

NEM Reform Electricity Wholesale Consultative Forum (EWCF)



Meeting #18
16 July 2024



1. Welcome

We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

We pay respect to their Elders past and present.

Agenda



| # | Time | Topic | Presenter(s) |
|----|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 1 | 1:00-1:05pm | Welcome | Chris Muffett |
| 2 | 1:05-1:10pm | Actions & Feedback from Previous Meeting | Chris Muffett |
| 3 | 1:10-1:30pm | Spotlight <ul style="list-style-type: none"> • Improving Security Frameworks (ISF) <ul style="list-style-type: none"> ➢ System Operating Procedure SO_OP_3707 ➢ Inertia Requirements Methodology NSCAS Description and Quantities Procedure | <ul style="list-style-type: none"> • Carla Ziser / Alice Kelly • Lars Narushevich |
| 4 | 1:30-1:50pm | In-flight Reform Update <ul style="list-style-type: none"> • Frequency Performance Payments (FPP) • Project Energy Connect Market Integration (PEC – MI) • Enhancing Reserve Information (ERI) | <ul style="list-style-type: none"> • Chris Muffett • Nicole Nsair • Chris Muffett |
| 5 | 1:50-2:00pm | Procedures Consultation Roadmap | <ul style="list-style-type: none"> • Nicole Nsair |
| 6 | 2:00-2:10pm | NEM Wholesale Issues & Changes <ul style="list-style-type: none"> • ICF 002 – Time taken for dispatch targets to be made available to participants • ICF 003 – Improvements to dispatch conformance | <ul style="list-style-type: none"> • Alice Kelly • Alice Kelly |
| 7 | 2:10-2:30pm | Other Reforms <ul style="list-style-type: none"> • ST PASA Recall Time • Integrating price-responsive resources into the NEM (IPRR) | <ul style="list-style-type: none"> • Nicole Nsair • Emily Brodie |
| 8 | N/A | For noting <ul style="list-style-type: none"> • Upcoming Engagements • IPRR HLIA Industry Briefing | N/A |
| 9 | 2:30-2:55pm | ERI focus session <ul style="list-style-type: none"> • Bid daily energy constraint issue | <ul style="list-style-type: none"> • Ross Gillett |
| 10 | 2:55-3:00pm | General Questions and Other Business | Chris Muffett |

Appendix A:
 Competition law meeting protocol and AEMO forum expectations

Appendix B:
 ICF Register

“Please note that this meeting will be recorded by AEMO and may be accessed and used by AEMO for the purpose of compiling minutes. By attending the meeting, you consent to AEMO recording the meeting and using the record for this purpose. No other recording of the meeting is permitted”

2. Actions & Feedback from Previous Meeting

Actions & Feedback from Previous Meeting

(Item = Meeting # – Agenda # – Reference)

| Item | Topic | Action | Responsible | Status |
|----------|-----------------------------------------|-------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------|
| 16.7.0.2 | Dispatch conformance messages | AEMO to consider raising an ICF for improvements to Dispatch Conformance, based on feedback received. | AEMO | Closed – refer to item 6 |
| 17.3.0.1 | Integrated Energy Storage System (IESS) | AEMO to confirm that IRP category is included in the final version of FY25 fees. | AEMO | Closed – details provided in previous meeting notes |
| 17.3.0.2 | Enhancing Reserve | AEMO to consider placing ERI as a spotlight agenda item at the July meeting. | AEMO | Closed – focus session following meeting (item 10) |
| 17.7.0.1 | ST PASA | AEMO to provide members when the next ST PASA working group meeting will be conducted. | AEMO | Closed – refer to item 7 |

The latest meeting minutes and materials are available on the [NEM Reform Electricity Wholesale Consultative Forum](#) webpage.

3. Spotlight

Improving Security Frameworks (ISF)

Carla Ziser / Alice Kelly

ISF July update

- On 5 July 2024, AEMO commenced consultation on the Inertia Requirements Methodology and NSCAS Description and Quantity Procedure
- **On 4 July arrangements for Improved Directions Transparency were implemented – the first major milestone of the ISF Rule**
- On 28 June, AEMO published the [SO_OP_3720 - Provisional Security Enablement Procedure](#) that:
 - outlines minimum or recommended requirements intended to guide TNSPs procurement of system security services;
 - Is released in advance of formal consultation and publication of the full Security Enablement Procedure by 31 August 2025.

This is to ensure that TNSP contracts are compatible with any scheduling tool developed by AEMO in time for full commencement of the ISF Rule on 2 December 2025.

- On 31 May, the first version of the ISF High-level Implementation Assessment (HLIA) was [published](#).

