



Mr Nigel Ray PSM
AEMO Governance Review Chair
Via email: AEMOGovernanceReview@dcceew.gov.au

6 March 2026

Re: AEMO Governance Review

Dear Mr Ray

The Energy Efficiency Council (EEC) thanks you for the opportunity to provide feedback on the Review of Australian Energy Market Operator (AEMO) Governance discussion paper.

In 2025 the EEC commissioned a major independent review of Australian energy governance. This review has a broad scope, examining not only the market bodies but also ministerial councils, government departments and the wider ecosystem of organisations that shape energy policy and decision-making.

This project has been conducted over the last twelve months, with analysis summarised in a forthcoming Energy Governance White Paper, drawing on a literature review and more than 200 hours of confidential interviews with leaders from government, market bodies, research institutions, non-profits and industry.

The White Paper includes analysis and recommendations that relate to both AEMO and the broader governance context in which it operates. Key findings include:

- There is a strong case for improving governance arrangements across the energy system. Governance reform should not be limited to institutional change, and should also include better use of existing institutions, improved processes and better coordination between organisations.
- Existing institutions should be enhanced to perform their core functions as effectively as possible. Major institutional restructuring can be costly and disruptive and should therefore be carefully targeted. Designing institutional reforms requires clarity about the core functions of institutions such as AEMO, and a clear understanding of the barriers that may be preventing them from performing these functions effectively.
- Reforms to AEMO's governance are best considered in the context of the wider energy governance system. Effective reforms require a clear understanding of AEMO's formal statutory responsibilities as well as the informal expectations that have developed as its role has expanded.
- Many governance challenges arise from ambiguity about who should undertake particular tasks and make specific decisions. In some cases, the pressures experienced by AEMO reflect unresolved policy questions or decisions that ultimately sit with the Energy and Climate Ministers Council rather than with the operator itself, including the prioritisation of different tasks.

These recommendations are directly relevant to your current review of AEMO governance and the EEC would welcome the opportunity to brief you directly on its findings. Please contact me on jeremy.sung@eec.org.au to arrange a meeting and to receive a copy of the White Paper in advance of its release.

Yours sincerely,

A handwritten signature in black ink, appearing to read "J. Sung", is written over a faint, light-colored rectangular stamp or watermark.

Jeremy Sung
Head of Policy,
Energy Efficiency Council