

Forum meeting record

Forum:	NEM Reform Executive Forum #1
Date:	23 August 2023
Time:	1:00PM – 2:30PM AEDT
Location:	Via Microsoft Teams

Attendees:

Robert Lo Giudice	Alinta Energy	Fergus Stuart	Origin Energy
Jacinda Papps	Alinta Energy	Helen Vassos	PLUS ES
Giles Whitehouse	Aurora Energy	Michael Bell	Red Energy
Alex Moran	Ausgrid	Sean Kimpton	Red Energy
Charlotte Eddy	AusNet Services	James Crocker	SA Water
Brent Cleeve	CitiPower, Powercor and United Energy	Deepesh Goswami	Secure Meters
Hadi Mostafavi	Endeavor Energy	Sophie Naughton	Stanwell
Annette Domanti	Energy Australia	Chris Murphy	Telstra Energy
Brian Spak	Energy Consumer Australia	Fiona Orton	TransGrid
Garth Crawford	Energy Network Australia (ENA)	Gordon Dunsford	AEMO
Timothy Nelson	Iberdrola	Lenard Bayne	AEMO
Phil Barton	IntelliHUB	Peter Carruthers	AEMO
Sally Kennedy	IntelliHUB	Ulrika Lindholm	AEMO
Sandra Centofanti	Jemena	Violette Mouchaileh	AEMO - Chair
Keith Robertson	Origin Energy		

1 Welcome

Violette Mouchaileh & Gordon Dunsford (slides 1-4)

- Ms Mouchaileh welcomed members and offered an acknowledgement of country.
- AEMO provided members an outline of today’s agenda and meeting objective.

2 Purpose and Objectives

Peter Carruthers (slides 5-9)

- The NEM Reform Executive Forum aims to promote discussion amongst industry executives on objectives, purpose, and ways of working.
- AEMO outlined for feedback the key challenges, scope, and desired engagement to delivering the program and are outlined on slide 7 and 8 of the accompanying slide pack.

- It was proposed by AEMO to conduct the Executive Forum every six months via video conference with an option for additional meetings as required.

Raised By	Question/Comment	Response
Keith Robertson – Origin Energy	It would be beneficial for this forum to occur more frequently. Six monthly meetings are less conducive to collaboration/dialogue	Noted with thanks.
Robert Lo Giudice – Alinta energy	Why are we going with the dates that are being proposed, given other priorities What is the head of regulatory power for F&S changes.	Depending on whether the initiative is a reform initiative or AEMO strategic or foundational enabling initiative different parties are responsible for setting of dates. For reform initiatives, this power sits with the AEMC or Energy Ministers. For those strategic or foundational initiatives this power sits with AEMO. AEMO have committed to engaging with industry on its assessment, including the development of business case, prior to proceeding in accordance with the governance framework established for the Program available here ¹ .
Chris Murphy – Telstra Energy	Recommended that the Exec forum be conducted more frequently and noted/emphasised this would require commitment from executives.	Noted with thanks.
Sophie Naughton - Stanwell	From previous experience (5 Minute Settlement) is that exec forums become more technical in nature and ask that this EF is explicitly less so.	Agreed.
Michael Bell - Red Energy	Three or four times a year would be suitable.	Noted with thanks.
Garth Crawford - Energy Network Australia (ENA)	Three or four times a year would seem more suitable to gather useful input.	Noted with thanks.
Alex Moran - Ausgrid	Another option could be key decision meetings to be organised as required (similar to what has happened in previous projects like POC).	Noted with thanks.

¹ AEMO | NEM Reform Program Implementation Roadmap Governance – Statement of Approach: <https://aemo.com.au/-/media/files/initiatives/regulatory-implementation-roadmap/reform-update-v2/nem-reform-program-implementation-roadmap-governance.pdf?la=en>

Raised By	Question/Comment	Response
Keith Robertson – Origin Energy	Agree with Alex Moran, three or four meetings per year with meetings (additional if required) ahead of key decisions.	Noted with thanks.

- Post session note: Based on EF member feedback on a suitable meeting interval, AEMO will schedule the NEM Reform Executive Forum at 3-4 times per year and at times of key decision points. AEMO has taken an action to schedule an EF prior to the end of the year.

3 Mobilising to Deliver the NEM Reform Program

Peter Carruthers & Lance Brooks (slides 10-19)

- AEMO outlined the underlying drivers to support the energy transition with further information outlined on slide 11 of the accompanying slide pack.
- AEMO provided a brief on the key challenges facing Industry and AEMO. These are outlined on slide 13 of the accompanying slide pack.
- AEMO presented members the approach AEMO intends to take with engaging and collaborating on these challenges from a planning and execution perspective. Further details on the approach are outlined on slides 14 through 18 of the accompanying slide pack.
- AEMO requested executive forum members to support mobilisation and readiness as appropriate for their businesses (further information outlined on slide 19 of the accompanying slide pack).

