



Newsletter

NEM Reform

Issue: 9 | **Sep 2024**

Welcome to our latest Program update.

This newsletter helps you navigate the many reforms supporting the energy transition. It provides important updates to aid understanding of the opportunities and implications and assists you in preparing for implementation.

Since our last issue we have been busy mobilising our next group of reforms out to 2027. More projects have been added to our pipeline, with a total of 9 projects inflight and 4 in rule development. We recognise the volume of work required by industry, both in and outside of the NEM Reform Program. Thank you for your ongoing engagement with the Program as we continue to evolve.

This edition includes:

- In the spotlight: imminent releases and engagement opportunities
- Inflight initiatives updates
- Anticipated initiatives updates
- How to get involved

In the spotlight

Retail Market Improvements (RMI) on track for delivery

NSLP (Net System Load Profile) - effective from 29 Sep 24:

NSLP is a small change to adjust the calculation of the NSLP weightings. Going forward, Retailers with accumulation meters can expect to receive settlement bills that are supported by a more indicative NSLP shape. Bills will no longer show extreme peaks and troughs and will be more as expected.

Meter substitutions and reason codes - effective from 4 Nov 24:

Changes to the substitution types and reason codes include:

- 7 x new substitution types,
- the obsolescence of substitution type 16, and
- the addition 10 new reason codes.

These changes will help us deliver more insightful substitution types and associated reason codes and more efficient downstream processes.

Frequency Performance Payments (FPP) Non-Financial Operation commencing soon

The schedule for industry testing and NFO commencement remains on track for 9 December 24, ahead of full rule commencement on 8 June 25.

If you are impacted by this reform and have any questions, you may wish to attend an upcoming education and Q&A session:

- 9 Oct 24
- 8 Nov 24

Please register [here](#). Slides and recordings are available on the [FPP project page](#).

MITE Working Group (MITEWG) established

The MITE Working Group continues to meet on a regular basis, to plan and prepare for upcoming topics and deliverables.

Four focus groups (FGs) have been established, with six more to come together in 2024, to explore specific items in more detail. Recommendations and outputs from the FGs will be presented back to the MITEWG for broader consideration and feedback, as per WG's [Terms of Reference](#).

An initial forward plan of future topics and engagements has been shared with the MITEWG. This will be updated regularly and included in MITEWG meeting packs and notes and published on the [MITE project page](#).

New project: Short Term Projected Assessment of System Adequacy (ST PASA) Procedure and Recall Period

ST PASA Procedure and Recall Period project is the latest initiative added to the Program's pipeline. The project was established to implement the changes outlined in the AEMC rule change: ['Updating ST PASA'](#).

This rule change introduced a principles-based approach to give AEMO and industry more flexibility in updating ST PASA, an important system used by AEMO to forecast electricity reliability and security in the NEM.

The project will implement the following by 31 July 2025:

- Publish a ST PASA Procedure,
- Include changes from the new NER 3.7.3, specifically;
 - ST PASA publication timetable, and
 - definition of 'energy constraint' and PASA availability

The project will also deliver the system changes associated with the recall time and unit level availability information.

For more information please visit the dedicated [ST PASA Procedure and Recall Period project page](#).

Important note: AEMO is separately integrating a new ST PASA system to replace the existing ST PASA system. This new system will involve significant changes to processes and procedures, and will involve detailed engagement and consultation with participants. This will be completed through the [ST PASA replacement project](#) by AEMO's Operations Technology Program.

Attend our General Briefing

AEMO will host a *General Stakeholder and Implementation Roadmap* briefing on 27 November 24, from 1.00-3.00pm (AEST).

AEMO welcomes all stakeholders with an interest in the NEM Reform Program to attend this briefing. In this session we will provide an informative overview of the NEM Reform Program initiatives in progress, expected impacts to industry and how to get involved.

The session will also include an overview of material changes in the October 2024 release of the Implementation Roadmap [version 4.0](#).

