

What was discussed in AEMO's wholesale and retail forums during May and June 2015

## Business-to-business and Market Settlement and Transfer Solutions (B2B and MSATS) Reference Group (BMRG)

13 May 2015 and 10–11 June 2015

AEMO updated the forum on the following matters that set out to improve market processes and procedures.

- A Final Determination on MSATS Procedure changes affecting meter data churn became effective on 13 May 2015.
- The Order of Magnitude (OoM) template to measure the impact of a proposed change on market procedures and systems has been trialled, with feedback to be incorporated into the template. This feedback has been shared with the Gas Retail Consultative Forum for their comments.
- The release date on enumeration changes affecting duplicate address attributes is being deferred. AEMO will update the forum as soon as possible.
- A workshop on Life Support Processes produced updated flow diagrams for the electricity market that were circulated to participants for comment.

### Protected period

AGL led a discussion about B2B service orders being raised during protected periods and perceived inconsistent practices across jurisdictions. No disconnection services can occur during a protected period. The forum wanted Distribution Network Service Providers (DNSPs) to explain existing service delivery and timing in these periods. AGL agreed to create a question and answer (Q&A) sheet for BMRG member comment, to be discussed at the July 2015 BMRG meeting.

### Extreme weather events

AGL also led a discussion about extreme weather events. Members agreed key issues include who is responsible for declaring an event, and how events are communicated across the industry. AGL offered to circulate a Q&A sheet for member responses, and asked members to identify local processes that give a better understanding of extreme weather event scenarios. Q&A responses will be reviewed at the July 2015 BMRG meeting.

### Power of Choice

In the May meeting, BMRG members expressed a range of views following the Power of Choice workshop on 12 May 2015:

- Questioned the view that there would be minimal changes to B2B.

- Asked how work being done by the Retail Markets Frameworks Working Group would impact the consultation process.
- Asked what the BMRG would do before the August 2015 workshop to identify relevant work and procedure changes.
- Discussed the role of the cost benefit analysis process in Power of Choice work.
- Highlighted tight timeframes in AEMO's consultation periods.

On 11 June 2015, the BMRG had an extended meeting to again workshop Power of Choice (PoC) issues, attended by 28 participants. The workshop included an initial PoC impact assessment, which captured key points and questions about potential procedure changes:

- Overall work plan.
- Need for further analysis to properly understand impacts:
  - Via process maps.
  - By mapping out rules and identifying their impact on procedures.
- The new metering coordinator role will impact current market processes and transactions traditionally performed by local network service providers (LNSP) and financially responsible market participants (FRMP). There is a need to engage with jurisdictions / regulators for greater harmonisation.
- Need to know the type of disconnection.
- Need to identify the smart meter.
- How to manage type 4A meters.

*BMRG next meeting: 15 July 2015*

## Gas Retail Consultative Forum (GRCF)

19 May 2015 and 16 June 2015

### Changes for NSW–ACT Retail Gas Project and Wagga Wagga Tamworth

AEMO updated the GRCF on proposed changes to Retail Market Procedures and Gas Interface Protocol (GIP) in the Wagga Wagga and Tamworth networks. AEMO noted that submissions on the Impact and Implementation report closed on 26 May 2015. At the June meeting, AEMO advised that its decision on this change was released on 11 June 2015.

In terms of the broader NSW–ACT Retail Gas Project (NARGP) work program, AEMO reported that the Readiness and Transition work stream is underway. Since May, AEMO has hosted three readiness workshops, discussing draft testing, market readiness, transition-cutover plan and certification documentation. Process Mapping workshops are now also underway weekly.

### South Australia – Queensland Unaccounted for Gas (UAFG) treatment

AEMO advised the May forum that the proposed timeline for the Value Assessment Test (VAT) exercise had slipped, and it would give participants an update on revised timelines by 22 May 2015. At the June meeting, AEMO advised that timelines had slipped but the VAT was being finalised and would soon be circulated.

### Queensland implementation of Retailer of Last resort (RoLR)

AEMO updated the forum, noting that consultation had closed and it would next prepare a notice of decision. It also noted that system changes by retailers and distributors would not be made by 1 July 2015 (the effective date for RoLR in Queensland). No system changes are required by AEMO. Industry testing can begin once participants have completed their system changes which may be in Quarter 4, 2015. AEMO will propose the scope of testing at the August GRCF meeting.

### Disconnections during extreme weather

Forum members discussed delays in disconnections during extreme weather, and noted that retailers had also raised the issue at the BMRG, where distributors were considering a paper on the topic. AEMO agreed to circulate the BMRG paper to GRCF members, as well as Q&As for GRCF participants to complete by 30 June, for discussion at the July GRCF meeting.

