

5MS Executive Forum No.5 Meeting Notes

MEETING: Five-Minute Settlement Executive Forum
 DATE: Friday 24 May 2019
 TIME: 10:00AM – 11:00 AM (AEDT)
 LOCATION: AEMO Offices Melbourne, Sydney, Brisbane, Video/Teleconference

Attendees:

Attendee		Office
Peter Geers (Chair)	AEMO	Brisbane
Owen Self	Stanwell Corporation	Brisbane
Steve Quilter	Stanwell Corporation	Brisbane
Graeme Windley	AEMO	Melbourne
Peter Carruthers	AEMO	Melbourne
Greg Minney	AEMO	Melbourne
Monica Morona	AEMO	Melbourne
Wally Borovac	HydroTas	Melbourne
Malcolm Hempel	Tango Energy	Melbourne
Robert Lo Giudice	IntelliHUB Group	Melbourne
Con Noutso	Red Energy	Melbourne
James Barton	Simply Energy	Melbourne
Chris Muffett	AEMO	Sydney
Gary Swinburne	Origin Energy	Sydney
Bree Jeffreys	AEMO	Norwest
Sonja Nigmann	AEMO	Webex
Alison Davis	Evo Energy	Webex
Buzby Kuramoto	Alinta Energy	Webex
Andrew Kennan	AusNet Services	Webex
Corinna Woolford	Aurora Energy	Webex
Melinda Green	AGL	Webex
Ross Edwards	Energy Australia	Webex
Cheryl Hopkins	Ergon Energy	Dial in
Libby Hawker	ERM Power	Dial in

1.0 WELCOME, INTRODUCTION AND APOLOGIES – P. Geers

AEMO noted that for participants joining through WebEx, AEMO will note attendance; where participants have joined via phone, AEMO requested that they inform AEMO of their attendance via the 5ms mailbox.

Peter Geers welcomed participants to the meeting and noted that the intent of the meeting was for AEMO to provide an update of 5MS and GS progress, and also to receive feedback from the Forum, as AEMO are seeking to ensure that there is a strong two-way dialogue and discussion.

AEMO noted that the meeting was being recorded for the purposes of developing meeting notes and minutes.

2.0 MINUTES AND ACTIONS FROM THE PREVIOUS MEETING – P. Geers

MINUTES

The Minutes from Executive Forum 3 held on 20 February 2019 were confirmed.

Cheryl Hopkins noted that she was in attendance at the February meeting and should be recorded as such.

Stanwell registered concern regarding the time taken for the release of Executive Forum meeting notes and in particular that there was no time available to provide comments. AEMO acknowledged the point and indicated it will endeavour to meet the normal timeframe for release of meeting notes within one week of the meeting for this and future meetings.

ACTIONS

P. Carruthers provided an update of the action items and activities undertaken by AEMO.

Action 2.5.1 – AEMO noted dialogue with HydroTas had concluded, with the determination that there were no further options to explore. Wally Borovac, HydroTas noted AEMO engagement and outcome of the discussions. The action is now closed.

Action 4.4.1 – C. Muffett noted that the AEMO approach had been outlined at the February Executive Forum. AEMO noted that there are a number of remaining system changes that are still being considered.

A participant noted that the February Forum had expressed that a change freeze would be desirable for some participants. AEMO acknowledged the point but indicated its preference is to utilise a risk assessment approach instead. AEMO would assess the potential level of impact, considering each change and the relative impact before progressing on the risk assessed basis.

Action 4.4.2 – P. Carruthers noted that this matter would be addressed as part of the agenda. The action is now closed.

Action 4.4.3 – P. Carruthers noted that AEMO has established regular communication with the AEMC to provide updates regarding the nature of the implementation program, costs of the program and the implications for other reforms. Other participants are encouraged to get in touch with AEMC as they see fit. The action is now closed.

Action 4.4.5 – AEMO held a follow up discussion with Red/Lumo. The action is now closed.

3.0 PROGRAM UPDATE – G. Windley (slides 8-14)

G. Windley provided an update on the Program and review of the Level 1 milestones, noting the milestones are on track, with three already completed. It was also highlighted that a new Readiness Manager had commenced and will commence workstream activities in June/July.

A participant noted that at the May PCF there was a concern regarding the delay of the metering package and the flow on impacts from this delay, which required a reworking of the relevant technical specification. Participant expressed concern that while only a minor point at this stage, such delays will only become more critical in future. AEMO noted that there had been a minor knock-on impact for the technical specifications, but no there was overall impact to the Program timeline, with the Procedures stream tracking green and anticipating that the workstream will be completed 2-3 months early in September 2019.

