

Regulatory Implementation Roadmap – Stakeholder Forum

Summary of feedback and AEMO’s response

Introduction

This document provides a summary of the main points of discussion at the stakeholder forum convened by AEMO on 24 February 2021 to provide information and invite feedback on updates to the regulatory implementation roadmap. This document also provides a summary of stakeholder questions and feedback, including written feedback subsequent to the forum, as well as AEMO’s response. Please note that:

- This document is a high-level summary only and is not intended to be a complete record of discussion at the forum, or the feedback received.
- The stakeholder questions/feedback, and AEMO’s responses, have been grouped together by theme and are not presented in the order that issues were raised in the forum.

Overview of stakeholder forum

AEMO staff presented the slide pack and updated Regulatory Implementation Roadmap (draft version 4), circulated to interested stakeholders on Monday 22 February. The following items were discussed:

- Background to the regulatory implementation roadmap
- Objectives of the forum
- Key updates to the roadmap
 - Implementation delay to five-minute settlement (5MS) retail solution – from 9 March 2021 to 31 May 2021
 - Rescheduling of Metering Coordinator Planned Interruptions (MCPI) and MSATS Standing Data Review (MSDR) implementation – from 14 March 2022 to 1 May 2022
- Other key updates reflected in draft version 4 of the roadmap
- Detailed implementation schedule for 2021 (including 5MS and Global Settlements, Customer Switching, Wholesale Demand Response Mechanism (WDR), Electricity B2B changes, and Gas B2B gas changes)
- 2021 implementation risks
 - 5MS and Customer Switching – identification of new risks, actions being progressed and residual risk ratings
 - WDR - identification of new risks, actions being progressed and residual risk ratings
- Next steps – written feedback to be provided by 3 March 2021 and publication of the final roadmap in mid-March.

Summary of stakeholder feedback and AEMO's response

Stakeholders raised several questions and issues during the forum and subsequent written feedback, that broadly related to:

- Delays to the go-live of the retail Meter Data Management (MDM) IT solution and risks/implications for implementation of 5MS
- Dependencies between regulatory initiatives, including the risks/implications for the broader implementation program from the delay to the retail MDM IT solution
- Expanding the scope of, and potential enhancements to, the regulatory implementation roadmap and the detailed implementation schedule
- Rules requirements for the rescheduling of MCPI and MSDR implementation.

AEMO has responded to stakeholders' queries and concerns by:

- Incorporating some of the proposed changes into the final version 4, and finalising the regulatory implementation roadmap to confirm the key implementation dates as presented on 24 February 2021
- Agreeing to consider potential enhancements for future iterations of the regulatory implementation roadmap
- Acknowledging proposed changes that will not be progressed.

Updates to the regulatory roadmap and detailed implementation schedule (version 4, final)

Implementation risks

Many stakeholder queries were focussed on implementation risks, particularly those regulatory initiatives due to go-live in 2021, and to some extent 2022.

In response to questions of timing, AEMO confirms through the publication of the regulatory implementation roadmap (version 4, final), that the key go-live dates presented to industry on 24 February are current, namely:

- Five-minute settlement (including soft start to global settlement) – 1 October 2021
- Customer switching – 1 October 2021
- Wholesale demand response mechanism – 24 October 2021
- B2B electricity changes – 10 November 2021
- B2B gas changes – 29 November 2021
- Global settlement – 1 May 2022
- MCPI and MSDR – 1 May 2022.

This is subject to any changes to the production date of the retail MDM IT solution go-live, which is scheduled for 31 May 2021.

AEMO acknowledges and continues to assess and mitigate the implementation risks to 5MS, as well as flow on implications for the delivery of Customer Switching and WDR.

Stakeholders also raised concerns about the risk of further delays to both the implementation date for the retail MDM IT solution, and participants programs of work. AEMO recognises that any further delay would have consequences for the market trial and participant readiness. The 5MS mitigation

measures discussed at the forum, that is readiness reporting, more targeted resourcing, and daily governance arrangements, have been put in place to mitigate this risk. The check point in late March will provide a view on any changes to the risks and relative effectiveness of the mitigating measures. AEMO will continue to work through the SMS consultative forum to assess and manage the risk to participants' readiness.

