

What was discussed in AEMO's wholesale and retail forums in January and February 2016

National Electricity Market Wholesale Consultative Forum (NEMW-CF)

27 January 2016

Review of Causer Pays Procedure

AEMO summarised for forum members the calculation of Frequency Control Ancillary Service (FCAS) causer pays factors, and discussed an upcoming formal review of associated procedures. Forum members supported the review, which was last conducted in 2008.

Members were asked to prioritise issues for consideration in the review. A focus was the transparency of information and performance of plant in periods where costs are accrued. Other priority areas were ensuring appropriate balance of costs and benefits for potential changes, and gauging the need for subsequent rule changes.

NTNDP consultation

AEMO is keen to consult with participants about how they currently use the National Transmission Network Development Plan (NTNDP) and how it might be improved to add further value to them. Members were encouraged to give feedback on the 2015 NTNDP through a short survey at:

<https://www.surveymonkey.com/r/GDSW5MK>

Written feedback on other aspects of the 2015 NTNDP or on the recently published [2016 NTNDP Consultation Paper](#) from industry and consumer groups is welcome until 18 March, via post or planning@aemo.com.au. Participants are also invited to a workshop for the 2016 NTNDP at their nearest AEMO office on 25 February. Progress and stakeholder feedback will be discussed at the March meeting.

Marginal Loss Factors (MLFs)

AEMO presented 2016–17 indicative sub-regional MLF trends and their drivers to the forum.

This was in response to members reporting that an early indication of these trends would help their business budgeting and planning.

AEMO will publish the final MLFs in mid-March.

National energy market communications

The meeting welcomed presentation of an updated MarketNet connectivity guide, developed by AEMO to help new participants connect to and select reliable data links into AEMO. The guide was also seen to be useful for existing participants dealing with connectivity or data link issues.

The guide was updated in response to a network outage about 12 months ago, which uncovered that

some participants did not have optimally configured MarketNet connections into AEMO.

The forum will be informed of any further updates to the guide as they occur.

Audit review of settlement fix

Forum members heard that a review of the settlement fix to address a settlement calculation for recovery of FCAS had confirmed that the process AEMO performed was robust.

AEMO's internal auditor, RSM Australia, undertook the review.

The settlement calculation issue had been caused by incorrect allocation of participant identifiers in the Electricity Market Management System (EMMS).

In answer to a member's question on the review process, AEMO indicated that further critical assessment of some elements of the system's logic were still being assessed and that members would be appraised of any further results.

Forecasting Reference Group

AEMO has established a Forecasting Reference Group (FRG) to bring technical experts from industry together to share knowledge, examine emerging challenges, and provide input to AEMO's forecasting activities.

The first meeting on 9 February studied AEMO's plans for the National Electricity Forecast Report (NEFR), which contributes to the Electricity Statement of Opportunities (ESOO), and the National Transmission Network Development Plan (NTNDP). Industry and consumer groups were invited to discuss AEMO's approach to managing long-term forecasting challenges and uncertainties facing the industry.

Members heard that changes in consumer behaviour (involving energy efficiency, uptake of Photovoltaic [PV] and battery storage technologies) would now contribute to AEMO reports.

FRG contact: Clare Greenwood, Stakeholder Engagement Advisor:

clare.greenwood@aemo.com.au

NEMW-CF Forward Plan

AEMO highlighted the NEMW-CF 2016 Forward Plan and asked that any issues for inclusion from participants be provided by email. (nemwcf@aemo.com.au).

NEMWCF next meeting: Wednesday 30 March 2016

Gas Wholesale Consultative Forum (GRCF)

8 February 2016

Contingency Gas Event

The forum heard about a Contingency Gas (CG) trigger event on 13–14 January. Subsequent assessment conferences identified a 30TJ expected shortfall on the Eastern Gas Pipeline to the Sydney Short Term Trading Market (STTM) hub that could be resolved through renominations. This was communicated to trading participants via industry conferences. The high Market Operator Service (MOS) payments associated with this event were published in preliminary settlement statements on 9 February. The public report on this event is due on 25 February.

The GWCF meeting included discussion around the CG process and whether it was called prematurely, considering CG wasn't required for either gas day. AEMO advised that under current STTM process (and market design), conferences are called to advise participants of an issue, and then to facilitate renominations if required.

AEMO invited forum members to provide alternative suggestions for managing this process, for future discussion.

Forecasting

AEMO provided an update to this and Consumer forums on the December 2015 National Gas Forecasting Report (NGFR).

