



Newsletter

# NEM Reform

Issue: 7 | **February 2024**

## Welcome to our first Program update for 2024

Each Quarter we provide 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.

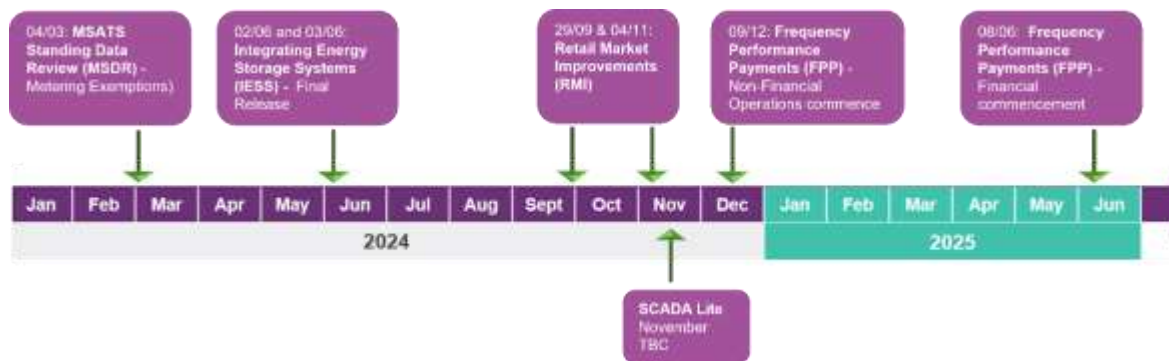
This edition includes:

- A view of the year ahead
- March Go Live update - MSATS Standing Data Review (MSDR)
- Market trial information for Integrating Energy Storage Systems (IESS) June
- New video explainers for Frequency Performance Payments (FPP)
- In-flight initiative updates

## The year ahead

**Currently 5 projects to deliver 2024**

Please see a high-level view of our schedule below:



For a more detailed view of each of these initiatives, please scroll down to the ‘inflight initiatives updates’ section below. For a more detailed view of the Program’s implementation schedule, please view the latest version of the [NEM Reform Implementation Roadmap](#).

### Updated Roadmap coming soon!

The NEM Reform Implementation Roadmap is revised periodically to reflect changes in scope or timelines as policy or designs are being finalised or as new rule determinations are made. The stakeholder team are working closely with the Reform Delivery Committee (RDC) to prepare Version 4 which will be shared with you in Q2 of 2024.

## In the spotlight

### On track for MSDR Go Live - Metering Exemptions

On Sunday 3 March 2024, AEMO will deploy the final release for the MSATS Standing Data Review (MSDR) Project, called the Metering Exemptions release. The industry test period for MSDR is in progress and the project is on track for system go live.

#### What are the benefits of this change?

This release will automate the collection of meter malfunction exemptions which have previously been performed manually. The new automated process is expected to reduce the amount of time and effort required by meter coordinators. The changes also make the process more transparent by sharing exemption data with those who need it.

Keep scrolling to the ‘initiative updates’ section for more information about this release.

# IESS June market trial set to commence in April

The Integrating Energy Storage Systems (IESS) initiative continues to make good progress in alignment with the compact schedule. Industry transition and market trial planning is in progress and on track. A big thank you to stakeholders who reviewed and provided feedback on the IESS market trial plan, which is key to assisting participants preparing for the June 2024 IESS changes.

## Participate in IESS market trial from Tue 2 April 2024

Now the IESS market trial plan is complete, AEMO is in full swing preparing for the trial. It will be available to participants from Tue 2 April to Fri 24 May 2024. Expressions of interest are open until Thu 29 February 2024 and can be submitted [here](#). More Information about the IESS market trial is available [here](#).

# Watch our new video explainers for FPP

Development of a new Frequency Performance Payment (FPP) calculation engine is underway, eventually delivering much more data to participants about their Primary Frequency Response (PFR) performance.

