

Summary:

- Project status remains amber in August 2017:
 - Status of “**at risk**” of achieving project deliverables on schedule.
 - Progress increased to approximately **50%**.
 - Risk rating remains at “**Medium**”.
- Participant categories:
 - Retailer and Distributors are mainly reporting green (“within scheduled”) or amber (“at risk”) with a medium or high risk rating.
 - Meter Providers, Meter Data Providers mainly reporting green or amber with a medium risk rating.
 - Prospective Metering Coordinators mainly reporting green or amber, with one reporting red (“not within schedule”) due to IT vendor delays.
 - Prospective Embedded Network Managers mainly reporting amber, with two reporting red due to running behind their planned schedules and uncertainty associated with different jurisdictional treatments of embedded networks.
 - AEMO overall reporting green with a medium risk rating.

Highlighted risks:

- Amber progress status relates primarily to constrained timelines for delivery:
 - Compressed timeframes for system design, build and testing.
 - Compressed timeframes for registration and accreditation – including e-hub accreditation.
- Issue contributing to the Medium risk rating include:
 - Number and complexity of commercial arrangements to be updated.
 - A staged approach to transition is being examined investigated by the ITCFG.
 - Lack of alignment across industry processes including faults and emergency processes.
 - Participants are actively engaging with each other to discuss and align B2B processes.
 - Faults and emergency processes now clarified across most jurisdictions.
 - Market Trial commences on 21 August.
 - Lack of clarity on jurisdictional safety regulations.
 - Participants are actively engaging with jurisdictional safety regulators.
 - Concerns regarding other participants' readiness.
 - Contingency planning by the Readiness Working Group to commence in August.
 - Uncertainties in transition and cutover activities and the timing of cutover.
 - The draft Industry Transition and Cutover Plan will be released for industry review and comment in late August.
 - Lack of clarity of treatment of embedded networks in Victoria.
 - Awaiting final approach from the Victorian government

Number of submissions:

- ↑ 47 reports received in total representing the following participant roles (increased from 44 in June):
 - ↑ 23 retailers (increased from 22)
 - ↔ 13 distribution businesses (includes initial MC, MP and MDP)
 - ↑ 10 metering companies (MPD, MP) (increased from 9)
 - ↑ 10 metering coordinators (MC) (increased from 9)
 - ↑ 7 embedded network manager (ENM) (increased from 5)
- ↓ Approximately 13 retailers are not yet taking part in industry reporting

Note that organisations can nominate for multiple roles and participants can submit combined reports (i.e. one report for two distribution businesses)



Overall Status	Commentary	Risk Rating	# Open Risks - Rating:			Issues:
	The overall project status remains amber - "at risk" of delivery by 1 December 2017 - primarily due to challenging program timeframes. Participants have highlighted challenging timeframes for system build and testing, registration and accreditation activities, and the number and complexity of commercial arrangements to be entered into. The overall project risk rating remains medium - with highlighted risk areas including a lack of alignment across industry processes including faults and emergency processes, jurisdictional safety regulations and treatment of embedded networks, and readiness of other participants.		High	Med	Low	#
			3	7	4	0

AEMO and NEM Participants Readiness Criteria			AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Network Manager		Third party e-hub	
#	Category	Criterion	Status	Note	Status	Note	Status	Note	Status	Note	Status	Note	Status	Note	Status	Note
1. Assessment and preparation																
1.1	Assessment and preparation	Consequences of the POC reforms for your business considered, and appropriate implementation plans are in place				#1										
1.2		Key readiness planning documents delivered														
2. Legal, regulatory, contractual and policy																
2.1	Legal, regulatory, contractual and policy	Updated retail electricity market procedures and associated documents published														
2.2		Internal policies updated for consistency with regulatory changes including jurisdictional regulations and requirements (e.g. safety)				#2								#2		
2.3		Operationally critical commercial contracts in place				#3				#3		#3				
2.4		Accreditation and registration activities completed				#4										
3. People																
3.1	People	Operational roles specified, assigned to staff, and training delivered														
4. Business processes																
4.1	Business processes	Updated, validated and approved business processes in place				#5						#5		#5		
4.2		Successfully validated critical business processes during industry testing				#7						#7		#7		
4.3		Process work-arounds in place for any issues identified during industry testing														
5. Market systems																
5.1	Market systems	Delivery of the re-developed B2B e-hub for industry testing														
5.2		Successfully tested market systems capable of being moved into production				#6		#6				#6				
5.3		Performance of, and communication between, market systems validated during industry testing				#7		#7				#7				
6. Transition planning																
6.1	Transition planning	Transition and cutover plan(s) in place				#8								#8		
6.2		Prerequisite transition and cutover processes completed (e.g. trial data conversions and cutover dress rehearsals)														

