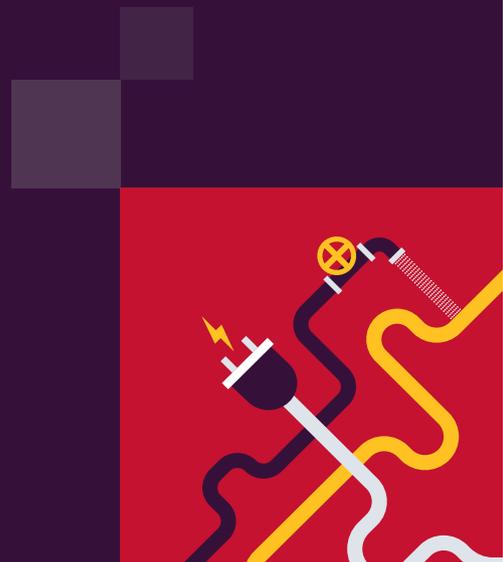
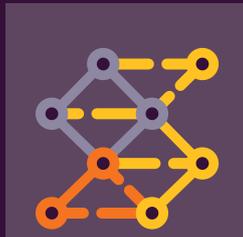
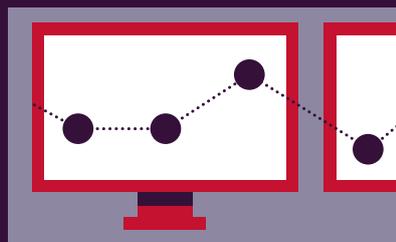


AEMO Corporate Plan 2020-23 Summary

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*Shaping a better energy future
for all Australians*

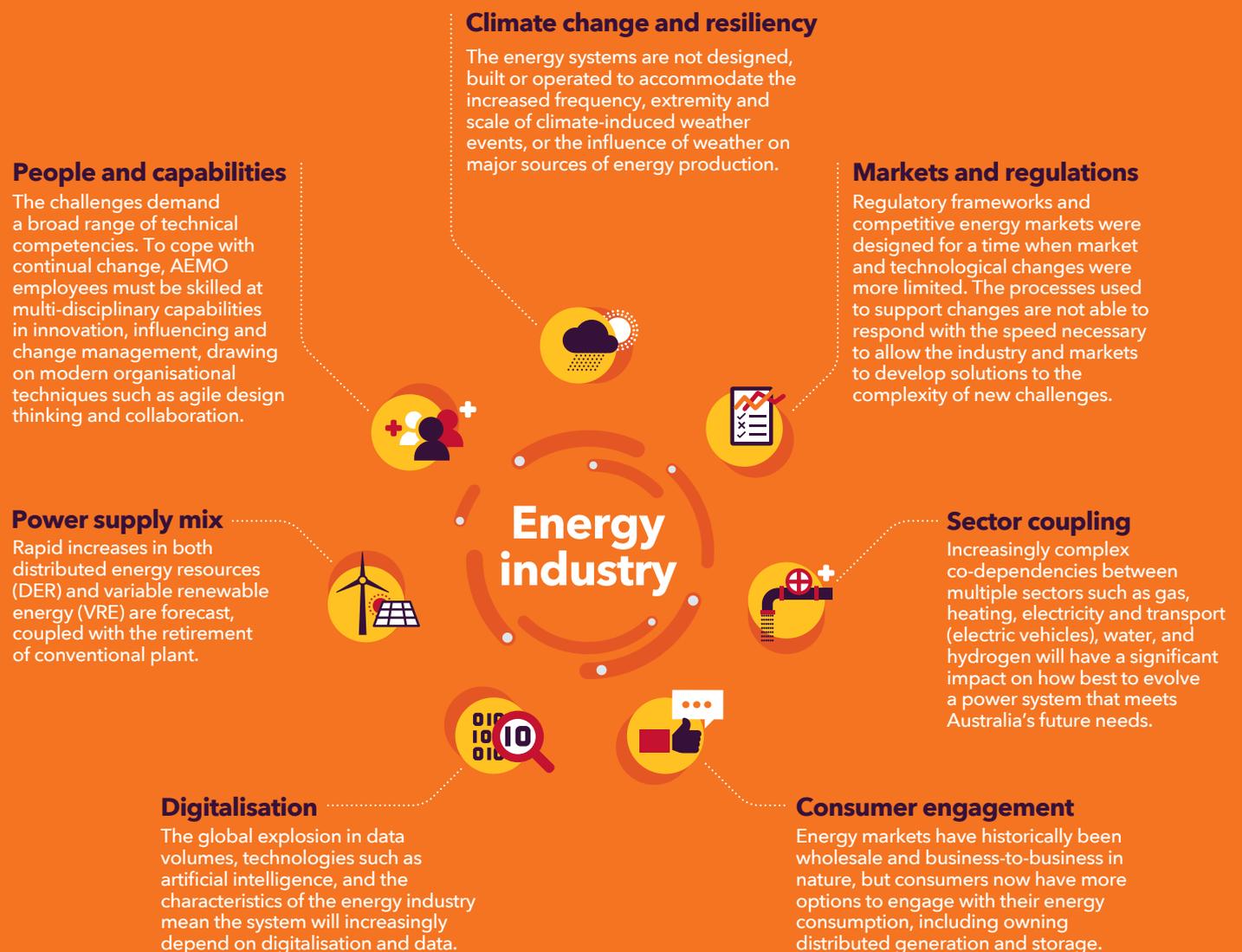
The energy industry in Australia is undergoing unprecedented, rapid and transformational change. This change is occurring faster in Australia than in almost all other developed economies, and in a physical and operating environment that poses greater technical and design challenges.

