

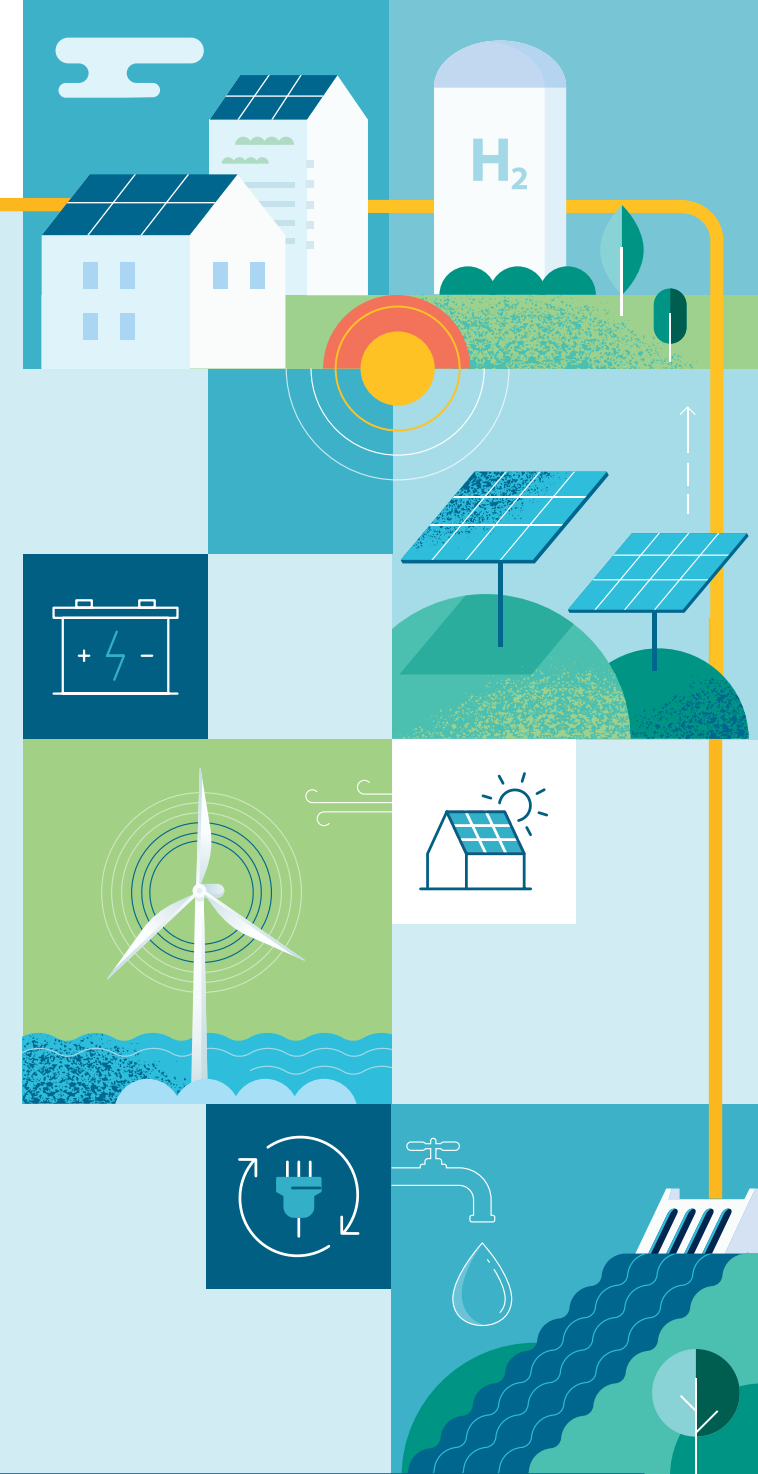
# Corporate Plan FY25

A statement of corporate intent



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## Purpose, copyright and disclaimer

AEMO Services Limited (AEMO Services) compiles this document pursuant to section 5.1 of the Members Agreement between AEMO Services, AEMO Limited and the State in the right of New South Wales.

The corporate plan and business plan satisfy two of the three requirements under section 5.1 of the Members Agreement and constitutes AEMO Services:

- Statement of Corporate Intent for the financial year 2024-2025 (FY25); and
- Business Plan for the three financial years between July 2024 to June 2027 (FY25-27).

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## Acknowledgement of country

AEMO Services recognises the Traditional Custodians of Country throughout Australia and acknowledges that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands.

We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.



Artwork credit: The 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan.

# Foreword

As the shape of Australia's energy transition continues to grow and develop AEMO Services is evolving alongside it. Over the past year our remit has expanded from NSW Consumer Trustee to take on a broader national role as part of AEMO.

AEMO Services' FY25 Corporate Plan sets out our priorities for the coming year in fulfilling our responsibilities both as the NSW Consumer Trustee and in supporting the delivery of the Australian Government's Capacity Investment Scheme (CIS).

The scale of the energy transition is clear for us to see. The latest Integrated System Plan calls for a sixfold increase in utility-scale renewable energy and 10,000 kilometres of new transmission lines by 2050. It is becoming more apparent to more Australians that these targets aren't just numbers; they represent a fundamental reimagining of our energy infrastructure. Achieving this vision requires navigating a complex landscape of regulatory, economic, and social challenges.

Our experience with the NSW Roadmap has provided us with critical insights into enabling investment in new energy infrastructure. We have learned that success in this arena demands more than investment support, it requires a nuanced and informed understanding of investor sentiment, commercial realities, and community needs. As our role changes to support the CIS, we are applying these lessons on a national scale with the Australian Government.

An example of our work as an intermediary between government and industry relates to a hybrid solar-storage project. This model was not anticipated

in the initial tender design, but it was determined that contracting hybrid projects would be in the long-term financial interests of consumers, and we consequently adapted our contract design.

This sent a strong signal to the market about our willingness to work together to improve the fit of process and projects, and a number of other hybrid generation and storage projects have since appeared amongst our tender bids.

