



Newsletter

# NEM Reform

Issue: 5 | November 2023

## Welcome to the November program update

The latest news from across the Program to help you navigate the reforms supporting the energy transition. Read on for important updates to help you understand the opportunities and implications of each reform initiative and prepare for implementation.

Since our last issue, the October and November implementation releases have been delivered, closing out a successful couple of months for industry and AEMO. Thank you to all the stakeholders integrating these changes into your business operations. This edition includes updates about these releases and upcoming inflight initiatives under the Program.

### In the spotlight

## October releases operating and delivering results

We are pleased to confirm the 2 initiatives deployed in October are operating as expected and have been well received by industry.

## **Fast Frequency Response - 'Very Fast' FCAS market commencement**

Since commencement of the new 'Very Fast' Frequency Control Ancillary Services (FCAS), 7 participants have registered the following capacity across 19 facilities (as at 10 October 2023):

- 498MW of Very Fast raise capacity
- 337 MW of Very Fast lower capacity

These services are available for AEMO to procure within 1 second of a contingency event to quickly rebalance the frequency in the energy system.

### **Register to participate**

Participants with eligible facilities can now register to provide Very Fast FCAS. AEMO is reviewing capacity on a fortnightly basis and will notify participants of any changes via market notices.

For information on the FFR initiative please visit AEMO's website at [AEMO | Fast Frequency Response](#) or contact the team at [NEMReform@aemo.com.au](mailto:NEMReform@aemo.com.au)

## **New MT PASA user interface and extra data fields go live**

Scheduled generators are now providing additional information to AEMO about future availability, as required under the MT PASA Rule Change. AEMO will collect and publish this information to help market participants make decisions about supply, demand and transmission network outages.

Access to more information about scheduled generator availability supports the resource adequacy of the power system as we transition from thermal generators towards a future energy system powered by renewables.

For information on the Enhanced MT PASA initiative visit our website at [AEMO | Enhanced Medium Term Projected Assessment of System Adequacy \(MT PASA\) Information](#) or contact the Team at [NEMReform@aemo.com.au](mailto:NEMReform@aemo.com.au)

# **November releases go live**

Over the past week, the NEM Reform Program has achieved more milestones on our

implementation roadmap, with further retail market improvements that support improved customer and retailer access to data delivered and becoming effective.

**Impacted stakeholders:**



**Consumer Data Right (CDR)**

*Facilitating the sharing of CDR data between AEMO, retailers and accredited data recipients (ADRs).*

**Project status:**

- Industry Go-live plan published on 10 October 2023.
- CDR Tranche 3 – rule effective from 1 November 2023:
  - Retailers with more than 10,000 customers (and others who opt-in) must now support CDR for simple requests. There have been no procedure changes made by AEMO for CDR Tranche 3.
- Last Consumer Change Date (LCCD) procedure - rule effective from 1 November 2023:
  - Financially responsible market participants must now update the LCCD field upon becoming aware the account holder has changes at their premises.

**What's next?**

- **May 2024:** CDR Tranche 4 becomes effective for Retailers with more than 10,000 customers (and others who opt-in) who must now support CDR for complex requests. There are no procedure changes to be made by AEMO for CDR Tranche 4.

**MSATS Standing Data Review (MSDR)**

*Standardising data to ensure it reflects the needs of the market, enabling participants to provide improved outcomes for electricity consumers.*

**Project status:**

- Industry Go-live plan published 10 October 2023, and an update for MSDR was published on 23 October 2023.
- Rule Effective on 7 November:
  - Compliance holiday ends for Meter Register Standing Data Items.
  - Distributed Network Service Providers (DNSPs) are required to populate ConnectionConfiguration and Meter Manufacturer, Model and Use fields.

### What's next?

Automation of the metering installation exemption process for meter malfunctions and small customer metering installation:

- **4 October 2023 – end of January 2024:** Informal testing (supported by AEMO Q&A sessions)
- **29 January 2024 – 1 March 2024:** Formal testing (supported by AEMO Q&A sessions)
- **4 March 2024:** Metering exemptions goes live.

## NEM Reform website receives an upgrade

We have updated the NEM Reform areas of the AEMO website to make it easier for you to find the information you need about the Program, forums and initiatives. Check out our new site here: [AEMO | NEM Reform Program](#)



If you have any feedback about the new web structure and content, please let us know at [NEMReform@aemo.com.au](mailto:NEMReform@aemo.com.au)

# Upcoming initiative highlights

## June 2024 releases

### Integrating Energy Storage Systems (IESS) final releases

**2 June 2024:** Material changes will be introduced to the non-energy cost-recovery (NECR) framework, whereby costs will be distributed more fairly to participants based on the amount of energy used or consumed.

**3 June 2024:** Launching the Integrated Resource Provider (IRP) participant type and bi-directional unit (BDU). This new near-universal participant type will simplify registration, further enabling batteries and other bidirectional facilities to participate more effectively in the NEM.