ISF Milestone - Improved Directions Transparency

- Improvements to directions reporting were implemented and commenced on **4 July 2024**.
- Recap of the objective under the ISF Rule:
 - Aims to provide greater transparency to stakeholders via improvements to real-time and post-fact directions reporting.
 1. Improvements to Market Notices:
 - obligation to publish a market notice when issuing a direction
 - additional details in market notices, such as the identity of directed participants and detail about the nature of the direction.
 2. Improvements to directions reporting*:
 - directions reporting to follow a 40-calendar week cadence
 - include further information, such as greater detail about the total amount of compensation paid to each directed and affected participant.

***AEMO to publish updated Direction report to reflect new reporting requirements in the coming weeks.**

Improvements to Market Notices

- Implementation of improvements to market notices under ISF involved procedure changes to System Operating Procedure 3707 - *Directions Procedures*.
- AEMO concluded the expedited consultation on changes to the Directions Procedures to give effect to the rule on 4 July.
- AEMO received two submissions from stakeholders and have addressed all comments as outlined in the [Final report](#).
- Further changes applied following stakeholder feedback were minor and are outlined in full in the published final documents on AEMO’s consultation webpage.

AEMO consultation webpage: [SO OP 3707 Procedure Consultation page](#)

117294 MARKET INTERVENTION | 05/07/2024 05:01:15 PM

Direction - SA region 05/07/2024

AEMO ELECTRICITY MARKET NOTICE

Direction - SA region 05/07/2024

Refer to Market Notice 117292

In accordance with section 116 of the National Electricity Law, AEMO is issuing a direction to AGL SA Generation Pty Limited. For the purposes of the National Electricity Rules this is a direction under clause 4.8.9(a1)(1).

Direction issued to: AGL SA Generation Pty Limited - TORRB4 TORRENS ISLAN at 1700 hrs 05/07/2024

Type of resource: generating unit

Required actions: remain synchronised and follow dispatch targets at 0001 hrs 06/07/2024

Services provided: Voltage Control


Circumstances necessitating the Direction: Voltage

Circumstances necessitating the Direction additional detail: intervention is required to maintain the power system in a secure operating state

Expected duration: 0400 hrs 07/07/2024

AGL SA Generation Pty Limited does not incur any civil monetary liability for a relevant action taken in accordance with this direction unless the action is taken in bad faith.

Manager NEM Real Time Operations



Provisional procedure

How to describe service

- Type/s, quantity and location of service being delivered by the resource

Cost structure

- Payment types are defined to enable AEMO to least-cost schedule
- Addresses need for commonality across contracts and service types
- Availability / activation / usage structure

Scheduling limitations of resources

- How AEMO gets insight into operational information such as real-time availability
- AEMO's approach to scheduling to meet the rule intent

General requirements

- General requirements of providers to enable AEMO to operationally manage scheduling

4.4A.6 Security Enablement Procedures

- (a) AEMO must develop and publish procedures for the enablement of system security services (Security Enablement Procedures), which must include:
- (1) a methodology for how AEMO will [determine/apply] the minimum system security requirements [in real-time operation of the power system].
 - (2) a methodology for the enablement of system security services in accordance with the enablement principles in clause 4.4A.4:
 - (3) any minimum or recommended requirements to be included in agreements for the provision of system security services entered into by Transmission Network Service Providers;
 - (4) a description of how AEMO forecasts the level of stable voltage waveform requirements under clause 4A.4.1(b) and how it will enable system strength services under a system strength services agreement to support this level.
- (b) AEMO must comply with the Rules consultation procedures when making or amending the Security Enablement Procedures. AEMO may make minor and administrative amendments without complying with the Rules consultation procedures.

Required content for provisional procedure

What's next

- By early August, AEMO will commence consultation on the **Transitional Services Guideline**, that will outline the process for which AEMO will procure transitional services.
- AEMO is open to facilitating a stakeholder session on the HLIA and/or Provisional Security Enablement Procedure, should interest be raised



ISF Contact details and information



| | |
|---------------------------------------|------------------------------------------------------------------|
| ISF project information | Initiative webpage |
| IESS changed procedures and documents | High level implementation assessment |
| ISF queries | NEMReform@aemo.com.au |



Consultation: Inertia Requirements Methodology, NSCAS Description and Quantities Procedure