This approach extends beyond the administration of tenders which is reflected in our new purpose and vision to bridge the gap between ambition and action to deliver a net zero energy system that benefits all Australians.

We are actively working to create an environment where ambitious plans translate into bankable projects, where policy objectives align seamlessly with market realities. This involves constant dialogue with a diverse array of stakeholders, from government policymakers to international investors, local communities, and cutting-edge technology providers.

Looking ahead, we are working to build better connections with these stakeholders and strengthen our role as a trusted intermediary in the translation of public policy ambition to private investment outcomes.



**Paul Moy**  
AEMO Services Chair



**Nevenka Codevelle**  
Executive General Manager  
AEMO Services

We recognise that each stakeholder has a unique view of what success looks like, and these insights are critical to delivering the energy investment and action we need.

We would like to thank the AEMO Services team, our government partners, industry and community stakeholders and importantly our Members—AEMO and the NSW Government—for standing with us and supporting our efforts throughout the past year.

As we bridge the gap between ambition and action, we remain focused on ensuring that this transition is not only successful but also equitable, sustainable, and beneficial for all Australians.

# AEMO Services at a glance

## Who we are

As Australia's fleet of fossil fuel generators reach the end of their lifespan, governments are moving to bring forward new investment in energy infrastructure at an unprecedented scale and speed.

AEMO Services is a subsidiary of AEMO with an independent Board, purpose built to help transform Australia's energy system.

Our work helps accelerate project plans into new energy infrastructure, in a way that delivers value for energy consumers and host communities alike.

## Our vision



**A net zero energy system that benefits all Australians.**

## Our purpose



**Bridging ambition and action to deliver the energy transition.**

## Our expertise

We set out to build in-house expertise to deliver on our vision, bringing together leading practitioners in the areas of:



Energy and energy infrastructure financing and procurement



Financial and capital markets



Energy modelling and systems



Risk management and risk based decision-making



Collaborative partnerships and stakeholder engagement

## Services

Our people and experience enable us to provide tender delivery and advisory services, either through statutory roles or distinct service lines sought by governments to meet specific circumstances and requirements.

The diverse range of expertise, coupled with our ability to leverage that of the broader AEMO Group, enables us to deliver a unique service offering provided to governments.

## Our values

We understand the importance of cooperation and goodwill in reaching our objectives and realising a shared energy future that benefits consumers, the environment, local communities, and the market. That is why we are committed to a strong set of values that underpin our work, and which we seek to reflect in every interaction with our stakeholders and the public.



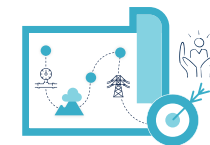
### Character

Be our best – Inspire, empower, and exceed expectations



### Connection

Better together



### Commitment

Let's make it happen

# Members and stakeholders

**AEMO Services provides tender delivery and advisory services to support investment in energy infrastructure across Australia. Our roles require navigating complex problems and diverse stakeholder interests, co-ordination between public and private sectors and enabling change in our energy system in a way that benefits all Australians. AEMO Services recognises the importance of stakeholder insights in our role bridging ambition and action to deliver the energy transition.**



“We are committed to collaborative, respectful, and genuine relationships.”

## Members

Our Members are our shareholders and membership is open to National Electricity Market (NEM) jurisdictions. AEMO Services is also able to provide contracted services to jurisdictions, either through statutory roles or distinct service lines sought by clients to meet specific circumstances and requirements.

### Australian Energy Market Operator

AEMO is Australia’s independent energy market and system operator and system planner for the NEM and the WA Wholesale Electricity Market (WEM).

The AEMO Group – AEMO, AEMO Services and Transmission Company Victoria, is playing a critical role in the transformation by operating and preparing the energy system for the future and providing services to governments to deliver the energy transition at the scale and pace required.

AEMO is Australia’s independent operator of the nation’s electricity and gas systems, ensuring safe, reliable, and affordable energy today and enabling the energy transition for the benefit of all Australians. AEMO has a central role in facilitating an orderly energy transition while keeping the lights on and the gas flowing in the process. AEMO expanded its ability to support the energy transition by establishing AEMO Services.

AEMO Services Limited is a subsidiary of AEMO with an independent Board and was established to provide expertise and services to help governments transform Australia’s energy sector.

- AEMO and AEMO Services’ Boards, Executive Teams and operational teams work together to leverage relevant experience across the group.
- The wider AEMO Group provides critical support to our operational functions. Where it is agreed, the costs of this support are reimbursed by AEMO Services under a Master Services Agreement (MSA).
- AEMO Group corporate policies generally apply to AEMO Services.

### New South Wales

The NSW Government is our foundational government member. Our Membership is limited to AEMO and government members.



## Stakeholders

### Consumers, community and First Nations

Our role as the NSW Consumer Trustee includes statutory duties to act in the long-term financial interests of NSW electricity consumers. AEMO Services engages with peak organisations representing consumers, First Nations peoples and communities to ensure mutually beneficial outcomes can be achieved across the energy transition and the tender process more specifically.

### NSW Roadmap partners

AEMO Services works collaboratively with other NSW Roadmap entities to deliver on the objectives of the Electricity Infrastructure and Investment (EII) Act. NSW Roadmap partners include the NSW Government, EnergyCo, the Australian Energy Regulator (AER), Independent Pricing and Regulatory Tribunal (IPART), AEMO, the Financial Trustee (FT), the Renewable Energy Sector Board (RESB), the Electricity Infrastructure Jobs Advocate, and the Scheme Financial Vehicle (SFV).

We will continue to align and update our FY25 corporate plan and business plan as priorities and milestones are confirmed and/or agreed upon between the Roadmap entities.

## Investors and developers

Investors and developers deliver new infrastructure the energy system requires to transform into one that is more affordable, reliable, and secure.

