GAS RETAIL CONSULTATIVE FORUM

FOR DECISION	
SUBJECT:	GRCF 2024 PRIORITISATION SESSION. PROPOSED GAS RETAIL WORK PROGRAM 2024.
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1. Purpose

The purpose of this paper is to

(i) review with the Gas Retail Consultative Forum (GRCF) the initiatives completed in 2023; and

(ii) outline AEMO's proposed prioritisation strategy and initiatives that AEMO have identified as candidates for progression in 2024.

2. Background

When preparing initiatives for progression in the following year, AEMO's focus is selecting items that have a predetermined statutory regulatory obligation to fulfil, resolve compliance implication, or the initiative has a high probability that if implemented its effect on the market satisfy the National Gas Objective (NGO).

In quarter 4 of each year, AEMO undertakes a review of all "open[1]" gas items on the Retail Market Issue / Change Register ***(the "Register")*** to identify priority initiatives for progression in the following year. In the lead up to the GRCF prioritisation session, participants are also invited to submit initiatives to AEMO that are not in ***the Register*** that they believe are worthwhile initiatives to progress***.***

When developing the work program, AEMO and participants consider active gas and electricity initiatives that utilise the relevant subject matter resource. In 2023 the Electricity Energy Consumer Data Right, Stand Alone Power Systems, Electricity Business to Business (B2B) changes, and the gas Victorian hydrogen reform review work placed a significant resourcing constraint on many participants and AEMO.

Given these resourcing constraints, the GRCF agreed on a restrained approach with respect to progressing further initiatives in 2023. The work plan comprised of regulatory reform programs, resolving compliance issues, documentation-related changes and Retailer of Last Resort (RoLR) process improvements.

3. Initiatives implemented in the past 12 months (November 2022 to November 2023).

On 18 November 2022, there were 64[2] "open" items in ***the Register***. During the past 12 months, 9 new items were added to ***the Register;*** 26 items were addressed; 15 items are "work in progress"; and there remains 47[3] "open" items.

Resolving 26 items in 2023 was an excellent result for the GRCF and AEMO given the resourcing constraints. Having 47[4] "open" items is the lowest number of open items since annual GRCF prioritisation sessions commenced in 2017.

Attachment A describes the 2023 work program[5]. The items shaded in green are the consultations that have been completed since 1 January 2023.

The key initiatives approved, awaiting implementation or implemented during the previous 12 months were:

[1] Open means items listed in the "pending" or "on hold" tabs in ***the register***.
[2] Open means items listed in the "in progress", "pending" or "on hold" tabs in ***the registe***r circulated to the GRCF as part of the previous year's prioritisation session.
[3] Open means items listed in the "in progress" "pending" or "on hold" tabs in ***the register*** circulated to the GRCF as part of the current year's prioritisation session.
[4] By 1 May 2024, this number could be reduced to 36, if no new initiatives aren't raised.
[5] This attachment is the Gas and Electricity Retail Consultations Calendar

- 2023 Package 1-(IN008-19 plus others) includes flexible COR arrangements, resolution of compliance issue and other east coast RMP changes. Includes IN011-22, IN008-22, IN011-15
- 2023 Package 2-(IN001-23 plus others) includes Technical Protocol (TP) changes for the Certificate Management solution and other miscellaneous changes. Includes IN005-23.
- 2023 Package 2-(IN001-23W plus others) includes Technical Protocol (TP) changes for the Certificate Management solution and other miscellaneous changes. Includes IN001-23W, IN004-21W and IN003-22W.
- 2023 Package 5- (IN002-23 plus others) RoLR changes. Includes IN012-22, IN009-22, IN003-23, IN008-17 and IN008-20.

The initiatives withdrawn or postponed were:

- IN001-17- Review List of Known Consequences - Retailer of Last Resort
- IN003-15 Validation of the complete customer listing.

These two initiatives were part of the 2023 Package items, but they were withdrawn from this work package because AEMO deemed the changes either required IT systems changes or required further analysis.

The following are items from the 2022 program of work that are currently underway and are on track to be completed in mid-December 2023.

- 2023 Package 3A-(IN007-22 plus others) Modifications to HVZs and the HV information that AEMO provides in Victoria.
- 2023 Package 3B-(IN007-21 plus others) Victorian Hydrogen integration includes DCF and AEMC Victorian hydrogen review changes (Vic - DWGM). Includes IN017/22, IN007/23 and IN016/22.

