



# Notice

28 June 2024

## Australian Energy Market Operator second in-period allowable revenue and forecast capital expenditure

### Final determination

The ERA has published the [final determination](#) for AEMO's second in-period allowable revenue and forecast capital expenditure funding proposal, approving the majority of funding equating to an additional \$58.29 million allowable revenue and \$37.9 million forecast capital expenditure.

AEMO was seeking an additional \$59.99 million of allowable revenue on top of the \$142.3 million already approved and an additional \$39.0 million in forecast capital expenditure on top of the \$108.4 million already approved for the sixth allowable revenue period from 2022/23 to 2024/25.

The increase in approved funding reflects the need to ensure that AEMO is adequately funded to cover its forward-looking costs. Fully funding will allow AEMO to maintain the safe and reliable operation of the WEM and to continue implementation of energy sector reform.

AEMO's initial AR6 submission in December 2021 significantly underestimated both operational and capital labour requirements to deliver and maintain the new WEM, which has resulted in a cost overrun throughout the AR6 period. A significant proportion of the change in the allowable revenue between the draft and final determination relates to these labour costs.

New capital projects relate to ongoing energy reform and transformation policy commitments and implementation deadlines set out in the WEM Rules.

The ERA is also mindful that costs will ultimately be borne by consumers and has balanced this against the risk of underfunding.

### Further information

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