Raised By	Question/Comment	Response
Keith Robertson – Origin Energy	With rule uncertainty, strong engagement between AEMO and the AEMC will likely lead to more informed view on cost.	Agreed. AEMO, via the Reform Delivery Committee, is trialling an 'Informed Go-Live process' to give more certainty to scope and impacts for the benefit of AEMC and participants.
Sally Kennedy - IntelliHUB	Don't see commerciality called out.	AEMO will update brief to make this more explicit.
Chris Murphy Telstra Energy	Regarding efficient execution - important to be specific about who's efficiency, deliberate view of subsegments across all of industry Efficiency for all of industry should be called out in slide 14.	Noted for consideration.
Annette Domanti - Energy Australia	IESS changes implemented from procedural perspective. Complexity of change unnecessary, maybe one of the lost opportunities.	AEMO noted that IESS experience shows importance of early assessment. This learning is applied to upcoming reform projects e.g.

Raised By	Question/Comment	Response
		Frequency Performance Payments (FPP).
Keith Robertson – Origin Energy	IESS process not as robust. Is there an opportunity to pause, consider a business case and define way forward. Full step back. Does the case still stack up.	Noted for consideration.
Annette Domanti - Energy Australia	Echo the value question for IESS.	Noted for consideration.
Chris Murphy - Telstra	Encourage continuous improvements to reform process to allow consideration of whether there are more efficient ways of achieving the reform objectives.	Agreed. Forms part of scope for industry collaboration on reform program.
Annette Domanti - Energy Australia	Only at the point of schema changes that participants get clarity on changes. Where are we at for FPP?	Detailed timings for FPP as of 30 June 2023: https://aemo.com.au/-/media/files/initiatives/frequency-performance-payments-project/fpp-participant-impacts-and-timings-focus-group.pdf?la=en

4 NEM Reform Foundational & Strategic Initiatives

(slides 20-27)

- AEMO provided an update on the Foundational & Strategic initiatives and case for change. AEMO outlined the key challenges on slide 22 of the accompanying slide pack.
- AEMO outlined the business case options with further detailed information available on slide 23 of the accompanying slide pack.
- AEMO provided an overview of the process to date with industry. Further details on the progress are outlined on slide 26 of the accompanying slide pack.
- Currently AEMO are in the last stages of developing the Business Case with publication indicatively in October 2023.

Raised By	Question/Comment	Response
Chris Murphy – Telstra Energy	Highly complex topic. We know we have to do this, so the business case is about how is the right way to do this. AEMO is doing the right thing to work out the right answer for all of industry.	Noted with thanks.
Annette Domanti - Energy Australia	Is the business case capturing all three initiatives?	Yes, it will include all three initiatives.

Raised By	Question/Comment	Response
Sally Kennedy - IntelliHUB	It is difficult to know what the impact of the initiatives is to my business to be able to provide AEMO with feedback.	Noted for consideration. Outcomes from consultation is publicly available at: https://aemo.com.au/en/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/nem-reform-foundational-and-strategic-initiatives-focus-group

5 Overall Program Delivery Status and Cost

Anthony Cooke (slides 28-34)

Delivery Status

(slides 29-31)

- AEMO provided a program update for inflight innovations with detailed information outlined on slide 31 of the accompanying slide pack.

Raised By	Question/Comment	Response
Chris Murphy – Telstra Energy	We keep taking up time at the initial stages of the project and assume that nothing will go wrong during testing.	Yes, we need to improve planning. IESS replanning incorporates lessons learnt from previous releases, seeking to increase time for testing.

Program Cost

(slides 32-34)

- Not discussed.

6 Other Business & Meeting Close

Violette Mouchaileh (slide 42)

- Violette M thanked members for attending.

Raised By	Question/Comment	Response
Annette Domanti - Energy Australia	What's excluded from NEM Reform. Is Gas included?	The NEM Reform Program is limited to those initiatives impacting upon the National Electricity Market only. Gas reform initiatives are delivered separately, however are accounted for in the NEM Reform Implementation Roadmap to better understand the full breadth of reform impacts facing AEMO and industry participants.
Chris Murphy – Telstra Energy	Are we leveraging lessons learnt in NEM into Gas?	Yes, a recent example of this has been the approach to implementing Stage 1 of the East Coast Gas

Raised By	Question/Comment	Response
		System reforms. Noting the compressed timeframes for implementation, AEMO established early the East Coast Gas System Reforms working group for affected market participants and other related bodies to support the implementation of these reforms. The working group provided for overarching coordination during execution/delivery as well as ongoing engagement for subsequent reform phases.

OPEN ACTION ITEMS

(Ref: Item = Meeting number/Agenda item number/Ref)

#	Topic	Action	Responsible	Status
1.2.0.1	Purpose and Objectives	AEMO to schedule the next EF prior to the end of the calendar year.	AEMO	Open
1.2.0.2	Purpose and Objectives	AEMO to communicate that EF is not a technical forum.	AEMO	Open
1.3.0.2	Mobilising to Deliver the NEM Reform Program	AEMO to consider IESS approach / value based on Keith Robertson comment.	AEMO	Open

CLOSED ACTION ITEMS

(Ref: Item = Meeting number/Agenda item number/Ref)

#	Topic	Action	Responsible	Status
1.3.0.1	Mobilising to Deliver the NEM Reform Program	AEMO to update Program challenges overview with mention of cost and republish.	AEMO	Closed