If you are interested, please [register here](#).

Inflight initiative updates

Retail Market Improvements (RMI): NSLP & Metering Substitutions

Delivering more efficient processes for AEMO, consumers and participants in the NEM.

Impacted stakeholders:



**Metering Data
Provider**



**Financially
Responsible
Market
Participant
(FRMP)**



**Embedded
Network
Local Retailer
(ENLR)**



**Local Network
Service
Provider
(LNSP)**

Latest progress:

- Industry testing commenced on 2 Sep 24, and go live plan published on 9 Sep 24.

What's next?

- Final MSATs tech spec to be published on 27 Sep 24, ahead of go lives.
- Production deployment has been approved for 29 Sep 24.
- Industry testing for metering substitutions will continue through October.

Frequency Performance Payments (FPP)

Incentivising electricity generators and scheduled loads to have a helpful impact on system frequency.

Impacted stakeholders:



Latest progress:

- Draft Industry test plan published on 2 Sep 24.

What's next?

- Final Industry test plan on 26 Sep 24.
- Industry testing Q&As for non-financial operation commences on 14 Oct 24.
- Stakeholder information sessions taking place in the lead up to non-financial operation.
- Data Model Technical Specification (Financial Operation, Settlement Reports) on 31 Oct 24.

For more information, please visit [FPP project page](#).

SCADA Lite

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

Effective date: 29 Jan 25.

Impacted stakeholders:



**Small
Generators**



**Distribution
Networks**



**Transmission
Networks**



**Demand
Response
Service
Provider
(DRSP)**



**Small
Generation
Aggregator**



**Virtual P
Plant (V)**

Latest progress:

- Final readiness, go live criteria and Pilot test strategy published on 26 Jul 24.

What's next?

- Testing with participant commences 14 Nov until 4 Dec 24.
- Final Go Live Plan to be published on 14 Jan 24.

For more information, please visit [SCADA Lite project page](#).

Enhancing Reserve Information (ERI)

Providing better and more real-time supply information to the market to facilitate more reserves.

Jul 25: Go Live 1 - energy availability of scheduled generators and previous day's state of charge for batteries.

Jul 27: Go Live 2 - latest commencement of real time state of charge of batteries.

Impacted Stakeholders:



**Scheduled
Generators**



**Bi-directional
Units**

Latest progress:

- Project establishment and participant engagement is underway.
- Published the final high level impact assessment on 12 Jul 24.

What's next?

- EMMS initial data model and final tech spec to be published in Nov 24.

For more information, please visit dedicated [ERI project page](#).

Short term projected assessment of system adequacy (ST PASA) Procedure and Recall Period

Providing more flexibility to update ST PASA, ensuring it remains fit for purpose over time. Rule effective date: 31 Jul 25.

Impacted stakeholders:



Generators

Latest progress:

- On 3 Sep 24 AEMO published two documents for consultation:
 - [Draft HLIA](#). Participant feedback closed on 13 Sep 24.
 - [Consultation Paper on the proposed ST PASA Procedures](#) and related documents. Participant feedback due 1 Oct 24.

Feedback on both documents is welcome via email to NEMReform@aemo.com.au

What's next?

- Draft Technical Specification to be published in Oct 24.
- Submissions close for consultation on ST PASA Procedure and related documents 1 Oct 24.
- ST PASA Procedures Draft report – 28 Oct 24.

For more information, please visit [dedicated ST PASA Procedure and Recall Period project page](#).

Improving Security Frameworks (ISF)

Increasing transparency of system security needs and incentivising market participants to invest long term in system security provision. Rule effective date: 2 Dec 25.

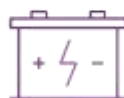
Impacted stakeholders:



**Transmission Network
Service Providers**



Generation



**Batteries & other
technologies**

Latest progress:

- Procedure and Guideline Consultations underway and on track.
- Indicative delivery timelines drafted in addition to a Draft HLIA published 31 May 24.

