



# 5MS & GS Executive Forum

MONDAY 11 NOVEMBER 2019

PLEASE NOTE THIS MEETING WILL BE RECORDED FOR THE PURPOSE OF PREPARING MINUTES

# Agenda

No.	Agenda Item	Presenter
1	Welcome, introductions and apologies	Peter Geers
2	Minutes and actions	Peter Geers
3	AEMO 5MS & GS Program status update	Sonja Nigmann
4	Market Readiness	Greg Minney
5		
6	Financial Markets Implications & Status - AFMA - ASX	AFMA ASX
7	Participant Briefings: - Generator - Gentaile - Distributor	David Warman Mike Stockley Linda Whatman
8	Industry Wide Change: AEC Rules Change Review	Stefanie Macri
	Managing Vendor Risk	Graeme Windley
9	AEMO Cost Recovery Update	Peter Carruthers
10	General questions	Peter Geers
	Meeting Close	Peter Geers

# Welcome

Peter Geers

# Action Items

No.	Agenda Item	Action required	Responsible	Status
6.2.1	Market Readiness	AEMO to consider including vendors in future reporting.	AEMO	Vendor readiness considered a component of participant readiness but not reported separately
6.2.2	Market Readiness	Origin to further consider its position and concerns in relation to Program delivery and communicate to AEMO and Executive Forum via out-of-session teleconference.	EF Members – Origin	Verbal Update
6.2.3	Market Readiness	Red energy to co-ordinate with AEC to bring forward the wholesale rules map for the November Executive Forum.	EF Members – Red Energy / Lumo	Agenda Item 8 Closed
6.4.1	Industry Risks and Issues	AEMO to include risk trend analysis in the risks and issues register.	AEMO	Residual risk rating added to the Register Closed
6.7.1	Forward Meeting Plan	Executive Forum Members to nominate to present their approach to 5MS & GS Program implementation at EF #7.	EF Members	Agenda Item 7 Closed

# AEMO 5MS & GS Program status update

Sonja Nigmann

# Program update and current activities



## *AEMO program*

- Overall green, as development & system testing progresses across all workstreams and industry engagement increases.
- Growing volume and detail of questions from industry participants; Program taking action to reduce wait times, with new resources allocated to managing incoming inquiries.



## *Procedures*

- Workstream remains on track to deliver nearly all work by end October.
- Overall workstream will complete ahead of December deadline.



## *Systems*

- On track to open 5MS Staging Environment for participants on 1-Nov-19; deployments from Reallocations, Dispatch and Metering by 1-Dec-19.
- Tech Specs delivered for Reallocations (15-Oct-19) and Retail packages 2 & 3 (30-Sept-19) (*Standing data, B2M via ehub, MSATS browser + report changes*).
- Vendor briefing held 16-Oct-19, with strong attendance (100+) and positive feedback.

