

Forum meeting record

Forum:	NEM Reform Electricity Wholesale Consultative Forum #10
Date:	17 October 2023
Time:	1:00PM – 3:00PM AEDT
Location:	MS Teams

Hugh Ridgway	Alinta Energy	Chris Murphy	Telstra Energy
Brett Oldham	APA Group	Rowan Rogers	Windlab
Anne McTernan	Arrow Energy	Andrew Groom	Australian Energy Market Operator (AEMO)
Damien Herd	CS Energy	Basilisa Choi	AEMO
Mitchell Taylor	CS Energy	Cara Tech	AEMO
Dan Mascarenhas	Energy Australia	Carla Ziser	AEMO
Ewen Stewart	ERM Power	Chris Muffett	AEMO
Mark Lee	Grid Beyond	Emily Brodie	AEMO
Callum Davey	Origin Energy	Karen Wilbrink	AEMO
Thomas Lozanov	Origin Energy	Lenard Bayne	AEMO
Greg McLeod	Origin Energy	Lin Oh	AEMO
Hayden Phyo	Origin Energy	Nicole Nsair	AEMO
Karel Mallinson	Powerlink QLD	Oliver Derum	AEMO
Andrew Wilkins	SA Water	Paul Johnson	AEMO
Ron Logan	Shell Energy	Sagan's Karimi Arpanahi	AEMO
Audrey Follett	Snowy Hydro	Tyce Barton	AEMO
Andrew Jenkins	Stanwell	Ulrika Lindholm	AEMO

1 Welcome

(Slides 2-4)

- Chris Muffett welcomed members to the EWCF (Electricity Wholesale Consultative Forum) meeting and provided an overview of the agenda.

2 Actions & Feedback from previous meeting

(Slides 5-6)

- All action items were closed.

3 Reform Spotlight

(Slides 7-14)

Fast Frequency Response (FFR)

- AEMO provided a recap on the FFR rule and noted that the very fast raise and very fast lower FCAS markets have successfully opened on Monday 9 October 2023 at 13:00 (Market Time).
- AEMO provided details on the market transition and added that participants will be notified of VF FCAS requirement increments by way of AEMO Market Notices.
- It was noted that the intention is to progressively remove the restriction on the VF FCAS requirements, and this would be reviewed on a fortnightly basis with the first review occurring on the week commencing 23 October 2023. Further details can be located on the dedicated [Fast Frequency Response](#) webpage.

Raised by	Question/Issue Raised	Response
Chris Murphy – Telstra Energy	How much notice would AEMO provide when determining new cap levels?	<p>The arrangements we have in place are that will be submitting the market notice of sending out the market notice on a Thursday or Friday.</p> <p>That will mean participants are aware and are able to view that in predispach, for that, any increment to go live on the following week.</p> <p><i>Please note during the forum AEMO advised requirement increments will go live on the following Monday. AEMO now plans to implement any increments later in the week, to enable visibility via 7-day predispach.</i></p>
Thomas Lozanov – Origin Energy	I've noticed that the price of Lower 1's service has been consistently higher than the Raise 1s service. Is this largely a reflection of the difference in registered capacities for each service?	Yes, the difference in registered capacity for each service is one factor that is influencing pricing outcomes.

Enhancing information in MT PASA

- AEMO provided a brief background on Enhancing information in MT PASA and noted that it went live on 9 October 2023. AEMO has been monitoring the provision of this new service and has observed a good level of compliance. Further information and useful links associated with this new service are available on slide 14 of the accompanying slide pack.

4 Inflight Reform Update

(Slides 15-31)

- An overview was provided of the following inflight initiatives:
 - Integrating Energy Storage Systems (IESS)
 - Frequency Performance Payments (FPP)
 - Project Energy Connect -Market Integration (PEC-MI).

Integrated Energy Storage System (IESS)

- AEMO provided members with an indicative industry timeline and is outlined on slide 17 of the accompanying slide pack. AEMO advised that the focus is now on IESS industry readiness for June 2024 alongside ongoing procedural changes.

Frequency Performance Payments (FPP)

- AEMO provided an update on FPP progress to date and outlined developments on the possibility of developing estimates of FPP outcomes. Further information is available on slide 22 of the accompanying slide pack.
- AEMO recapped the types of data that will be provided both publicly and privately after each five-minute calculation, including for unit performance and contribution factors. Further information is available on slide 23 and 24 of the accompanying slide pack.

Raised by	Question/Issue Raised	Response
Ron Logan – Shell Energy	How will weekly Default Contribution Factors be communicated to participants? Via EMMS?	Design of this part of the FPP system is not finalised. Response to be updated at the November EWCF.