We value our dynamic market interface, which helps inform our advice and service delivery – including on ways of fostering competition and tailoring support to accelerate the introduction of new energy infrastructure into the market. Key insights from investors and developers help us respond to emerging trends and energy system requirements, as well as leverage the benefit of commercial and technological innovation.

## Industry

Industry groups play an important role in promoting best practice, providing insight to assist us to better understand the diverse views held on important issues affecting industry, and raising awareness and understanding of how they can best participate in our tenders. We value the constructive relationships we have built with industry groups and will continue to engage with them to identify opportunities to deliver better energy transition outcomes.

## Australian Government

As part of the AEMO Group, AEMO Services serve as advisors and tender delivery partners to the Australian Government on its Capacity Investment Scheme (CIS), a national program to encourage new investment in renewable capacity, such as wind and solar, as well as clean dispatchable capacity. AEMO Services will support the Australian Government's stakeholder engagement and partnerships, as well as apply our enterprise framework to help ensure stakeholder perspectives and insights are considered throughout our work.



“Our stakeholders are integral to everything we do.”

# Our work so far

Since establishment and appointment as the NSW Consumer Trustee in 2021, AEMO Services has delivered against a number of significant milestones.



## Accelerating project plans into built energy infrastructure



Designed and delivered four successful tenders – bringing forward more than 2,452 MW of new generation infrastructure, 1,075 MW of firming capacity and 574 MW of long-duration storage for NSW electricity consumers.

## Innovative products design and advice



Designed the NSW Long-Term Energy Service Agreement (LTESA), with specific adaptations to generation, firming and long-duration storage infrastructure. The design process was supported by our ongoing market relationships, and the value of the product has been proven through strong competition in our tenders.

## Resilient and adaptive NSW market planning



Evolved our blueprint planning document for NSW – the Infrastructure Investment Objectives (IIO) Report, which has adapted by design to meet changing market dynamics, including supply chain constraints and accelerated retirement of existing infrastructure. This has been operationalised through our competitive tender process.

## Expert governance and risk management

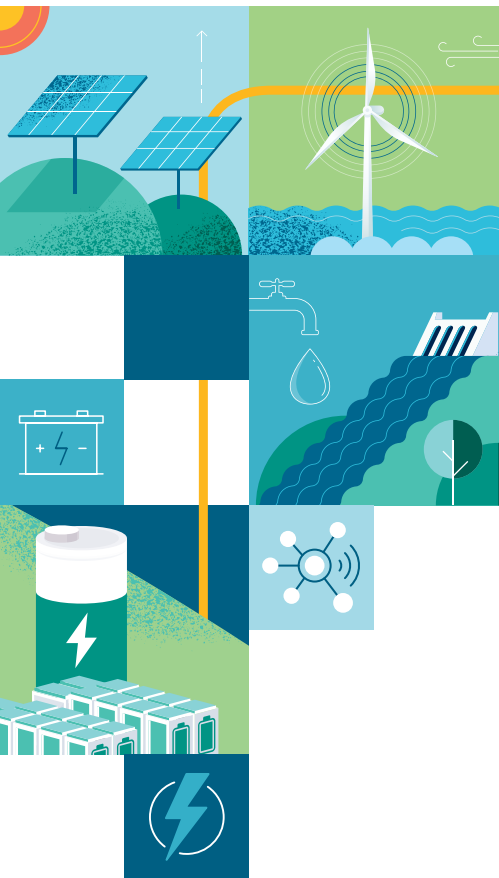


Fulfilled key roles in the management of a number of financial aspects of the NSW Electricity Infrastructure Roadmap (the Roadmap). This includes the ongoing oversight of the Financial Trustee and the establishment and review of the Statutory Risk Management Framework, which protects the financial interests of NSW electricity consumers from risks assumed through LTESAs. We also provide management services to support the operation of the Scheme Financial Vehicle.



# Our FY25 focus

**AEMO Services has established itself in the independent role of NSW Consumer Trustee and delivered on our statutory functions, including through the delivery of four successful tenders that is helping deliver NSW's energy future.**



We are now evolving to play a key role in the delivery of the CIS, along with AEMO. This work will complement our role in NSW and see us deploy our in-house expertise in providing advice and tender delivery services for the Australian Government.

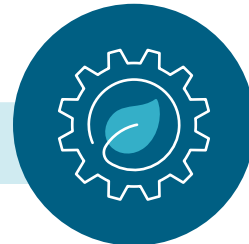
In FY25, our corporate strategy is pivoting to make the most of this historic opportunity to partner with governments across Australia to help deliver the energy transition. We understand to deliver the energy system outcomes we need, building a better connection between ambitious plans and those who support and deliver the new infrastructure is critical. To that end, we have co-designed with our people a new vision – a net zero energy system that benefits all Australians, and a new purpose – bridging ambition and action to deliver the energy transition. Our objective is to build that connection between government and market bodies, consumers, community, investors and developers and play a unique and necessary role to support action that is practical, impactful, and inclusive.

To support this strategy, a key focus for FY25 is enhancing the breadth and depth of our relationships with the market, delivery partners and representative groups whilst continuing to draw on our own in-house experience and capability to develop the right solutions that help overcome barriers to a successful energy transition.

Our commitment to reconciliation and community remains strong, with a key priority being the implementation of our Reflect Reconciliation Action Plan and the development of a best practice social impact framework to enhance First Nations and local community outcomes. AEMO Services is driven by its people, who remain at the heart of our work and impact. This financial year will see a focus on the development of our new employee value proposition and creating opportunities for our people to learn, grow and contribute to the success of our partner organisations.