In the event the retail MDM IT solution go-live date of 31 May 2021 is not met, AEMO will seek to consult with stakeholders as a priority.

AEMO confirms that all gas B2B changes will be effective from 29 November 2021.

MSDR and MCPI rescheduled

A couple of stakeholders queried the approach to meeting rules requirements for MCPI, given the rescheduling of go-live for MSDR and MCPI to 1 May 2022, and sought information as to whether there was written advice from market bodies on this matter. AEMO's approach is not to pursue a rule change request to minimise the regulatory burden for participants and given that the deferral is:

- Only for a seven-week period,
- Advanced notice has been provided, and
- No adverse impacts have been identified by AEMO or raised by participants to date.

Both the AER and AEMC are aware of the issue as AEMO has advised the market bodies on its approach to rescheduling MCPI implementation.

Detailed implementation schedule

To address stakeholder feedback, AEMO has reinstated the schema changes view in the Regulatory Implementation Roadmap for the period 2021-23, recognising that the implementation schedule only provides a view for 2021. The schema changes identified for 2022-23 are based on current information, however there is less certainty regarding the requirement for and timing of some schema change in the outer years.

AEMO has updated the implementation schedule to include a note regarding the release of the Electricity Validation Module for electricity B2B changes which will be no later than 10 October 2021 in response to feedback. Stakeholders indicated they value the inclusion of technical specification for all projects, including any new schema on the implementation schedule. This has been included where possible.

Other updates

Note, AEMO has retained the NEM settlement under low, zero and negative demand conditions initiative on the roadmap, despite the impact for industry participants is considered to be minimal. Most of the impact will be on AEMO systems, however market participants' settlement reconciliations, as they include non-energy recovery amounts, may be impacted if regional demand is less than 1MWh. AEMO will provide additional tables to support reconciliation in the event zero demand occurs.

Two other updates to the roadmap has been made since 24 February. The first reflects the AEMC's deferral of its final determination and rule on the connection to dedicated connection assets. The second relates to an extension of the rules development phase for Standalone Power Systems, with the Energy Senior Officials commencing a rules amendment consultation process in mid-March. These changes are captured in the log of changes.

Potential future enhancements

Detailed implementation schedule timeframe

AEMO will consider extending the implementation schedule beyond a one-year timeframe, subject to the implementation program for initiatives being sufficiently developed and firmed up.

Interdependencies

AEMO acknowledges stakeholders' questions regarding dependencies which suggests there is value in having a shared understanding of dependencies between regulatory initiatives as well as dependencies between systems and the delivery of regulatory initiatives.

The regulatory implementation roadmap identifies regulatory initiatives where there are interdependent Energy Security Board and AEMC rule change processes on foot, for example around the provision of system services.

The discussion on the 2021 implementation risks recognised the dependencies between 5MS, Customer Switching and WDR initiatives through the retail MDM IT solution. Actions identified to mitigate the implementation risk for WDR seek to decouple the dependency on retail MDM IT solution.

AEMO will consider if and how the regulatory implementation roadmap can be enhanced to recognise dependencies in a way that adds value and is not overly complex and burdensome. Any potential enhancements will be incremental in nature.

There was interest from one stakeholder in better understanding the linkages between the smart meter rollout and regulatory roadmap initiatives, and whether there are any moves to increase the pace of smart meter rollouts across the NEM. Stakeholders are encouraged to actively participate in the AEMC's Review of Regulatory Framework for Metering Services to provide their views on smart metering.

Staging environment

In response to the implementation schedule, several stakeholders questioned whether a staging environment would be available for initiatives other than 5MS. At this stage, AEMO does not have any plans to provide a staging environment for other current initiatives due to cost and resourcing considerations. AEMO may contemplate in future, however, providing a staging environment for large, complex initiatives.