4. Prioritisation criteria for 2024 work program

AEMO is mindful that AEMO and Participants continue to provide significant resources to other non-gas retail programs of work. Many of these non-gas retail programs of work are included in the prioritised energy market regulatory program which AEMO has consolidated into a single document call National Electricity Market (NEM) Reform Implementation Roadmap ***(roadmap).*** Click here to view the latest version of this document. This document is effectively a portfolio view of regulatory initiatives. The following is a list of the retail regulatory initiatives that AEMO has identified will need resources efforts in 2024:

- Electricity:
  - MSDR Metering Exemptions
  - Metering Services Review
  - Unlocking CER benefits through flexible trading (FTA2)
- Gas:
  - Renewable Gas Integration (excluding Victoria) for STTM and Non STTM[6]

Given the above, AEMO has taken very modest approach for 2024 when developing a draft work plan for consideration. In preparing the AEMO list (see section 5 on this paper), AEMO has excluded initiatives that are likely to require IT system changes in 2024[7] for AEMO, Retailers and Distributors given the fact that there are several Electricity IT implementations scheduled for mid-2025.

[6] Note – This is one item AEMO has identified as a candidate for GRCF 2023 (IN006/23)

[7] Excluding regulator reform initiatives for Renewable Gas Integration (excluding Victoria) for STTM and Non STTM markets) work.

5. AEMO proposed initiatives to progress in 2024

Attachment B of this paper contains a list of all initiatives on ***"the Register"*** that have a status of "pending" or "on hold". The colour shading in the ***Register*** identifies the initiatives that have been bundled together to form various work packages that AEMO recommends as candidates to progress in 2024.

Attachment C of this paper contains a record of feedback that participant provided to AEMO during various consultations in 2023 whereby the feedback didn't directly relate to the consultation, however the respondent believed it was worthwhile raising the idea at the annual prioritisation session.

Having consider the information contained in the above attachments B and C, AEMO proposes that the gas retail work program for 2024 be split into six monthly periods.

The first period, January to June (Q1 and Q2) and will comprise work carried forward from 2023 as well as two bundled packages that require "pre regulatory consultation[8]" work. These pre regulatory consultation packages comprise:

i) a bundled package of B2B initiative, some potentially requiring schema changes. The review to be undertaking involves working with the GRCF to authenticate the level of support and whether any proposed benefits will unquestionably outweigh any cost to implement the change. See below under the heading "January to June (Q1 and Q2) 2024" for further details each initiative; and

ii) a bundled package of potential Retail Market Procedures changes that are minor non-controversial corrections. This review entails AEMO making a determination whether the initiatives are still warranted. See below under the heading "January to June (Q1 and Q2) 2024" for further details each initiative.

It is proposed that both the above reviews be completed by the early Q2 2024. Should these reviews satisfy the pre regulatory consultation criteria as described in (i) and (ii) they will be added to the second half of 2024 (July to December (Q3 and Q4) 2024).

The second period July to December (Q3 and Q4) and will initially comprise any work carried forward from 2023 that isn't completed in the first half of 2024. This is likely to be the 2023 Package 4 (Renewable Gas Integration (NSW/ACT, SA and QLD) initiative.

The following contains AEMO's proposed initiatives to progress in 2024.

January to June (Q1 and Q2) 2024.

Formal consultation work.

In relation Attachment B, these are the items that are shaded in Green. They are mostly initiatives that were part of the 2023 prioritisation program of work that haven't been completed in 2023 therefore they are carried forward into 2024. These items include:

- **2023 Package 4** (Renewable Gas Integration (NSW/ACT, SA and QLD). - IN006/23
- **2023 Package 6** (WA RMP changes (comprising 3 initiatives)
  - IN002/21W - Anticipated Annual Consumption in WA.
  - IN002/22W - Potential gap with clause 377B (2).
  - IN009/20W - Possible typographical error in appendix 4 (Auditor's deed of undertaking) clause 9 of WA RMP. Reference to clause 359 should be clause 358.

In relation to the 2023 Package 6 items, a review of "***the register***" by AEMO, AEMO has determined that initiative IN002/23W (Minor documentation errors with WA Technical Protocol) to this package.