AEMO is committed to leading and converting these challenges into sustained advantages for energy consumers. The Corporate Plan for 2020-23 sets forward the opportunities, challenges and risks the sector is confronting and plans to address them.



Our changing energy landscape

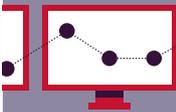
Our 2020–23 Corporate Plan aims to empower our people to overcome the challenges Australia’s changing energy landscape brings, so that together we can drive value for consumers and our members, today and into the future.



To achieve our goal to be a best-in-class system planner and operator, we must simultaneously grow our internal capabilities and our ability to collaborate with partners and industry participants. These stakeholders share our commitment to provide energy consumers access to affordable, reliable and secure energy, which also meets the nation’s emissions targets.

AEMO's purpose, mission and core functions

Our purpose, mission and core functions reflect our commitment to deliver value to the industry and consumers in this time of unprecedented change occurring in the Australian energy environment.

Purpose		Shaping a better energy future for all Australians			
Mission		<ul style="list-style-type: none"> Pursue operational, technical and commercial understanding and excellence. 	<ul style="list-style-type: none"> Partner with others to explore, test and learn. 	<ul style="list-style-type: none"> Contribute to affordable, secure, reliable and sustainable energy for all Australians. 	
Core functions	 Maintain and improve power and gas security	 Manage a number of power and gas markets	 Lead the design of Australia's future energy system	 Facilitate competition and data availability for power and gas markets	
Strategic pillars					
1 Reliable and secure system operations Maintain high-reliability operation of energy systems while adapting to anticipated changes in generation, and improve our forecasting services.	2 Future system design Facilitate among stakeholders an orderly transition to a fit-for-purpose future system.	3 Adaptive markets and regulations Implement new approved market requirements, adapt rules and markets to emerging needs within current regulatory framework; and influence overarching reform of regulatory processes to support rapid innovation.	4 Consumer engagement and access Empower individuals to exercise choice in the energy market, improving access to data and decision tools, and reducing friction in sharing data and implementing decisions.	5 Digital and data Deliver a modern digital platform that will unlock new value for consumers, improve data access, choice and user experience, and enable flexibility and new services.	6 People, culture and capabilities Build on our key assets – our organisational knowledge and our people – by broadening our technical skills and evolving our culture to favour innovation and collaboration, enabling our people to deliver on our strategic pillars, and keeping AEMO a sought-after environment where our diverse, talented people can thrive.
					

The rapid changes occurring in Australia's energy industry, the size of our energy grids, the changing supply availability and mix of our portfolio of gas and power resources and relative sparseness of our population, place AEMO in the unique position of having to solve technical challenges.

