5MS & GS Executive Forum

THURSDAY 8 AUGUST 2019

PLEASE NOTE THIS MEETING WILL BE RECORDED FOR THE PURPOSE OF PREPARING MINUTES

Agenda

No.	Agenda Item	Responsible	Action
1	Welcome, introductions and apologies	Peter Geers	Note
2	Minutes and actions	Peter Geers	Note
3	Market Readiness • Interim Readiness Report • Key Readiness topics for discussion	Greg Minney EF Members	Discuss
4	AEMO Readiness – 5MS & GS Program status update	Sonja Nigmann	Note
5	Industry Risks & Issues Register update	Sonja Nigmann	Discuss
6	5MS Cost recovery update – NEM declared project consultation	Peter Carruthers	Discuss
7	Executive Forum Forward Plan	Peter Carruthers	Discuss
8	General questions	Peter Geers	Discuss
9	Meeting Close	Peter Geers	

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Welcome

Peter Geers

Executive Forum

- Re-orient agenda to focus on key readiness issues affecting participants and AEMO.

- Facilitate industry-wide discussion via two-way engagement on these issues.

Market Readiness

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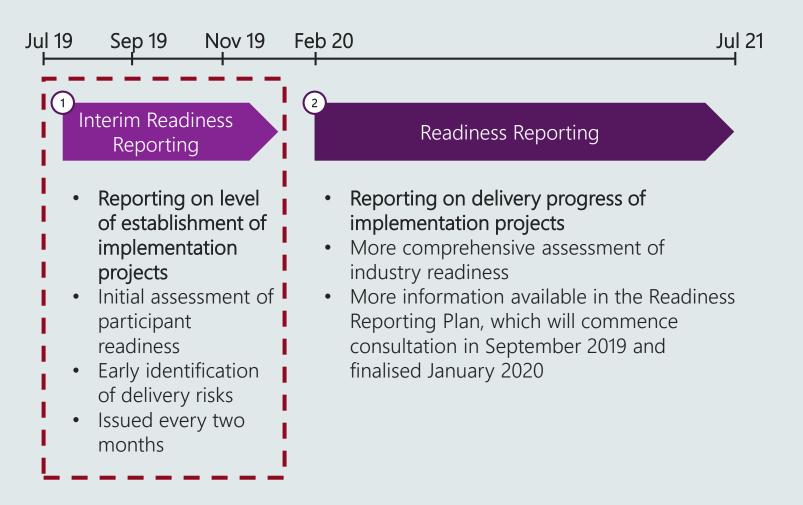
Interim Readiness Reporting

Greg Minney

Interim Readiness Report

- Interim Readiness Reporting Questionnaire No. 1; survey submissions were received 31 July 2019.

- <u>Interim Readiness Report to be provided by 6 August 2019 for discussion in the Executive Forum.</u>

- Full Industry Readiness Reporting to commence in February 2020

- AEMO and PCF determined that interim reporting was required in advance.

  - Provide an initial view of industry readiness and develop a baseline for Readiness Reporting.

Interim Readiness Reporting - Approach

- AEMO will collate information and ensure that participant information:

  - Remains anonymous / confidential

  - Reported only at an aggregated level

- Interim Readiness Reporting Surveys will be sent out every two months:

  - July 2019, September 2019 and November 2019.

- Readiness Reporting will commence in February 2020.

Interim Readiness Reporting

Jul 19   Sep 19   Nov 19   Feb 20   Jul 21

(1) Interim Readiness Reporting

- **Reporting on level of establishment of implementation projects**
- Initial assessment of participant readiness
- Early identification of delivery risks
- Issued every two months

(2) Readiness Reporting

- **Reporting on delivery progress of implementation projects**
- More comprehensive assessment of industry readiness
- More information available in the Readiness Reporting Plan, which will commence consultation in September 2019 and finalised January 2020

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Interim Readiness Report – Outcomes & Key Issues

- Outcomes of Interim Readiness Reporting to be presented at Executive Forum meeting.

Key Readiness topics for discussion

Key readiness topics

1. Implementation rules amendments – potential impacts for participants
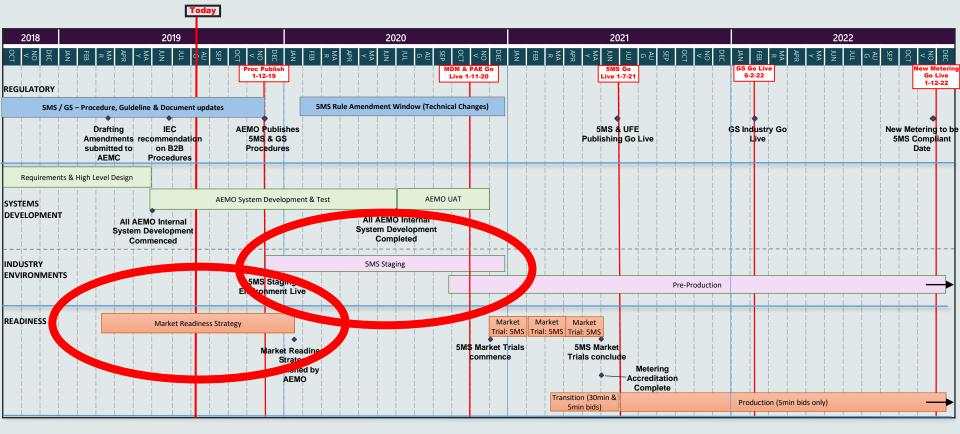
2. Participant readiness risks

3. Vendor risks

AEMO Readiness

Sonja Nigmann

5MS & GS Program Timeline –

We're now coming to the end of the procedures stage and moving into readiness planning. Systems development & testing is well underway.