The project team has published a series of simple explainer videos and FAQs on the [FPP Project Page](#). They include 'An introduction to FPP' and 'A walkthrough of the FPP calculation process', amongst others. More coming soon!

## Inflight initiatives updates

# MSATS Standing Data Review (MSDR) - Metering Exemptions

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

**Impacted stakeholders:**



**Retailer**



**Metering  
Coordinator/  
Provider/ Data  
Provider**

#### **Latest progress:**

- Formal Industry testing commenced 31 Jan 24 and will run until 1 Mar 24.
- Final version of Industry Go Live Plan was emailed to impacted stakeholders on 6 February 2024.

#### **What's next?**

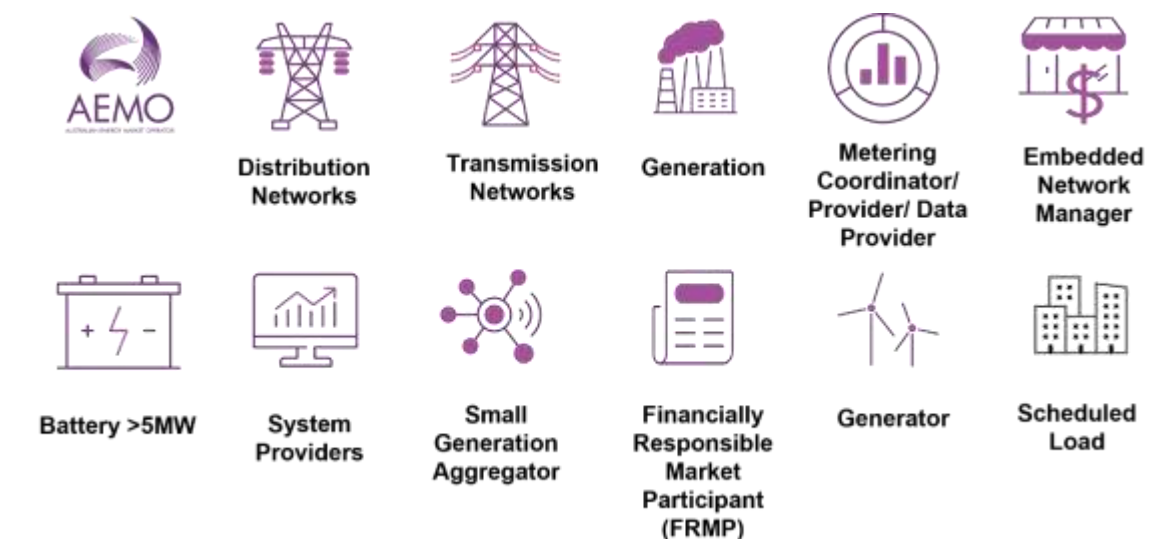
- Industry testing will continue and is supported by twice weekly Q&A sessions will continue to Thursday 7 Mar 24.
- Go Live on 3 Mar 24: MSATS system deployment for metering exemptions will be deployed into MSATS at market time between 10:00 and 14:00 Market Time.

## **Integrating Energy Storage Systems (IESS) June**

**Sun 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.

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

#### **Impacted stakeholders:**



### Latest progress:

- Industry readiness: 3 x IESS transition plans – finals published 31 Jan 24.
- Industry readiness: Registration paperwork for Integrated Resource Provider transition issued to affected participants.
- Industry testing: Final IESS market trial plan released 16 Feb 24.
- Tech specs and Data Model 5.3: Updated MSATS and EMMS tech spec and Data Model v5.3 published 21 Feb.
- Industry readiness: DRAFT IESS Go Live plan released for feedback 26 Feb 24.

### What's next?

- Industry testing: Market trial will take place 2 Apr – 24 May 24. Please see more details in the spotlight section above.
- Tech specs: EMMS Data Model 5.3 Final specification 12 Mar 24.

## Frequency Performance Payments (FPP)

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

### Impacted stakeholders:



### Latest progress:

- In December, AEMO published the high-level technical design for how data associated

with FPP calculations is provided to participants and the market. Available [here](#).