### Impacted stakeholders:



### Project progress:

- Key material published:
  - Draft technical specification and data model - to support participants' development activities. Document drafts anticipated to need only minor additional changes leading up to IESS pre-production and production releases in early 2024. Updates to occur monthly and only if required.
  - Market trial and industry test strategy - outlining AEMO's and NEM participants' market testing activities scheduled for April and May 2024

- FAQs for both IESS settlements and Bidirectional Units (BDUs)
  - Final IESS participant impact assessment
  - Final IESS readiness approach.
- Ongoing engagement with impacted participants - focusing on industry transition planning for IESS Settlements and BDUs as well as regular NEM Reform forums.

### What's next?

- Participant development support environment - available for interested participants from 15 December 2023 for Settlements and 22 January 2024 for BDUs.
- Detailed industry testing and market trial planning starts via the Industry Testing Working group.
- Industry transition planning continues - draft documents published by 15 December 2023 and final documents due on 31 January 2024.
- BDU transition - to be discussed at the second BDU Readiness Focus Group on 23 November.

## June 2025 releases

### Frequency Performance Payments (FPP)

*Incentivising electricity generators and large loads to provide good frequency control.*

### Impacted stakeholders:



**Scheduled  
Load**



**Generation**

### Project progress:

- Primary Frequency Response Requirements - published in May 2023.
- Frequency Contribution Factor Procedure - published in June 2023.
- Participant Impact Assessment - published in June 2023.

### What's next?

- Development of the FPP calculation engine is underway, which will take four-second performance data from generators, frequency measurements and other inputs to produce FPP outcomes for each five-minute trading interval.
- **December 2023:** AEMO will publish the high-level technical design for how data associated with FPP calculations is provided to participants and the market.
- **December 2024 to May 2025:** Non-financial operation of the new FPP system is scheduled to commence. During this time, the FPP calculation system will be fully functional and provide participants with information about what their FPP outcome would be under the new regime.
- **8 June 2025:** Frequency Performance Payments system go live date.

## Foundational and strategic initiatives

*Ensuring the security, reliability and effectiveness of digital capabilities that underpin current and future market services.*

Foundational and Strategic Initiatives include Identity and Access Management (IDAM), Industry Data Exchange (IDX) and Portal Consolidation (PC) as shown on the NEM Reform Implementation Roadmap. As part of our formal governance process, AEMO is conducting an industry consultation process to evaluate the business case before these initiatives proceed to implementation.

### Project progress:

- Solutions target state and transition strategy finalised with industry.
- Business case preparation underway, including contribution of ten cost assessments from industry stakeholders.

### What's next?

- **16 November 2023 and 30 November 2023:** Industry workshops to discuss draft costs and options for an assessment framework for the business case.
- **Early December 2023:** publication of draft business case.
- **Jan / Feb 2024 (dates tbc):** industry workshops to discuss the business case.

## Briefing our stakeholders

On October 25 our Industry Stakeholder team held two general briefings for all interested stakeholders: a General Stakeholder session followed immediately by a session on version 3 of the NEM Reform Implementation Roadmap that was recently published.

These briefings provided an opportunity for stakeholders to receive updates about:

- Initiatives in progress and expected impacts to industry.
- Updates to the NEM Reform Implementation Roadmap arising from changes in timing and/or scope of regulatory and policy processes, with a view to supporting participants manage their own change programs and provide a channel for industry feedback.

To find out more about these sessions and view the materials and recordings please visit AEMO's website [here](#).

## Get involved

### Upcoming forums

Please find below a snapshot of upcoming AEMO forums relevant to the NEM Reform Program. To view all of AEMO's upcoming events and forums, please visit [AEMO's Industry meeting calendar](#).



November							NEM Reform Program Committees/Forums/Working Groups	
S	M	T	W	T	F	S		
			1	2	3	4	NEM Reform Program Consultative Forum	
5	6	7	8	9	10	11	NEM Reform Delivery Committee	
12	13	14	15	16	17	18	NEM Reform Delivery Committee - Collaborative Workshop	
19	20	21	22	23	24	25	NEM Reform Implementation Forum	
26	27	28	29	30			NEM Reform Electricity Wholesale Consultative Forum	
December							NEM Reform Executive Forum	
S	M	T	W	T	F	S	NEM Reform Industry Testing Working Group	
						1	Foundational and Strategic Initiatives Focus Group	
3	4	5	6	7	8	9	Integrating Energy Storage Systems (IESS) Focus Group and Sessions	
10	11	12	13	14	15	16	<b>Other Forums</b>	
17	18	19	20	21	22	23	Electricity Retail Consultative Forum	
24	25	26	27	28	29	30	<b>Other</b>	
31							State/Territory Public Holiday	
							AEMO Office Closed	

For more information about these forums and working groups please visit the [NEM Reform Program Forums page](#).

## Consultations

Please refer to the consultation section of the AEMO website for a full list of all [NEM Reform Program consultations](#).

## Reach out to us

Don't hesitate to contact the team at [NEMReform@aemo.com.au](mailto:NEMReform@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 [NEM Reform Program website](#).

Regards,

NEM Reform Program Team