## Our vision:

**A net zero energy system that benefits all Australians.**



## Our purpose:

**Bridging ambition and action to deliver the energy transition.**



# Our role in the energy transition

**The energy transition is the seminal infrastructure challenge of our time. Australia is faced with the task of overhauling how energy is generated, stored and transmitted across the country. Procuring the right investment in our energy future requires the co-ordination and contribution of a diverse range of stakeholders from communities, the market, governments and industry.**

AEMO Services is a purpose-built delivery and advisory partner for governments to help meet this challenge. We help turn projects plans into energy infrastructure by securing optimal investment through competitive tenders and delivery advice for governments, first in NSW as the independent Consumer Trustee and now through supporting the Australian Government's Capacity Investment Scheme. This year will see AEMO Services focus on further building our role by bridging ambition and action, helping connect what our energy system needs and those who can deliver it.

## Our foundational role as NSW Consumer Trustee

The NSW Government appointed AEMO Services as the independent Consumer Trustee, to protect the long-term financial interests of NSW electricity consumers. This responsibility is at the core of everything we do under the NSW Electricity Roadmap.

AEMO Services is a key partner in the implementation of the Roadmap. We are trusted to plan, partner and progress long-term investment to help transform the energy sector.

In the Infrastructure Investment Objectives (IIO) Report, we identify the timing and scale for renewable energy generation and storage investment. We incentivise these new investments through tenders for LTESAs. Through our rolling schedule of competitive tenders and coordinated investment planning, we act in the long-term financial interests of NSW electricity consumers to support a future network that delivers quality energy, where and when it is needed.

Whilst our most prominent task as Consumer Trustee is to plan for, design and operate the tender process for new infrastructure in generation, firming and long-duration storage, we also play a lesser known, yet important and very specific role – an independent check on REZ network infrastructure project recommendations provided by EnergyCo.

## Our role in the Capacity Investment Scheme (CIS)

The CIS is a priority reform to support reliability under the National Energy Transformation Partnership (NETP) with the Australian and State Governments and Territories.

The CIS is a national program to encourage new investment in renewable capacity, such as wind and solar, as well as clean dispatchable capacity, such as battery storage.

It aims to help build a more reliable, affordable, and low-emissions energy system for all Australians.

The CIS involves the Australian Government seeking competitive tender bids for renewable capacity and clean dispatchable capacity projects to:

- deliver an additional 32 GW of capacity by 2030
- fill expected reliability gaps as ageing coal power stations exit
- deliver the Australian Government's 82% renewable electricity by 2030 target.

AEMO has tasked AEMO Services to support the roll-out of the CIS as an advisor and tender delivery partner, bringing together our expertise in energy market design, management, and tender procurement.

AEMO Services is conducting the competitive tender process that will enable the Australian Government to determine which projects the scheme should support, commencing with the SA-VIC Tender, National Electricity Market (NEM) Tender 1 and Wholesale Electricity Market (WEM) Tender 2.

CIS tenders are expected to be progressively rolled out from 2023 through to 2027 to meet reliability needs between FY26 and FY30.

# Our strategy and priorities at a glance

The AEMO Services strategy pursues strategic and operational objectives across three critical priority areas to deliver our organisational vision.



## Our vision:

A net zero energy system that benefits all Australians.

## Our purpose:

Bridging ambition and action to deliver the energy transition.



## Priority 1 Navigating the energy future

Be a partner of choice to plan and procure energy investment at the pace and scale required to achieve a net-zero energy system.

- **Objective 1.1 Energy investment planning**  
We provide high-quality planning advice to attract investment in the energy transition for the benefit of all Australians.
- **Objective 1.2 Energy investment incentivisation and expertise**  
We provide commercial and financial expertise that helps government to incentivise investment and support the energy transition.
- **Objective 1.3 Energy investment tenders**  
We conduct high-quality competitive tenders that deliver necessary investment in the energy transition for the benefit of all Australians.
- **Objective 1.4 Energy infrastructure investment authorisations**  
We make authorisation decisions on NSW electricity infrastructure investments that deliver long-term value to NSW consumers and communities.
- **Objective 1.5 Energy investment contract management**  
We manage processes and provide advice that facilitates delivery of infrastructure investment contractual commitments.



## Priority 2 Engaging our stakeholders

Be a trusted partner working with our stakeholders to deliver better energy outcomes for consumers and the community.

- **Objective 2.1 Stakeholder engagement**  
We create and maintain confidence in AEMO Services through constructive relationships across the stakeholder ecosystem.
- **Objective 2.2 Strategic communications**  
We strengthen reputation, identity and awareness of our role to support the successful delivery of the energy transition.
- **Objective 2.3 Energy partnerships**  
We support whole of policy outcomes through effective communications and support for delivery partners.



## Priority 3 Evolving the way we work

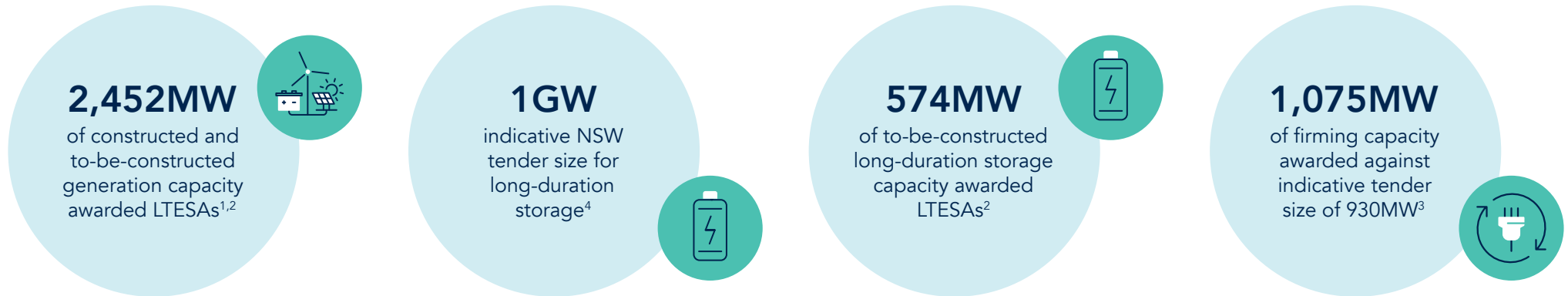
Be an adaptive, effective, commercial and consumer-focused organisation.