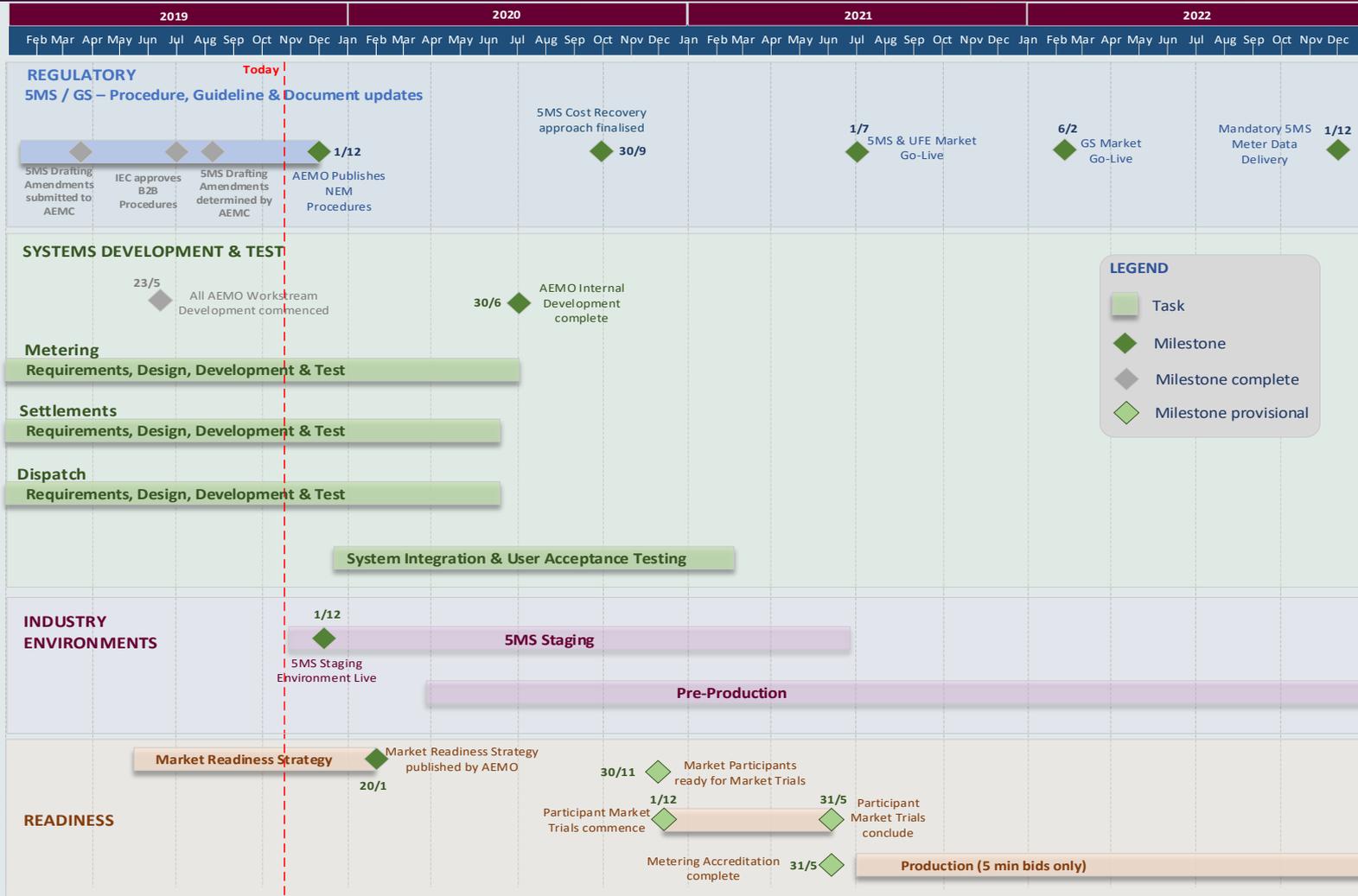


## *Readiness*

- Draft strategies released for *Transition and Go-Live* and *Industry Testing and Market Trial*, participant feedback by 28-Oct-19. Final dates to be discussed at Dec PCF.
- Second Market Readiness survey had slightly fewer responses compared to the first; Meter Data Providers now advanced in planning or establishing their projects.
- The third interim Readiness Report has been cancelled based on advice from the PCF, attention will be focused on the full Readiness Reporting in Feb 2020