Both Packages 4 and 6 are targeted to be implemented or well advanced in terms of their consultation life cycle before the end of Q2 2024. Please see attachment B for further details pertaining to each initiative.

[8] This process occurs prior to the formal lodging of a Proposed Procedure Change. There are no time restrictions associated with the pre-regulatory process. See section 4.1 (Pre-regulatory process) of the Change Process for Gas Retail Market for further information about this process which can be found here.

Pre-regulatory consultation work

The following are the pre regulatory consultation packages that for the period January to June 2024.

- **2024 Package 1** (Business to Business (B2B)) changes to be released in 2025) – Entails industry initial review phase to determine viability to be a candidate to add to the 2024 program of work (Q3 and Q4). Items that are shaded in Blue are part of this package. Items that make up this package are:
    - IN002/22 - Update Gas Estimation / Substitution Reason Codes. Proponent AGL.
    - IN000/00 - Adjustment of Address field lengths to align with AS 4590 and Electricity changes
    - IN000/00 – Resolve inconsistencies on how the meter status is populated in Meter Data Notification (MDN).
- **2024 Package 2** (Retail Market Procedure (RMP)) changes that are minor non-controversial corrections) – Entails AEMO initial review phase to determine if the proposal is still warranted. If so, these will be candidates to add to the 2024 program of work (Q3 and Q4). Items that are shaded in Pink are part of this package. The items that make up this package are:
    - IN011/13 - RMP only changes for Non DTS interval metering to remove a potential regulatory gap.
    - IN019/13 – Resolve potential metering obligations in light of past concerns in relation to conduct provision.
    - IN006/20 - Definition of a Customer could be improved for all east coast jurisdiction to include exempt customers for other purposes under the procedures in the event an exempt seller is registered either as a Retailer or an SCU.
    - IN015/22 - Harmonise the definition of Heating Value within east coast RMP.
    - IN000/00 - Participant Build Pack 2 (i) Glossary (ii) Usage Guide - Possible duplications, hence can we look at ways to minimise.
    - IN001/21W - Redrafting – WA RMP clause 32 - Error Correction Notice

Miscellaneous work.

In relation Attachment B, these are the items that are shaded in Orange. This work will be undertaken by AEMO initially if sufficient resource capacity is available. These items include:

- **East Coast Guide**. This is a new guide. It is envisaged this guide would be similar to the existing WA overview guide. The effort involves developing this new guideline which is to include the following:
    - IN014/22, Add a MIRN classification table to an industry guideline.
    - IN007/15, Add a hierarchy of market participation. RMPs use a variety of terms – Participant, User, Retailer, FRO. Proposal is to clarity of what each term covers.

July to December (Q3 and Q4) 2024.

Formal consultation work

Work carried forward from the first segment namely 2023 Package 4 (Renewable Gas Integration (NSW/ACT, SA and QLD).

Conditional on the findings of the pre-regulatory consultation work pertaining to the two reviews in the first half of 2024 are favourable, formal consultation on the following packages will occur:

- **2024 Package 1** (B2B changes to be released in 2025)
- **2024 Package 2** (RMP changes that are minor non-controversial corrections)

As in 2023, if it emerges that AEMO and Participant resources become more readily available, AEMO will put forward such initiatives for the GRCF consider the outcomes of which will require amendments to the baseline 2024 program of work.

6. Recommendations

The GRCF to endorse:

(i) AEMO's proposed prioritisation and planning strategy in 2024 as described in section 4 of this paper; and

(ii) the items nominated in section 5 of this paper for inclusion in the baselined work program (having considered all items on "***the Register***" as provided in Attachment B).

7. Next Steps

Subject to GRCF endorsement of recommendation (ii) above, AEMO will prepare a high-level plan outlining the 2024 consultation timeline for items in ***the Register*** and will present this to the GRCF before quarter 2 of 2024.

Attachment A

See paper Ref 4b – 2023 Gas and Electricity Retail Consultations Calendar included in the GRCF December 2023 meeting pack documents.

Attachment B

See paper Ref 4c - List of initiatives in ***"the Register"*** with a status of "in progress", "pending" or "on hold" as at 1 December 2023 which is included in the GRCF December 2023 meeting pack documents.

Attachment C

See paper Ref 4d - Participants feedback that is not part of any prescribed consultation which is included in the GRCF December 2023 meeting pack documents.