

# Regulatory Implementation Roadmap – 24 November Stakeholder Forum

## Summary of feedback and AEMO's response

### Introduction

This document accompanies the publication of Regulatory Implementation Roadmap (version 6) 'the Roadmap'.

This document provides a summary of stakeholder feedback, 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 feedback, and AEMO's responses, have been grouped by three key themes of the forum.

### Overview of stakeholder forum

AEMO presented the slide pack and updated Roadmap (draft version 6), circulated to stakeholders on Friday 19 November. The following items were discussed:

- Background and objectives of the Roadmap
- 2021 major reforms – lessons learnt
  - Stakeholders invited to provide insights/feedback
- Updates to the Roadmap/detailed implementation schedule at the forum, notably:
  - Committed initiatives due to commence in 2022
    - change to scope of MSATS standing data review (MSDR) version 1 (1 May 2022 go-live) and version 2 (7 Nov 2022 go-live), with version 1 delivering Metering Coordinator Planned Interruptions and aseXML schema release and version 2 delivering the majority of MSDR.
    - Tranche 1 of the consumer data right to commence on 15 Nov 2022, with subsequent tranches to go-live through to 1 May 2024.
  - ESB initiatives – further details of initiatives being progressed under the four workstreams have been included, with current rule changes considered as part of the ESB's final report mapped to the relevant workstream
  - Final rules made (Efficient Management of System Strength on the Power System and Generator Registrations and Connections) and extensions of the rules development phase for several regulatory initiatives.
  - Updated detailed implementation schedule for the remainder of 2021 and 2022 – incorporates changes to scope of MSDR and consumer data rights (tranche 1)
- ESB reforms - AEMO presented on its collaborative process with stakeholders to define a roadmap for implementing the NEM 2025 reforms (NEM 2025 Implementation Roadmap) with a view to assisting industry navigate the forward reform agenda by de-risking delivery and

informing implementation timings. The Reform Delivery Committee has been established to guide the roadmap. Stakeholder feedback is sought on industry pain points, opportunities that could be leveraged and factors that can be considered when scoping initiatives.

- Next steps – Stakeholder feedback was requested by 15 December 2021 on lessons learnt, the roadmap (draft version 6) and the approach to managing implementation of ESB reforms/role of the Reform Delivery Committee. AEMO plans to publish version 6 of the roadmap on before the end of 2021.

### Stakeholder feedback and AEMO's Response

Below is a summary of the feedback provided during the forum and through the five submissions received, as well as AEMO's response to the feedback.

#### Lessons Learnt – Stakeholder Feedback

- Implementing a large number of reforms simultaneously made it difficult to deliver on time and within budget. Delivering compliance requirements and internal programs of work is challenging and the roadmap has been an important tool in assisting businesses to plan their program of work.
- Multiple stakeholders indicated that better transitional management is required to support reform delivery (i.e. where the success of a reform is dependent on a participant transitional activity, then this needs to have a mandatory obligation for transition rather than a voluntary transition). One stakeholder specifically noted the value in allowing AEMO to undertake procedural and technical impact assessments as early as possible, to inform the potential scope of bundle reforms and the adequacy of implementation periods. Where this is not achievable ahead of a Final Determination being made, the stakeholder suggested that it would be prudent to factor additional time into the transitional period and/or establish a target implementation window (rather than a single fixed date) to account for such an assessment and allow the implementation date to be revised if required.
- Contingency arrangements require greater thought at the beginning of the process, to avoid having to balance the effort of contingency planning later in the process with effecting the regulatory change itself. In particular, this refers to a more flexible mechanism to change implementation dates rather than going through a rule change process.
- Moving deliverable dates for initiatives, such as five-minute settlement and more recently MSDR, has downstream impacts for industry – resourcing implications, additional burden/cost of having to adjust deployment schedules, potential adverse impact for planned internal system improvements, additional burden of dealing with the development of various and overlapping versions of procedures.
- With the large number of document versions it has been difficult to keep track of marked-up changes. There is a need to have a clearly understood method for displaying amendments. It may be worthwhile to limit version changes to two per year, rather than having numerous consultation versions.
- Bi-annual fixed delivery timeframes could streamline the roadmap and drive some efficiencies, allowing participants to better manage, co-ordinate resourcing and budget for their implementation requirements. Reform initiatives could be sized and phased to be smaller, manageable changes.