- **Objective 3.1 Governance, risk and assurance**  
We ensure AEMO Services operates with integrity, deploying effective risk management, governance and assurance.
- **Objective 3.2 Operating models**  
We pursue a fit-for-purpose operating model that delivers our functions at the pace and scale required to enable the energy transition.
- **Objective 3.3 Consolidation and efficiency**  
We consolidate and optimise our systems and processes to drive efficient, effective and economic delivery of AEMO Services functions.
- **Objective 3.4 People and culture**  
We foster an inclusive culture to enable our people to learn, lead and thrive as we navigate the energy future.

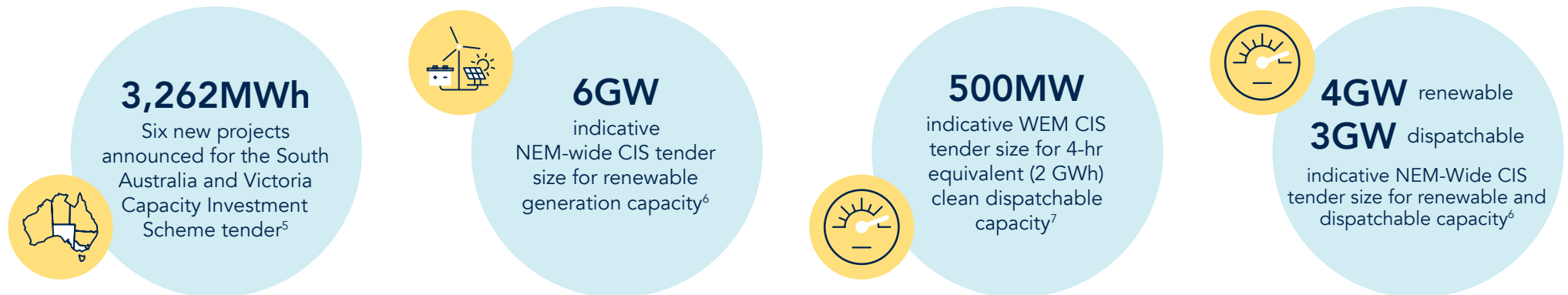


# Anticipated net zero energy system contribution by the end of FY25

## Progress made by AEMO Services to-date (FY23 & FY24) towards NSW infrastructure investment objectives and tender pathway as specified in the IIO Report



## Anticipated progress to be made towards National minimum objectives via tenders conducted by AEMO Services



1. Infrastructure projects committed after 2019.

2. Tenders (aemoservices.com.au) – See Closed Tenders – NSW Roadmap – Tender Round 1, 2, 3 & 4.

3. NSW tender for firming capacity exceeds expectations (aemoservices.com.au)

4. Joint media release: Big boost to reliable renewables in NSW | Ministers (dceew.gov.au)

5. Capacity Investment Scheme supports 6 new projects in Vic and SA - DCCEEW

6. Expanded Capacity Investment Scheme (CIS) – Design Paper - Climate (dceew.gov.au)

7. Capacity Investment Scheme - Western Australia Design Paper - Climate (dceew.gov.au)

# Priority 1

## Navigating the energy future



**As part of the AEMO Group, we offer services to governments to plan, partner and progress energy investment at the pace and scale needed to deliver the energy transition.**

Australian Governments are setting clear pathways for the nation's energy future – one where the decarbonisation of energy underpins Australia's net-zero ambitions.

To successfully execute our roles and functions, we have enlisted a diverse mix of expertise and experience that spans across infrastructure development and financing, financial markets, governance and risk and market modelling.

We are continuing to deliver core functions as the NSW Consumer Trustee that will enable the successful implementation of the NSW Roadmap, including the IIO Report which is our plan to meet NSW's future electricity infrastructure needs, NSW REZ Network Authorisations, policy advice and tender delivery.

We will apply this experience and expertise to the Capacity Investment Scheme, where we are working as part of the AEMO Group to provide tender delivery and advisory services to enable the Australian Government to determine which projects the scheme should support, delivering value to consumers, taxpayers, and host communities alike.

### How we will achieve this priority

<p><b>Objective 1.1</b> Energy investment planning</p>	<p><b>NSW System planning</b></p> <ul style="list-style-type: none"> <li>• Publish the final IIO Report.</li> </ul> <p><b>Energy planning, alignment, insights and support</b></p> <ul style="list-style-type: none"> <li>• Develop the basis of IIO Report for each NSW tender and reliability benefits for each CIS tender.</li> <li>• Publish insights to improve reliability benefits and increase investor confidence.</li> </ul>
<p><b>Objective 1.2</b> Energy investment incentivisation and expertise</p>	<p><b>Financial risks</b></p> <ul style="list-style-type: none"> <li>• Provide financial information and risk analysis to facilitate data driven decision making.</li> <li>• Oversee financial risks and evaluate the balance sheet that encompasses the total financial risk to jurisdictional consumers to help inform the exercise of the Consumer Trustee's statutory functions.</li> <li>• Review and update subsidiary policies and provide advice as required to the NSW Government on the Risk Management Framework to strengthen the management of NSW Roadmap risks.</li> </ul> <p><b>Financial incentives and advice</b></p> <ul style="list-style-type: none"> <li>• Provide guidance on how best to financially incentivise energy infrastructure to benefit the long-term financial interest of energy consumers.</li> <li>• Analyse, design and change the LTESA derivative where appropriate.</li> <li>• Analyse and provide support where appropriate to the Australian Government on the CIS contract, including the derivative.</li> </ul> <p><b>Third-party financial market expertise and services</b></p> <ul style="list-style-type: none"> <li>• Transition to the new SFV/FT operating model and provide services as agreed to support the SFV.</li> </ul>
<p><b>Objective 1.3</b> Energy procurement</p>	<p><b>CIS competitive tenders</b></p> <ul style="list-style-type: none"> <li>• Deliver CIS Tender Rounds and issue recommendation reports.</li> </ul> <p><b>NSW competitive tenders</b></p> <ul style="list-style-type: none"> <li>• Deliver NSW Tender Rounds and make recommendations for the award of contracts.</li> </ul> <p><b>Tender support and processes</b></p> <ul style="list-style-type: none"> <li>• Evolve and deliver a high-quality, holistic, and scalable tender assurance function.</li> <li>• Make access fee determinations for renewable energy zones with access schemes declared by the NSW Minister.</li> </ul>
<p><b>Objective 1.4</b> Energy Infrastructure investment authorisations</p>	<p><b>NSW REZ authorisations and advice</b></p> <ul style="list-style-type: none"> <li>• Make authorisation decisions on REZ network infrastructure projects recommended by the NSW Infrastructure Planner.</li> <li>• Set and provide to the AER the maximum capital cost amounts for authorised REZ network infrastructure projects.</li> </ul>
<p><b>Objective 1.5</b> Energy investment contract management</p>	<p><b>Contract management</b></p> <ul style="list-style-type: none"> <li>• Uplift and provide contract management services for the NSW Roadmap.</li> <li>• Establish and provide contract management services for the Australian Government.</li> </ul>