# 5MS & GS Program Timeline

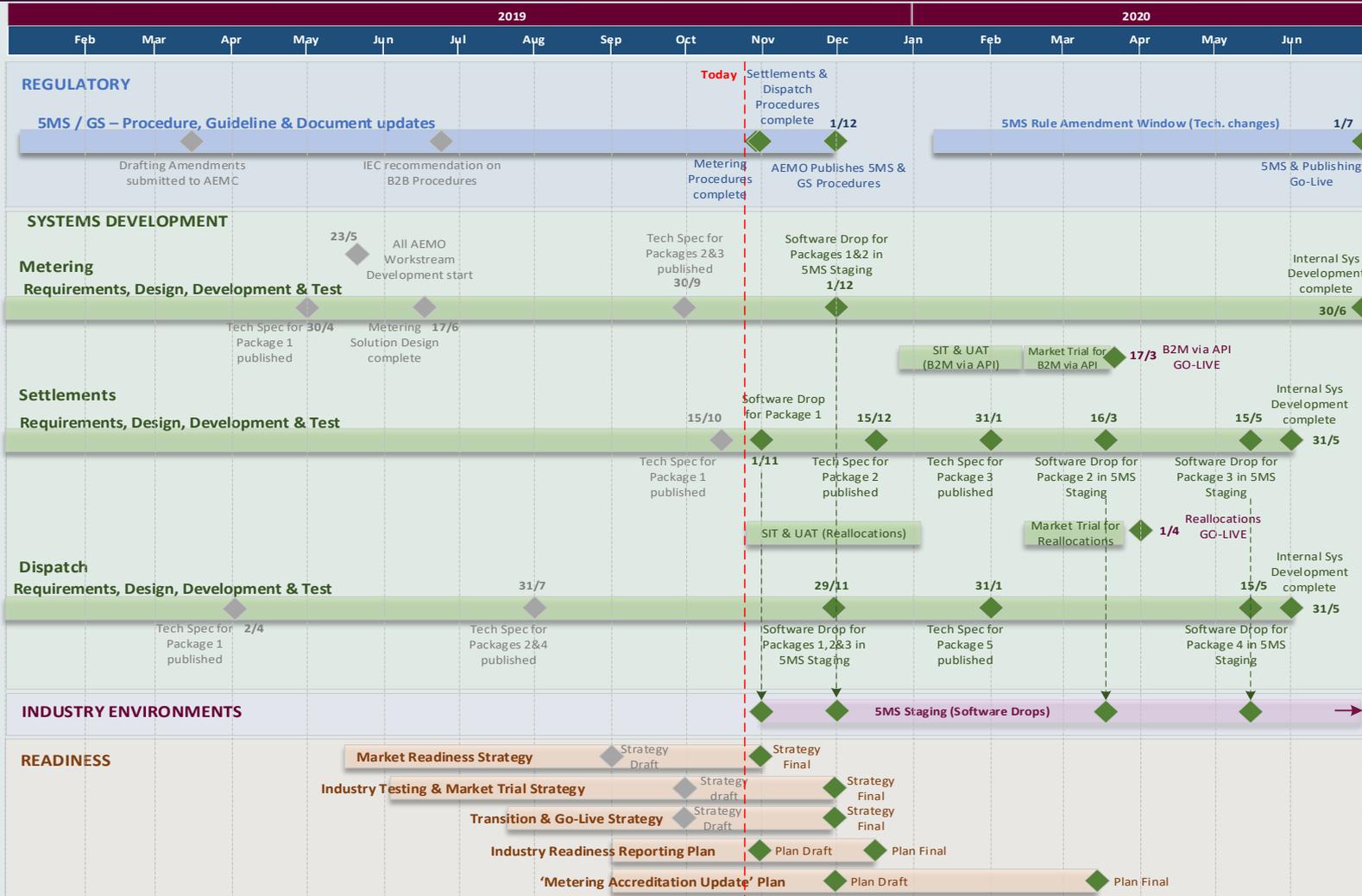
Current as at 25-10-2019



# 5MS Program Timeline (to July '20)

## Level 1 and External Level 2 Milestones

Current as at 25-10-2019



# Level 1 Milestones - Status Report

Current as at 25-10-2019

Domain	Initiative	2019				2020				2021															
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4												
Program		L1-1	L1-11	L1-2 L1-15	L1-12 L1-3	L1-7	L1-13	L1-16	L1-14 L1-8	L1-9 L1-10	L1-4														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec

