

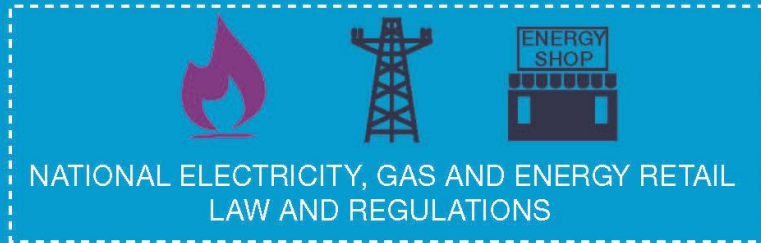
HOW THE ENERGY MARKETS ARE GOVERNED

COUNCIL OF AUSTRALIAN GOVERNMENTS (COAG)

COAG's Australian Energy Market Agreement (AEMA) sets out the reform agenda for the COAG Energy Council which directs the AEMC to conduct reviews.

The COAG Energy Council is made up of federal, state and territory energy ministers. It provides national leadership on energy policy development.

COAG ENERGY COUNCIL



COAG is the peak intergovernmental forum in Australia with a role to initiate, develop and monitor the implementation of policy reforms that are of national significance and which require cooperative action by federal, state and territory governments.



AUSTRALIAN ENERGY MARKET COMMISSION (AEMC)
Rule maker, market developer and adviser to governments



AUSTRALIAN ENERGY MARKET OPERATOR (AEMO)
Gas and electricity systems and market operators



AUSTRALIAN ENERGY REGULATOR (AER)
Economic regulation and rules compliance



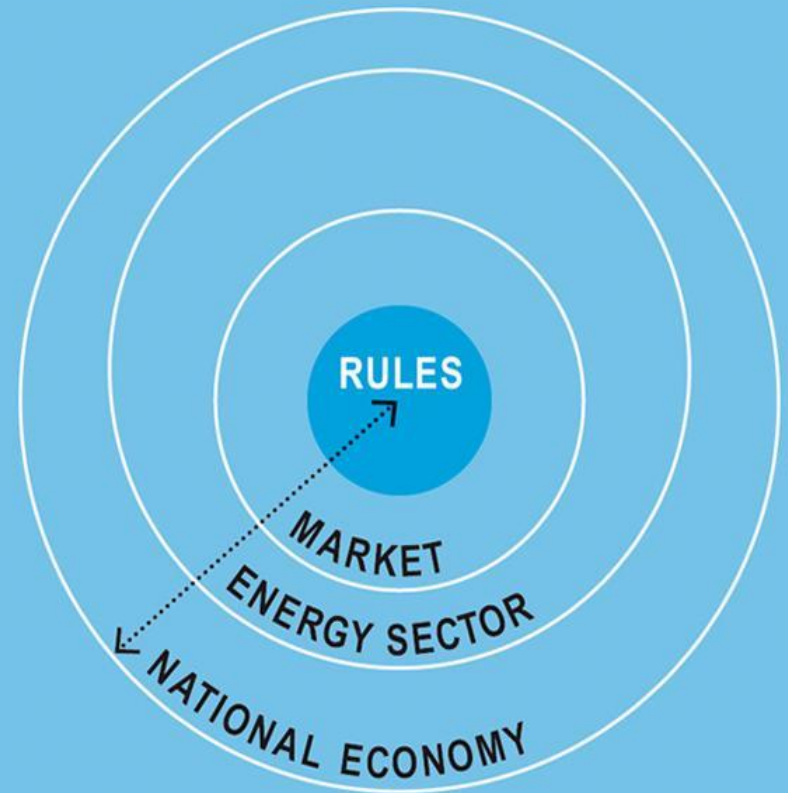
Generators, network operators, retailers, energy service providers, household and business customers

AN EVOLVING ENERGY MARKET EYES ON THE FUTURE

All around us we are seeing the evidence of accelerating change in energy market dynamics. Increasingly consumers will drive even more innovation.

