

# AEMO Consumer Forum

## Meeting Summary: 29 November 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

- As requested at the previous meeting, AEMO will provide an update on [summer readiness](#) and virtual power plants through [Project Energy Demand and Generation Exchange \(EDGE\)](#).
- Meeting summaries of Consumer Forums are now available on our [website](#).

### Meeting topics

- Summer readiness
- Update on Project EDGE (Energy Demand and Generation Exchange)
- Draft 2024 Integrated System Plan (ISP) update and next steps
- NEM Reform update
- Compliance of Distributed Energy Resources with Technical Settings

### Summer readiness

#### Presentation summary

AEMO presented an overview of its [summer readiness](#) preparations, outlining expected weather conditions, energy system preparations, and contingencies to maintain electricity reliability in Australia's main power systems this summer. In anticipation of summer demand, AEMO has procured additional reserves through the Interim Reliability Reserve and Reliability and Emergency Reserve Trader (RERT) mechanisms in the NEM. Compared to last summer, there is an estimated increase of 2,100 MW of rooftop solar PV. In addition to AEMO's collaboration with industry and governments to plan for relevant scenarios, extensive briefings and emergency exercises to test contingency plans and communication processes have also taken place.

#### Feedback and actions

Consumers asked what AEMO was doing to address the implications and challenges of minimum demand conditions in NEM jurisdictions. Consumers also sought clarity from AEMO on how minimum/negative demand conditions could affect wholesale (and therefore consumer) market prices in the current market design. AEMO responded that operational challenges could arise from several conditions, such as outages of interstate interconnectors (e.g., Bass Link and Murray Link) that help balance the jurisdiction's power system for that period, and that AEMO's System Design and Operations teams will be monitoring these conditions and implications for the market.

Consumers also questioned clarity and cost implications around testing schedules for the Queensland Network Interconnector (QNI). While testing schedules were largely managed by project proponents, AEMO said further information would soon be released on Project EnergyConnect (PEC) testing as well as capacity information on BassLink.

## Update on Project EDGE (Energy Demand and Generation Exchange)

### Presentation summary

AEMO shared highlights from the conclusion of [Project EDGE](#); a 3.5-year pilot project which, extending on current NEM frameworks, rewarded customers who voluntarily joined virtual power plants (VPPs) and were flexible with their devices when needed. Delivered as a collaboration between AEMO, AusNet Services and Mondo, and supported by the Australian Renewable Energy Agency (ARENA) the project demonstrated effectively that coordination of CER could be achieved in the market while also upholding grid limits, customer preferences and providing financial benefits.

### Feedback and actions

Consumers questioned if the role of customer demand aggregators could only be fulfilled by certain retailers, potentially creating barriers to competition. They also asked who carries the risks of the wholesale spot market in a VPP arrangement, whether future market design would allow consumers to participate fully without an intermediary or retailer, and the implications for the current wholesale demand response mechanism. In the Project EDGE model example, AEMO shared that the VPP aggregators actively built trust with customers by carrying the risks for them. For example, Mondo customers had a portal where customers could indicate their preferences (e.g., level of charge to be left in batteries), and choose to opt out of participating during certain events such as severe weather conditions.

Consumers also asked whether the EDGE model could be replicated in the current Victorian market, given the challenges around network tariff reforms, split incentives, and minimum feed-in tariff obligations. AEMO responded that Project EDGE was piloted in an off-market test environment and agreed that reforms were needed in general to make pricing more dynamic and efficient for consumers. Nonetheless, it would be the role of VPP aggregators to manage the associated risks of offering their fleet capacity alongside network services and meet customer obligations at the same time. The EDGE arrangement can work in Victoria today, and tariff reforms would provide stronger incentive signals for customers to join VPPs.

## Draft 2024 ISP update and next steps

### Presentation summary

Published on 15 December 2023, AEMO's Draft 2024 Integrated System Plan (ISP) is a roadmap for the transition of the National Electricity Market power system for the next 20 years and beyond. Ahead of its launch, AEMO provided an update on the various webinars and other channels available for consumers to learn more about the Draft 2024 ISP, ask AEMO questions and provide feedback by 16 February 2024, ahead of 2024 ISP public release on 28 June 2024. Consumers can register online for webinars using the links below and sign up to the ISP mailing list for further updates.

### Webinar sessions

- 20 Dec 2023 – Post-publication webinar to unpack the draft 2024 ISP ([Register here](#))
- 30 Jan 2024 – Pre-submission webinar to ask AEMO questions ([Register here](#))
- 15 Feb 2024 – Verbal feedback session ([Register here](#))
- 16 Feb 2024 – Written submissions due to [ISP@aemo.com.au](mailto:ISP@aemo.com.au)
- 8 March 2024 – Submissions due for non-network proposals in response to the draft ISP
- The full Draft 2024 ISP engagement calendar is [published on this webpage](#).

## Feedback and actions

Consumers shared positive feedback on AEMO's ISP engagement approach, including the informational webinars and ability for consumer advocates to provide verbal feedback.

## NEM Reform update

### Presentation summary

AEMO shared an update on the [NEM Reform 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 December were also shared.

### Feedback and actions

Consumers enquired how AEMO intended to educate market participants on the IESS settlement changes. AEMO hosted an [educational webinar](#) for interested market participants in June 2023 and will consider developing further materials with a view to improving accessibility for consumer advocates.

## Compliance of Distributed Energy Resources with Technical Settings

### Presentation summary

AEMO presented its analysis of grid-connected inverter compliance rates with AS/NZS4777.2:2020 (the 2020 Standard). Inverters installed in Australia from 18 December 2021 are required to be installed with the 2020 Standard, however compliance was 40% for inverters installed in 2022 Q1. Following proactive actions taken by stakeholders, particularly inverter manufacturers who have made changes to assist installers in selecting the correct standard, AEMO's latest analysis found compliance to the 2020 Standard increased to 75-80% for new installations in 2023 Q1/Q2. Existing DER inverter owners do not need to take action as manufacturers are rectifying inverters to the correct 2020 Standard remotely where possible. Interested customers can contact their manufacturer or installer if they wish to check the Standard that their inverter is set to.

AEMO continues to work with manufacturers and other parties to target 90% compliance from December 2023.

### Feedback and actions

Consumers asked whether inverters not set to the 2020 Standard posed a risk to consumer safety. AEMO clarified that inverters correctly installed to Australian Standards (whether the 2020 Standard or earlier versions of the Standard) would be safe for consumers. The key benefit for consumers in improving compliance to the 2020 Standard is in reduced system security risk, increased DER hosting capacity (more DER able to be installed) and minimised intervention costs.

## Feedback/questions to be resolved

- Potential Consumer Forums in 2024 are proposed for March, June, September, and November, with special sessions as required (e.g., for the Draft ISP in January 2024).
- Participants are invited to fill in a [survey](#) to provide feedback and propose future topics of interest.

## Contact

If you require more information, please email AEMO Stakeholder Engagement: [StakeholderRelations@aemo.com.au](mailto:StakeholderRelations@aemo.com.au).