Converting challenges to opportunities and benefits

AEMO is emphasising leadership and proactive changes through six strategic pillars.

Our next 10 years must see AEMO and energy industry participants continuously assess how to maintain affordability and provide value to consumers in a rapidly changing energy environment.

Our 2020-23 Corporate Plan emphasises leadership and proactive changes through six strategic pillars. The six pillars build on our core operational strengths, guide the effective adaptation of physical systems and markets, and facilitate meaningful consumer choice and the provision of comprehensive data and digital tools for complex decision making.

These pillars are underpinned by an organisation with deep and diverse technical expertise that values flexibility, learning, collaboration, and innovation, delivering benefits for consumers, system participants and stakeholders.

Strategic pillars



1. Reliable and secure system operations

Maintain high-reliability operation of energy systems while adapting to anticipated changes in generation, and improve our forecasting services.



2. Future system design

Facilitate among stakeholders an orderly transition to a fit-for-purpose future system.



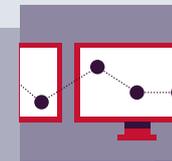
3. Adaptive markets and regulations

Implement new approved market requirements, adapt rules and markets to emerging needs within current regulatory framework; and influence overarching reform of regulatory processes to support rapid innovation.



4. Consumer engagement and access

Empower individuals to exercise choice in the energy market, improving access to data and decision tools, and reducing friction in sharing data and implementing decisions.



5. Digital and data

Deliver a modern digital platform that will unlock new value for consumers, improve data access, choice and user experience, and enable flexibility and new services.



6. People, culture and capabilities

Build on our key assets - our organisational knowledge and our people - by broadening our technical skills and evolving our culture to favour innovation and collaboration, enabling our people to deliver on our strategic pillars, and keeping AEMO a sought-after environment where our diverse, talented people can thrive.