Today

| 2018 | 2019 | 2020 | 2021 | 2022 |

REGULATORY

Proc Publish 1-12-19

MDM & PAE Go Live 1-11-20

5MS Go Live 1-7-21

GS Go Live 6-2-22

New Metering Go Live 1-12-22

5MS / GS – Procedure, Guideline & Document updates

5MS Rule Amendment Window (Technical Changes)

Drafting Amendments submitted to AEMC

IEC recommendation on B2B Procedures

AEMO Publishes 5MS & GS Procedures

5MS & UFE Publishing Go Live

GS Industry Go Live

New Metering to be 5MS Compliant Date

SYSTEMS DEVELOPMENT

Requirements & High Level Design

AEMO System Development & Test

AEMO UAT

All AEMO Internal System Development Commenced

All AEMO Internal System Development Completed

INDUSTRY ENVIRONMENTS

5MS Staging

5MS Staging Environment Live

Pre-Production

READINESS

Market Readiness Strategy

Market Readiness Strategy Published by AEMO

Market Trial: 5MS

Market Trial: 5MS

Market Trial: 5MS

5MS Market Trials commence

5MS Market Trials conclude

Metering Accreditation Complete

Transition (30min & 5min bids)

Production (5min bids only)

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Program update and current activities

- *AEMO program* delivery – overall green

- Progressing integration and dependency management of project plans across development, testing and readiness activities.

- Milestone management and reporting framework fully operational and providing transparency against progress

- *Procedures* workstream overall on track to deliver in October, work remains well ahead of December completion deadline.

- Participants requested 2 weeks additional time to consider metering package #2.

- AEMO supported as it does not impact the delivery of the metering technical specifications.

- *Systems* development and market testing progressing for Settlements and Dispatch

- Build activities have commenced for Metering following confirmation of the design.

- *Readiness* workstream activities have commenced.

- Objective to plan and prepare industry related testing and implementation activities, and assess the preparedness of industry participants for go live.

- Readiness and Industry Testing Strategies currently under development.

- Responses to the first Interim Readiness Report have been received.

Level 1 Milestone update

Domain	2019								2020								2021							
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4	
5 MS L1 Milestones	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec

Milestones shown on timeline: L1-1, L1-2 (Q1 2019); L1-11 (Q2 2019); L1-3, L1-12 (Q4 2019); L1-7 (Q1 2020); L1-13 (Q2 2020); L1-8, L1-14 (Q4 2020); L1-9, L1-10 (Q2 2021); L1-4 (Q3 2021)

Milestone Tracker

ID	Milestone	Planned Date	Expected/Actual Date	%	Comments
L1-1	5MS Drafting Amendments submitted to AEMC	20-Mar-19	15-Mar-19	100	
L1-11	All AEMO workstream development commenced	23-May-19	23-May-19	100	
L1-2	IEC Approves B2B Procedures	01-Jul-19	31-Mar-19	100	
L1-12	5MS Staging environment live	01-Dec-19	01-Dec-19	10	
L1-3	AEMO publishes NEM Procedures	01-Dec-19	01-Dec-19	67	
L1-7	Market Readiness Strategy Published by AEMO	20-Jan-20	20-Jan-20	10	
L1-13	AEMO Internal Development Completed	30-Jun-20	30-Jun-20		
L1-14	Market Participants Readiness for Market Trials	30-Nov-20	30-Nov-20		
L1-8	Participant Market Trials commence	01-Dec-20	01-Dec-20		
L1-9	Participant Market Trials conclude	31-May-21	31-May-21		
L1-10	Metering Accreditation Complete	31-May-21	31-May-21		
L1-4	5MS & UFE Market Go Live	01-Jul-21	01-Jul-21		
L1-5	GS Market Go Live	06-Feb-22	06-Feb-22		
L1-6	Mandatory 5MS Meter Data Delivery	01-Dec-22	01-Dec-22		

Legend:
- Milestone complete
- Milestone on track
- Milestone at risk
- Milestone requires escalation

Level 2 Milestones – Key points

ID	Milestone	Planned Date	Expected/ Actual Date	%	Comments
L2-M3	Final Technical Specifications for Package 2 published by AEMO	30-Sep-19	30-Sep-19	90%	Alignment with Metering Procedures Package 2. Technical Specifications released and not expected to change unless Procedures in consultation have material feedback from participants. Delay agreed at PCF based on AEMO proposal and industry feedback.
L2-M4	Final Technical Specifications for Package 3 published by AEMO	30-Sep-19	30-Sep-19	90%	Alignment with Metering Procedures Package 2. Technical Specifications released and not expected to change unless Procedures in consultation have material feedback from participants. Delay agreed at PCF based on AEMO proposal and industry feedback.
L2-RE04	Industry Test Strategy Industry Draft Released	30-Aug-19	30-Sept -19	30%	To be combined with Market Test Strategy and aligned with Transition Strategy Draft. (Note, industry milestones still reporting as draft.)