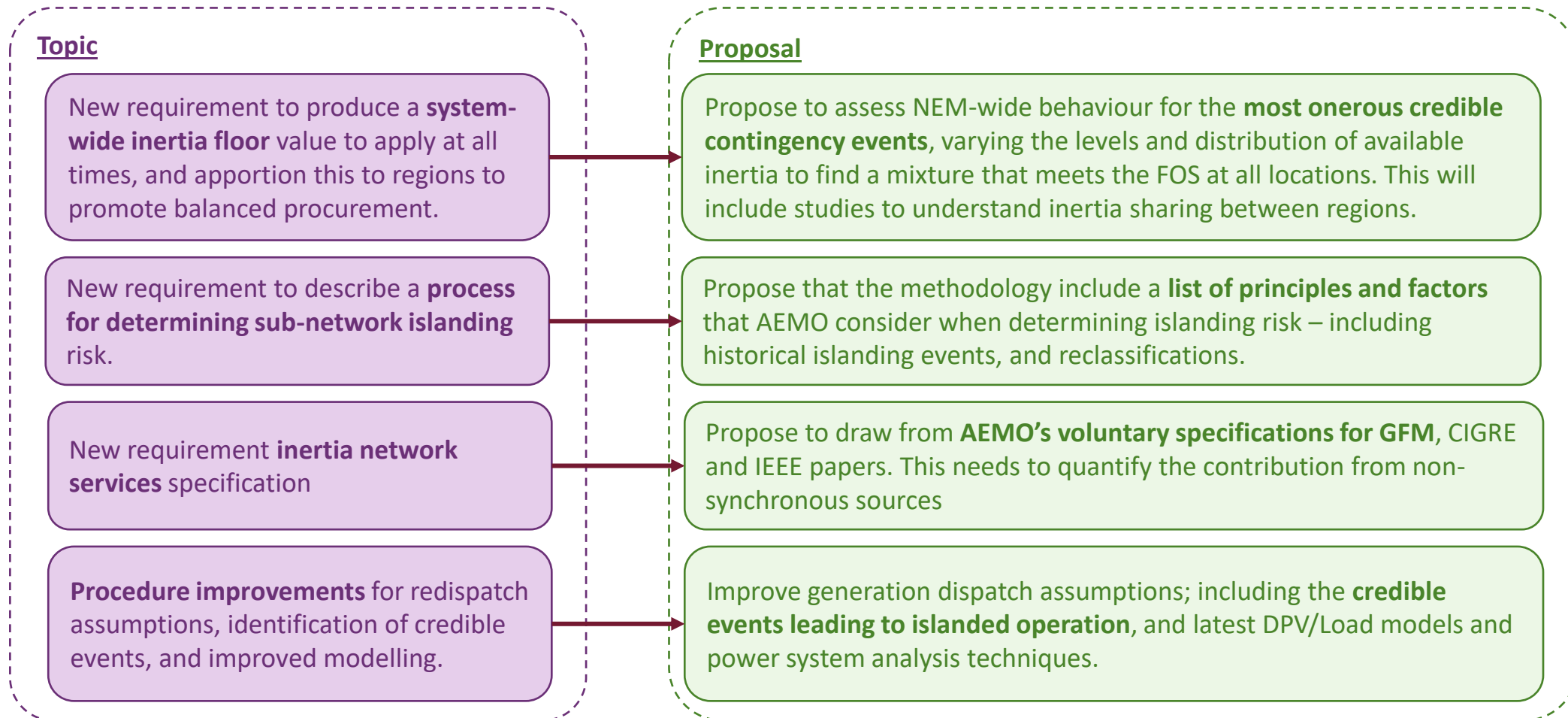
Lars Narushevich

Trigger for consultation

- On 31 March, AEMC released their [final determination](#) on [Improving Security Frameworks](#).
- **This amends several key Rules relating to the system security planning methodologies:**
 - **Inertia** - Introduces a new NEM-wide inertia floor and allows synthetic inertia to be considered.
 - AEMO must now publish a 10-year forecast of requirements by 1 December each year.
 - TNSPs must invest to deliver these requirements in year T+3 (from 1 December 2027).
 - AEMO must now also develop a NEM-wide inertia floor and allocate it regionally.
 - AEMO must define allowable types of inertia sources and any limits (synchronous / synthetic).
 - **NSCAS** - Removes the exclusion on inertia and system strength being NSCAS gaps.
 - Such gaps can only be declared within three-years (i.e. before the T+3 obligations can respond), and only when AEMO changes the requirements for these services
 - TNSPs do not need to follow the RIT-T process for these gaps if they occur within 18 months.

