

AEMO Consumer Forum

Meeting Summary: 12 September 2023

These notes summarise AEMO's presentations at the Consumer Forum and feedback and questions received at a high level and are not intended to be a detailed set of minutes.

Actions from previous meeting

- AEMO responded to consumers about costs and lessons learnt from the 5-minute settlement (5MS) project, and provided an update on the wholesale demand response mechanism.
- AEMO will work to circulate pre-read materials five working days prior to the Forums.
- Meeting summaries of Consumer Forums are now available on our [website](#).

Meeting topics

- Overview of AEMO's FY24 Strategic Corporate Plan
- AEMO FY23 Stakeholder engagement perception survey
- 2023 Electricity Statement of Opportunities
- National Electricity Market (NEM) Reform update
- Update on issues of interest
 - Wholesale demand response mechanism
 - Five-minute settlement (5MS)

Overview of AEMO's FY24 Strategic Corporate Plan

Presentation summary

In late July AEMO published its [Strategic Corporate Plan FY24](#) which continues the multi-year course for AEMO to deliver wholesale energy safely, reliably, and as affordably as possible for all Australians for the decades ahead. It also continues to support the delivery of AEMO's strategic priorities that are now well established: operating today's systems and markets; navigating the energy future; engaging our stakeholders; and evolving the way we work.

Feedback and actions

Linked to priorities three and four, attendees asked questions around AEMO staff engagement – noting links to the efficient and cost-effective operation of the NEM – and how AEMO measures and tracks stakeholder satisfaction. AEMO shared that recent annual people survey results were positive, with system and process effectiveness and work-life balance areas of proactive focus. AEMO also talked to the annual stakeholder research it conducts to capture and track stakeholder perceptions, while emphasising that feedback is welcomed at any time and through a range of channels including broader surveys, stakeholder meetings and verbal and written submissions.

AEMO FY23 Stakeholder engagement perception survey

Presentation summary

In late July, AEMO completed its fourth annual wave of stakeholder research. Conducted for AEMO by SEC Newgate, this work guides AEMO's understanding of what is driving its reputation with key stakeholders, where it is doing well and where to focus efforts for improvement. While year on year improvements in reputation and trust scores were seen across most stakeholder segments, AEMO has identified four priority focus areas for FY24: being transparent; being accountable to industry members and consumers; efficient energy market planning; and efficient operation of Australia's energy.

Feedback and actions

Attendees asked questions around the survey methodology, to which AEMO confirmed that just over 50 respondents including eight consumer advocates provided input, with weightings applied to ensure fair representation across different stakeholder segments. Respondents were targeted at a senior-level to provide more strategic and comprehensive views of their organisation's experience with AEMO and its work.

At a broader level, attendees shared insights around the time and resourcing challenges many consumer advocates face in engaging with AEMO and more broadly within the industry. Ideas raised to address these, which AEMO will consider, included: providing access to AEMO senior leadership via attendance at Forums; continuing to provide verbal submissions within consultation processes; sharing issue recaps in meetings to save on pre-reads, and streamlining and/or consolidation of consumer engagement activities between market bodies (AEMO, the Australian Energy Market Commission [AEMC] and the Australian Energy Regulator [AER]).

2023 Electricity Statement of Opportunities

Presentation summary

Published annually, AEMO's [Electricity Statement of Opportunities](#) (ESOO) is a 10-year reliability outlook for the National Electricity Market (NEM). AEMO shared key takeaways from the report including the increasing pace of Australia's energy transition; urgent need for investment in energy generation, transmission and storage projects to continue to deliver reliable, affordable and cleaner energy for consumers; and larger gaps in reliability than previously forecast, including elevated risks across summer 2023. AEMO also invited consumers to participate in a consultation on Demand Side Forecasting.

