Summary:

- Project status remains amber in July 2017:
  - Status of "**at risk**" of achieving project deliverables on schedule.
  - Progress increased to approximately **40%.**
  - Risk rating decreased to "**Medium**".
- Participant categories:
  - Retailer and Distributors are mainly reporting amber ("at risk") with a medium or high risk rating.
  - Meter Providers, Meter Data Providers and prospective Metering Coordinators mainly reporting amber with a medium risk rating (reduced from high risk rating in June).
  - Prospective Embedded Network Managers mainly reporting green or amber, with a low or medium risk rating.
  - AEMO overall reporting green ("within schedule") with medium risk rating.

Highlighted risks:

- Amber progress status relates primarily to constrained timelines for delivery:
  - Compressed timeframes for system design, build and testing.
  - Compressed timeframes for registration and accreditation – including e-hub accreditation.
  - Number and complexity of commercial arrangements to be updated.
- Issues contributing to the Medium risk rating include:
  - Concerns regarding other participants' readiness.
  - Uncertainties in operation of business processes (e.g. meter churn), distribution business' faults and emergency processes, Victorian OIC.
  - Uncertainties in transition and cutover activities and the timing of cutover.
  - Lack of clarity on jurisdictional safety regulations.
- Mitigating actions include:
  - AEMO progressing industry test planning, with detailed Market Trial planning ongoing including test step walk-throughs to define processes.
  - The Industry Transition and Cutover Focus Group is meeting regularly and progressing planning as per the schedule.
  - Participants are implementing staged implementation approaches, and/or assigning additional resources to be ready for industry testing
  - Participants are actively engaging with jurisdictional safety regulators.
  - Distributors are actively engaging with Retailers in their networks to discuss B2B processes

Number of submissions:

⬆ 44 reports received in total representing the following participant roles (increased from 40 in June):

⬆ 22 retailers (increased from 19)

⬅➡ 13 distribution businesses (includes initial MC, MP and MDP)

⬆ 9 metering companies (MPD, MP) (increased from 8)

⬆ 9 metering coordinators (MC) (increased from 8)

⬆ 5 embedded network manager (ENM) (increased from 4)

⬇ Approximately 14 retailers are not yet taking part in industry reporting

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

AEMO Power of Choice Implementation Program
Monthly Readiness Report — **Monday, 10 July 2017**

Overall Status	Commentary	Risk Rating	# Open Risks - Rating: High / Med / Low	Issues: #
(amber)	The overall project status remains amber - "at risk" of delivery by 1 December 2017 - primarily due to challenging program timeframes. Participants have highlighted challenging timeframes for system build and testing, registration and accreditation activities, and the number and complexity of commercial arrangements to be entered into. Highlighted risk areas include uncertainty associated with the Victorian Government deferral decision, faults and emergency processes, meter churn, jurisdiction safety regulations and transition approach. The overall project risk rating has been decreased to medium - with participants having more confidence that their systems will be in place in time, however participants continue to express concerns regarding other participants' readiness.	(amber)	High 4 / Med 3 / Low 3	1

AEMO and NEM Participants Readiness Criteria

#	Category	Criterion	AEMO	Retailers	Distributors	MP and MDP	Metering Coordinator	Embedded Network Manager	Third party e-hub
	1. Assessment and preparation								
1.1	Assessment and preparation	Consequences of the POC reforms for your business considered, and appropriate implementation plans are in place	Green	Amber #1	Green	Green	Green	Green	
1.2		Key readiness planning documents delivered	Green						
	2. Legal, regulatory, contractual and policy								
2.1	Legal, regulatory, contractual and policy	Updated retail electricity market procedures and associated documents published	Green						
2.2		Internal policies updated for consistency with regulatory changes including jurisdictional regulations and requirements (e.g. safety)		Amber #2	Green	Green	Green	Amber #2	
2.3		Operationally critical commercial contracts in place		Amber #3	Green	Amber #3	Amber #3	Amber #3	
2.4		Accreditation and registration activities completed	Green	Amber #4	Green	Amber #4	Amber #4	Green	
	3. People								
3.1	People	Operational roles specified, assigned to staff, and training delivered	Green	Green	Green	Green	Green	Green	
	4. Business processes								
4.1	Business processes	Updated, validated and approved business processes in place	Green	Amber #5	Green	Amber #5	Amber #5	Amber #5	
4.2		Successfully validated critical business processes during industry testing	Green	Green	Green	Green	Green	Green	
4.3		Process work-arounds in place for any issues identified during industry testing	Green	Green	Green	Green	Green	Green	
	5. Market systems								
5.1	Market systems	Delivery of the re-developed B2B e-hub for industry testing	Green						
5.2		Successfully tested market systems capable of being moved into production	Green	Amber #6	Amber #6	Amber #6	Amber #6	Green	
5.3		Performance of, and communication between, market systems validated during industry testing	Green	Green #7	Green #7	Green #7	Green #7	Green	
	6. Transition planning								
6.1	Transition planning	Transition and cutover plan(s) in place	Green	Amber #8	Green	Green	Green	Amber #8	
6.2		Prerequisite transition and cutover processes completed (e.g. trial data conversions and cutover dress rehearsals)	Green	Green	Green	Green	Green	Green	

Jurisdictional Status

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

	Variances	
Note #	**Explanation of Variance**	**Mitigating Actions**
1	Variance reported by Participants: Development of detailed Implementation plans on schedule at risk as participants are still waiting for the VIC derogation extension details, and have identified a need to iterate plans for differing implementation approaches.	Participants are awaiting the Victorian government OIC.
2	Variance reported by Participants: Updating internal policies on schedule at risk as participants are waiting for the Victorian Government to release the VIC derogation extension details, for jurisdictional safety regulators to publish requirements and for clarity on the ENM role in Victoria and Queensland.	Participants are engaging with jurisdictional bodies.
3	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.	Participants are increasing internal resources.
4	Variance reported by Participants: Fulfilling registration and accreditation activities on schedule is at risk due compressed timeframes for all registration and accreditation activities.	Participants are increasing internal resources and commencing discussions with AEMO. [AEMO encourages early engagement with AEMO on registration and accreditation requirements - see POC Industry Accreditation & Registration Plan (http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Power-of-Choice/Readiness-Work-Stream)]
5	Variance reported by Participants: Progress impacted by uncertainty in a number of areas including meter churn, faults and emergencies, jurisdictional requirements. Progress has been impacted by the Victorian Government deferral decision.	Participants are increasing internal resources, reviewing meter churn impacts under Package 3 and awaiting the Victorian govt. OIC.
6	Variance reported by Participants: System development at risk due to the complexity and number of changes required within tight timeframes for development and testing. Dependency on VIC derogation details, package 3 consultation and faults & emergencies processes also noted.	Participants are increasing internal resources and working closely with market system vendors.
7	Variance reported by Participants: Testing timelines are contingent on system design and build.	Participants are increasing internal resources and working closely with market system vendors.
8	Variance reported by Participants: Transition and Cutover planning dependent on new connection processes, readiness of competitive MCs. Cutover plan for existing embedded networks yet to be developed.	Participants are engaging with the ITCFG. [http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Power-of-Choice/Readiness-Work-Stream/Industry-Transition-Cutover-Focus-Group]

Notes
1. The count of open Risk and Issues is based on the POC Industry Risk Register as at 14/07/2017.
2. Explanation of Variance and Mitigating Actions above are based on Participants comments, AEMO's comments are included within square brackets [ ].

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

Key - Risk Rating
Rating
High 🟥
Medium 🟧
Low 🟩

See POC Industry Risk Register for open risks and issues:

POC Industry Register