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Thank you for the opportunity to contribute to the renewal of AEMO's stakeholder engagement model. Reposit has directly been engaged with AEMO since 2014 and has seen changes for better and worse in AEMO's stakeholder engagement over this time.

As the energy transition gathers pace, it has been increasingly apparent that AEMO is enthusiastic to expand its market development role in the NEM. This has been recognised in the COAG Energy Council's June 2020 Review of Energy Security Board's Recommendation 4. The recommendation was that Energy Ministers should issue a revised Statement of Role for AEMO¹.

In addition to recommendation 4, recommendation 8 of the same review was that "The revised AEMO Statement of Role referred to in Recommendation 4 should address the issue of AEMO's role in the provision of policy or market development advice."²

Both of these recommendations were agreed to by COAG Energy Ministers.³

Reposit believes that until it is clear what AEMO's role in the NEM is, the correct structure for engagement with AEMO cannot be determined. That is, for what purpose is AEMO engaging with stakeholders? Is AEMO only concerned with its internal policies and procedures? Is AEMO gathering information for the provision of advice to the AEMC and ESB? Or is AEMO seeking to formulate future market operations which it will implement without AEMC involvement, bypassing the AEMC's consultation and feedback mechanisms?

Of the three proposed stakeholder engagement models, option 3 is Reposit's preferred where COAG's Statement of Role for AEMO signals that AEMO should be leading market development efforts. Option 2 is Reposit's preferred where the Statement of Role limits AEMO's stakeholder engagement to AEMO internal processes, and advisory and data provision to the ESB and AEMC.

However, Reposit suggests that if AEMO intend to (and have ministerial endorsement to) make changes to the market in a similar way as the AEMC, then AEMO should implement AEMC (or similar) processes for consultation on those changes. Likewise, AEMO should have any proposed changes considered by a body independent of the market and system operator, informed by any interested party, where the independent body is free to accept or reject the change after presenting reasoning based on the NEL, NERL, NEO or NERO.

¹ http://www.coagenergycouncil.gov.au/sites/prod.energycouncil/files/Review_of_the_Energy_Security_Board.pdf - p.44

² http://www.coagenergycouncil.gov.au/sites/prod.energycouncil/files/Review_of_the_Energy_Security_Board.pdf - p.66

³ https://prod-energycouncil.energy.slicedtech.com.au/sites/prod.energycouncil/files/ESB_Review_-_Energy_Ministers_response.pdf

In any case, the consultation framework described in Option 3 is a significant improvement on the current AEMO consultation arrangements. However Reposit does not believe it enhances transparency and collaboration adequately, while acknowledging that it would be an improvement over the status quo. In particular, it creates a structure to streamline conversations, but the same structure creates exclusive conversations which directly work against the stated intention of the model as expressed in the proposal document:

Any new model is intended to deliver a material shift in both:

- The level of transparency market participants, consumers, and other stakeholders enjoy regarding AEMO's understanding of current and emerging challenges, and
- A more two-way, collaborative experience for stakeholders, in both defining problems and identifying solutions.

The working group tiers as presented (Strategic, Transient, Functional) are a valuable structuring of the types of questions faced by AEMO under the broadest COAG Statement of Role. But they are detrimental for transparency. This is especially the case with selection options 1 and 3 as described in section 3.3.2 of the proposal.

How are participants, consumers and other stakeholders to engage with AEMO on issues that they are interested in, when there is a high chance that they do not have access to the conversation at the required tier? This is especially true for smaller and newer entrants that do not have the economic resources to commit to selection, election or representation.

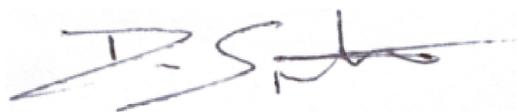
Continued Engagement

It is clear that AEMO is genuinely seeking to improve its stakeholder engagement, and its formulation of stakeholder engagement option 3 is testament to that. However, the question remains; why is a stakeholder engaging with AEMO on a consultation? The answer to that lies in what is at stake during any given consultation.

What is at stake is unclear at present, and will be until a ministerial Statement of Role for AEMO has been produced. But where a lot is at stake, AEMO's consultation processes should resemble those of the AEMC, where transparency and collaboration are not in short supply. Even if these consultations can take some time and may result in outcomes other than those desired by the proponent.

Reposit would welcome the opportunity to more fully discuss AEMO's renewal of its stakeholder engagement model in the future.

Kind Regards,



Dean Spaccavento
CEO