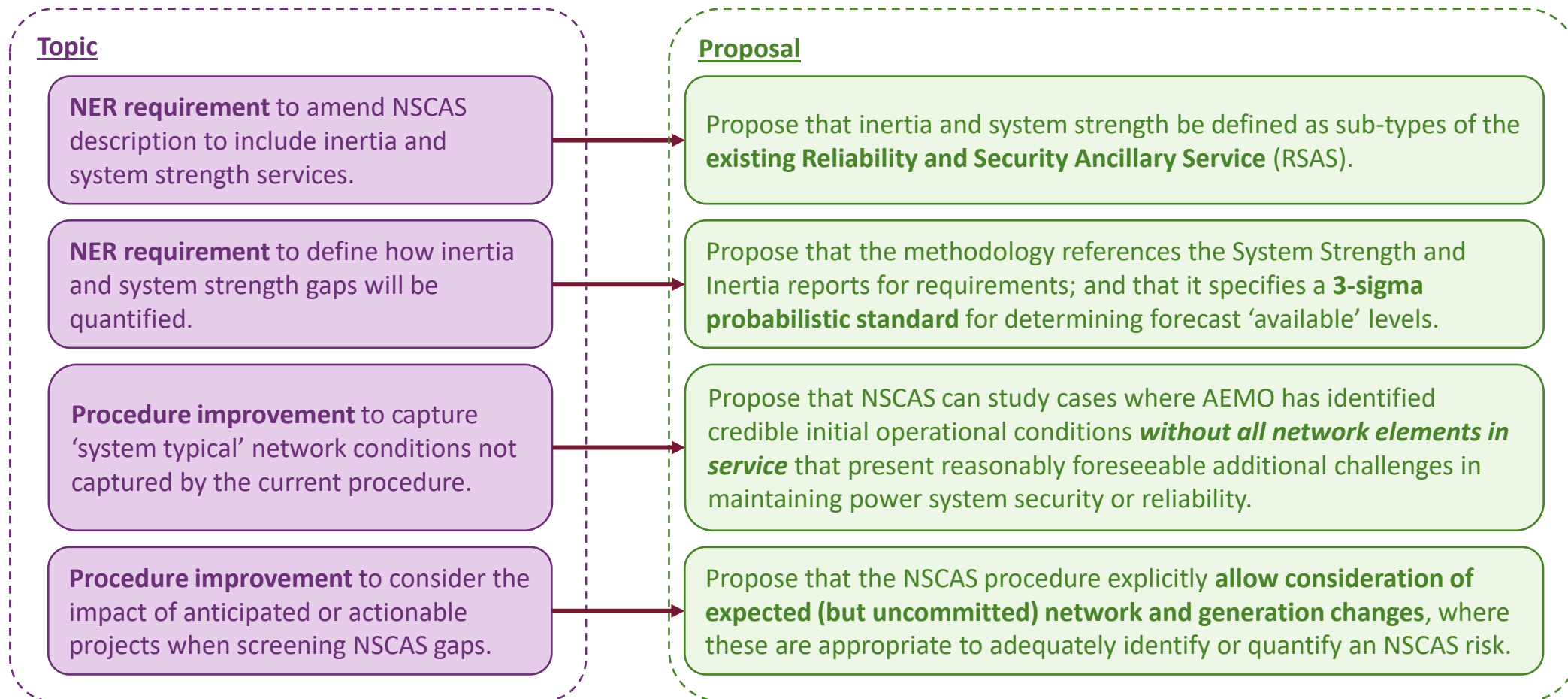
Inertia Consultation Paper

Issues paper stage will describe the change, and present proposals (where fleshed out), or principles/alternatives where still in development. Draft report will have full proposals.



NSCAS Issues Paper

Issues paper stage will describe the change, and present proposals (where fleshed out), or principles/alternatives where still in development. Draft report will have full proposals.



Key dates

 Consultation Paper published
5 July 2024

 Submissions due
2 August 2024

 Draft Report & Methodology published
Expected 9 September 2024

 Submissions due
Expected 7 October 2024

 Final Report & Methodology published
Expected 5 November 2024

Webpage: [Current and closed consultations](#)

CONSULTATION | 05/07/2024

Amendments to the Inertia Requirements Methodology

| MARKET | ACCEPTING SUBMISSIONS | STAGE | INITIATED |
|-----------------------------|--------------------------|------------------|------------|
| National Electricity Market | Yes | Discussion Paper | 05/07/2024 |
| CONVENOR | SUBMISSIONS CLOSE | | |
| AEMO NEM | 02/08/2024 | | |

CONSULTATION | 05/07/2024

Amendments to NSCAS Description and Quantity Procedure consultation

| MARKET | ACCEPTING SUBMISSIONS | STAGE | INITIATED |
|-----------------------------|--------------------------|------------------|------------|
| National Electricity Market | Yes | Discussion Paper | 05/07/2024 |
| CONVENOR | SUBMISSIONS CLOSE | | |
| AEMO NEM | 02/08/2024 | | |

Email: 2024_security_consultations@aemo.com.au

4. In-flight Reform Update

Frequency Performance Payments (FPP)

Chris Muffett

FPP July update – project status

- The FPP project remains amber.
- AEMO has performed replanning of internal functionality, which in a number of cases has identified more efficient ways of delivering the required business outcomes. Once the revised plan has been finalised, the project status would not need to be amber **based on scope/funding** (but there is an emerging alternative reason the project may be amber – see next slide).
- All external milestones, including the commencement of Industry Testing, the commencement of Non-Financial Operation and the publication of data model changes for FPP Settlements remain on track.

