



# NEM2025

## Reform Newsletter

Issue: 1 | **December 2022**

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## Welcome to the first edition of the NEM2025 Reform newsletter!

Each quarter, AEMO's NEM2025 Program will bring you practical, up-to-date information to help you manage the impacts and opportunities of implementing the comprehensive National Electricity Market (NEM) reform program currently underway.

This first edition covers:

- What is the NEM2025 Program?
- 2022 achievements
- Implementation underway
- Approach to stakeholder engagement
- Key dates, and
- Information on how to get involved and stay in touch with the program going forward.

We want to support as many stakeholders as possible and interested stakeholders can subscribe [here](#). Enquiries about the NEM Reform program can be sent to [NEM2025@aemo.com.au](mailto:NEM2025@aemo.com.au).

Enjoy!

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## What is the NEM2025 Program?

The NEM2025 Program has been established to implement key NEM reforms required to transition the NEM into a modern energy system efficiently and transparently. These reforms originate from the AEMC rule change processes, the ESB Post 2025 package of reforms for the energy market and Energy Ministers.

The NEM 2025 reforms have interrelated pathways – resource adequacy, essential system services, transmission, and integrating distributed energy resources and flexible demand. These pathways are complemented by a data strategy, which recognises that digitalisation and data are critical to enabling the reforms.

AEMO has identified various initiatives required to deliver these reforms and is working together with industry to implement these initiatives efficiently and transparently.

- **Work collaboratively with industry:** The program will be run with high levels of industry engagement, providing industry with a forward view of periodic deployments to assist industry with their own planning and delivery activities.
- **Deliver effective solutions:** We will work closely with the ESB and industry to ensure the solutions are aligned with AEMO target state architecture and ESB reform timelines.
- **Deliver as efficiently as possible:** We will continually work to identify opportunities for cost savings through effective program governance, management, monitoring, and solution design. Projects within the program will be bundled and sequenced to implement reforms efficiently.

To coordinate the implementation of this significant piece of work with its stakeholders, AEMO, with the [Reform Delivery Committee](#) (RDC) put together a [NEM Reform Implementation Roadmap](#) (the Roadmap). The outcomes include a [Participant Impact Assessment](#) developed by energy market participants, which serves as a useful starting point for businesses when planning their own changes to processes and systems made necessary by the reforms.

To learn more, visit the NEM2025 Program [webpage](#).

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## 2022 achievements

The NEM2025 Program team would like to thank stakeholders for their participation and contributions to the mobilisation of the program and look forward to continued engagement as the program progresses.

Here are some of this year's achievements:

- **Establishing strategic direction:** AEMO, with the [RDC](#), held seven committee meetings to collaboratively explore strategic efficiencies in the development of the [NEM Reform Implementation Roadmap](#). Outcomes from this collaboration have contributed to developing a:
  - [NEM Reform Implementation Roadmap](#) outlining a baseline plan for the implementation of reform in the energy market.
  - [Program Scope](#) outlining the interrelated reform pathways, data strategy and associated in-scope initiatives.
  - [Business case](#) outlining a pathway and approach to implementing the Roadmap.
  - [Governance approach](#) to manage the implementation works in today's dynamic policy environment, which includes a formal regular change management process in consultation with stakeholders.
- **Broadening engagement:** Through extensive consultation, AEMO has established a framework to support effective engagement on the NEM2025 Program.
- **Initiating reforms:** A number of the post-2025 reforms have completed their path through the regulatory consultation and determination process, with Final Determinations issued. As such, implementation for these reforms has been initiated and work well underway through 2022.

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## Implementation underway

Reform implementation is underway with several initiatives in the implementation phase and in line with AEMC Rule Determination commencement dates for 2023 and 2024. These initiatives are being progressed through procedures, consultations, and technical implementation of changes to systems, industry testing, go-live planning and transition leading up to scheduled rule commencement dates.

The current initiatives being progressed include:

Initiatives	Release dates				
	Mar-23	May-23	Oct-23	Jun-24	Jun-25
<a href="#">Integrating Energy Storage Systems</a> [Initial release]	Go-live				
<a href="#">Integrating Energy Storage Systems</a>				Go-live	
SAPS, CDR, B2B v.3.8, MSDR	SAPS MSRP Registration	Go-live			
<a href="#">Fast Frequency Response</a>			Go-live		
Increased MT PASA Information			Go-live		
<a href="#">Frequency Performance payments</a>					Go-live

## Approach to stakeholder engagement

*“Collaboration across industry is critical to implementing the NEM2025 Reform Program efficiently and effectively to the benefit of all Australians,”* Ms Violette Mouchaileh, Executive General Manager Reform Delivery, AEMO.

AEMO has established a NEM2025 Program engagement framework to work with industry on implementation. The framework facilitates overarching coordination across reform initiatives as well as effective engagement in each reform phase from implementation design, solution delivery and through to industry testing.

Key NEM2025 Program forums include:

- [Reform Delivery Committee \(RDC\)](#)
  - Focus on prioritising and sequencing reform implementation
- [NEM2025 Program Consultative Forum \(PCF\)](#)
  - Focus on overarching implementation program oversight and monitoring
- [NEM2025 Electricity Wholesale Consultative Forum \(EWCF\)](#) and [Electricity Retail Consultative Forum \(ERCF\)](#)
  - Focus on procedural impacts and updates
- [NEM2025 Implementation Forum](#)
  - Focus on Industry testing, system changes, participant transitional activities and preparations

To learn more, visit the NEM2025 Program [webpage](#).

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## Key dates

See you next at these upcoming forums.

Electricity Retail Consultative Forum (ERCF)	30 January 2023
Implementation Forum	31 January 2023
Program Consultative Forum (PCF)	7 February 2023
Reform Delivery Committee (RDC) Collaborative Workshop	8 February 2023
Electricity Wholesale Consultative Forum (EWCF)	22 February 2023
Reform Delivery Committee (RDC)	28 February 2023
All Stakeholder Information Forum	Q2 2023
Regulatory Roadmap Forum	Q1 2023

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## Getting involved

If your organisation participates in the energy market, directly or indirectly, it is important to consider the reform initiatives underway and the preparations and

change required to be ready for go-live dates in 2023 and beyond.

Don't hesitate to contact the team at [NEM2025@aemo.com.au](mailto:NEM2025@aemo.com.au) if you wish to discuss approaches, potential impacts and to understand which program forum may be relevant to your organisation. You can also stay in touch with us via the [NEM2025 Program](#) website.

We wish you all the best for the festive season and look forward to engaging with you in the new year.

Regards,

NEM Reform Program Team