

Summary:

- Project status remains amber in September 2017:
 - Status of “**at risk**” of achieving project deliverables on schedule.
 - Progress remains at approximately **50%**.
 - Risk rating remains at “**Medium**”.
- Participant categories:
 - Retailer and Distributors mainly reporting green (“within schedule”) or amber (“at risk”) with a medium or high risk rating.
 - Meter Providers, Meter Data Providers and intending Metering Coordinators mainly reporting green or amber with a medium or low risk rating.
 - Intending Embedded Network Managers mainly reporting amber, with one reporting red due to uncertainty associated with different jurisdictional treatments of embedded networks.
 - AEMO overall reporting green with a medium risk rating.

Highlighted risks:

- Amber progress status relates primarily to constrained timelines for delivery including compressed timeframes for:
 - System design, build and testing.
 - Registration and accreditation – including B2B e-hub accreditation.
 - Commercial negotiations.
- Issue contributing to the Medium risk rating include:
 - Number and complexity of commercial arrangements to be updated.
 - The Executive Forum agreed to a staged approach to transition to de-risk customer experiences.
 - Lack of alignment across industry processes:
 - Participants are actively engaging with each other to discuss and align B2B processes.
 - Market Trial cycle 1 completed on 8 September with 21 organisations participating. Cycle 2 commences on 18 September with 35 organisations intending to participate.
 - Lack of clarity on jurisdictional safety regulations.
 - Participants are actively engaging with jurisdictional safety regulators.
 - Concerns regarding other participants' readiness.
 - Contingency Planning by the Readiness Working Group commenced in August and is expected to be completed in September.
 - Uncertainties in transition and cutover activities and the timing of cutover.
 - The draft Industry Transition and Cutover Plan was released for industry review and comment on 31 August with industry feedback due 13 September.
 - Lack of clarity of treatment of embedded networks in Victoria.
 - Awaiting final approach from the Victorian government

Number of submissions:

- ↑ 49 reports received in total representing the following participant roles (increased from 47 in August):
 - ↔ 23 retailers
 - ↔ 13 distribution businesses (includes initial MC, MP and MDP)
 - ↔ 10 metering companies (MPD, MP)
 - ↔ 10 intending metering coordinators (MC)
 - ↑ 9 intending embedded network manager (ENM) (increased from 7)
- ↔ Approximately 13 retailers are not yet taking part in industry reporting

Notes:

1) Organisations can nominate for multiple roles and participants can submit combined reports (i.e. one report for two distribution businesses)

2) Participation in readiness reporting is voluntary, and reporting reflects each participant's self-assessment of their own readiness in respect of the roles they intend to undertake as at 1 December 2017.

Variances		
Note #	Explanation of Variance	Mitigating Actions
1	Variance reported by Participants: Development of detailed Implementation plans on schedule at risk as participants have identified a need to iterate plans for differing implementation approaches. The staged transition approach adds additional tasks.	Retailers and DNSPs are meeting to align processes.
2	Variance reported by Participants: Updating internal policies on schedule at risk as participants are waiting for jurisdictional safety regulators to publish requirements (re-en and de-en) and for clarity on the ENM role in Victoria and Queensland. Participants are also waiting for the final Vic government OIC.	Participants are engaging with jurisdictional bodies.
3	Variance reported by Participants: Updating commercial arrangements on schedule is at risk due to volume and complexity of contracts that need to be entered into with industry parties. The slow progress of MC registration has also been raised as a risk.	Participants are increasing internal resources and considering contingency options (such as the staged transition approach).
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 increasing internal resources and progressing registration and accreditation activities.
5	Variance reported by Participants: Availability of business subject matter experts and conflicts with project resources contributing to risks associated with resourcing and training.	Participants are re-allocating resources to cover training.
6	Variance reported by Participants: Progress impacted by 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, holding discussions with other participants, reviewing meter churn impacts under Package 3 and awaiting the final Victorian govt. OIC.
7	Variance reported by Participants: System development at risk due to the complexity and number of changes required within tight timeframes for development and testing and delays from external market system vendors.	Participants are increasing internal resources and working closely with market system vendors.
8	Variance reported by Participants: Testing timelines are contingent on system design and build and are compressed. Concerns with scope of testing and lack of readiness and/or participation by other participants also reported as risk areas.	[Market Trial cycle 1 completed on 8/9, with 21 companies and 49 participant IDs involved, 96.4% execution was achieved. 33 defects were raised, with 5 yet to be closed. 3 of these are AEMO defects - scheduled to be fixed before cycle 2 commencement (18/9)]
9	Variance reported by Participants: Transition and Cutover planning dependent on new connection processes, readiness of competitive MCs. Cutover plan for existing embedded networks yet to be developed. The proposed transitional approach requires scoping and approval before planning can commence.	Participants are engaging with the ITCFG. [http://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Power-of-Choice/Readiness-Work-Stream/Industry-Transition-Cutover-Focus-Group]

Notes

- Please refer to the POC Industry Readiness Reporting Plan for more details on the Readiness Report process: <http://www.aemo.com.au/-/media/Files/Electricity/NEM/Power-of-Choice/B2B/AEMO-POC-Industry-Readiness-Reporting-Plan-v20.pdf>
- The count of open Risk and Issues is based on the POC Industry Risk Register as at 17/08/2017.
- Explanation of Variance and Mitigating Actions above are based on Participants comments, AEMO's comments are included within square brackets [].

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](#)