### Technology changes – service orders and identifying previous Financially Responsible Organisation (FRO)

AEMO updated the forum that, having considered the pros and cons of moving the effective date, AEMO has decided that the original agreed Quarter 3 2015 window should prevail, given most participants and AEMO have already started preparations for these changes. AEMO noted that the effective date will be 14 September 2015, and a notice of effect will be published before 24 August 2015.

*GRCF next meeting: 18 August 2015*

## National Electricity Market Wholesale Consultative Forum (NEMW-CF)

27 May 2015

### Electricity Market Web Bidding

AEMO spoke to the forum about an incident on 30 April 2015, when participants could not submit bids using participant servers for 26 minutes, and some used the alternative web bidding method.

The forum discussed why the primary system was unavailable. AEMO agreed to report back to the July meeting.

### Data communications link outage

AEMO reported on a recent primary data communication link failure between Queensland and its New South Wales data centre, caused when 1,500 Telstra fibres south of Brisbane were cut by civic works. The forum discussed MarketNet connections, and the potential risk to participants of not having a known working connection.

### NEM Connection Process Review

AEMO updated the forum on this review and feedback received from participants since March 2015. The review to date shows a consistent approach to connections in Victoria and in the NEM by AEMO. AEMO has extended the initial scope of the review to include further discussions with Transmission Network Service Providers (TNSPs) to evaluate the approach across all states by regional TNSPs. Participants appreciate that AEMO is more flexible and less process-driven.

Some participants sought clarity on AEMO's role in and outside Victoria, concerned there may be potential for duplication of work carried out by AEMO and a regional TNSP when conducting due diligence work. AEMO is considering this as part of the review, and is conscious of keeping costs as low as possible.

A comment made by a number of participants, and noted by AEMO, is that improvements to the current connections website are required. Consequently, AEMO will progressively update its website and Customer Connections Information Kits, while keeping participants updated on changes. These changes are more broadly aimed at clarifying roles, process

ownership, and power system simulation modelling requirements.

AEMO will return to the NEMW-CF meeting in July to provide a final report on the review process and any recommendations that may result from it.

AEMO encouraged interested parties to give input to Christian Schaefer on (03) 9609 8312 or [christian.schaefer@aemo.com.au](mailto:christian.schaefer@aemo.com.au).

### AEMO interactive NEM map

AEMO demonstrated its interactive National Electricity Market (NEM) map and invited suggestions and feedback. Forum discussion included:

- Suggested inclusions of rooftop PV capacity, generation registration, short and medium term projected assessments of system adequacy, and sub-transmission and distribution networks.
- The value of data being date-stamped.
- Whether live data would or should be made available.
- Confidentiality protection for demand data.

AEMO accepted suggestions and will update forum participants in July 2015.

### Energy Adequacy Assessment Projection (EAAP)

EAAP covers a two year timeframe and provides quarterly detail on the generating units impacted by energy limitation. AEMO has started consultation on an annual EAAP, with trigger-based updates as required. The forum discussed the advantages and disadvantages of a less frequent EAAP, and AEMO agreed to report back in July 2015 with more details about triggers. In the interim, AEMO is continuing quarterly updates, with the next update to be published at the same time as the ESOO.

### Supply–Demand Insights

AEMO presented on the 2015 Supply–Demand Insights and spoke about key consumption trends that will be covered in the 2015 National Electricity Forecasting Report (NEFR). The 2015 NEFR papers will also address issues raised by the forum – energy efficiency, battery storage and drivers for Queensland residential consumption. AEMO will present NEFR findings at the July 2015 NEMW-CF meeting.

### Other business

AEMO provided an overview in the forum papers on topics including future offset arrangements and offsets in the prudential margin.

*NEMW-CF next meeting: 29 July 2015*

## Retail Market Consultative Forum (RMCF)

29 May 2015 and 26 June 2015

### Power of Choice work plan

AEMO updated the forum on the workshop held on 13 May 2015, and from working and reference group meetings in June, and shared participant feedback. A mid-July workshop will consider policy matters and scheduling.

Issues raised in discussion at the RMCF included:

- The need to consider process requirements for delivering services from advanced metering, which AEMO suggested could be addressed at June 2015 working group sessions.
- Potential links between metering competition and shared market protocol (SMP) changes, including transaction mechanisms if the SMP was delayed.
- How remote re-energisations and de-energisations would be communicated without a B2B transaction – AEMO said it would be a requirement that meters installed by the metering coordinator would be capable of carrying out this service.
- Whether AEMO had correctly interpreted the Australian Energy Market Commission (AEMC) determination – AEMC confirmed that AEMO's position on the requirement to deliver transactions through the current B2B framework aligned with AEMC's intent and requirements.
- Impact assessments, which AEMO would be discussing with different forums and working groups, including the June 2015 BMRG meeting.