What's next?

- Publication of updated HLIA and Industry Readiness Approach late Nov 24.

For more information, please visit dedicated [ISF project page](#).

Flexible Trading Arrangements (FTA)

Establishing flexible trading arrangements to help consumers access additional value from their energy resources.

Impacted stakeholders:



Retailer



**Metering
Coordinator/
Provider/ Data
Provider**



**Distribution
Network
Service Provider
(DNSP)**

Latest progress:

- AEMC published the Final Determination and Final Rule on 15 Aug 24. The effective date for type 9 metering installations is scheduled to start on 31 May 26, and the remainder of changes on 1 Nov 26.

What's next?

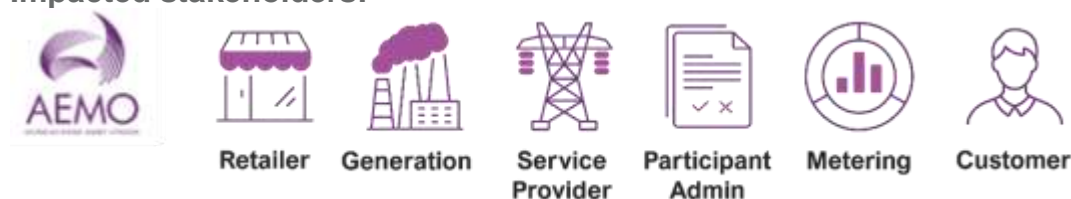
- AEMO to publish its Final HLIA on 26 Sep 24 and host a webinar session with industry on 10 Oct to discuss the Final HLIA.
- AEMO to begin focus groups with industry during October and November this year.
- Indicative date for AEMO consultation to start Apr 25 and finish the consultation 30 Sep 25.

For more information, please visit dedicated [FTA project page](#).

Market Interface Technology Enhancement (MITE)

Ensuring the security, reliability and effectiveness of digital capabilities that underpin current and future market services. Includes Identity and Access Management (IDAM), Industry Data Exchange (IDX) and Portal Consolidation (PC).

Impacted stakeholders:



Latest progress:

- MITE Working group (MITEWG) and associated Focus Groups sessions have commenced – please see update in spotlight section above.

What's next?

- Ongoing preparation and execution of upcoming topics and deliverables – please see update in spotlight section.

For more information, please visit dedicated [MITE project page](#).

Anticipated initiatives

The following initiatives are at various stages of the initial delivery planning:

Metering Services Review (MSR): Latest version of High-Level Impact Assessment (HLIA) published in August. Awaiting final determination and recommencement of procedures consultation.

More information: [MSR project page](#).

Shortening the settlement cycle (SSC): Published latest version of HLIA on 20 Sep 24. Submissions on draft AEMC determination due by 3 Oct 24.

More information: [SSC project page](#).

Integrating price responsive resources into the NEM (IPRR): Published latest HLIA on 12 Sep 24 (including updates from participant feedback) - available now for participant review ahead of Final Determination.

More information: [IPRR project page](#).

Project Energy Connect – Market Integration project:

More information: [PEC-MI project page](#).

It is time to start preparing your project teams for mobilisation as required and include these initiatives in your forward delivery plans.

How you can get involved

- Keep up to date with the latest information on how to get involved on the [NEM Reform Program webpage](#).
- Attend our (online) *General Stakeholder and Implementation Roadmap* briefing on Wednesday, 27 November 2024 from 1:00-3:00 pm (AEST). [Register here](#).

Important note: From 30 Sep 24, AEMO Support Hub will start sending notifications from a different mailbox. To keep receiving these notifications,

please ensure noreply@aemo.com.au is not marked as spam and/or are blocked by your IT systems.

As always please contact the team at NEMReform@aemo.com.au should you have any questions.

Regards,

NEM Reform Program Team
