

## Summary:

- Project status remains amber in October 2017:
  - Status of “**at risk**” of achieving project deliverables on schedule.
  - Progress increased from 50% to approximately **70%**
  - Risk rating remains at “**Medium**”.
- Participant categories:
  - Retailer and Distributors mainly reporting green (“within schedule”) or amber (“at risk”) with a medium or high risk rating.
  - Meter Providers, Meter Data Providers and intending Metering Coordinators mainly reporting green or amber with a medium or low risk rating.
  - Intending Embedded Network Managers mainly reporting amber, with one reporting red due to uncertainty associated with ENM market design.
  - AEMO overall reporting green with a medium risk rating.

## Highlighted risks:

- Amber progress status relates primarily to constrained timelines for delivery and the dependency on other participants' readiness.
- Issue contributing to the Medium risk rating include:
  - Number and complexity of commercial arrangements to be updated and number of registered MCs.
    - The staged approach to transition has been included in the Industry Transition and Cutover Plan
    - AEMO is engaging with all intending MCs to facilitate registration activities
  - Concerns regarding other participants' readiness and lack of participation in industry testing.
    - 36 organisations participated in Market Cycle 2, and an additional 5 retailers will participate in Market Trial Cycle 3 (commencing 16/10)
  - Lack of alignment across industry processes.
    - Participants are actively engaging with each other to discuss and align B2B processes.
    - Processes and issues (including meter locks, meter churn, fault management) are being discussed and progressed through the PCF
  - Lack of clarity on jurisdictional safety regulations ongoing in NSW
    - Participants are actively engaging with jurisdictional safety regulators.

## Number of submissions:

- ↑ 50 reports received in total representing the following participant roles (increased from 49 in September):
  - ↓ 22 retailers (decreased from 23)
  - ↔ 13 distribution businesses (includes initial MC, MP and MDP)
  - ↔ 10 metering companies (MPD, MP)
  - ↑ 11 intending metering coordinators (MC) (increased from 10)
  - ↑ 11 intending embedded network manager (ENM) (increased from 9)
- ↔ Approximately 13 retailers have not yet taken part in industry reporting

### Notes:

1) Organisations can nominate for multiple roles and participants can submit combined reports (i.e. one report for two distribution businesses)

2) Participation in readiness reporting is voluntary, and reporting reflects each participant's self-assessment of their own readiness in respect of the roles they intend to undertake as at 1 December 2017.



Overall Status	Commentary	Risk Rating	# Open Risks - Rating:			Issues:
	The overall project status remains amber - "at risk" of delivery by 1 December 2017 with a medium risk rating. Participants have noted that whilst many program risks have now been addressed, concerns still exist around other participants' readiness and the lack of registered Metering Coordinators. Participants have also highlighted ongoing challenging timeframes for system build and testing, registration and accreditation activities, and the number and complexity of commercial arrangements to be entered into.		High	Med	Low	#
			2	7	2	3

AEMO and NEM Participants Readiness Criteria			AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Network Manager		Third party e-hub	
#	Category	Criterion	Status	Note	Status	Note	Status	Note	Status	Note	Status	Note	Status	Note	Status	Note
<b>1. Assessment and preparation</b>																
1.1	Assessment and preparation	Consequences of the POC reforms for your business considered, and appropriate implementation plans are in place														
1.2		Key readiness planning documents delivered														
<b>2. Legal, regulatory, contractual and policy</b>																
2.1	Legal, regulatory, contractual and policy	Updated retail electricity market procedures and associated documents published														
2.2		Internal policies updated for consistency with regulatory changes including jurisdictional regulations and requirements (e.g. safety)				#1								#1		
2.3		Operationally critical commercial contracts in place				#2				#2		#2				
2.4		Accreditation and registration activities completed														
<b>3. People</b>																
3.1	People	Operational roles specified, assigned to staff, and training delivered														
<b>4. Business processes</b>																
4.1	Business processes	Updated, validated and approved business processes in place				#3						#3		#4		
4.2		Successfully validated critical business processes during industry testing				#5										
4.3		Process work-arounds in place for any issues identified during industry testing														
<b>5. Market systems</b>																
5.1	Market systems	Delivery of the re-developed B2B e-hub for industry testing														
5.2		Successfully tested market systems capable of being moved into production				#4		#4						#4		
5.3		Performance of, and communication between, market systems validated during industry testing				#5		#5						#5		
<b>6. Transition planning</b>																
6.1	Transition planning	Transition and cutover plan(s) in place				#6										
6.2		Prerequisite transition and cutover processes completed (e.g. trial data conversions and cutover dress rehearsals)												#6		

