

## Summary:

- Project status remains amber in June 2017:
  - Status of “**at risk**” of achieving project deliverables on schedule.
  - Progress remains at approximately **30%**.
  - Risk rating increased to “**High**”.
- 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 or red (“not within schedule”) with a medium or high risk rating.
  - 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.
  - Compressed timeframes for transition and cutover planning.
  - Number and complexity of commercial arrangements to be updated.
- Issues contributing to the High risk rating include:
  - Uncertainties in operation of business processes (e.g. meter churn), distribution business' faults and emergencies processes, Victorian OIC.
  - Uncertainties in transition and cutover activities and the timing of cutover.
  - Lack of clarity on safety regulations.
  - Number and level of maturity of competitive metering providers, Metering Coordinators and Embedded Network Managers.
- Mitigating actions include:
  - AEMO progressing industry test planning, with detailed Market Trial planning ongoing.
  - The Industry Transition and Cutover Focus Group is meeting regularly and progressing planning on schedule.
  - AEMO is continuing to reach out to industry participants to engage in the POC program.
  - Participants encouraged to commence registration and accreditation activities.
  - AEMO is chairing a PCF Industry Risk Meeting on 22 June 2017

## Number of submissions:

- ↑ 40 reports received in total representing the following participant roles (increased from 35 in May):
  - ↑ 19 retailers (increased from 18)
  - ↔ 13 distribution businesses (includes initial MC, MP and MDP)
  - ↑ 8 metering companies (MPD, MP) (increased from 5)
  - ↑ 8 metering coordinators (MC) (increased from 5)
  - ↑ 4 embedded network manager (ENM) (increased from 2)
- ↓ Approximately 17 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)*



Overall Status	Commentary	Risk Rating	# Open Risks - Rating:			Issues:
	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 increased to High, with a number of participants noting that their timeframes have no tolerance for delays or requirement changes.		High	Med	Low	#
			4	3	3	1

AEMO and NEM Participants Readiness Criteria			AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Networks (ENM, ENO)		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		#1					
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)															
2.3		Operationally critical commercial contracts in place				#2				#2		#2		#2			
2.4		Accreditation and registration activities completed								#3		#3					
<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		#4		#5											
4.2		Successfully validated critical business processes during industry testing															
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				#6		#6		#6		#6					
5.3		Performance of, and communication between, market systems validated during industry testing				#7		#7		#7		#7					
<b>6. Transition planning</b>																	
6.1	Transition planning	Transition and cutover plan(s) in place						#8		#8		#8					
6.2		Prerequisite transition and cutover processes completed (e.g. trial data conversions and cutover dress rehearsals)								#8		#8					

Jurisdictional Status																
Jurisdiction	Comments	AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Networks (ENM, ENO)		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 Progr:  
Monthly Readiness Repo

Monday, 5 June 201

Variances		
Note #	Explanation of Variance	Mitigating Actions
1	Variance reported by Participants: Development of detailed Implementation plans on schedule at risk (1) due to requirement to modify plans due to changes in systems development approach (due to aggressive timelines, system procurement issues), and (2) need to L W H U D W H S O D Q V Z K H Q F R Q V X O W D W L R Q R VIC derogation extension details, faults and emergency processes and transition plans are finalised.	Participants are increasing internal resources and are developing contingency plans to get back on schedule. Participants are awaiting the Victorian government OIC. [AEMO notes that Package 3 consultation has commenced: <a href="http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Power-Of-Choice---AEMO-Procedure-Changes-Package-3">http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Power-Of-Choice---AEMO-Procedure-Changes-Package-3</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.	Participants are increasing internal resources.
3	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 ( <a href="http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Power-of-Choice/Readiness-Work-Stream">http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Power-of-Choice/Readiness-Work-Stream</a> )]
4	Variance report by AEMO: The POC platform service and support hub transition are being undertaken within a short timeframe.	Additional resources are being deployed to address the gap.
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.	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: Increasing risk reported on transition and cutover planning and implications - timing of cutover, number of inflight transactions, scope of changes required.	Participants are engaging with the ITCFG. [ <a href="http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Power-of-Choice/Readiness-Work-Stream/Industry-Transition-Cutover-Focus-Group">http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Power-of-Choice/Readiness-Work-Stream/Industry-Transition-Cutover-Focus-Group</a> ]

**Notes**

1. The count of open Risk and Issues is based on the POC Industry Risk Register as at 26/05/2017. A PCF Industry Risk Review Meeting is scheduled on 22/6/2017.  
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					Key - Risk Rating	
Progress			Status		Rating	
Harvey balls represent progress towards achieving the criterion			Colour indicates the readiness status			
~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](#)