Actions

Expected 12-month outcomes

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- | | |
|---|--|
| <ul style="list-style-type: none">• Frequency management - portfolio of projects in FCAS, primary frequency management and inertia• Voltage management - DER performance standards, behaviour models and installation data register• System strength management - network-wide models and operational limits, new tools• Forecasting - 'digital twin', machine learning, reliability forecasting | <ul style="list-style-type: none">• Secure progress of NEM rule changes for primary frequency control and voltage management• Implement reliability and emergency reserve trader (RERT) rule changes• Increase frequency and transparency of NEM MLF calculations and identify and pursue improvements with the AEMC• Review and consult on NEM transmission access and pricing options consistent with identified NEM MLF improvements• Develop coordinated program of work with the BOM and ARENA on improved accuracy of hourly weather and energy demand forecasts• Gain financing for the 'digital twin' simulator of the energy system• Develop demonstration program for real-time inertia monitoring• Engage in trials for the integration of virtual power plants into real-time market operations |
| <ul style="list-style-type: none">• Develop Integrated System Plan (ISP) and WA Whole-of-System Plan (WoSP)• Implement ISP major projects• Orchestrate distributed/variable renewable energy generators• Enhance system resilience• Integrate planning across electricity, gas and transport | <ul style="list-style-type: none">• Ensure Group 1 projects are delivered according to the plan endorsed by the ESB's ISP Implementation Group• Publish actionable 2020 ISP• Progress coordinated WA WoSP• Complete first phase of Renewable Integration Study (RIS) and commence second phase to allow renewables to meet their full technical potential• Initiate studies of synthetic inertia and other novel solutions to address system strength issues and other technical constraints• Implement member supported account management program for new NEM connections |
| <ul style="list-style-type: none">• Implement 5-minute settlements (5MS) and Global Settlements• Work with ESB and AEMC to evolve rules and market designs• Contribute expertise and leadership to regulatory reform process• Trial and enable markets to manage and optimise consumer DER | <ul style="list-style-type: none">• Identify and submit rule changes necessary to support valuation of reliability and flexibility in the NEM, including, short-term forward market, scheduling and/or operating reserves, RRO Book Build• Identify and submit NEM rule change on the integration of storage into the wholesale and DER markets• Pursue WA WEM and constrained access reform• Support Pilbara reform, including establishment of Independent System Operators• Support 2025 market and regulatory design reform• WA WEM reform considering ancillary services, move to constrained grid, co-optimised dispatch of energy/ancillary services, registration/integration of storage |
| <ul style="list-style-type: none">• Improve public data on choices and outcomes, facilitate energy plan comparisons• Upgrade digital platform• Influence regulatory changes to reduce switching times• Update DER standard and engage in trials of DER markets | <ul style="list-style-type: none">• Obtain NEM rule change for two-day customer switching• Collaborate with NEM consumer groups, government agencies and distribution utilities on timely, standard and easily understood advisory on potential system outages• Gain stakeholder agreement on key data services for and products to achieve DER integration at scale• Implement CDR portal to facilitate consumer access to information in alignment with the ACCC's final decision• In partnership with CSIRO, identify the consumer data sets from the NEAR program that can be used to improve consumer access to energy efficiency capabilities and programs• Develop coordinated WA and NEM blueprints for seamless and efficient integration of DER into the wholesale markets and progress the development of the distributed market |
| <ul style="list-style-type: none">• Provide a frictionless, secure and scalable digital experience for stakeholders• Deliver a single-source-of-truth for data integrity• Enable new services with rapid, low cost integration to others via APIs• Ensure security-by-design underpins thorough cyber security defences | <ul style="list-style-type: none">• Commence implementation of 5MS program• Achieve implementation milestones of digital platform and cyber security• Commence delivery of new IT operating model including IT organisational restructure• Contribute to the use of AI and machine-based learning for forecasting, the national simulator and control room operations |
| <ul style="list-style-type: none">• Grow our people and invest in strategic capabilities• Develop exceptional enterprise leaders• Change our thinking, be agents of change• Realise the power of small high-performing teams• Make it easier to get things done• Strengthen impactful relationships• Remain value-driven and outcome-focused | <ul style="list-style-type: none">• Implement revised training, leadership, ways of working and recognition programs• Develop programs to ensure diversity and inclusion across AEMO's individual and management structures and equal-pay initiatives• Develop secondment programs with key partners and industry participants• In coordination with Monash University, implement ZEMA scholarship program for the development of skills that support modern energy systems |
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Budget and fees

AEMO operates on a user-pays cost recovery basis and recovers all operating costs through fees paid by industry participants. Each year, AEMO prepares an annual budget outlining its fees and charges for each energy market it operates and the recovery of other services consistent with its legislative authority. In Western Australia this includes the fees and charges approved by the Economic Regulation Authority (ERA).

AEMO looks to moderate these impacts on our members through continuous actions to increase organisational efficiencies and steps to moderate the impact of cost changes on individual participants. These efforts are detailed in our Consultation Report on the 2019-20 budget.

Performance

AEMO will continually measure performance to ensure that we meet expected outcomes. Over the three years of the Corporate Plan we will have targeted outcomes to support the achievement of a secure, reliable and affordable power system. Key performance outcomes are detailed in the Corporate Plan, and our 2019-20 corporate Key Performance Indicators (KPIs) are listed below:

Corporate KPI	Target	Stretch target
No preventable load shedding occurs	0	N/A
Meet operational energy system security and reliability requirements	100%	N/A
No loss of system and/or market suspension due to preventable cyber incident impacting AEMO systems	0	0
Achieve all material legal and reporting obligations	90%	100%
Achieve annual budget	Actuals within +/-5%	Actuals within +/-3%
Achieve all material prudential supervision obligations	90%	100%
Execute the Corporate Plan	75%	90%
People, safety and engagement including:		
• Achieve WHSE scorecard	100%	100%
• Employee engagement	≥70%	≥80%

In addition, AEMO will continue to publish the information necessary to fulfil its regulatory obligation and inform members. AEMO is also undertaking a broader consultation with stakeholders to discover additional information they value to remain well informed on system and market performance.

For more information

For more information and to access the complete 2020-23 Corporate Plan, please visit the 'About AEMO' section of our website, www.aemo.com.au.