Jurisdictional Status																
Jurisdiction	Comments	AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Network Manager		Third party e-hub		
		Status	Risk	Status	Risk	Status	Risk	Status	Risk	Status	Risk	Status	Risk			
ACT	Jurisdictional risk is a reflection of overall project risk.															
NSW	Jurisdictional risk is a reflection of overall project risk.															
QLD	Jurisdictional risk is a reflection of overall project risk.															
SA	Jurisdictional risk is a reflection of overall project risk.															
TAS	Jurisdictional risk is a reflection of overall project risk.															
VIC	Jurisdictional risk is a reflection of overall project risk.															

**AEMO Power of Choice Implementation Program**  
**Monthly Readiness Report**

**Monday, 9 October 2017**



Variances		
Note #	Explanation of Variance	Mitigating Actions
1	Variance reported by Participants: Updating internal policies on schedule at risk as participants are waiting for jurisdictional safety regulators to publish requirements (re-en and de-en) – particularly in NSW. Participants are also waiting for the final Vic government OIC and clarity on the ENM role in Victoria.	Participants are engaging with jurisdictional bodies. [The final Victorian government OIC was published on 10 October: <a href="http://www.gazette.vic.gov.au">www.gazette.vic.gov.au</a> .]
2	Variance reported by Participants: Updating commercial arrangements on schedule is at risk due to volume and complexity of contracts that need to be entered into with industry parties. The slow progress of MC registration has also been raised as a risk.	Participants are increasing internal resources and considering contingency options (such as the staged transition approach).
3	Variance reported by Participants: Updating and finalising business processes on schedule is at risk due to #1 (lack of clarity in processes including remote re-en and de-en) and #2 (dependency on metering partners) Intending ENMs have also highlighted concerns with the ENM NMI discovery process.	Participants continuing to engage with each other and relevant jurisdictional bodies. Intending ENMs engaging with AEMO and the AER.
4	Variance reported by Participants: System development at risk due to the complexity and number of changes required within tight timeframes for development and testing and delays from external market system vendors.	Participants are increasing internal resources and working closely with market system vendors.
5	Variance reported by Participants: Testing timelines are contingent on system design and build and are compressed. Concerns with scope of testing, and late or no participation in industry or bi-lateral testing.	[Market Trial cycle 2 completed on 6/10, with 36 companies taking part, 67% execution was achieved. No major defects identified, 24 minor defects assigned to AEMO. Cycle 3 commencing 16/10 with 5 additional retailers to commence testing]
6	Variance reported by Participants: Transition and Cutover planning are dependent on timely delivery of earlier program stages and industry transition and cutover planning.	[AEMO has published version 1.1 of the POC Industry Transition & Cutover Plan The ITCFG are currently focused on dress rehearsal arrangements prior to the commence of system cutover activities on 30 November]

**Notes**

1. Please refer to the POC Industry Readiness Reporting Plan for more details on the Readiness Report process: <http://www.aemo.com.au/-/media/Files/Electricity/NEM/Power-of-Choice/B2B/AEMO-POC-Industry-Readiness-Reporting-Plan-v20.pdf>  
2. The count of open Risk and Issues is based on the POC Industry Risk Register as at 11/10/2017.  
3. Explanation of Variance and Mitigating Actions above are based on Participants comments, AEMO's comments are included within square brackets [ ].

Key - Progress and Status					Key - Risk Rating	
Progress			Status		Rating	
Harvey balls represent progress towards achieving the criterion			Colour indicates the readiness status		Rating	
~0%		~50%		Criterion is within agreed schedule and deliverable requirements		High
~10%		~60%		Criterion is at risk of not meeting requirements and corrective action may be required		Medium
~20%		~70%		Criterion not meeting requirements. Immediate corrective action required		Low
~30%		~80%				
~40%		~90%		Criterion has been achieved		

See POC Industry Risk Register for open risks and issues:  
[POC Industry Register](#)