

# Forum meeting record – Reform Delivery Committee (RDC) Workshop #1

<b>Forum:</b>	<b>Reform Delivery Committee Workshop #1</b>
<b>Date:</b>	8 February 2023
<b>Time:</b>	9:00AM – 11:00AM AEDT
<b>Location:</b>	Via Microsoft Teams

## Attendees:

Name	Company	Representing
Geoff Hargreaves	Red Energy	Australian Energy Council (AEC)
Michael Bell	Red Energy	AEC
Fergus Stuart	Origin Energy	AEC
Liz Gharghori	AGL	AEC
Andrew Pirie	Australian Energy Market Commission (AEMC)	AEMC
Dominic Adams	Energy Networks Australia (ENA)	ENA
Greg Hannan	CitiPower/Powercor/United Energy	ENA
Dor Son Tan	ENA	ENA
David Reynolds	Australian Energy Market Operator (AEMO)	AEMO
Dominic Mendonca	Accenture	AEMO
Lance Brooks	AEMO	AEMO
Lenard Bayne	AEMO	AEMO
Peter Carruthers (Chair)	AEMO	AEMO
Ulrika Lindholm	AEMO	AEMO

## 1 Welcome

Peter Carruthers (slides 1-4)

- Welcome, acknowledgement of country and Agenda.
- RDC members advised that Greg Hargreaves will replace Stefanie Monaco as Red Energy's representative.
- Dominic Mendonca introduced as a guest speaker on the NEM Reform Implementation Roadmap update (Agenda item 3).

## 2 RDC Collaborative Workshop Objectives

Peter Carruthers (slides 5-6)

- The objective of the workshop was to identify and inform Committee members of incremental and material changes across the NEM Reform Implementation Roadmap in accordance with NEM2025 Reform Program governance and change management process.

- Further information on the objective of the workshop and change management process are outlined on slide 6 of the accompanying slide pack.

### 3 NEM Reform Implementation Roadmap – Update

Lance Brooks / Dominic Mendonca (slides 7-10)

- AEMO outlined the process of updating the Roadmap in accordance with the Change Management Process established for the NEM2025 Program.
- AEMO introduced the Blueprint assessment which aims to identify additional bundling opportunities for releases that will occur over the next few years.
- AEMO advised members of the inclusion of new East Coast Gas Reforms following recent announcements by Energy Ministers.

Issues and comments raised during the discussion of this material is tabulated below.

Organisation	Issue	Comment/Action Plan
CitiPower/Powercor/United Energy	<ul style="list-style-type: none"> <li>• What type of endorsement is AEMO requesting from the Reform Delivery Committee?</li> </ul>	<ul style="list-style-type: none"> <li>• It's expected to be similar to what we did with the Roadmap v1. AEMO to define the ask and how it will be conducted.</li> </ul>
Origin Energy	<ul style="list-style-type: none"> <li>• Are there opportunities for AEMO to conduct a centralised validation model instead rather than industry conducting their own validation?</li> </ul>	<ul style="list-style-type: none"> <li>• AEMO is investigating opportunities to take cost out of industry as part of the Blueprint assessment and welcomes participant inputs to the process.</li> <li>• AEMO to review internally any previous validation processes e.g., Schema.</li> <li>• Fergus Stuart to provide an email to the committee on an approach for AEMO to consider.</li> </ul>

### 4 Change Register

Lance Brooks (slides 11-12)

- AEMO presented a summary of the key incremental changes and material changes impacting the Roadmap that have been identified as of February 2023. AEMO propose to reflect these changes in the next update to the Roadmap.
- AEMO will continue to capture changes to the Roadmap on an ongoing basis.

### 5 Material Changes – Change Management & Impact Assessment

Lance Brooks (slides 13 - 21)

- AEMO presented a series of slides (slides 13-21) which summarise the NEM2025 initiatives identified to have a material change and impact on the roadmap.
- AEMO sought the Committee's input on the known or potential impacts to Participants and Consumers resulting from the changes.
- A summary of the key issues and respective comments and actions raised for each NEM2025 initiative identified by AEMO to have a material impact on the roadmap is tabulated below.

