

Summary:

- Project status remains amber in March 2017:
 - Status of “at risk” of achieving project deliverables on schedule.
 - Progress approximately 20% (substantially unchanged).
 - Risk rating of “medium”.
- Participant categories:
 - Retailers and Distribution Businesses overall reporting amber (“at risk”).
 - Metering Providers, Meter Data Providers and Metering Coordinators have changed from green to amber (“at risk”) compared to February 2017.
 - AEMO and Embedded Network Managers overall reporting green (“within schedule”).
- Jurisdictional status and rating in line with overall project status apart from a high risk rating in Victoria

Highlighted risks:

- Amber status primarily relates primarily to constrained timelines for delivery:
 - Changes between draft and final B2B procedures requiring additional time to implement.
 - Uncertainties in operation of business processes (e.g. meter churn).
 - Compressed timeframes for system design, build and testing.
 - Compressed timeframes for registration and accreditation – including e-hub accreditation
- Other issues highlighted include:
 - Lack of clarity on safety regulations.
 - “Medium” to “high” risk rating highlighted in Victoria relates to the ongoing uncertainty associated with:
 - The Victorian Government Transition to Metering Competition in Victoria decision timing in March 2017.
 - VICAMI meter type classification.
- Mitigating actions include:
 - Participants are undertaking impact assessments for the final B2B procedures and package 2 AEMO procedures.
 - AEMO appointed Industry Test Lead to progress industry test planning.
 - Industry actively engaging with the Vic Government process, March 2017 remains on track.
 - AEMO targeting to publish e-hub accreditation guidelines by end of March 2017.

Number of submissions:

- 31 reports received in total representing the following participant roles (increased from 27 in February):
 - 14 retailers (increased from 12)
 - 13 distribution businesses (includes initial MC, MP and MDP)
 - 5 metering companies (MPD, MP) (increased from 3)
 - 7 metering coordinators (MC) (increased from 5)
 - 3 embedded network manager (ENM) (increased from 2)
- Approximately 23 retailers are not yet taking part in industry reporting:
 - These retailers have been contacted and AEMO will continue to follow up.

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 with participants reporting ongoing risks of implementing the required systems and process changes on schedule. Participants are undertaking impact assessments – comparing the final B2B procedures with the drafts – and some participants are concerned that the changes will require more effort to implement than originally estimated. A Medium level of risks persists for the project overall due to aggressive timelines combined with a level of uncertainty around the operation of business processes under the new Rules and Procedures and dependency on new and immature market participants. A High level of risk persists in Victoria due to the uncertainty associated with the Victorian Government Transition to Metering Competition decision timing in March 2017.		High	Med	Low	#
			4	2	3	1

AEMO and NEM Participants Readiness Criteria			AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Networks (ENM, ENO)		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					
2.3		Operationally critical commercial contracts in place				#3				#3		#3		#3			
2.4		Accreditation and registration activities completed				#4				#4				#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									
4.2		Successfully validated critical business processes during industry testing															
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		#6		#6		#6	
5.3		Performance of, and communication between, market systems validated during industry testing						#7				#7		#7		#7	
6. Transition planning																	
6.1	Transition planning	Transition and cutover plan(s) in place										#8		#8		#8	
6.2		Prerequisite transition and cutover processes completed (e.g. trial data conversions and cutover dress rehearsals)								#8		#8		#8		#8	

Jurisdictional Status																
Jurisdiction	Comments	AEMO		Retailers		Distributors		MP and MDP		Metering Coordinator		Embedded Networks (ENM, ENO)		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.															
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, with additional risk noted due to the uncertainty associated with the Victorian Government Transition to Metering Competition in Victoria decision timing in March 2017, and the treatment of VICAMI meters.															

**AEMO Power of Choice Implementation Program
Monthly Readiness Report**

Monday, 6 March 2017



Variances		
Note #	Explanation of Variance	Mitigating Actions
1	Variance reported by Retailers: Detailed implementation plan development at risk due to uncertainty of rule and procedural operation and dependency on new and immature market participants and processes.	
2	Variance reported by Participants: Updating policies and procedures on schedule is at risk due to lack of clarity on safety regulation and the upcoming Victorian decision on metering competition.	Participants are continuing to engage with the relevant departments and safety bodies.
3	Variance reported by Participants: Updating commercial arrangements on schedule is at risk due to volume of contracts that need to be entered into with industry parties and variable meter service provider maturity.	
4	Variance reported by Participants: Fulfilling registration and accreditation activities on schedule is at risk due to lack of an E-Hub accreditation guideline and compressed timeframes for all registration and accreditation activities	Participants are awaiting e-hub accreditation guidelines. Vic DBs are continuing to seek confirmation from AEMO, AER and Victorian Government on whether UE's meters can remain as Type 5 MRIM.
5	Variance reported by DBs: Progress on this is less than expected due to required rework from the final B2B Procedure changes. Rework may also be need to occur depending on the Vic Government Option decided in March 2017.	Business process activity continuing (impact assessment between final and draft procedures), additional experienced resources and subject matter experts sourced.
6	Variance reported by Participants: System design and development are dependent on finalisation of procedures and technical specifications for completion. From DBs: The magnitude of change in the final version of the B2B Procedures particularly with regard to the NP and OWN's in the latest B2B Guidelines requires a revisit of requirements and reassessment of design.	Participants are gathering detailed business and system requirements (undertaking impact assessments between final and draft procedures).
7	Variance reported by Participants: Testing timelines are contingent on system design and build and are becoming increasingly compressed and unrealistic.	Participants engaging in development of Industry Testing Strategy
8	Variance reported by Participants: Transition and cutover is dependent on above activities (business processes, commercial arrangements, system build and testing) and compressed timeframes are a concern.	

Notes

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](#)