## Key Milestones (Program)

ID	Milestone	Target Date	Expected Date	Status
L1-1	5MS Drafting Amendments submitted to AEMC	20-Mar-2019	15-Mar-2019	Complete
L1-11	All AEMO workstream development commenced	23-May-2019	23-May-2019	Complete
L1-2	IEC Approves B2B Procedures	01-Jul-2019	01-Jul-2019	Complete
L1-15	5MS Drafting Amendments determined by AEMC	31-Aug-2019	08-Aug-2019	Complete
L1-12	5MS Staging Environment live	01-Dec-2019	01-Dec-2019	On track
L1-3	AEMO publishes NEM Procedures	01-Dec-2019	01-Dec-2019	On track
L1-7	Market Readiness Strategy published by AEMO	20-Jan-2020	20-Jan-2020	
L1-13	AEMO internal development completed	30-Jun-2020	30-Jun-2020	
L1-14	Market participants readiness for Market Trials	30-Nov-2020	[30-Nov-2020]	
L1-16	5MS cost recovery approach communicated	30-Sep-2020	30-Sep-2020	
L1-8	Participant Market Trials commence	01-Dec-2020	[01-Dec-2020]	
L1-9	Participant Market Trials conclude	31-May-2021	[31-May-2021]	
L1-10	Metering accreditation complete	31-May-2021	[31-May-2021]	
L1-4	5MS & UFE Market go Live	01-Jul-2021	01-Jul-2021	
L1-5	GS Market go live	06-Feb-2022	06-Feb-2022	
L1-6	Mandatory 5MS meter data delivery	01-Dec-2022	01-Dec-2022	

-  Milestone complete
-  Milestone on track
-  Milestone at risk
-  Milestone not achieved

# Level 2 Milestones Exceptions (External) Current as at 25-10-2019

(This is to be updated monthly to explain any variation on Level 2 Milestones (External))

- No Level 2 (External) milestone exceptions

# Issues and Critical Risks

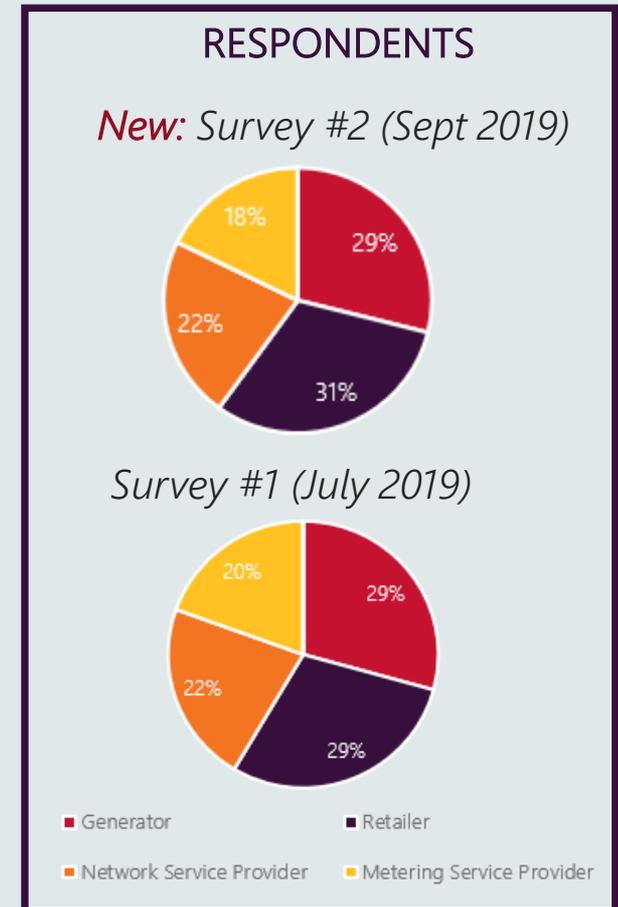
No.	Title	Description	Rating	Trend	Actions	Target Resolution
I05	Visibility of 5MS implementation costs	No visibility of the financial impact of 5MS on participant fees, results in participants questioning any changes to fees	Medium	↔	<ul style="list-style-type: none"> <li>AEMO has commenced consultation for 5MS and GS are a declared NEM project, under a two stage consultation process.</li> <li>The second stage of the process will address the actual fee structure for recovery of the costs of the project including the Registered Participants that will be charged the fees.</li> </ul>	30-Sep-20
I06	Support for metering transition activities throughout 2022	Transition programs to support the conversion of meters is not yet finalised, results in participants inability to plan for industry testing	Medium	↔	<ul style="list-style-type: none"> <li>This matter has been moved to the Readiness Workstream.</li> <li>Initial conversations were held at the Transition Focus Group 30 August 2019.</li> <li>AEMO is seeking views from MDPs and MPs regarding the activities and levels of activities that may required to support the retail metering transition.</li> </ul>	30-Nov-19
I07	Support for Global Settlement go live	Level of support required for GS financial implementation from 06-Feb-2022 is not yet defined, results in participants inability to plan for go-live	Medium	↔	<ul style="list-style-type: none"> <li>This matter has been moved to the Readiness Workstream.</li> <li>AEMO will develop a proposal to align market trials with go live date in the Transition and Go-Live Strategy and Market Trial Strategy.</li> </ul>	30-Nov-19
R06	Interaction with other industry changes that have already been adopted through rule changes	Significant regulatory changes across the energy sector will stretch resources allocated to market change programs, resulting in potential impacts to participants resourcing and program delivery.	Critical	↔	<ul style="list-style-type: none"> <li>Participants to consider opportunities to raise concerns regarding the pace of regulatory change with AEMC.</li> <li>Engage broadly internally and externally to understand other industry priorities.</li> <li>Participants and AEMO to perform 5MS risk assessment when responding to proposed regulatory changes</li> <li>Participants and AEMO to advocate to the regulatory change authority if risk to 5MS is material</li> <li>PCF to escalate to the Executive Forum where industry-wide risks from a proposed regulatory initiative include timeline slippage for 5MS</li> <li>AEMO to internally align where other program procedure and system impacts overlap</li> <li>1 on 1 meetings to discuss this risk</li> <li>Consider how other forums (e.g. NEMWCF) can be utilised to address risk</li> </ul>	30-Jun-21