- In January, AEMO published the Participant Readiness Approach. Available [here](#).

#### What's next?

- Readiness/Go Live criteria for non-financial operation will be made available over the coming weeks.

## SCADA Lite

*Facilitating bi-directional connections to exchange operational information (telemetry and control) with AEMO.*

#### Impacted stakeholders:



**Small  
Generators**



**Distribution  
Networks**



**Transmission  
Networks**



**Demand  
Response  
Service  
Provider  
(DRSP)**



**Small  
Generation  
Aggregator**



**Virtual Power  
Plant (VPP)**

#### Latest progress:

- AEMO has received Investment approval to proceed with SCADA Lite implementation.
- AEMO is currently conducting a Proof of Concept (POC) on identified approach and formalising delivery approach and timings.
- Milestones and progress reporting will be incorporated into NEM Reform Program and forums (PCF, Implementation Forums).

#### What's next?

- Establishment of readiness criteria and industry test strategy in early Q2 of 2024.
- Release of Go Live Plan in early Q3 of 2024.

## Retail Market Improvements (RMI)

*Delivering more efficient processes for AEMO, consumers and participants in the NEM, comprising of two changes for Issues and Change Forms (ICFs).*

*Effective dates:*

**29 September 2024:** Net System Load Profile (NSLP) longer-term methodology (ICF\_072)

**4 November 2024:** Substitution Types Review (ICF\_054)

#### Impacted stakeholders:



**Metering Data  
Provider**



**Financially  
Responsible  
Market  
Participant  
(FRMP)**



**Embedded  
Network  
Local Retailer  
(ENLR)**



**Local Network  
Service  
Provider  
(LNSP)**

#### **Latest progress:**

- AEMO has completed consultation on various changes to its Retail and Metering Procedures and issued final report on 15 Dec 23. Available [here](#).

#### **What's next?**

- For the Substitution Type Review change, initial Tech specifications are scheduled for publishing on 27 Mar 24.
- Readiness approach is scheduled for publishing on 26 Apr 24.

## **Other initiative updates**

## **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.

#### **Latest progress:**

- 27 Feb 24: AEMO published [“Business Case – Draft”](#).

#### **What's next?**

- 12 Mar 24: Second / final stakeholder session – walk through of any substantial updates, next steps and closure of working group.
- 28 Mar 24: Present draft Business Case at NEM Reform Executive Forum.

# Stakeholder engagement update

In December 2023 we provided stakeholders with an opportunity to provide feedback on the NEM Reform Program, focusing on what worked well and what could be improved.

Broadly speaking stakeholders indicated satisfaction with the level of engagement, the delivery and timing of material and the opportunity to engage with our Q&A sessions. Stakeholders also identified several opportunities for enhancing the delivery of the Program. This includes a review of our engagement sessions and their respective structure and a review of post implementation support.

AEMO would like to thank stakeholders for their input and will continue to work through the feedback to improve the Programs delivery and efficiency.

## 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](#).

March							April							May						
M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
25	26	27	28	29	30	31	29	30						27	28	29	30	31		



#### NEM Reform Program Committees/Forums

Executive Fourm	Yellow
Reform Delivery Committee	Green
Reform Delivery Committee Collaborative Workshop	Cyan
Program Consultative Forum	Purple
Electricity Wholesale Consultative Fourm	Red
Implementation Forum	Pink
Industry Testing Working Group	Blue

#### NEM Reform Initiative Specific

Foudational and Strategic Initiatives Focus Group	Dark Blue
IESS   Participant Development Support Environment (PDSE) Q&A	Yellow
IESS   Integrated Resource Provider briefing and Q&A	Green
IESS   BAU Focus Group	Brown

#### Other Forums

Electricity Retail Consultative Forum	Light Green
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#### Other

National Public Holiday	Grey
State/Territory Public Holiday	Dark Grey

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

Please 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.