

DER Market Integration Consultative Forum – Terms of Reference

1.1 Background

The Distributed Energy Resources (DER) Market Integration Consultative Forum replaces and builds on the Virtual Power Plant (VPP) Demonstrations FAQ working group¹.

The VPP Demonstrations FAQ Working Group was established to streamline answering questions, accelerate shared learnings and consult with VPPs on the outcomes from the VPP Demonstrations.

In November 2020 it was agreed that the consultative working group would replace the existing working group with an expanded scope covering DER Market Integration allowing a number of related DER integration projects to engage and consult with this stakeholder group.

These terms of reference govern the operation of the DER Market Integration consultative forum (forum).

1.2 Objectives and scope

The purpose of the forum is to enable:

- AEMO to better understand aggregator perspectives on design options for market participation of VPPs or Aggregators², which can inform AEMO's development and prioritisation of activities.
- Aggregators to better understand the market operations and practicalities of market participation, facilitating a smoother integration into market frameworks.
- Timely updates on the progress of trials facilitating DER integration into market operations and related works.

The consultative forum will cover the following scope.

In scope

Consultation with aggregators on aspects of market participation and integration that may include, but is not limited to:

- The concepts examined AEMO's DER Marketplace demonstration projects such as Project EDGE³.

¹ More information on the discontinued VPP Demonstrations FAQ Working Group is available at <https://aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/virtual-power-plant-demonstrations>

² Aggregators in this context are defined as DER Aggregators seeking to deliver wholesale market services with their DER portfolios.

³ Project EDGE is an AEMO Demonstration based in Victoria developed in collaboration with AusNet Services and Mondo seeking to test a proof-of-concept DER Marketplace

- How aggregators may participate in wholesale markets in future, including considering market operations (e.g. operational visibility) and related topics to support reforms (for example those led by the Energy Security Board (ESB) Market Development Initiatives and the Western Australian Government's DER Roadmap).
- Transitional arrangements for VPPs already participating in the delivery of Frequency Control Ancillary Services (FCAS) in the NEM.
- Questions and answer opportunities in relation to aggregator participation to support development of a public FAQ register.

Out of scope

The following items are explicitly out of scope:

- The Consultative Forum is not a decision-making body.

Discussion in the Consultative Forum is informal and does not replace other formal consultation processes, such as those listed below:

- Consultation obligations in the National Electricity Rules (Rules), such as a consultation to change the Market Ancillary Services Specification (MASS).
- AEMC or ESB consultation processes in relation to Rules changes or Market Development Initiatives (MDIs), or consultations led by other government departments.
- WDR rule based consultative forums to implement the project.

1.3 Process and meetings

Meetings will be as scheduled (once every month for an hour), with additional ad hoc meetings scheduled reflecting engagement needs. Documents will typically be provided as part of the meeting and shared on the project website within 1 week following the meeting. Ad hoc meetings may also be scheduled to discuss larger or more complex topics, and to update stakeholders on learnings and progress, with relevant documents shared as per the standard meeting process.

Meetings will be web and phone based with meeting rooms available at some locations when needed. AEMO will endeavour to make non-confidential materials (e.g. presentations, FAQs and factsheets), publicly available on the AEMO website.

1.4 Membership

This forum is public and will be accessible by current and intending aggregator market participants and other interested stakeholders directly involved with, or impacted by, DER integration and operation (e.g. DNSPs) in the National Electricity Market (NEM) or Wholesale Electricity Market (WEM). In the interest in keeping discussion focused and topical, attendance will be limited to two attendees from each organisation who will be

invited to attend meetings. Ideally this will consist of one business lead and one technical lead.

AEMO reserves the right to invite additional representatives if their contribution is expected to increase the value of the effectiveness of the working group. AEMO also reserves the right to remove participants who are considered to intentionally impede the groups' effectiveness.

1.5 Governance

The Consultative Forum will operate under the guidance of this Terms of Reference document. AEMO will provide support for the Consultative Forum, including provision of action items, and a register of key documents if appropriate.

1.6 Expenses

Any expenses incurred as a result of attending meetings or activities associated with the Consultative Forum are at the expense of the individual business that the person represents.

1.7 Related/other forums:

AEMO conduct a number of forums that may be of interest to stakeholders participating in the DER Market Integration Consultative Forum and can be found on AEMO's [list of industry forums and working groups](#) webpage. Some specific related forums and working groups include:

- [Consumer Forum](#)
- [NEM Wholesale Consultative Forum](#)
- [Electricity Retail Consultative Forum](#)
- [Wholesale Demand Response Consultative Group](#)

Please refer to the relevant Terms of Reference to consider whether these forums are suitable for you.