# Market Readiness – Overall Summary

Greg Minney

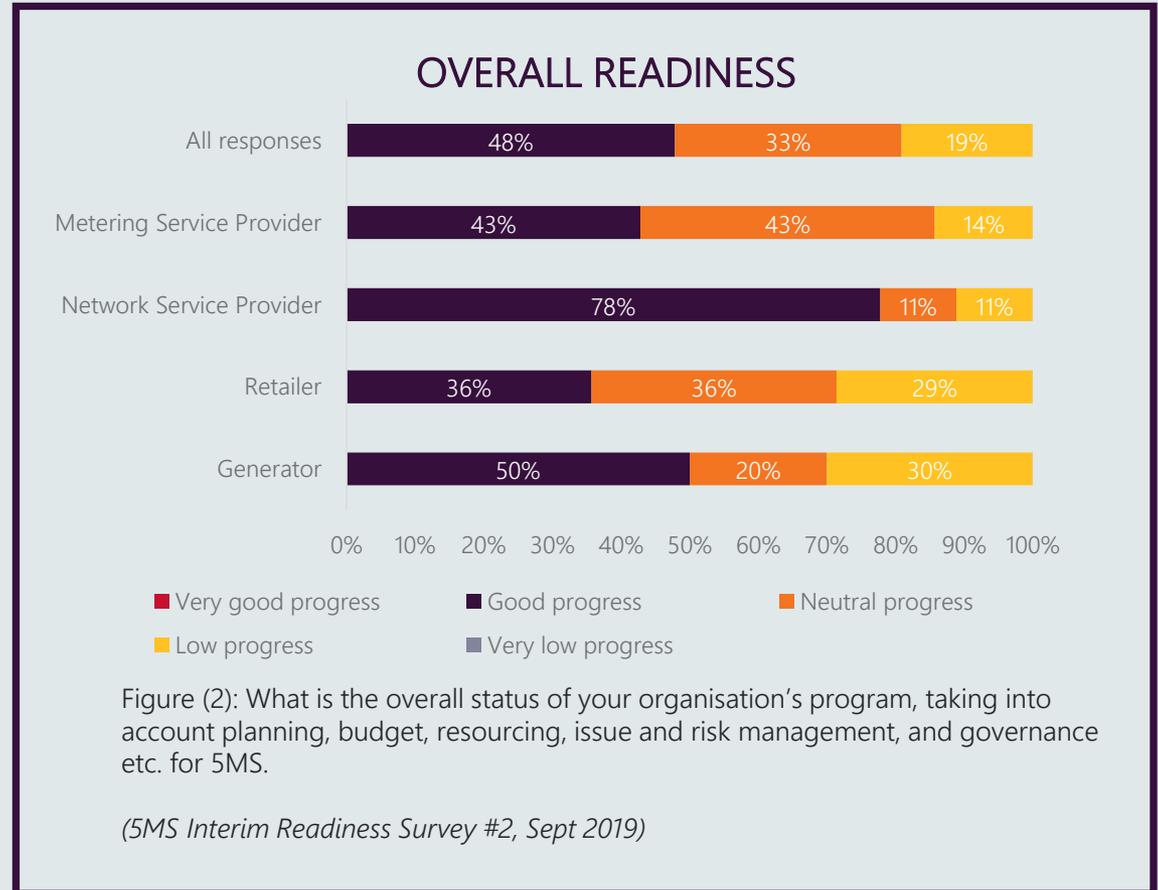
# Purpose & participation: *Interim readiness reporting – 5MS & GS*

