for the opportunity to provide comment.

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