AEMO agreed to create an Issues/Risk Register template for Power of Choice work and encouraged participants to keep sending comments and feedback.

AEMO also advised that the final determination timing was delayed and new timeframes would be confirmed in early July.

### NSW–ACT Gas Retail Project (NARGP)

AEMO updated the forum on the project, noting:

- All work streams are on schedule.
- Fortnightly Readiness and Transition workshops started on 15 May 2015.
- Consultations for Retail Market Procedures and the build pack for the Wagga Wagga and Tamworth networks are in the Impact Implementation Report stage.
- AEMO's final decision on the Wagga Wagga and Tamworth Procedure Change Consultation was published 11 June 2015.
- Concerns raised at the last RMCF meeting had been resolved.

## Customer Access to Data

AEMO gave an update on this project, including:

- The consultation paper was published 30 April 2015, with submissions due 5 June 2015.
- 23 submissions were received, with key themes including triggers for delivery timeframes, and suggestions about data formats.
- A stakeholder workshop is planned for 18 June, and AEMO would circulate information about the workshop.
- The Metering Data Provision Procedures (MDPP) Draft Report and Determination will be published 6 July.
- Confirming that customer verification issue is out of scope.

In response to forum questions, AEMO agreed to provide the June 2015 RMCF meeting with clarification on why a graph is specified for the accumulation summary data format, and information on how consumer consultation has been considered in the program of work.

## Retail Market Framework Forum

AEMO advised forum participants that the recently-reformed Retail Market Framework Forum would be reviewing recommendations from 2014 meetings to make sure they are still valid, considering the requirements for delivering the Power of Choice work program. The Retail Market Framework Forum aims to complete its report by mid-2015.

*RMCF next meeting: 31 July 2015*

## Gas Wholesale Consultative Forum (GWCF)

9 June 2015

### Sydney Short Term Trading Market (STTM) Administered Pricing

AEMO spoke to the forum about a Sydney STTM administered ex-post price incident on 19 May 2015. AEMO complied with all relevant rules and procedures at the time, and the server performance issue was rectified. AEMO is working to develop a permanent fix. An incident report has been posted on AEMO's website.

### STTM Market Operator Service stack steps using invalid Trading Right Numbers

AEMO raised the issue that, since April 2014, a number of STTM Shippers have used invalid Trading Right Numbers (TRNs) for Market Operator Service (MOS) increase and decrease offers. AEMO currently facilitates corrections. The forum discussed possible solutions for this time-consuming issue and agreed that AEMO will update the STTM WebExchanger User

Guide, and contact Trading Managers to arrange training.

## Gas Market Reviews

Michelle Croker from the Department of Industry and Science spoke to the forum about the Gas Market reviews taking place over the next six to 12 months. Many of these reviews run in parallel, with key decision points at Commonwealth of Australian Governments (COAG) Energy Council meetings in July and December 2015, and a stage two review of options being presented to the market in December 2015 by the Australian Energy Market Commission (AEMC).

The forum discussed the potential difficulties of managing parallel reviews, coordination between the reviews, and timelines. Michelle Croker talked about the overarching strategy from the COAG Energy Council, and the value of the reviews for providing the government with the best possible information to support policy development. Michelle welcomes feedback, on 02 6213 7383 or at [michelle.croker@industry.gov.au](mailto:michelle.croker@industry.gov.au).

## 2015 Gas Statement of Opportunities (GSOO)

The forum discussed the results published in AEMO's 2015 GSOO, media commentary about forecasting, and AEMO's consultation process. AEMO explained that it continuously monitors market and network conditions and will continue to consult with industry to provide timely, transparent updates to its forecasts as new information comes to light.

## Authorised Maximum Daily Quantity (AMDQ) Rule Change

AEMO asked the forum for feedback about this pending rule change, which was submitted in November 2013 to clarify some language in the National Gas Rules about allocation of AMDQ credit certificates following expansions to the Declared Transmission Network.

The forum agreed that the rule change should stay on the AEMC pending list, on the understanding that the AEMC would consult on it as soon as practicable (the forum noted the access arrangement submission is due before December 2016).

## Distribution Unaccounted for gas (DUAFG)

AEMO updated the forum on DUAFG workshops held 2 June 2015, which discussed the difference between contract gas prices and the market cost to participants, and distributors' wish for a more predictable price.

AEMO asked participants for input by 19 June 2015, and will present recommendations to the August GWCF meeting for participants to consider ahead of the formal procedure change consultation process.

*GWCF next meeting: 11 August 2015*