Feedback and actions

Attendees requested an update on summer preparedness activities ahead of season start, which AEMO took an action to consider. Other questions raised included any similar reliability updates for gas, whether AEMO's views diverged from the NSW Government's [NSW Electricity Supply and Reliability Check Up](#) report and whether AEMO would consider more minimum demand scenarios in the future. AEMO confirmed the 2023 ESOO focuses more on maximum demand scenarios given the impact on reliability and did not necessarily diverge from the NSW report as this takes a more prescriptive view of findings where the ESOO models scenarios based on likelihood of circumstances occurring. AEMO also committed to share any updates to its 2023 NEM [Gas Statement of Opportunities](#) (GSOO) should they arise.

NEM Reform update

Presentation summary

AEMO shared an update on the [NEM Reform delivery program](#), currently comprising five reform initiatives: Stand Alone Power Systems (SAPS), Integrating Energy Storage Systems (IESS), Fast Frequency Response (FFR), increased Medium-Term Projected Assessment of System Adequacy Information (MT PASA), and Frequency Performance Payments (FPP). Upcoming stakeholder meetings and engagements until November were also shared.

Feedback and actions

Attendees asked whether AEMO had received feedback from industry stakeholders that NEM reforms were taking place too quickly and would cost more to implement due to tight timelines. AEMO shared that it had not heard directly about costs but that the pace of reforms did seem challenging for some businesses, especially related to IESS and improving settlement functions.

Update on Wholesale Demand Response Mechanism

Presentation summary

Demand response (DR) is the voluntary reduction or shift of electricity use by customers. Commenced in October 2021 the [Wholesale Demand Response Mechanism](#) (WDR) allows for demand side participation in the wholesale electricity market by commercial and industrial energy users. Currently, one Demand Response Service Provider (DRSP) is registered with a total of 65 MW capacity across 13 participating wholesale demand response units. AEMO advised that it has submitted two rule change proposals to the Australian Energy Market Commission (AEMC) to support a move towards two-sided markets and integration of consumer energy resources into the NEM, which are currently under consultation. AEMO welcomes engagement on these rule changes. AEMO also noted that for WDR, there is a process in place for participants to propose new baseline methodologies, which AEMO assesses and consults on.

Feedback and actions

Consumer advocates shared mixed views around the benefits of WDR implementation given current take-up levels (65 MW out of a peak demand of 35,000 MW), noted greater interest in RERT due to potential barriers of participating in WDR, and asked if AEMO is planning to further promote the WDR mechanism. Some suggested AEMO should work to optimise demand response across both WDR and the Reliability and Emergency Reserve Trader (RERT) mechanisms, while others disagreed. AEMO confirmed that it is committed to supporting an enabling environment for both mechanisms.

Update on 5-minute settlement (5MS)

Presentation summary

In October 2021 the National Electricity Market changed from 30-minute to 5-minute settlements; meaning for the first time, electricity spot price settlement intervals aligned with dispatch timings. To support this change, AEMO delivered a technology uplift project which also encompassed changes to support Global Settlement; allowing AEMO to settle the market using the same process for all retailers. While the project delivered many benefits, due to unforeseen delays, complexities and costs, its final costings significantly exceeded estimates. Post-implementation, AEMO conducted a project review to highlight what went well and opportunities for future improvement. Examples of actions already underway include enhanced program governance (via a NEM Reform Implementation Roadmap, [Financial Consultation Committee](#) and Reform Delivery Committee) and broader digital strategy and capability uplift work.

Feedback and actions

No feedback was shared, however attendees are invited to contact AEMO with any questions.

Feedback/questions to be resolved

- AEMO values constructive feedback from consumers. Consumers are invited to fill out this 2-minute [survey](#) on how to improve the Consumer Forum.
- Potential agenda items for next meeting in November 2023 include summer preparedness, and an update on the draft 2024 Integrated System Plan; due to publish in December 2023.

Contact

If you require more information, please email AEMO Stakeholder Engagement:
StakeholderRelations@aemo.com.au.