- **Purpose is for Participants** - Interim readiness reporting was requested through 5MS/GS Program Consultative Forum.
- **Project Establishment focussed** – Interim reporting intention to provide insight on program establishment throughout Industry, identify key risk areas, and indicative level of readiness confidence.
- **Stable response** - 2<sup>nd</sup> Interim survey (Sept 2019) had relatively stable response - 66% compared with 70% in Survey #1 (29 responses, down from 33).
- **Consistent representation** - Responses were received from an even mix of participant types for both surveys.



# Early indicators of good progress: *Interim readiness reporting – 5MS & GS*

- **Good progress:** being reported by up to 78% of participants - 48% overall.
- **Zero reporting “very low progress”:** no industry participants are reporting the lowest level of overall readiness.
- **Wide Spread:** Although overall progress is sound, there is a wide spread of progress in most participant categories, retailers in particular



# Interim readiness summary: Snapshot of Industry Survey #2 (Sept 2019)



## 5MS

- **MSPs** - show most notable progress between surveys & highest amongst participant types.
- **Activities commenced** – although few participants have well established Programs.
- **Early vendor engagement** – key names include Energy One, Oracle, Itron and Brave Energy.
- **Industry testing & market trials** – majority intend to participate, half feel they will be very prepared.
- **Business impact** – highest progress in assessments of business impacts of data/meter transition, least in commercial aspects.



## GS

- **Most are combining GS with their 5MS program** – retailers are least likely to have combined programs, and are the group most directly impacted by GS.
- **Understanding is growing, albeit slower than 5MS** – increasing level of management understanding.
- **GS testing & UFE publication** – of the smaller population directly impacted by GS, less than half intend to participate in GS testing & UFE publication, and a similar proportion are undecided.



## Risks\*

- **Uncertainty** - projects are in early planning stages, so detailed requirements not yet assessed.
- **Internal resourcing & systems** - capacity of internal staff, complexity of system upgrades, ability to secure additional resources.
- **Dependency on AEMO** – to deliver procedures and technical specifications (timing, detail, finality).
- **Vendors** - capacity and resources
- **Additional** – a few respondents raised other risks (eg: impact of increased data, physical meter changes, accreditation timing). These will be assessed with industry in Readiness Working Group & escalated as required.

# Transition Approach: *Snapshot of status*

- **Consultation Feedback :** Industry Feedback received on Transition Strategy and Industry Test and Market trial Strategy
- **Staged Transition Approach:** Proposed staged implementation approach to form basis of implementation
- **Transitional Issues:** Transition state issues to be addressed include:
  - Meter Data Delivery timing and agreement for initial 5 minute meter tranche
  - Establishment of GS metering standing data to support UFE calculation
  - Metering data volumes and rollout timing
  - Industry Contingency Identification
- **Strategy Finalisation:** resolution of transition approach to confirm program timings

# Industry readiness reporting – Next Steps



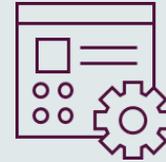
31 October 2019

Release of *Draft Readiness Reporting Plan* (including specific criteria for assessing readiness of each participant); feedback from industry due by 21 November.