The NGFR is AEMO's second gas forecast giving a 20-year outlook, and focuses on gas annual consumption and maximum demand.

Members heard that a new Forecasting Reference Group (FRG) aims to get feedback from industry businesses, government and consumers about improvements AEMO can make to gas and electricity forecasting to reflect rapid changes in the energy environment.

One potential innovation is to make AEMO's 2016 NEFR, GSOO and NTNDP publications more web based, and shorter, focusing on insights, with increased provision of data through online means.

FRG meetings will be open and held monthly, alternating between gas and electricity.

To participate, provide feedback or request information, contact Clare Greenwood, Stakeholder Engagement Advisor:

clare.greenwood@aemo.com.au

Gas Bulletin Board Rule changes

The Australian Energy Market Commission (AEMC) has made a rule change determination to improve information provided to the Gas Bulletin Board (GBB).

AEMO advised that the rule change is effective from 6 October, and requires gas market participants (including pipeline operators, production and storage facilities) to provide extra information for the GBB. To progress necessary system and procedure changes,

AEMO will be holding GBB Redevelopment working groups with impacted or interested participants.

Further information will be provided to the GBB Redevelopment mailing list. Participants wanting to be added to the mailing list may contact gbb_redevelopment@aemo.com.au.

Winter preparedness

Invitations have been issued for the Annual Victorian Gas Winter Operations Strategy, to be held on 3 May at the Melbourne Convention Exhibition Centre.

The meeting will cover:

- AEMO's role and responsibilities.
- Review of winter 2015 and current outlook for this winter.
- Information on augmentations, transmission and market operations, and scenario based discussion.
- Emergency management, and question and answer sessions.

To request an invitation or suggest a topic for inclusion, contact Christine Kang at christine.kang@aemo.com.au.

Contingency Gas Exercises

AEMO invited members and participants to provide input into CG exercises, particularly around suggested scenarios for testing. The next CG exercise is planned for Brisbane on 18 May, and another in Adelaide in late 2016.

Jessie Yeung is AEMO's contact representative for the Brisbane exercises and welcomes suggestions at jessie.yeung@aemo.com.au.

Contingency Gas – Issues arising from the CG event

At the October 2015 forum, AEMO sought views on whether rule or procedure changes were warranted to strengthen confidentiality and data provision requirements during CG events.

Based on those discussions, AEMO reviewed existing provisions relating to:

- Confidentiality provisions and CG contacts.
- Participant submission of data to support AEMO's requirements.

After further discussion with the Australian Energy Regulator (AER) staff, AEMO's considers that changes to existing rules or procedures are not needed.

The current rules are sufficient as they permit AEMO to classify (or participants to request that AEMO classify) information as confidential at a CG assessment conference. For post-incident reporting, AEMO will use best endeavours to collate information from the event. In cases where participants do not

provide the requested information, AEMO will note this in its report.

Forum members discussed the issue of the same industry representative attending both industry and assessment conferences. AEMO confirmed there are no rules' provisions to limit this. However, confidentiality provisions would be used when deemed necessary, or where requested by attendees.

The relevant information is specific to Part 16 and Clause 138A of the National Gas Rules (at <http://www.aemc.gov.au/getattachment/c36df3c0-e3db-49c8-a9ec-0d2d66265394/National-Gas-Rules-Version-28.aspx>).

GWCF next meeting: 30 March 2016

Electricity Retail Consultative Forum (ERCF)*

2 February 2016

Information Exchange Committee (IEC) update

The forum was updated on the focus for the IEC strategy day, which was to analyse industry preferences for Power of Choice (PoC) and business to business (B2B) procedures.

Life Support Working Group

A working group led by AGL completed a review into Life Support notifications for customers. The forum discussed Issue Change Form (ICF) 4752 Life Support and the review before reflecting on the group's consolidated report on issues and recommendations.

The ERCF then reviewed the draft end-to-end B2B process for notification of life support information that retailers and distributors will need to follow in accordance with the rules.

The forum's recommendations will now be sent to the IEC and PoC project for their consideration.

ERCF next meeting: Tentatively 9 March 2016

**Please note that due to the retail market framework restructure, the ERCF replaces the BMRG forum and is now an open forum.*

Retail Market Consultative Forum (RMCF)

29 January 2016

Power of Choice (PoC) update

The meeting discussed how best to manage the PoC Procedure changes needed to give effect to the AEMC's Metering Competition (MC), Embedded Networks (EN) and Shared Market Protocol (SMP) Rule changes.