# Priority 2

## Engaging our stakeholders



**Be a trusted partner working with our stakeholders to deliver better energy outcomes for consumers and the community.**

As the energy transition progresses, the stakeholder landscape is evolving and growing. Tackling the increasingly complex challenges of the transition will require ever greater collaboration across market bodies, industry, jurisdictions, communities and consumers.

AEMO Services is working to build better connections between these stakeholders, and the ambitious plans that are guiding the energy transition. We recognise that stakeholders each have their own unique view of what success looks like for the transition and acknowledge these insights are critical to deliver the energy investment and action we need. Leveraging our in-house expertise to support stakeholders we will continue to engage transparently, openly, and collaboratively to deliver the best energy outcomes for all Australians.

AEMO Services is committed to delivering social impact. We recognise social licence is fundamental, not just in delivering the infrastructure required for Australia's energy future, but to ensure consumers and communities have a voice in the energy transition.

We acknowledge the ongoing challenges and opportunities in First Nations reconciliation and are committed to implementing our Reflect RAP and strengthening AEMO Services' connection and understanding of First Nations peoples.

### How we will achieve this priority

<b>Objective 2.1</b> <b>Stakeholder Engagement</b>	<b>Stakeholder engagement</b> <ul style="list-style-type: none"><li>• Maintain, enhance, and build constructive relationships across the stakeholder ecosystem, including with consumer advocates, project investors and developers, industry bodies and government delivery partners.</li><li>• Enhance the customer experience and deliver effective and efficient engagement and communication to support positive tender and other outcomes.</li><li>• Ensure AEMO Services' stakeholder engagement channels are efficient, effective and inform AEMO Services' work and value.</li><li>• Stay abreast, understand, and leverage dynamic market insights including through stronger investor and developer relationships.</li></ul>
<b>Objective 2.2</b> <b>Strategic Communications</b>	<b>Strategic communications</b> <ul style="list-style-type: none"><li>• Improve accessibility of AEMO Services' information and publications.</li><li>• Communicate the scope and value of AEMO Services' roles and functions.</li><li>• Uplift AEMO Services identity and connection to the AEMO Group identity.</li><li>• Deliver effective communications to support the delivery of AEMO Services' expanding role.</li><li>• Support consumer confidence in the energy transition and pathway to net zero.</li></ul>
<b>Objective 2.3</b> <b>Energy Partnerships</b>	<b>Energy partnerships - NSW</b> <ul style="list-style-type: none"><li>• Support NSW Government and EnergyCo to develop and execute NSW Roadmap communications and engagement strategy.</li><li>• Contribute to shared, whole of NSW Roadmap policy stakeholder relationships.</li></ul> <b>Energy partnerships - CIS</b> <ul style="list-style-type: none"><li>• Deliver effective stakeholder and communication services for the Australian Government.</li><li>• Support the Australian Government to lead CIS communications and announcements.</li></ul> <b>Social licence and First Nations</b> <ul style="list-style-type: none"><li>• Develop and embed a social impact framework for social licence and First Nations.</li><li>• Support the delivery of social benefits for local and First Nations' communities.</li><li>• Implement the Reflect RAP and strengthen AEMO Services connection and support of First Nations People.</li></ul>

# Priority 3

## Evolving the way we work



### Be an adaptive, effective, commercial, and consumer-focused organisation.

We cannot deliver our vision and purpose without outstanding talent and a strong organisational foundation.

We strive to be a great place to work, where we leverage the diverse perspectives, skills, and potential of all our employees whilst providing them with meaningful and challenging opportunities.

To help deliver the energy transition, we must be agile, innovative, and efficient. This means that any systems, processes, and technologies we employ must deliver an optimal user experience for our people, and our stakeholders.

We will ensure our organisation is cost-effective and well-governed, embedding financial, risk, and compliance rigour to our work and operating within the parameters defined by our members agreement and our legislative and funding obligations.