Risks and Issues (slides 15-16)

G. Windley outlined the feedback received from the May PCF and noted that no new issues were added, but two new risks had been identified. Firstly, in relation to the 5MS and GS implementation rule change, noted above; and secondly in relation to consequential impacts for B2B interactions, as the IEC have already approved the B2B transactions, which may require further amendments from changes required as a result of implementation.

Stanwell noted their concern that a risk relating to industry readiness for go-live was closed at the PCF, which was assessed as high impact and high-probability. AEMO noted that the risk was not closed, it would remain open and be dealt with through the Readiness workstream. Stanwell further noted that mitigation measures also need to be documented against this risk and that some form of a response strategy should be developed, as it has been assessed as high risk and high probability.

Participant noted that AEMO controls were important and AEMO reporting from businesses would form part of that, however, where a business is not ready on go-live day, other market participants would still need to interact with them – how would this be handled?

AEMO noted that this is something that would need to be considered in detail, as there are a number of transactions that may be affected. Each transaction impacted would likely require an individual response function, mitigation or contingency plan, to be established by AEMO. AEMO outlined that its position was that such a detailed assessment needs to be undertaken through the Readiness workstream, which will occur throughout the course of 2019.

Stanwell confirmed that their concern stems from the fact that they are commencing technical design and need to be aware if they should build-in a “roll-back” strategy, in the event that AEMO will elect to roll-back if the market indicates that it is not ready for implementation. AEMO responded that they have and will continue to manage for a successful go-live date, but the level of risk surrounding any failures at the point of go-live is a matter that will require deeper discussion at the appropriate time.

4.0 5MS READINESS – P. Carruthers (slides 17-20)

P. Carruthers provided an update on Readiness planning and noted that AEMO is establishing the work plan around the Readiness requirements, this will be led by the new Readiness Manager, Greg Minney. The scope of the workstream will include the overall market readiness strategy, readiness reporting, approach for industry and market testing, market transition and cutover, and whether metering accreditation is required for metering service providers.

AEMO noted that an industry Readiness Working Group (RWG) is currently being established and that it was likely that the establishment of an industry Testing Working Group (TWG), would also be required. There will also be requirements for more detailed preparations, such as cutover planning, and focus groups will be established to deal with these specific issues.

AEMO outlined discussion held at the May PCF regarding the industry readiness reporting plan being established in early 2020. To enable AEMO to build an industry profile for readiness progress, AEMO will establish an interim reporting approach for 2019. This information will be collated and reported back to industry in the appropriate format.

5.0 COST RECOVERY – P. Carruthers (slides 21-22)

P. Carruthers recapped the discussion from Executive Forum in February in relation to 5MS project costs and cost recovery. As part of this, AEMO had indicated that it was considering the use of the NEM declared project mechanism for recovering 5MS costs. AEMO confirmed its intention to proceed on the basis of utilising the declared NEM Project as the mechanism for 5MS cost recovery.

The NEM declared project mechanism will require formal consultation and this provides a structured opportunity for participants to comment on the nature of cost recovery for the 5MS Program and for AEMO to consider these views in formulating a 5MS cost recovery mechanism.

AEMO noted the intention is to start consultation for this process in July 2019, with the extended consultation process expected to require 12 months for completion.

Red/Lumo questioned how AEMO considered this to be a more efficient process, to the current cost recovery process. AEMO clarified that this is not the driver but rather AEMO was acknowledging that under current cost recovery processes there was the potential that some of the 5MS rule change beneficiaries may not be covered. Utilising the NEM declared project approach provides the opportunity to ensure that all beneficiaries are considered in the final application of cost recovery.

6.0 GENERAL QUESTIONS – P. Geers

There were no additional questions.

7.0 FORWARD MEETING PLAN – P. Geers

The date of the next Executive Forum is proposed for mid-August.

Attendees were thanked for their attendance. The meeting was closed at 10.45am.

Item	Topic	Action required	Responsible	Status
EF 2				
2.5.1	Technology Approach - Costs	AEMO to aim to deliver 5MS Program as cheaply and effectively as possible. Action: W. Borovac to contact 5ms@aemo.com.au to arrange time to discuss	Wally Borovac Peter Geers	CLOSED
EF 4				
4.4.1	5MS implementation approach and cost recovery	AEMO to engage with the industry on areas of potential improvement and future need for the retail and metering systems.	Peter Carruthers	CLOSED
4.4.2	5MS implementation approach and cost recovery	AEMO to provide further information including timing of consultation on 5MS cost recovery.	Peter Carruthers	COMPLETED
4.4.3	5MS implementation approach and cost recovery	AEMO to engage with the AEMC on the revised cost on the implementation program, the potential implications from other reforms underway, and AEMC representation at the Executive Forum.	Peter Carruthers	COMPLETED
4.5.1	General questions	AEMO to engage with Red/Lumo with regards to the metering workstream and consultation.	Chris Muffett	COMPLETED