Workshops are currently underway to consult on procedure changes for implementing embedded networks and metering competition before formal

consultation begins on 22 April. AEMO is streamlining and consolidating the procedural framework.

The meeting heard that the new IEC will ultimately determine what the new SMP framework will look like.

AEMO informed the group that issues concerning National Metering Identifier (NMI) standing data will be dealt with at a later stage.

Collaborative Retail Working Group report

AEMO shared key themes discussed at the January IEC and ERCF retail forums:

- The IEC held its annual strategy day. Key discussion topics included; 2015 achievements; PoC including guest speakers from AEMC, Department of Industry and presentations by five participants outlining their views of industry impacts; Strategy for B2B Change Register initiatives and the IEC work plan for 2016.
- The ERCF documented notification of customer Life Support information between retailers and distributors in the National Electricity Market (NEM).

NSW/ACT Retail Gas Project (NARGP) update

Forum members heard that the latest NARGP industry testing and transition planning for the 2 May 2016 go-live date was on track.

- The first of three cycles of Market Trial was completed in January following a successful industry test in December 2015. The remaining cycles of Market Trial will be completed by March 2016.
- Transition planning for the Wagga Wagga Tamworth networks is underway. An Impact and Implement Report (IIR) was issued on 29 January (follow-up submissions to close 25 February). The IIR adds transitional provisions to current NSW/ACT procedures for Business to Market (B2M) compliance relief for the changeover period to the new procedures.

RMCF next meeting: 19 February 2016

Consumer Forum

5 February 2016

Frequency Control Ancillary Services (FCAS)

In response to forum member interest, AEMO has organised an educational session on FCAS, to be presented at the next consumer forum meeting in May.

Power of Choice (POC)

The AEMC's final rule determination for PoC's Embedded Networks (EN) and Metering Competition (MC) was published on 26 November 2015. AEMO has established a PoC Procedures

Working Group to implement these new arrangements, forum members were told.

The new arrangements, beginning on 1 December 2017, include changes to the NER and NERR.

These changes require that AEMO and the Information Exchange Committee (IEC) amend existing procedures and that AEMO create new national procedures.

The forum heard that COAG and Lumo/Red Energy have submitted a rule change request for PoC's Shared Market Protocol (SMP). Submissions to the AEMC's consultation paper for updating the electricity B2B framework closed on 28 January. A draft determination is expected in March.

In answer to a question about metering device quality, especially in remote, extreme weather locations, AEMO confirmed that all devices need to comply with Australian Standards. Standards Australia is establishing a process to review all metering standards from early March, particularly regarding modern advanced metering. Further information will be provided to members.

Forecasting

AEMO provided an update on the December 2015 National Gas Forecasting Report (NGFR) to this forum and the GWCF. For details, refer to the GWCF section P2.

AEMO data

AEMO is working with forum members to better understand consumer preferences about what data and information to receive from AEMO, to feed into AEMO's plans to improve data services and accessibility.

Two projects are in place to achieve this. The first is a significant upgrade and streamlining of AEMO's corporate website, expected to be complete by July. The second is a data management capability upgrade by August. A presentation by AEMO detailing member feedback and outlining the two projects has been circulated to all forum members.

Consumer engagement in the Access Arrangement review

APA group addressed the forum about the Victorian Transmission System's (VTS's) Access Arrangements (AA).

The AA sets out the prices and terms and conditions under which shippers can ship their gas on the VTS, for delivery to customer offtake points in Victoria, New South Wales and South Australia.

An AA generally runs for five years, and the Australian Energy Regulator is about to consult on the next AA that will run from 1 January 2018 to 31 December 2022. APA encouraged forum members to provide early inputs into the process so their views could be reflected in the developing AA. Information about the current AA for reference is at:

<http://www.apa.com.au/media/216919/~apa%20gasnet%20-%20remade%202013-17%20aa.pdf>

Consumer representation resourcing constraints

In response to an Energy Consumers Australia (ECA) review of consumer advocates' needs, the ECA has adopted six key recommendations:

- Provide access to sources of expertise.
- Conduct annual technological/regulatory foresighting forums.
- Establish an information/opinion sharing site.
- Implement capacity building for consumer advocates.
- Identify consumer advocates impact.
- Develop processes to achieve recognised common ground between industry and industry and consumer advocates.

A copy of the report and presentation was circulated to members.

Consumer Forum next meeting: 13 May 2016