

MINUTES

MEETING: Reform Delivery Committee (RDC) – Meeting 4
 DATE: Tuesday, 10 May 2022
 TIME: 2.00pm to 4.00pm (AEDT)
 LOCATION: By MS Teams

ATTENDEES:

NAME	COMPANY	REPRESENTING
Violette Mouchaileh (Chair)	Australian Energy Market Operator (AEMO)	AEMO
Tony Chappel	AEMO	AEMO
Andrew Pirie	Australian Energy Market Commission (AEMC)	AEMC
Fergus Stuart	Origin Energy	Australian Energy Council (AEC)
Steve Williams	Stanwell Corporation	AEC
Michael Bell	Red Energy/Lumo Energy	AEC
Stefanie Monaco	Red Energy/Lumo Energy	AEC
Dor Son Tan	Energy Networks Australia (ENA)	ENA
Greg Hannan	CitiPower/Powercor/United Energy	ENA
Dominic Adams	ENA	ENA

APOLOGIES:

NAME	COMPANY	REPRESENTING
Michael Bradley	AEMC	AEMC
Mark Feather	Australian Energy Regulator (AER)	AER
Jo Witters	ESB	ESB
Annemie Kotze	Stanwell Corporation	AEC
Craig Memery	Public Interest Advocacy Centre (PIAC)	PIAC
Declan Kelly	Flow Power	Energy Efficiency Council (EEC)
Brian Spak	Energy Consumers Australia (ECA)	ECA
Craig Chambers	Engevity	Clean Energy Council (CEC)

GUESTS:

NAME	COMPANY	REPRESENTING
Kate Reid	AEMO	AEMO
Peter Carruthers	AEMO	AEMO
Lance Brooks	AEMO	AEMO
Trent Morrow	AEMO	AEMO
Kevin Ly	AEMO	AEMO
Paddy Costigan	AEMO	AEMO
Phil Hayes	AEMO	AEMO
Ulrika Lindholm	AEMO	AEMO

1. Welcome

Ms Mouchaileh, AEMO's Executive General Manager Reform Delivery, gave an acknowledgement of country and welcomed the members and guests to the meeting.

Ms Mouchaileh outlined the meeting's agenda.

2. Review of Action Items from previous meeting

Mr Carruthers reviewed the Action Items from Meeting 3 [Refer to slide 6 of the accompanying slide pack].

Action: In progress items will be brought forward to be addressed at the next meeting.

3. Committee Membership Update

Mr Carruthers gave a verbal update on recent updates to committee membership:

- Andrew Richards Energy Users Association Australia has stepped down due to time commitments,
- ENA reps Dor Son Tan and Dominic Adams are acting as standing members while seeking a permanent replacement for Eva Hanly (TransGrid) and Rob Amphlett Lewis (Ausgrid),
- Jo Witters ESB formally included as a permanent member.

Ms Mouchaileh shared that discussions are underway with consumer representatives regarding their involvement going forward.

Action: ENA to nominate two permanent network business members.

4. Industry Forum & Working Group Structure

Ms Lindholm introduced AEMO's proposed stakeholder engagement approach for implementation of reform in the NEM. [Refer to slides 9-12 of the accompanying slide pack]

The Committee was supportive of a centralised implementation program to capture the integration benefits with the caveat that the Program Consultative Forum (PCF) as a one stop shop for all projects will need to carefully balance the level of detail with the length of the meetings, and for the forum agenda to be structured tightly so that members can drop in and out as needed.

It was further discussed that the PCF agenda and sub groupings could be determined by the PCF as and when reform initiative implementation gets off the ground, to be better suited to how participants approach implementation.

Two scenarios of organising the implementation engagement were discussed. Firstly, sub-groupings or PCF agenda structured according to retail, wholesale, networks. Ms Mouchaileh noted that several reforms touch multiple functions e.g. IESS touches Retail and Wholesale. Secondly, sub-groupings or PCF agenda structured according to initiative.

The Committee requested a clarification of which group has decision making function vs advisory function as well as how information and escalation flows between working groups, forums and the Committee.

Mr Carruthers shared that from experience from earlier reform implementation e.g. 5MS, the focus of the implementation forum will be technical implementation, mainly IT technical specifications and staging- and pre-production environments etc. The focus of the readiness working group is intended to be on transition, participant and AEMO readiness assessments, industry trial plan etc.

The Committee discussed what is needed to ensure strong executive sponsorship of the implementation program. The Committee proposed for the Executive Forum to be formed and consulted on the appropriate cadence. It was proposed that the forum should be an update for execs to validate that what they are hearing internally matches what is happening in the industry.

AEMO will draft terms of reference for each of these groups and call for nominations.

Action: AEMO to amend the Forum and Working Group structure to reflect feedback received and share at the next Committee meeting.