## 5.1 Operational Security Mechanism (OSM)

Organisation	Issue	Comment/Action Plan
AEMC	<ul style="list-style-type: none"> <li>AEMC published the draft determination in September last year and received strong stakeholder feedback which the AEMC is working through.</li> </ul>	<ul style="list-style-type: none"> <li>AEMC will continue working through the feedback and engage in due course</li> </ul>
ENA	<ul style="list-style-type: none"> <li>If the Go-Live for OSM is shifted significantly it may have implications for the new System Strength Arrangements and the activation of contracts for system strength.</li> </ul>	<ul style="list-style-type: none"> <li>AEMO intends to develop a high-level scope design and would require a solid detail design to produce a clearer direction for OSM.</li> <li>AEMO will look to provide an updated plan in conjunction with the AEMC at the March RDC meeting prior to the AEMC deciding.</li> <li>The AEMC will consider any implications for OSM that interact with system strength and will be mindful of congestion e.g., OSM, CMM and FTA Schedule lite and will consider bundling where possible.</li> </ul>
Origin Energy	<ul style="list-style-type: none"> <li>If the final determination is in July, will there be information sharing from AEMO between draft and final determination?</li> </ul>	<ul style="list-style-type: none"> <li>AEMO is preparing to develop a high-level implementation design document internally. To do that AEMO needs to understand the direction for the Rule change, which we are seeking from AEMC. Assuming timeline as per current plan, high level design is expected to be published in April 2023.</li> </ul>

## 5.2 Flexible Trading arrangements Model (FTA)

Organisation	Issue	Comment/Action Plan
ENA	<ul style="list-style-type: none"> <li>Do not see current design as a viable change, suggest not to put too much effort into assessing implementation impacts</li> </ul>	<ul style="list-style-type: none"> <li>No action. AEMO to continue to monitor rule change consultation process to identify any changes in scope or timeline and impacts to the Roadmap.</li> </ul>

## 5.3 Schedule Lite

Organisation	Issue	Comment/Action Plan
AEMO	<ul style="list-style-type: none"> <li>The rule consultation is yet to begin, however AEMO have extended this out till the end of the year until further advice is received from the AEMC.</li> </ul>	<ul style="list-style-type: none"> <li>AEMO - Timeline for implementation would be pushed to 2025/26.</li> </ul>
ENA	<ul style="list-style-type: none"> <li>Stakeholders enquired if there are any resourcing updates from the AEMC and who is working on it?</li> </ul>	<ul style="list-style-type: none"> <li>AEMC have allocated a team to commence the consultation and yet to confirm definitive commencement date for the rule change and is too early in the process to share additional information at this stage.</li> </ul>
ENA	<ul style="list-style-type: none"> <li>The changes associated with FTA and Schedule lite are similar.</li> </ul>	<ul style="list-style-type: none"> <li>AEMC acknowledged the link</li> </ul>
Origin Energy	<ul style="list-style-type: none"> <li>Does AEMO have the capacity to undergo all the procedure work required and will there be sufficient time to commence the delivery for 2025/26?</li> </ul>	<ul style="list-style-type: none"> <li>AEMO - If everything lands as scheduled in 2025/26, there is potential for significant challenges and would require looking at it more broadly.</li> </ul>
AEMO	<ul style="list-style-type: none"> <li>The next steps will be to reflect on the changes to the roadmap and identify any uncertainties.</li> </ul>	

## 5.4 Capacity Mechanism

Organisation	Issue	Comment/Action Plan
ENA	<ul style="list-style-type: none"> <li>Is there a need to track generator and retailers IT system implementations?</li> </ul>	<ul style="list-style-type: none"> <li>If it proceeds as an underwriting scheme as is the current policy direction set by Energy Ministers in December 2022, we might see it represented on the roadmap as a non-IT initiative.</li> </ul>
AEC	<ul style="list-style-type: none"> <li>AGL also understand it as a less intense IT change initiative.</li> </ul>	

## 5.5 Congestion Management Mechanism

Organisation	Issue	Comment/Action Plan
AEMO	<ul style="list-style-type: none"> <li>Previously the CMM policy development and design phase was due to end in December 2022, however this has been pushed out by six months.</li> </ul>	<ul style="list-style-type: none"> <li>AEMO will update the roadmap to reflect the extension of the policy development and design phase.</li> </ul>
ENA	<ul style="list-style-type: none"> <li>Are we focussing more so on the congestion relief market and congestion management mechanism, and should this be reflected in the impact assessment?</li> </ul>	<ul style="list-style-type: none"> <li>Roadmap to reflect the most certain currently. AEMO will monitor for any emerging certainty from the ESB (Energy Security Board) and update the roadmap accordingly.</li> </ul>

## 5.6 Various DER Initiatives

Organisation	Issue	Comment/Action Plan
AEMO	<ul style="list-style-type: none"> <li>AEMO noted Turn Up services is not widely considered as part of the ESB forward plan or industry trials at this time and may warrant removal from the Roadmap</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>AEMO will update the Roadmap, removing Turn Up Services, barring any further information from stakeholders in relation to this initiative.</li> </ul>
AEMC	<ul style="list-style-type: none"> <li>Agrees for the Turn Up services to be removed from the Roadmap</li> </ul>	<ul style="list-style-type: none"> <li>As above.</li> </ul>

## 5.7 Proposed Recommendations

- AEMO presented a number of recommendations for NEM2025 initiatives.