### How we will achieve this priority

<p><b>Objective 3.1</b> Governance, Risk and Assurance</p>	<p><b>Governance, risk, and assurance</b></p> <ul style="list-style-type: none"> <li>Continue to embed Governance, Risk and Compliance processes, leveraging the AEMO Group risk and compliance approach.</li> <li>Establish and embed a Consumer Trustee reporting and governance framework considering the new FT/ SFV operating model.</li> <li>Deliver annual internal audit plan, and complete actions in accordance with the action plan.</li> <li>Conduct performance audit readiness activities and successfully manage internal audit and regulatory processes.</li> </ul>
<p><b>Objective 3.2</b> Operating Models</p>	<p><b>Operating models and optimisation for growth</b></p> <ul style="list-style-type: none"> <li>Review AEMO Services' operating models to meet growth initiatives and optimise existing functions.</li> <li>Mobilise and deliver the CIS Program operating model and manage the CIS Contract in accordance with contract obligations.</li> </ul>
<p><b>Objective 3.3</b> Consolidation and Efficiency</p>	<p><b>Consolidation</b></p> <ul style="list-style-type: none"> <li>Leverage AEMO Group capabilities to drive the efficiency, effectiveness, and productivity of AEMO Services' functions.</li> </ul> <p><b>Efficiency</b></p> <ul style="list-style-type: none"> <li>Implement AEMO Services' Technology Roadmap to support rapid growth and improved service delivery.</li> <li>Refine AEMO Services' revenue determination and cost allocation methodology in line with the AEMO Group.</li> <li>Evolve the tender delivery structure and processes as we scale up for improved efficiency.</li> </ul>
<p><b>Objective 3.4</b> People and Culture</p>	<p><b>Safe, inclusive, and high performing culture</b></p> <ul style="list-style-type: none"> <li>Promote a refreshed Employee Value Proposition (EVP) to attract and retain talented staff aligned to our vision and purpose.</li> <li>Continuously embed our safety system and culture, with a particular emphasis in 2025 on wellbeing.</li> </ul> <p><b>Skills and capabilities for our evolving organisation</b></p> <ul style="list-style-type: none"> <li>Develop and implement a holistic people strategy to attract, develop and retain talent and promote high levels of engagement.</li> <li>Support our people and leaders to embed new operating models and structures.</li> <li>Amplify the focus on careers and learning through readily accessible learning and career development opportunities.</li> <li>Uplift leadership capability and performance through the delivery of a high quality and impactful leadership development curriculum.</li> <li>Develop and align the strategic workforce plan to AEMO Services' strategic objectives in 2025 and ensure access to the talent and skills necessary to thrive in the future.</li> <li>Roll-out and deliver tailored professional development across the organisation to enable career growth.</li> <li>Uplift the People and Culture function to support organisational growth.</li> <li>Mature and deepen our approach to internal talent identification, succession, and development.</li> </ul>

# Our key operating principles

AEMO Services endeavours to operate in accordance with the following key operating principles:

## Governance, risk, and assurance

AEMO Services is governed by an independent Board of Directors, who are supported by a strong governance framework. The Board and its Committees balance oversight of AEMO Services' policies, budget, and long-term strategy with management's delivery of AEMO Services' key organisational objectives and responsibilities, including business performance, risk and compliance management, and stakeholder engagement. AEMO Services is committed to maintaining a comprehensive and integrated risk management capability that is embedded into every business activity, decision, function, and process aligned to the international Risk Management Standard ISO 31000:2018 Risk Management – Guidelines. AEMO Services conducts half-yearly and annual "Statements of Compliance" to ensure we execute the functions consistent with our obligations under the NSW EII Act and service contracts.

## Risk statement

AEMO Services is committed to maintaining a comprehensive and integrated risk management capability that is embedded into every business activity, decision, function, and process aligned to the international Risk Management Standard ISO 31000:2018 Risk Management – Guidelines.

AEMO Services' risk infrastructure includes the following Board and executive leadership approved artefacts:

- Group risk management policy
- Enterprise Risk management framework
- Operational risk register

Accountability for risk management across AEMO Services sits with the Board, including guidance on the level of acceptable or appropriate risk to meet our corporate plan objectives and their implementation.

## Consolidation and efficiency

### Leveraging the best of AEMO

Where it is sensible and feasible to do so, we will replicate or leverage AEMO's systems, processes, and expertise to deliver cost-effective and operationally efficient solutions that drive economies of scale and scope for the benefit of energy consumers. All services obtained from AEMO are agreed and paid for via service agreements.

### Efficiency

We are focused on service excellence, which means that any systems, processes, and technologies that we implement must be streamlined, efficient, cost-effective, and deliver an optimal user experience.

## Organisational capability and capacity

### Talent

It would not be possible for AEMO Services to support Australia's energy transformation without an

exceptional workforce that delivers the capabilities critical to our success.

AEMO Services has built organisational capacity and capability to respond effectively to priorities and to meet the needs and expectations of our members and stakeholders. We aim to have the right mix of people, with diverse skills and life experiences, to support AEMO Services to deliver value in an increasingly complex environment. We work in a highly responsive, fast-paced, and flexible work environment where collaboration internally and externally is key to supporting priorities.

## Judicious sourcing

92% of AEMO Services' operational expenditure in FY25 is comprised of three primary cost categories all related to the provision of resources: 1) labour (including contractors); 2) support provided by AEMO via service agreements; and 3) consultants with skills and expertise that lie outside of those available internally or via AEMO.

We will continue to balance our talent-sourcing strategies to ensure flexible, timely, and cost-effective access to the skills and expertise needed to exercise our functions. Where it serves the interests of energy consumers, we will acquire and maintain an in-house workforce, and/or access best-in-class external advice and expertise that is not financially viable to maintain in-house. This includes leveraging AEMO's capabilities and expertise, and engaging consultants and contingent labour to bolster our available skills and capacity and ensure independent advice where required.



## Financial management and accounting principles

### Funding

AEMO Services operates on a not-for-profit but full cost recovery basis to provide cost-effective services. We are primarily funded through two mechanisms:

1. The contribution determination mechanism under the NSW Electricity Infrastructure Investment Act in which we annually lodge our administration expenditure with the Australian Energy Regulator (AER) for our role in undertaking the NSW Consumer Trustee function.
2. A fee-for-service mechanism where services to non-members are scoped, costed, and recovered on a full cost recovery basis. Services undertaken to support AEMO in the delivery of the CIS and as a service provider to the SFV fall under this category.