New FPP issue identified

- AEMO has identified an issue with a provision in the FPP rules that is not consistent with the approach introduced as part of the IESS reform and corresponding changes that were made to AEMO's settlement systems.
- The FPP rules stipulate that this allocation should occur based on 'the absolute value of any adjusted gross energy (AGE) amount' (3.15.6AA(b)(2)).
- However, as part of the introduction of IESS, the NEM has moved to allocating ancillary services costs based on adjusted consumed energy (ACE) and adjusted sent out energy (ASOE), rather than AGE. Following the implementation of the IESS reform, AEMO no longer calculates AGE at the necessary granularity (NMI level).
 - To re-commence doing so would be complex and require changes to AEMO's retail systems, which are not currently touched by the FPP project.
- AEMO, therefore, believes that a rule change, to make the residual recovery formulation consistent with the policy intent and post-IESS systems, is required and desirable.

Pre-NFO engagement

- AEMO is planning a series of engagement offerings in the months before the commencement of non-financial operation (NFO) on December 9.
- The engagement plan includes:
 - Overview and Q+A sessions to offered 3, 2 and 1 month before the commencement of NFO
 - Publication of new technical information, including: an FPP factor calculation guide (Nov); a guide to FPP and FCAS cost recovery (Dec), and; Guide to changes to the Constraint FCAS Processor being made as part of FPP (Dec).
 - Email announcements of important milestones.

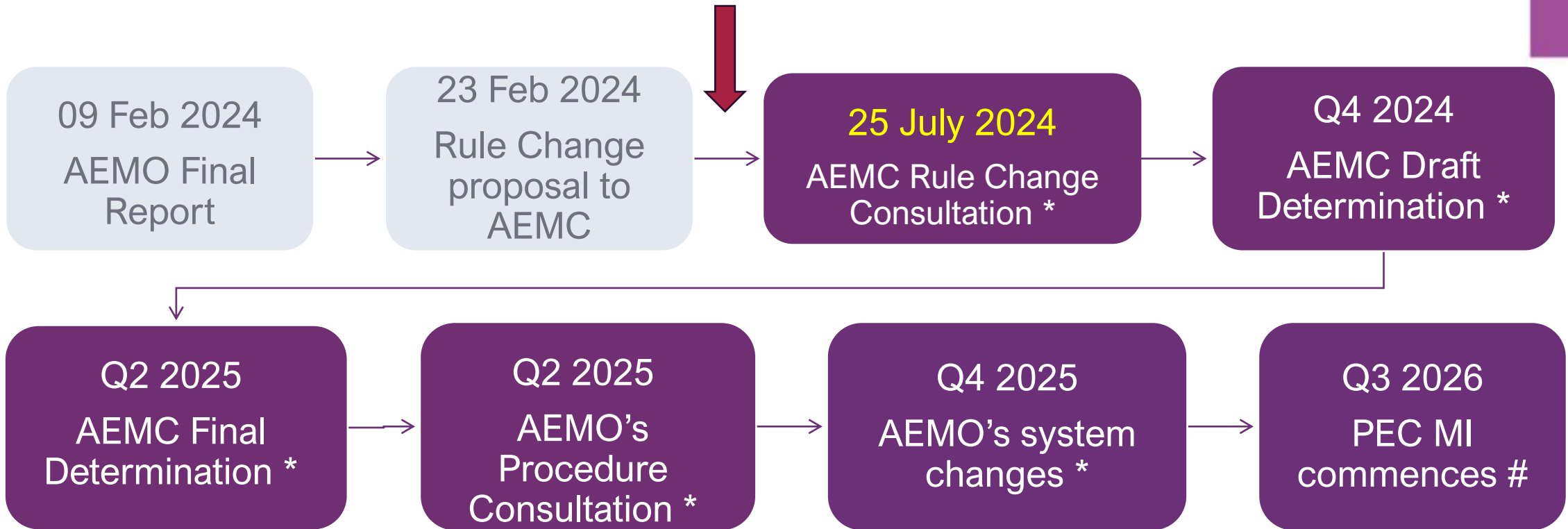
AEMO welcomes feedback on this approach



Project Energy Connect Market Integration (PEC – MI)