13 December 2019

*Final Industry Readiness Reporting Plan* published.



February 2020

Full Readiness Reporting commences.

## Industry Readiness Reporting

Focus on Market readiness criteria in addition to program establishment.  
Overall assessment of Industry in lead up to market commencements

# Financial Markets Implications & Status

Update from AFMA and ASX

# Update from AFMA

- The Australian Financial Markets Association (AFMA) are the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets, including energy derivative markets
- Key contact:  
Mike Chadwick  
Head of Education and Director – Markets  
[mchadwick@afma.com.au](mailto:mchadwick@afma.com.au)



# Update from ASX

- The Australian Securities Exchange (ASX) is the primary securities exchange in Australia, which includes operating a range of exchange-traded energy products
- Key contact:  
Bradley Campbell  
Head of Commodities  
[Bradley.Campbell@asx.com.au](mailto:Bradley.Campbell@asx.com.au)



# Participant Briefing

# Industry Participant Briefings

- As discussed at the August Forum meeting, a key objective for the Executive Forum is for it to be a 2-way dialogue, particularly around key strategic issues.
- AEMO has contacted businesses from each participant category (retailers, generators, networks and metering businesses) to speak to their own program.
- The aim is assist to provide members on the Executive Forum a broader perspective on industry implementation considerations and improve industry-wide awareness and provide a better appreciation for readiness interdependencies, risks and challenges.
- Other participant types will be invited to provide a briefing at the February Executive Forum

# Industry Participant Briefings

- Generator – David Warman, CS Energy
- Gentailer – Mike Stockley, AGL
- Distributor – Linda Whatman, Energy Queensland

# Industry Wide Change: AEC Rules Change Review

Stephanie Macri

# Managing Vendor Risk

Greg Windley

# Vendor Engagement

- Session held Wednesday 16 October:
  - 2 hours – pack covering Dispatch, Metering and Settlements streams, plus Program & Readiness information
  - >100 personnel on the call
  - 43 Vendors reported their participation
- Feedback (from 16 respondents):
  - 85.71% positive feedback, comments
    - 'we found it very informative'
    - 'session was at a good level and gave the Vendors a great summary'
  - Requested improvements, comments
    - 'more technical detail preferred'
    - 'a little heavy on the acronyms'
    - 'add topics that are frequently asked questions (FAQs) to support content'
- Going Forward:
  - Schedule Q&A sessions to answer questions vendors & participants may have.
  - Focus on: Program timeline, release dates, best practice, highlight key changes & alternatives.

# AEMO Cost Recovery Update

Peter Carruthers

# Declared NEM project consultation

- Current consultation is considering whether 5MS & GS meet the criteria of a declared NEM project:  
<https://www.aemo.com.au/Stakeholder-Consultation/Consultations/Declared-NEM-Project---5MS-Program>
- AEMO received 3 submissions in the 1<sup>st</sup> round, and 1 submission in the 2<sup>nd</sup> round
  - Broadly supportive that criteria are met
- The final report is expected to be published shortly before 20 November 2019

Process Stage	Date
5MS Program Consultation Forum Presentation	8 August 2019
Closing date for submissions in response to this Notice and Consultation Paper	27 August 2019
Publication of Draft Report and Determination	24 September 2019
Closing date for submissions in response to the Draft Report	9 October 2019
Publication of Final Report and Determination	20 November 2019 (indicative)

# Forward Meeting Plan

Peter Geers

# Next Meeting

Next meeting to be scheduled in mid-February

Proposed agenda:

- Staging Environment progress
- Readiness
  - Cutover and transition approach
  - Contingency
- Industry Readiness reporting
- Cost recovery update – second consultation



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