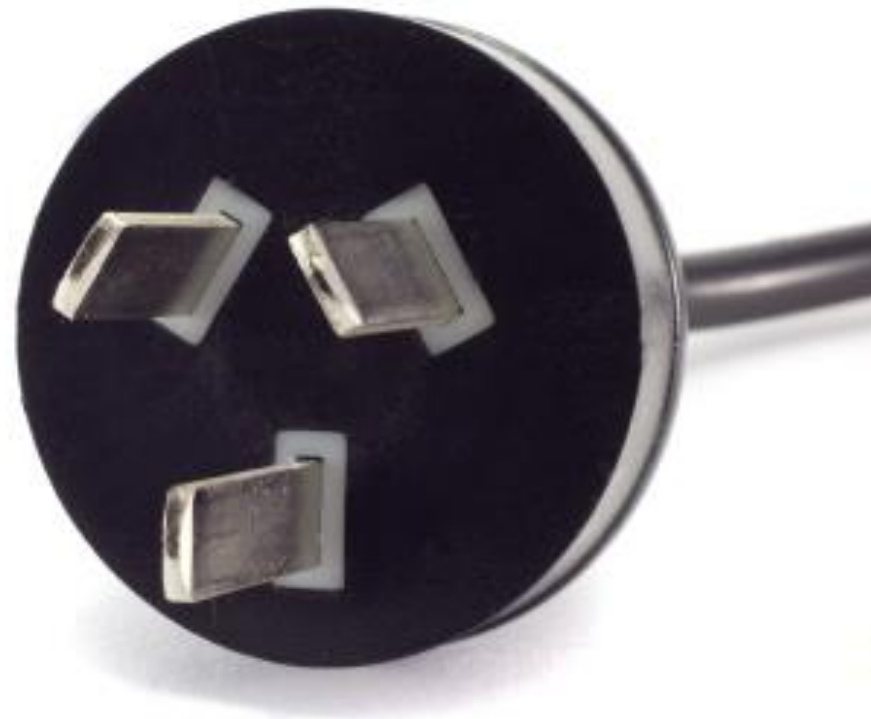
HOW THE AEMC EXERCISES ITS FUNCTIONS

- Strong relationship between our core business as rule maker and our role as a source of expert, independent advice to governments.
- Rules are not isolated from developments in the domestic energy sector and beyond to the national economy.