### Cost recovery of functions and services

The AEMO Services members' agreement requires us to operate on a not-for-profit but full-recovery basis with an appropriate funding mechanism in place to recover costs in exercising each function. All functions and services are provided on a full cost recovery basis and priced commensurate with the actual costs of performing those functions and services, including an appropriate allocation of corporate overheads. No cross-subsidisation will occur between the service offerings to our various government clients.

AEMO Services' cost and pricing approach is applied to all functions and services. Any foreseen or unforeseen future expenditure that is incurred in FY25 to support jurisdictions will be accounted for and fully funded separately.

Prior to undertaking additional functions and services, AEMO Services will ensure appropriate legal and governance structures are in place, including securing sufficient funding to deliver those functions and services.

### Expenditure optimisation

AEMO Services endeavours to continually assess and reset spending requirements in the short and near term to ensure expenditure is optimised and commensurate with our activity level.

In line with our commitment to transparency, our operational costs are published on our website in our annual corporate plan, and our performance is reported to Members each month. In addition,

performance against our annual budget is, and will continue to be, a key performance indicator for the organisation and a critical element of AEMO Services' performance scorecard.

AEMO Services has commenced reporting to Members our financial performance on a segment basis. This will provide additional granularity and demonstrate how we manage full cost recovery for services provided as the NSW Consumer Trustee and a service provider to the SFV and AEMO for the CIS.

### Accounting policies

AEMO Services adopts Australian Accounting Standards to ensure its financial statements comply with all relevant standards that are applicable to not-for-profit entities.

Accounting policies are selected and applied to ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

As a subsidiary of AEMO, AEMO Services adopts its accounting policies and works closely with AEMO to ensure consistency in the application of accounting policies and standards.

Any new accounting pronouncements or standards that apply to AEMO Services from 1 July 2024 will be reviewed and adopted as required.



# Delivering our budget

## FY25 Budget

AEMO Services is committed to acting in the long-term financial interests of energy consumers and executing each of our functions at the least cost. Our final budget has been constructed with this principle in mind, and all efforts were undertaken to minimise costs. There remains some degree of uncertainty regarding cost estimates relating to the delivery of our functions as NSW Consumer Trustee and the delivery of the Capacity Investment Scheme. It is anticipated that these will be resolved later in FY25 as the roll-out of both programs continues. .

Table 1: Profit and Loss

	Actual FY24	Budget FY25
<b>Revenue</b>		
<b>Total Revenue</b>	<b>32,168</b>	<b>66,836</b>
<b>Operating Expenditure</b>		
Labour	18,165	26,091
Consultancy	7,834	25,396
AEMO support costs	5,399	10,211
Other	3,501	5,138
<b>Operating Expenditure</b>	<b>34,899</b>	<b>66,836</b>
<b>Annual Surplus / (Deficit)</b>	<b>(2,732)</b>	<b>0</b>

## Operating expenses

For FY25, AEMO Services' operating expenditure budget is \$66.8m. The budget assumes a reduction in Consumer Trustees' administration expenditure and the inclusion of two new service delivery functions, with enterprise overhead costs now allocated across three service delivery functions.

The FY25 budget incorporates costs to:

- deliver our role as the NSW Consumer Trustee;
- deliver services as sub-contracted by AEMO for the Commonwealth Capacity Investment Scheme;
- provide professional services to the Scheme Financial Vehicle; and
- execute all other functions as required.

## Revenue

AEMO Services' revenue has been budgeted in line with costs. In FY25, we will recover costs through two separate sources. These include:

- Funding from the NSW Electricity Infrastructure Fund; and
- Monies paid (subject to agreement) for the delivery of professional services to the Australian Government (via AEMO) and the Scheme Financial Vehicle.

## Capital and technology

There is no known capital expenditure budgeted for FY25 and it has been assumed that any new technology or system will likely be a SaaS solution and therefore budgeted as operational expenditure. AEMO Services currently has 13 major technology projects in the technology pipeline and may review and adjust our technology pipeline and budget from time to time in line with new or emerging technology requirements.

## Review

AEMO Services may review and adjust our budget as required if our work and funding streams diversify in the future as NSW, the Australian Government or other governments require our services.



# Achieving corporate plan objectives

**AEMO Services will continually measure how effectively we achieve our core legislative and contractual obligations.**

To demonstrate progress toward our objectives, we will track delivery against the three priority areas articulated in this plan.

Our key strategic outcomes for FY25 are detailed throughout this plan, and our key legislative and contractual obligations are measured as shown in Table 2 and Table 3 on this page.

We believe our FY25 outcomes and measures provide the right balance and focus for our day-to-day responsibilities while ensuring that AEMO Services bridges the gap between ambition and action to positively impact Australia's energy transformation for the benefit of all Australians.

AEMO Services may throughout the course of FY25 review and adjust its strategy and measures, as required, in response to the evolving needs of government, and/or changing priorities.

**Table 2: NSW program measures**

	Priority	Key performance indicator	Target
NSW Program	Navigating the energy future	Deliver planning and incentives to support NSW energy transition through the NSW IIO Report and an appropriate tender pathway.	High level of success
		Deliver investment in energy infrastructure through successful NSW tenders and REZ network authorisation decisions.	High level of success
		Deliver identified financial benefits for consumers	High level of success
	Engaging our stakeholders	Achieve NSW government satisfaction with the effectiveness of AEMO Services contribution to the NSW Roadmap.	Satisfied
	Evolving the way we work	No material non-compliance under the NSW EII Act.	No material non-compliance

**Table 3: CIS program measures**

	Priority	Key performance indicator	Target
CIS Program	Navigating the energy future	Deliver investment in energy infrastructure through successful CIS tenders.	High level of success
	Engaging our stakeholders	Achieve Australian Government satisfaction with the delivery of the Capacity Investment Scheme (CIS) tender program.	Satisfied
	Evolving the way we work	No material non-compliance under the CIS contracts that give rise to a right to terminate.	No material non-compliance that gives rise to the right to terminate



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