Nicole Nsair

PEC-MI Indicative High-level Timeline



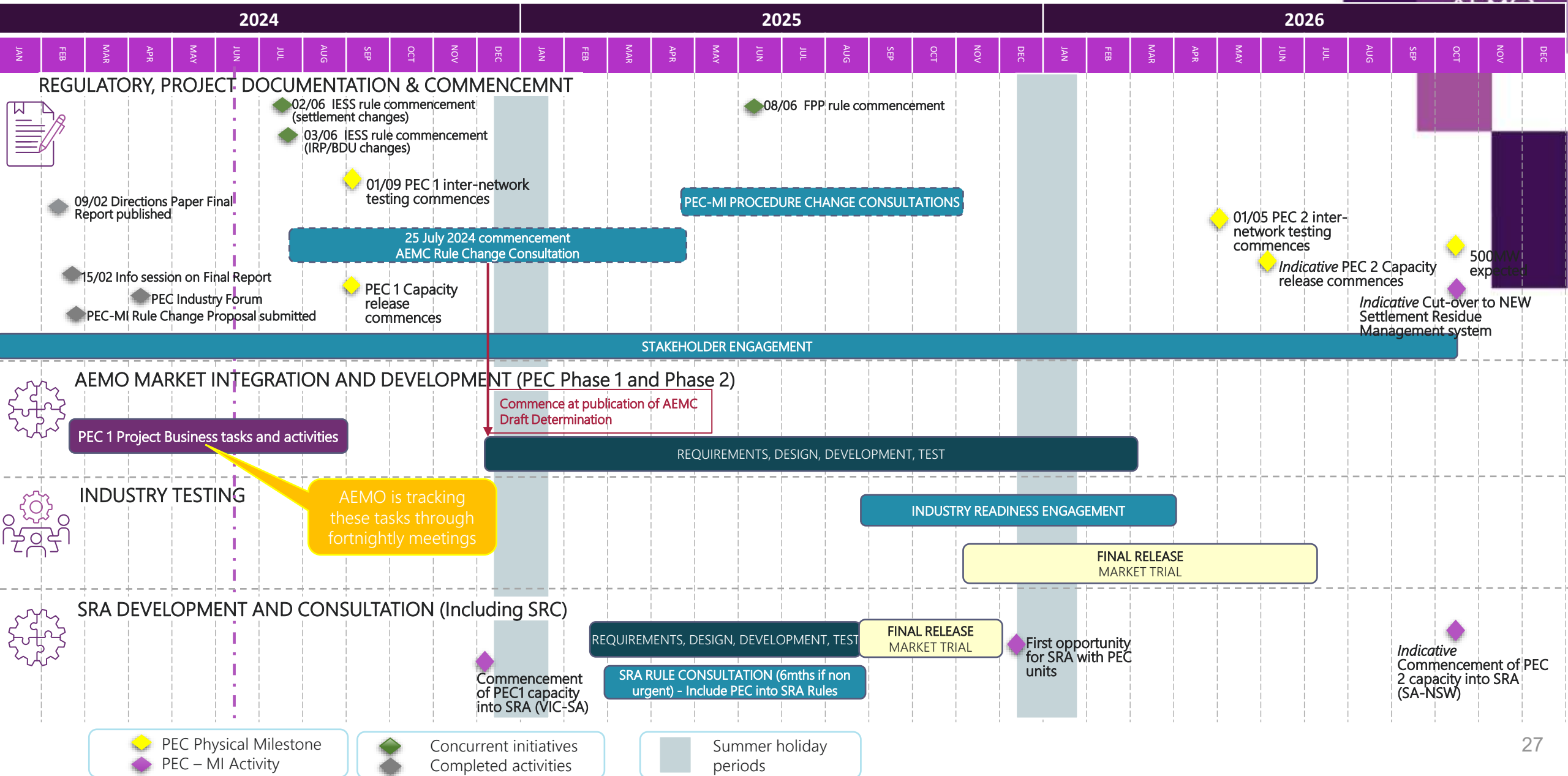
QUICK REFERENCES

- AEMO - [PEC-MI webpage](#)
- PEC - [Industry webpage](#)
- AEMC - [Rule Change Pending](#)

NB

* Rule and procedure dates indicative timeframes, subject to AEMC timing
 # PEC 2 will be completed and in service by the June quarter of 2026
 (Inter-network testing to commence 1 May 2026)