Organisation	Issue	Comment/Action Plan
ENA	<ul style="list-style-type: none"> <li>What are the ESB's three priority data projects, and do they cover subsets?</li> </ul>	<ul style="list-style-type: none"> <li>AEMO to advise what the ESB three priority data projects are.</li> </ul>
AEMO	<ul style="list-style-type: none"> <li>Is there any merit to continue the work on FTA and Schedule lite? Should the committee focus on budding sequences more so instead of the impact assessment.</li> </ul>	<ul style="list-style-type: none"> <li>AEMO to monitor developments in the FTSA and Scheduled Lite rule change consultation process only at this time.</li> </ul>

## 6 Open Discussion – Key Challenges and Issues

Lance Brooks (slides 22 - 26)

### 6.1 2025 Delivery Year

#### Open Discussion – Key Challenges and Issues

- AEMO outlined multiple initiatives are scheduled for release in 2025 and highlighted the potential for a number of challenges.
- AEMO highlighted the need to consider options that include but are not limited to bundling, sequencing, and implementation prioritisation to reduce the challenges associated with this congestion.

Key points raised during the discussion tabulated below.

Organisation	Topic raised	Comment/Action Plan
AEMC	<ul style="list-style-type: none"> <li>• The AEMC is aware of the congestion associated with the delivery of 2025 and will look for opportunities for bundling and look to minimise Go-lives date's each year.</li> </ul>	<ul style="list-style-type: none"> <li>• No action.</li> </ul>
AEMO	<ul style="list-style-type: none"> <li>• AEMO are conscious of the steps required to process go lives and the steps that follow.</li> </ul>	<ul style="list-style-type: none"> <li>• No action.</li> </ul>
AEMO	<ul style="list-style-type: none"> <li>• What sort of position should the committee take? Have we considered all the uncertainties and risks or is there more work required?</li> </ul>	<ul style="list-style-type: none"> <li>• Committee members noted.</li> </ul>
Red Energy	<ul style="list-style-type: none"> <li>• Stakeholders will mention their concerns in their comments and feedback on the Roadmap. Recommended putting in additional caveats noting the uncertainty and dependence on outcomes from the AEMCs (Australian Energy Market Commission) rule change consultation process as part of final deliverables to be published</li> </ul>	<ul style="list-style-type: none"> <li>• AEMO to highlight the uncertainties that exists in the Roadmap when publishing.</li> </ul>
ENA	<ul style="list-style-type: none"> <li>• Being clear that the RDC recognises that there are challenges for FTA and Schedule Lite and adjusting the program of work would be beneficial to AEMO and industry.</li> </ul>	<ul style="list-style-type: none"> <li>• No action.</li> </ul>

## 6.2 OSM Implementation

Discussed as part of item 5.2.

## 7 Next steps

Peter Carruthers (slide 27)

- Committee members are encouraged to reflect on the change register and the Roadmap more holistically and put forward to AEMO any further reflections, thoughts and / or comments.
- AEMO will:
  - continue to work on the Blueprint assessment and will provide an update at the March RDC meeting.
  - share the draft roadmap at the next Program Consultative Forum (PCF) before publishing.
  - conduct a Roadmap Stakeholder forum in April and with a focus on presenting the updated Roadmap.

## 8 General Questions and Other Business

Peter Carruthers (slide 28)

- AEMO advised RDC members that PCF members raised the issues of:

- small retailer and new entrant representation at the RDC.
- information dissemination from the RDC members to their broader respective member base.
- Additionally, AEMO advised:
  - RDC members to share information discussed at these meetings with their constituents.
  - that nominations for vendors representing participants at the Implementation Forum are welcome.
- AEMO confirmed that the Participant Fee Structure for the NEM2025 program consultation is underway with submissions to the consultation paper closing on 3 March 2023.

## OPEN ACTION ITEMS

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

#	Topic	Action	Responsible	Due	Status
1.3.0.1	NEM Reform Implementation Roadmap – Update	AEMO to define the ask and how it will be conducted.	AEMO		Open
1.3.0.2	NEM Reform Implementation Roadmap – Update	Fergus Stuart to provide an email to the committee on an approach for AEMO to consider.	Origin Energy		Closed
1.5.7.1	Proposed Recommendations	AEMO to advise what the ESB three priority data projects are.	AEMO		Open
1.7.0.1	Next Steps	Members to provide any comments regarding the change register and roadmap by COB Friday 24 February 2023.	RDC Members		Open