- Any proposed major changes to commencement dates should be communicated via a change communication notice rather than incorporated into meeting slide pack.
- It may be worthwhile reinstating regular participant meetings (e.g. MDP, MPB, MC) to discuss how best to tackle the challenges the industry is facing
- Industry testing is beneficial in allowing participants to determine and implement change requirements and assess how well they are placed for delivery
- Cutover timing requires more consideration, with a couple of stakeholders supporting weekend cutovers to limit impact on BAU functions. Consideration should be given to minimising customer impacts (i.e. processing service order requests)
- Cutovers could be more effectively managed by having an open forum for each cutover as each project goes live, assisting participants and avoids having to raise individual emails
- Roadmap does not capture jurisdictional regulatory change processes or Issue/Change Forum (ICF) changes implemented through Electricity Retailers Consultative Forum and industry's capacity to deliver changes is impacted by these initiatives
- Consideration at the design level stage as to the number of IT people that could be required across industry, not just AEMO/per project basis
- The need to recognise the continued effort required after go-live for major reforms – plan and indicate a post go-live (hypercare) timeframe supported with quick turnaround times

#### Lessons Learnt - AEMO Response

- Better transitional management and contingency arrangements may be considered and addressed through the rule making process. For complex rule changes requiring extensive system changes, participants and AEMO can consider proposing, as part of the rule change process:
  - mandatory transitional obligations for participants/AEMO (would require more upfront analysis),
  - commencement dates are predicated on pre-requisite requirements being met in advance of go-live, otherwise contingency arrangements are triggered.

The need for contingency arrangements is likely to be reduced with appropriate transitional arrangements to better the staged delivery.

- AEMO considers moving commencement dates only as a last resort when delivery risk cannot be effectively mitigated. AEMO understands that there may be additional costs for participants and AEMO alike. A collaborative industry-wide approach should be adopted to managing such risks.
- AEMO acknowledges stakeholder comments on the complexity and difficulty in tracking the version control of AEMO procedures. AEMO is seeking to limit these administrative issues where possible, particularly for complex rule changes. For instance, as part of AEMO's implementation plan for integrating energy storage systems final rule, AEMO is seeking to schedule the updates to existing procedures/development of new procedures in a way that limits this issue.
- AEMO is supportive in principle of bi-annual fixed delivery timeframes. This scheduling approach can be considered through the NEM2025 implementation roadmap process to inform the reform delivery timetable, subject to rules requirements being observed.
- With regards to communication protocols around changes of effective dates, AEMO conducts minor amendment processes. Upon initiation AEMO issues notices of minor amendment

processes to relevant parties as well as communicating via AEMO's regular communications email.

- Industry testing will continue to be a critical component of implementation of key regulatory initiatives.
- With regard to managing cutovers, AEMO is open to giving consideration to cutover forums if there is broad support for such an approach
- AEMO understands that jurisdictional regulatory initiatives can impact industry's capacity to delivery other reforms, as this often involves using the same limited resources. AEMO proposes to take a 'by exception' approach given that preliminary investigations suggest that a consolidated view of jurisdictional regulatory initiatives is not readily available/maintained. If through the regulatory roadmap forum process, there is consensus among a number of stakeholders that a particular initiative should be included, and it meets the criteria of the AEMO regulatory roadmap (i.e. the initiative has a significant IT system impact and/or is strategic in nature and requires an industry-wide coordinated response) then AEMO will consider including it in the final version. To keep track of jurisdictional programs more broadly, stakeholders may wish to approach their relevant industry body.
- AEMO notes that ICF changes may require participants to make system changes however AEMO has little understanding of the level of impact on participants' systems. Where there is a consensus among a number of stakeholders that the impact is material, AEMO may include ICF changes. AEMO does consider opportunities to align effective dates across release dates.
- AEMO believes that there is merit in formally recognising a "hypercare period" following the commencement of a key regulatory initiative.

#### Draft Regulatory Implementation Roadmap – Stakeholder Feedback

- Request to add the National Electricity Law (NEL)/National Electricity Rule (NER) changes for Consumer Data Right to the roadmap, noting NMI standing data changes
- Stakeholders sought confirmation of delivery of versions 1 and 2 of MSDR (ie 1 May 2022 and 7 November 2022) and CDR tranche 1 (15 November 2022) as per the draft roadmap,
- Stakeholder commented that the gas regulatory frameworks review to accommodate hydrogen/renewable gases likely to be significant change and expectation to deliver sooner rather than later
- Request to include Victorian Energy Minister's Declared Wholesale Gas Mechanism (DWGM) distribution connected facilities rule change as a separate line item on the roadmap
- Request to capture participant implementation requirements on the roadmap even if AEMO has no system impacts, for example electricity B2B v3.7 which requires IT changes for industry but not for AEMO,
- Request for the roadmap to have space to accommodate BAU changes – stakeholders highlighted that many of the new reforms will not directly impact small customers and that BAU changes that do impact small customers may not be given precedence as a result e.g. making MSATS real time
- Request for further details on preparation work/milestones to implement gas transparency measures changes.