PEC-MI – Indicative Activity Timeline



Enhancing Reserve Information (ERI)

Chris Muffett

Feedback on the Draft HLIA

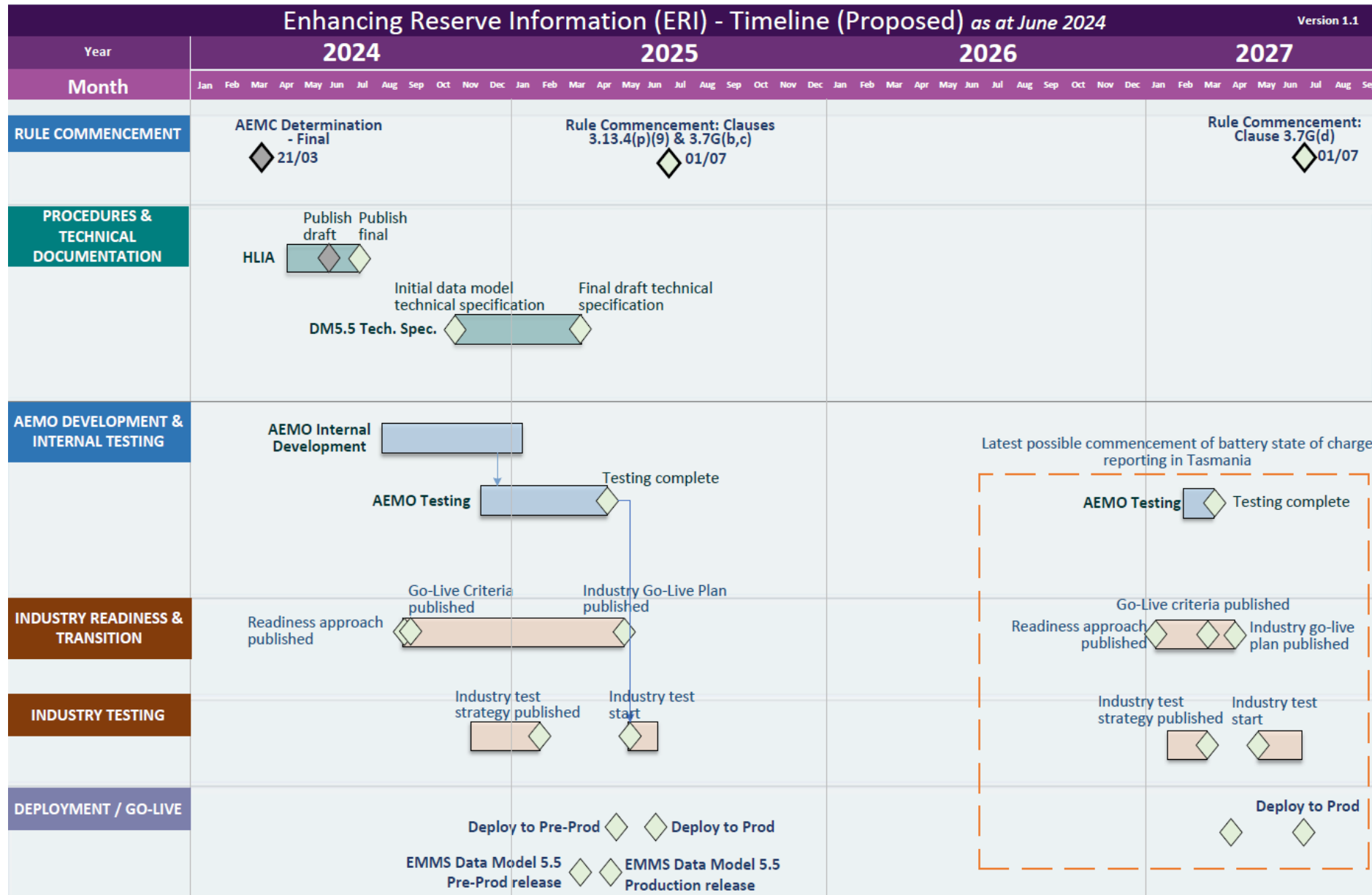
- One email submission was received (from EA), supporting the early, voluntary commencement of aggregated state-of-charge data before 1 July 2027 (see next slide).
- Additional clarifications were sought about how data would be provided on:
 - How state of charge data for batteries will be provided (A: via SCADA).
 - Whether the inclusion of energy availability/constraints for scheduled generators in the pre-dispatch (PD) process would require submission of a shaped profile from generators (A: Participants are not forced to bid an availability profile, but some do. If they don't, PD dispatches them until the daily energy limit is reached for the trading day).
 - Why batteries are not included in the PD forecasts (A: this had not been considered; the PD approach is an enhancement of the rule requirement for a figure to be published at the start of the trading day).
- Origin's comment at the June OCF about the relative usefulness of different elements of the recent HLIAs is also noted and an additional summary table has been added to the final.
- The Final ERI HLIA will be published in July.