Industry Risks and Issues Register

Sonja Nigmann

Risks & Issue: Review and Update (1)

ID	TITLE	LIKELI-HOOD	CONSE-QUENCE	RISK RATING	CURRENT ACTIONS / APPROACH	UPDATES FROM PCF REVIEW
R02	Risk that there is one or more participants that aren't 'ready' at go-live	High	High	High	• AEMO will facilitate the development of a testing plan through the Readiness workstream. • AEMO will engage through the PCF and 1 on 1 meetings to ensure that participants have adequate transition plans in place. • AEMO will provide reports of test outcomes and progress against planned milestones. • Participants to provide regular and accurate readiness reports via the process being facilitated by AEMO. • AEMO will develop a Market Readiness strategy to provide clarity and certainty that will assist participant planning. • AEMO will prepare an Industry Readiness Reporting Plan, to provide a clear picture on participant readiness at key milestones throughout the program (which can feed into management actions that can be addressed through the PCF and EF).	• Update actions to reflect commencement of AEMO Readiness workstream activities • Note commencement of Interim Readiness Reporting based on PCF discussion and recommendation
R06	Interaction with other industry changes that have already been adopted through rule changes	High	High	High	• Engage broadly internally and externally to understand other industry priorities. • Plan engagement with consideration of these priorities • AEMO to report at EF on any timeline slippage • AEMO to internally align where other program procedure and system impacts overlap • 1 on 1 meetings to discuss this risk • Consider how other forums (e.g. NEMWCF) can be utilised to address	• Participants to consider opportunities to raise concerns regarding the pace of regulatory change with AEMC

Risks & Issue: Review and Update

ID	TITLE	LIKELI-HOOD	CONSE-QUENCE	RISK RATING	CURRENT ACTIONS / APPROACH	UPDATES FROM PCF REVIEW
R07	Potential implications for financial markets	Medium	High	High	• AEMO to engage with AFMA, ASX and other trading platforms, and update PCF on interactions as required.	• Participants to provide updates of interaction with AFMA and ASX in lead up to establishing effective 5MS.
R09	Impact to 5MS from other rule changes that are being considered	Medium	High	High	• AEMO and industry to participate in rule change processes and to advise AEMC of potential 5MS implications • Escalate to EF should road blocks or slippage occur. • Participants to engage through the AEC and the ENA.	• Related to R06
R10	Vendor contract negotiation timelines	Medium	High	High	• Build negotiation time into program timelines • AEMO to engage with participants to identify issues • AEMO to hold a vendor briefing session end of November • AEMO to maintain a collated list of vendors, with participants asked to supply vendor details • Participants to provide updates to the PCF regarding vendor performance	• AEMO to hold a second vendor briefing session in October 2019. • Participants to provide updates to vendor delivery as part of Readiness reporting.

5MS Cost Recovery Update

Peter Carruthers

Cost Recovery Consultation

- Two stage consultation process required under the Rules

  - Stage 1: The Project meets the criteria to be classified as a 'declared NEM Project' (sect 2.11).

  - Stage 2: The Participant fees, including the structure, start date and duration of recovery.

- AEMO has commenced consultation on determination of the 5MS Program as a declared NEM project

- Current consultation relates only to establishing whether the 5MS Program should be determined to be a declared NEM project.

  - Consultation information - https://www.aemo.com.au/Stakeholder-Consultation/Consultations/Declared-NEM-Project---5MS-Program

Stage 1 Consultation Process	Indicative Date
5MS Program Consultation Forum Presentation	*8 August 2019*
Closing date for submissions in response to this Notice and Consultation Paper	*27 August 2019*
Publication of Draft Report and Determination	*24 September 2019*
Closing date for submissions in response to the Draft Report	*9 October 2019*
Publication of Final Report and Determination	*20 November 2019*

Executive Forum Forward Plan

Peter Carruthers

AEMO Forward Meeting Plan

Meeting date	Key meeting topics (in addition to program update/risks/etc)
November 2019	• Participant briefings – perspectives and challenges • Progress in developing readiness – finalisation of strategy, readiness assessment (Readiness Report no. 2) • Managing industry change over the next 18 months – approach to identifying dependencies, industry impact, and coordinating IT system changes • Financial market implications and status • Cost recovery update – outcomes from first consultation
February 2020	• Readiness reporting – initial results and feedback • Progress in developing readiness – cutover and transition approach • Cost recovery update – second consultation • Review of key industry risks and issues – what additional mitigations/actions are required

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