5. Participant Impact Assessment

Mr Brooks presented on the RDC members' progress on completing Participant Impact Assessments for Retailer/generators, Network businesses and Clean Energy and Energy efficiency businesses. The assessments are qualitative and feed into the business case that AEMO is developing to determine the choice of roadmap pathway. [Refer to slides 13-14 of the accompanying slide pack]

Initial assessments have been received with thanks from Network businesses, as well as Retailers and Generators.

Mr Tan shared the approach to completing the assessment for network businesses, in particular the approach to stating assumptions in assessment impacts of reforms where the nature of the changes are still being defined in the policy development process.

Mr Stuart and Ms Monaco emphasised the challenges in finalising the assessments without more details on the individual reform initiatives.

Action: ENA to consolidate impact assessment for distribution networks businesses and share with AEMO.

Action: AEMO to schedule discussion with Retail and Generator representatives of the Committee to walk through the initial assessment.

6. Business Case Development

Mr Brooks outlined the process and progress for the development of AEMO's business case, noting that a version will be published for the RDC's feedback. [Refer to slides 15-16 of the accompanying slide pack]

The Committee proposed for AEMO to lengthen the amount of time allocated for RDC feedback.

It was further discussed that assumptions and methods should be clearly stated in the business case documentation. AEMO is working through this with Ernst & Young and will take the business case draft to the Committee for stress testing.

Mr Stuart enquired whether the cost captured in debt as part of the capital program will be reflected in the business case. Ms Mouchaileh clarified that the total cost of ownership will be captured in the business case.

Action: AEMO to review, with subcontractor Ernst & Young, the amount of time allocated for RDC feedback.

7. RDC Role and meetings for H2 2022

Mr Carruthers outlined the proposed forward cadence and topics for discussions for the Committee. [Refer to slides 17-18 of the accompanying slide pack]

Ms Monaco enquired about the progress on the AEMC and AEMO's discussion on possibilities of allowing flexibility in timing of implementation in the consultations and design of initiatives. Ms Mouchaileh clarified that this action is in progress between AEMO and AEMC and to be talked through at the next Committee meeting. Ms Monaco proposed that AEMO involved the ESB and AER in these discussions.

Mr Stuart requested that a determination of treatment of flexibility in implementation timing is finalised prior to moving to a six-monthly cadence for the roadmap.

Mr Adams proposed that the cadence and flow of information and decisions are synchronised between the RDC and the Executive Forum under the NEM2025 program. [The action to address this feedback is included in actions under section 4 of this agenda.]

8. Other business

Ms Mouchaileh opened for discussion of other business.

Ms Lindholm asked that the Committees shares feedback on how they are finding the engagement through the Committee this far as part of a short survey. A link to the survey was shared¹.

Ms Mouchaileh shared an update on AEMO's cost recovery of ESB reform. AEMO was unsuccessful in engaging government on assisting with the cost and is now kicking off engagement in two phases to determine whether or not the NEM2025 program of work is a NEM declared project including fee structures and methods ².

Questions were asked by Committee members around the governance for cost control during the implementation. Ms Mouchaileh noted AEMO will be open and transparent on the decision making processes about the cost and that scope changes derived from policy also needs to be taken into consideration.

9. Next Steps

Ms Mouchaileh outlined the next steps and thanked members for their representation and attendance at the meeting.

Action: AEMO to review the calendar of meetings and advise the Committee.

¹ RDC Pulse survey <https://forms.office.com/r/SggQEKFsxA>

² Declared NEM Project - NEM 2025 Reform Program <https://aemo.com.au/consultations/current-and-closed-consultations/declared-nem-project-nem-2025-reform-program>

Action items

Item #	Action	Responsibility	Due Date
4.1	Continuation of 3.1. Further exploration of opportunities and constraints with alternative roadmap formats.	AEMO	Next Committee meeting
4.2	Continuation of 3.2. Participant Impact Assessment.	Committee members	Next Committee meeting
4.3	Continuation of 3.3. Consider flexibility in timing of rule implementation.	AEMO, AEMC, ESB	Next Committee meeting
4.4	Continuation of 3.7. AEMO to discuss with AEMO Services ENA's enquiry regarding Roadmap interactions with reform implementation requirements from the NSW Roadmap.	AEMO	Next committee meeting
4.5	ENA to nominate two permanent network business members.	ENA	Next committee meeting
4.6	AEMO to amend the Forum and Working Group structure to reflect feedback received and share with the Committee.	AEMO	Next committee meeting
4.7	ENA to consolidate impact assessment for distribution networks businesses and share with AEMO.	ENA	Next committee meeting
4.8	AEMO to organise discussion with Ms Monaco and Mr Stuart to walk through the initial Retail and Generator assessment.	AEMO (Mr Brooks)	Friday 27 May
4.9	AEMO to review, with subcontractor Ernst & Young, the amount of time allocated for RDC feedback on the roadmap business case.	AEMO	Next committee meeting