Jurisdictional Status																
Jurisdiction	Comments	AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Network Manager		Third party e-hub		
		Status	Risk	Status	Risk	Status	Risk	Status	Risk	Status	Risk	Status	Risk	Status	Risk	
ACT	Jurisdictional risk is a reflection of overall project risk.														#9	
NSW	Jurisdictional risk is a reflection of overall project risk.															
QLD	Jurisdictional risk is a reflection of overall project risk.															
SA	Jurisdictional risk is a reflection of overall project risk.															
TAS	Jurisdictional risk is a reflection of overall project risk.															
VIC	Jurisdictional risk is a reflection of overall project risk.															

AEMO Power of Choice Implementation Program
Monthly Readiness Report

Monday, 7 August 2017



Variances		
Note #	Explanation of Variance	Mitigating Actions
1	Variance reported by Participants: Development of detailed Implementation plans on schedule at risk as participants have identified a need to iterate plans for differing implementation approaches.	Retailers and DNSPs are meeting to align processes. The draft the Victorian government OIC has been released, participants are waiting for the final Victorian OIC.
2	Variance reported by Participants: Updating internal policies on schedule at risk as participants are waiting for jurisdictional safety regulators to publish requirements and for clarity on the ENM role in Victoria and Queensland. Participants are also waiting for the final Vic government OIC .	Participants are engaging with jurisdictional bodies.
3	Variance reported by Participants: Updating commercial arrangements on schedule is at risk due to volume and complexity of contracts that need to be entered into with industry parties.	Participants are increasing internal resources.
4	Variance reported by Participants: Fulfilling registration and accreditation activities on schedule is at risk due compressed timeframes for all registration and accreditation activities.	Participants are increasing internal resources and commencing discussions with AEMO. [AEMO encourages early engagement with AEMO on registration and accreditation requirements - see POC Industry Accreditation & Registration Plan (http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Power-of-Choice/Readiness-Work-Stream)]
5	Variance reported by Participants: Progress impacted by uncertainty in a number of areas including meter churn, faults and emergencies, jurisdictional requirements. Progress has been impacted by the Victorian Government deferral decision.	Participants are increasing internal resources, reviewing meter churn impacts under Package 3 and awaiting the final Victorian govt. OIC.
6	Variance reported by Participants: System development at risk due to the complexity and number of changes required within tight timeframes for development and testing and delays from market system vendors.	Participants are increasing internal resources and working closely with market system vendors.
7	Variance reported by Participants: Testing timelines are contingent on system design and build.	Participants are increasing internal resources and working closely with market system vendors.
8	Variance reported by Participants: Transition and Cutover planning dependent on new connection processes, readiness of competitive MCs. Cutover plan for existing embedded networks yet to be developed.	Participants are engaging with the ITCFG. [http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Power-of-Choice/Readiness-Work-Stream/Industry-Transition-Cutover-Focus-Group]
9	2 out of the 7 intending Embedded Network Managers reporting have reported red ("not within schedule"). The main reason stated was that they were awaiting clarity on the different jurisdictional treatment of embedded networks.	Participants seeking feedback from jurisdictional bodies.

Notes

- The count of open Risk and Issues is based on the POC Industry Risk Register as at 10/08/2017.
- Explanation of Variance and Mitigating Actions above are based on Participants comments, AEMO's comments are included within square brackets [].

Key - Progress and Status					Key - Risk Rating	
Progress			Status		Rating	
Harvey balls represent progress towards achieving the criterion			Colour indicates the readiness status		Rating	
~0%		~50%		Criterion is within agreed schedule and deliverable requirements		High
~10%		~60%		Criterion is at risk of not meeting requirements and corrective action may be required		Medium
~20%		~70%		Criterion not meeting requirements. Immediate corrective action required		Low
~30%		~80%				
~40%		~90%		Criterion has been achieved		

See POC Industry Risk Register for open risks and issues:
[POC Industry Register](#)