## Draft Regulatory Implementation Roadmap – AEMO Response

- In response to stakeholder feedback the following initiatives have been incorporated into the roadmap (version 6):
  - Electricity B2B changes v3.7,
  - NEL/NER changes for consumer data right,
  - DWGM distribution connected facilities rule change.
- AEMO confirmed delivery of version 1 and 2 of MSDR and tranche 1 of consumer data right in 2022. AEMO commenced a minor amendment consultation process on 3 December 2021 to re-schedule the implementation date of a number of MSDR changes to 7 November 2022.
- AEMO has informed the Gas Wholesale Consultative Forum of the delay in the legislative package being passed by the South Australian Parliament. Noting that it is unlikely that the national gas law amendments will be made before May 2022, AEMO will continue to progress release updates into the Gas Bulletin Board with its functionality inactive until a later date. AEMO sent an update email to Gas Bulletin Board distribution list advising of changes that participants need to be aware of.
- AEMO will rely on stakeholders to advise of BAU changes with significant IT uplift requirements that need to be accounted for in the context of the regulatory implementation roadmap process. Further consideration is needed as to how particular BAU changes might be accommodated alongside key reform initiatives.

## ESB Reforms/Reform Delivery Committee – Stakeholder Feedback

- Need to consult the right people, and in particular smaller participants, as they often do not have the resources to keep up-to-date with regulatory changes,
- Stakeholders sought any insights as to potential timing given solutions/reforms not identified in some cases,
- Stakeholders asked whether scenario analysis will be undertaken through the roadmap process, e.g. around capacity mechanism,
- Need for BAU changes and resourcing requirements post go-live of major reforms to be considered in developing roadmap,
- Value if the roadmap helped industry determine when to implement a work-around versus deploying IT upgrades/solutions,
- NEM25 reform impacts to metering service providers will need to be reviewed and considered once the AEMC's Metering Services Review has been finalised.

## ESB Reforms/Reform Delivery Committee – AEMO Response

- A collaborative approach on the delivery of ESB reforms through the RDC will improve the likelihood of success
- AEMO has established a dedicated webpage for the RDC ([AEMO | Reform Delivery Committee](#)) which sets out membership, meeting slide packs and meeting minutes
- At this stage, it is premature to have any certainty around timing of many of the initiatives given that some require development of high-level designs or further investigation. The development

of the NEM 2025 Implementation Roadmap will be an iterative process where greater certainty is provided over time.

- AEMO confirmed that scenario analysis for capacity mechanisms is currently out-of-scope for the first version of the Roadmap as more detail is required to agree the policy.
- The opportunities identified in the lessons learnt discussion apply to the NEM 2025 Implementation Roadmap, including consideration of BAU changes and accommodating a “hypercare period”.
- AEMO will consider interdependencies between the NEM2025 reforms and other regulatory initiatives including the Metering Services Review.

#### Other updates to the roadmap and detailed implementation schedule (version 6, final)

Updates have been made in finalising the roadmap and detailed implementation schedule (version 6), to take account of recent decisions and notice publications from the AEMC.

Updates to the roadmap include:

- a committed status and go-live dates of 31 March 2023 and 3 June 2024 for Integrating Energy Storage Systems reflecting AEMC’s final determination,
- proposed go-live of ST PASA of quarter 3, 2023 in line with the AEMC’s draft determination,
- extended the timing of the Transmission Planning and Investment Review to reflect AEMC’s advice provided at its Directions Forum on 13 December 2021,
- included the material change in network infrastructure project costs rule change (being considered in parallel to the Transmission Planning and Investment Review) as a separate line item.
- extended the rules development phase for primary frequency response incentive arrangements, synchronous services market and capacity commitment mechanism to mid-2022 to reflect recent AEMC’s notices.

The detailed implementation schedule has been updated for the following:

- Electricity B2B procedure changes v3.7 go-live of 7 November 2022.