

Summary:

- Project status remains amber in May 2017:
 - Status of “at risk” of achieving project deliverables on schedule.
 - Progress increased to approximately 30% (from 20%).
 - Risk rating of “medium”.
- Participant categories:
 - Retailer, Distributors, Meter Providers and Meter Data Providers mainly reporting amber (“at risk”).
 - Prospective Metering Coordinators mainly reporting amber and red (“not within schedule”) with a high risk rating.
 - AEMO and prospective Embedded Network Managers overall reporting green (“within schedule”).

Summary (cont.):

- Jurisdictional status and risk rating in line with overall project status with additional risks highlighted:
 - High risk rating in Victoria from Retailers – due to uncertainty related to the impacts of the Victorian Government decision to defer metering competition.
 - High risk rating in NSW from Distribution Businesses – due to risks associated with system delivery in time for industry testing in August 2017.
 - High risk rating in all jurisdictions from Metering Providers, Meter Data Providers and Metering Data Providers – due to current status of systems implementation.

Highlighted risks:

- Amber status relates primarily to constrained timelines for delivery:
 - Uncertainties in operation of business processes (e.g. meter churn), distribution business' faults and emergencies processes, Victorian OIC.
 - Compressed timeframes for system design, build and testing.
 - Compressed timeframes for registration and accreditation – including e-hub accreditation.
 - Compressed timeframes for transition and cutover planning, and timing and implications of cutover activities.
- Other issues highlighted include:
 - Lack of clarity on safety regulations.
 - Number and level of maturity of competitive metering providers, Metering Coordinators and Embedded Network Managers.
- Mitigating actions include:
 - AEMO progressing industry test planning, with Industry Test Strategy nearing completion and detailed planning commencing.
 - AEMO established the Industry Transition and Cutover Focus Group.
 - AEMO to encourage competitive metering providers and prospective new participants to actively engage in the POC program.
 - Participants encouraged to commence registration and accreditation.

Number of submissions:

- 35 reports received in total representing the following participant roles (increased from 34 in April):
 - 18 retailers (increased from 17)
 - 13 distribution businesses (includes initial MC, MP and MDP)
 - 5 metering companies (MPD, MP) (unchanged)
 - 5 metering coordinators (MC) (decreased from 6)
 - 2 embedded network manager (ENM) (decreased from 1)
- Approximately 19 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. A Medium level of risk 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. Participants have highlighted risks associated with compressed timeframes for system build and testing, registration and accreditation activities, and transition and cutover activities. Uncertainty around faults and emergency processes and jurisdictional safety regulations have also been highlighted as risk areas. | | 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 | | | | |
| 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 | | | | | | | | |
| 2.3 | | Operationally critical commercial contracts in place | | | | #3 | | | | #3 | | #3 | | | | |
| 2.4 | | Accreditation and registration activities completed | | | | | | | | #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 | | #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 | | | | |
| 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 | | #8 | | | | |
| 6.2 | | Prerequisite transition and cutover processes completed (e.g. trial data conversions and cutover dress rehearsals) | | | | | | | | #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. | | | | | | | | | | | | | | | |

AEMO Power of Choice Implementation Program
Monthly Readiness Report

Monday, 8 May 2017



| Variances | | |
|-----------|---|---|
| Note # | Explanation of Variance | Mitigating Actions |
| 1 | Variance reported by Participants: Detailed implementation plan development at risk due to ongoing uncertainty in procedural operation (e.g. meter churn), jurisdictional safety regulations and DB's faults and emergency process. Some participants have also highlighted issues with vendor procurement. Implementation Plans may need to be re-assessed when the Victorian Government releases its OIC. | Participants are increasing internal resources and are awaiting the Victorian OIC |
| 2 | Variance reported by Participants: Updating policies and procedures on schedule is at risk due to lack of clarity on safety regulation and the detailed implementation regarding the Victorian decision to defer metering competition (awaiting the Order in Council). | 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 compressed timeframes for all registration and accreditation activities. | Participants are reviewing the new e-hub accreditation guide and are encouraged to submit their planned timeframes to AEMO asap so AEMO can resource accordingly. |
| 5 | Variance reported by Participants: Progress on this is less than expected due to required rework from the final B2B Procedure changes, 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 and are awaiting the Victorian OIC |
| 6 | Variance reported by Participants: System design and development are dependent on finalisation of procedures and technical specifications for completion. Progress has been impacted by the Victorian Government deferral decision. | Participants are increasing internal resources and are awaiting the Victorian OIC |
| 7 | Variance reported by Participants: Testing timelines are contingent on system design and build and are becoming increasingly compressed and unrealistic. | |
| 8 | Variance reported by Participants: Increasing risk reported on transition and cutover planning and implications - timing of cutover, number of inflight transactions, scope of changes required. | Participants are engaging with the newly formed Industry Transition and Cutover Focus Group to develop the industry transition and cutover plans. |
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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](#)