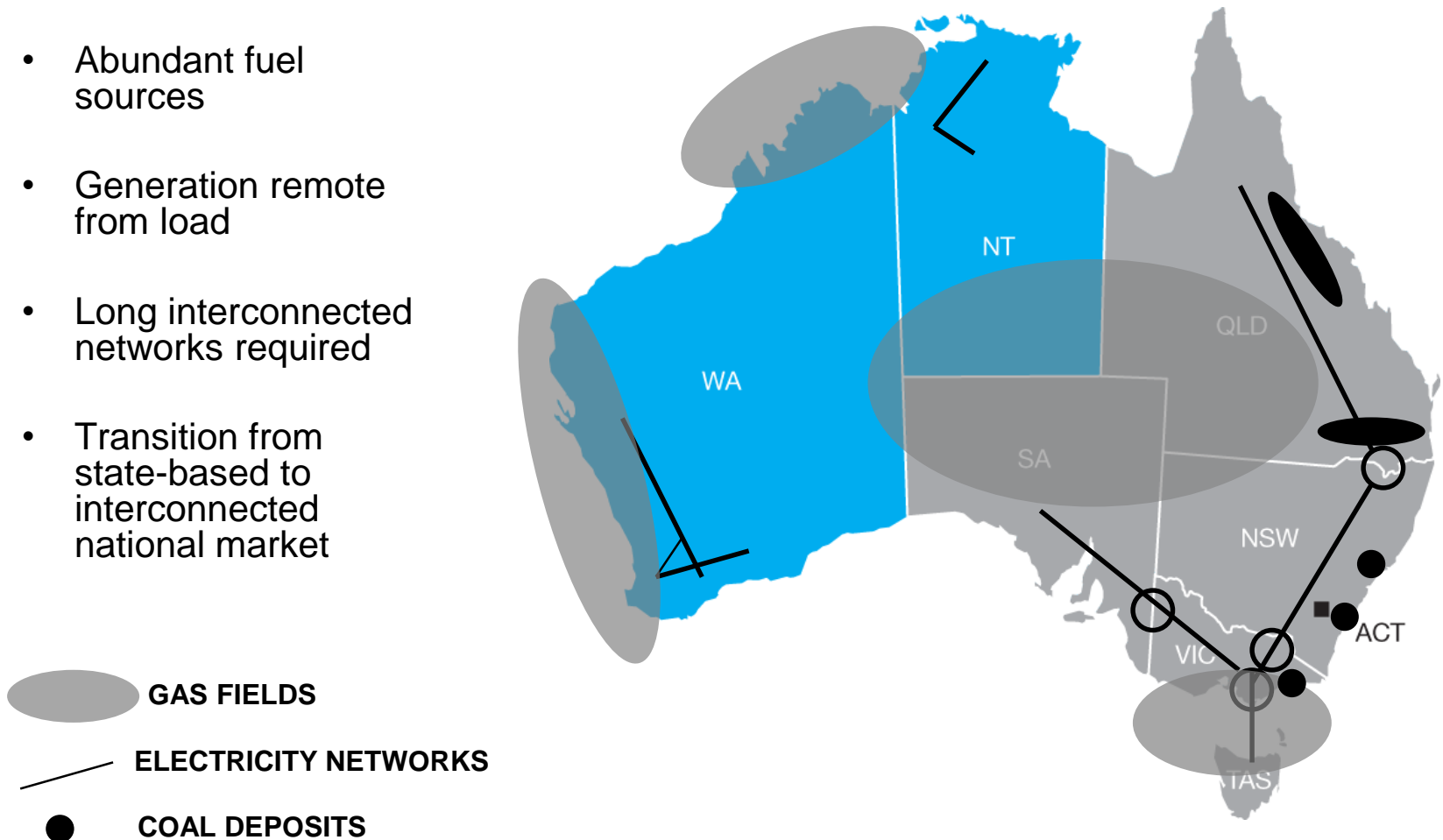
AEMC'S ENERGY MARKET ROLE

- Energy market development and advice to Australia's energy ministers
 - We make and amend electricity, gas and energy retail rules
 - We undertake market reviews either requested by the energy ministers or initiated by us

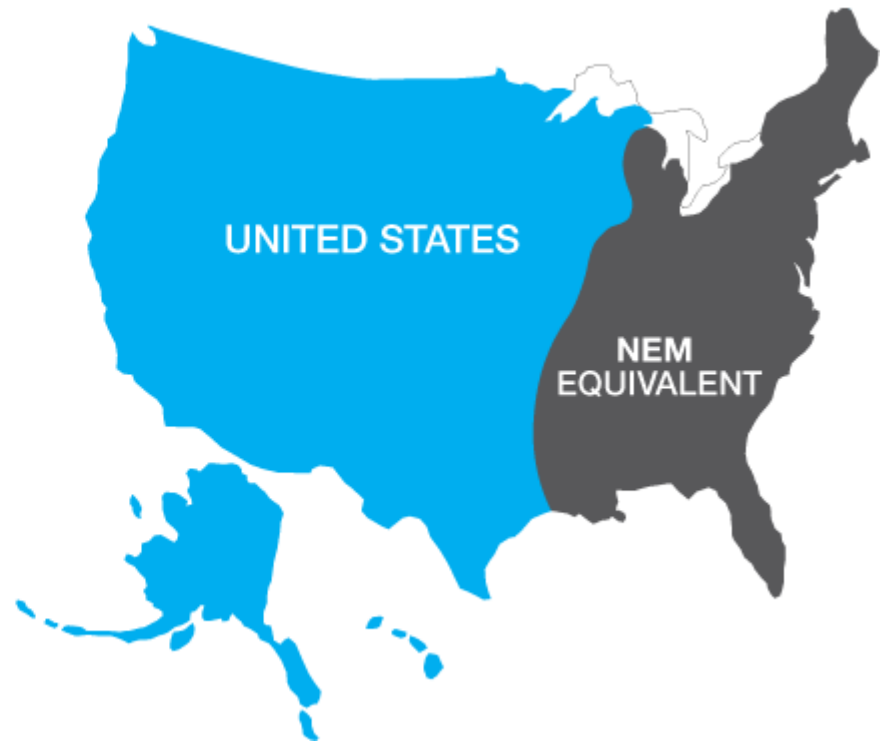


ENERGY MARKET FEATURES

- Abundant fuel sources
- Generation remote from load
- Long interconnected networks required
- Transition from state-based to interconnected national market



RELATIVE GEOGRAPHIC SIZE OF THE NEM



SLIDE HEADING HERE

- Text goes here



SLIDE HEADING HERE

- Text goes here



SLIDE HEADING HERE

- Text goes here