Project Energy Connect -Market Integration (PEC-MI)

- AEMO introduced a new reform titled Project Energy Connect -Market Integration (PEC-MI) with further details available on slide 28 of the accompanying slide pack. In addition, AEMO outlined the current process for interconnectors and the reason for this change. Details on the change and proposed future process is outlined on slide 29 of the accompanying slide pack.
- AEMO outlined the impacts on settlement residue auction (SRA) and the proposed approach to mitigate these changes. Further details are available on slide 30 of the accompanying slide pack.
- AEMO advised of the next steps with progressing this new reform with further information outlined on slide 31 of the accompanying slide pack with a Directions Paper to be published shortly. AEMO will email participants when this is available on our website.

Raised by	Question/Issue Raised	Response
Chris Murphy – Telstra Energy	Will there be a technical forums and or discussions other than the next EWCF meeting?	At this stage we are planning an information forum in November

5 Other reforms

(Slides 32-34)

IDAM, IDX & PC

- AEMO provided an update on progress to date and noted that preparation has begun on the business case with final industry workshops scheduled in November. Further details regarding the industry consultation timeline are outlined on slide 34 of the accompanying slide pack.

6 Consultation Update

(Slides 35-39)

Regional Benefit Directions Procedures

- AEMO provided a presentation on Regional Benefit Directions Procedures and in addition, provided a recap on current procedure with further details outlined on slide 37 and 38 of the accompanying slide pack. AEMO has initiated a consultation and welcome submissions by 24 October 2023. Further detailed information is available on slide 39 accompanying slide pack.

Raised by	Question/Issue Raised	Response
Ron Logan – Shell Energy Australia	<p>The procedure needs to consider the 'benefits' flowing to another region. For example, if a direction in QLD led to 300 MW in QLD and 100 MW across the interconnector to NSW, then NSW should have ¼ of the benefits.</p> <p>A standard consultation may be required.</p>	<p>The procedure considers benefits based on the proportion of summed operational demand from the affected region to all affected regions. We are open to considering other options and welcome a submission.</p> <p>We will consider a standard consultation based on the evidence raised.</p>
Chris Murphy – Telstra Energy	<p>Need to consider negative operational demands in South Australia. For example, there could be a situation where Vic is paying SA for a direction when SA has a negative demand.</p>	<p>In reality it appears unlikely that a region would have a negative demand during a direction affecting multiple regions. Such a direction is most likely to be a reliability direction (FCAS directions are not included in the Procedures), and during these circumstances, demand is likely to be high. We however welcome a submission to work through your thoughts fully.</p>

7 Procedures consultation roadmap¹

(Slides 40-45)

- AEMO provided a reform indicative procedure change timeline with further information outlined on slide 42 of the accompanying slide pack. AEMO noted provided a document change summary for inflight projects and is outlined on slide 43 of the accompanying slide pack. Members are encouraged to refer to the [Indicative Change Table](#) for more information.
- AEMO advised that feedback is welcomed for the IESS procedure update approach for non-substantive changes. Detailed information on these changes is outlined on slide 44 of the accompanying slide pack.
- In addition, AMEO presented the AEMO Wholesale electricity indicative document change timeline with further information available on slide 45 of the accompanying slide pack.

8 NEM Wholesale Change Process

(Slides 46-49)

- AEMO provided an update on the establishment of the NEM Wholesale Change process with further information available on slide 47 of the accompanying slide pack.

¹ <https://www.aemo.com.au/initiatives/major-programs/integrating-energy-storage-systems-project/integrating-energy-storage-systems-procedure-changes/indicative-change-program>

- AEMO advised that one ICF has been received and is outlined on slide 48 of the accompanying slide pack. AEMO encourages participants to email NEMReform@aemo.com.au when submitting future ICF.

9 Upcoming engagements

(Slides 50-52)

- AEMO provided an overview of the upcoming engagements for the remaining year.

General Stakeholder Briefing

(Slides 53-54)

- AEMO provided details on the next General Stakeholder briefing and Roadmap briefing which will be held on 25 October.

10 General questions and other business

(Slide 55)

- Queries and feedback may be sent to NEMReform@aemo.com.au.

OPEN ACTION ITEMS

(Item = Meeting # – Agenda # – Reference)

Item	Topic	Action	Responsible
10.7.0.1	Procedures consultation roadmap	Participants to provide feedback on the IESS procedure update approach for non-substantive changes as outlined on slide 44 of the October Implementation pack by Friday 20 October.	Participants
10.8.0.1	NEM Wholesale Change Process	AEMO to share a copy of the ICF form to participants when distributing the October meeting minutes.	AEMO