AEMO to voluntarily publish aggregated state of charge for grid-scale batteries* from 1 July 2025, in all regions except Tasmania

- The obligation on AEMO to publish the aggregated state of charge for batteries* commences on 1 July 2027.
- AEMO invited comment in the Draft HLIA, and via June meetings of NEM Reform Forums, on the possibility of AEMO voluntarily publishing this data from 1 July 2025 in regions with sufficiently developed battery markets.
- AEMO received no objections to this proposal and a single expression of support.
- **AEMO, therefore, intends to begin publishing aggregated state of charge data for grid-scale batteries in all NEM Regions, except Tasmania, from 1 July 2025.**
- All other NEM regions have batteries operated by at least three different parent organisations, meaning an aggregated figure can be published without revealing an individual position to a direct competitor.

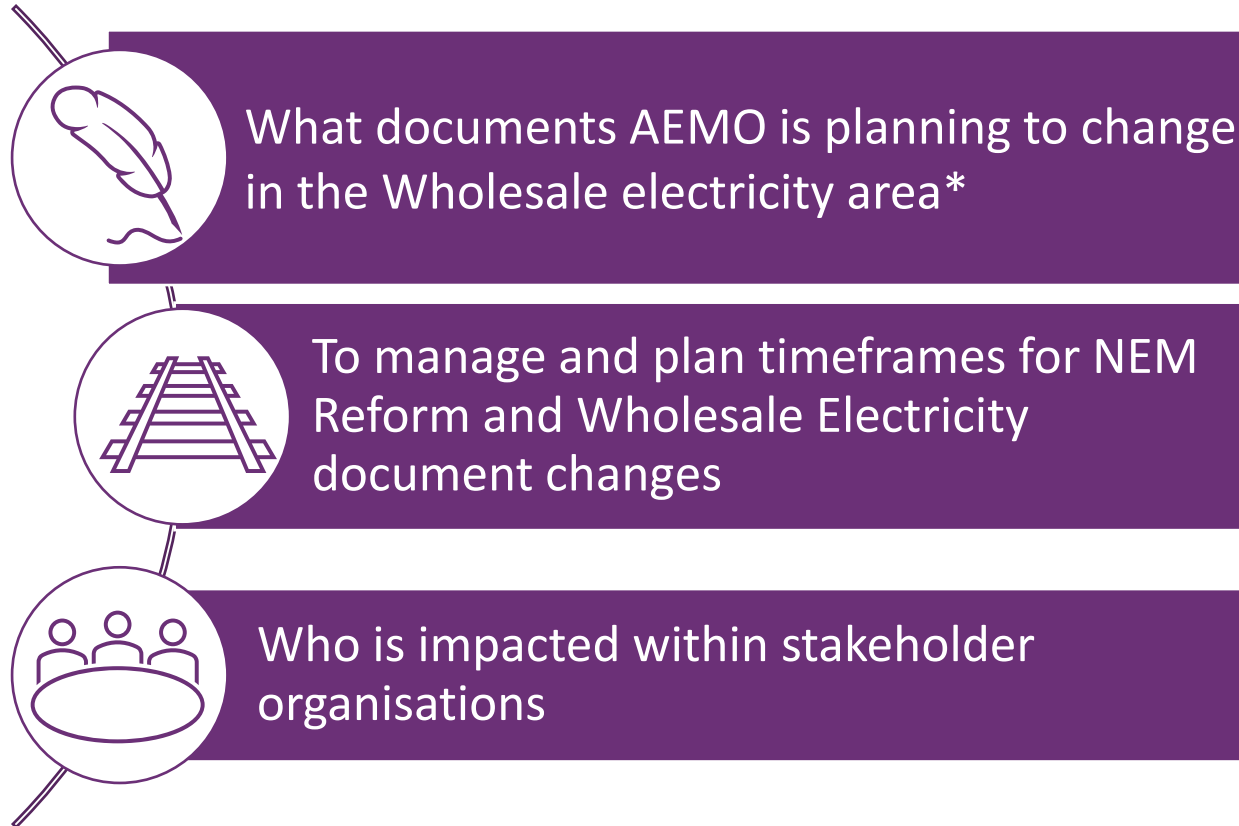
* Within NER 3.7G, “battery means a scheduled bidirectional unit, excluding a pumped hydro production unit”.

ERI development and testing timeline



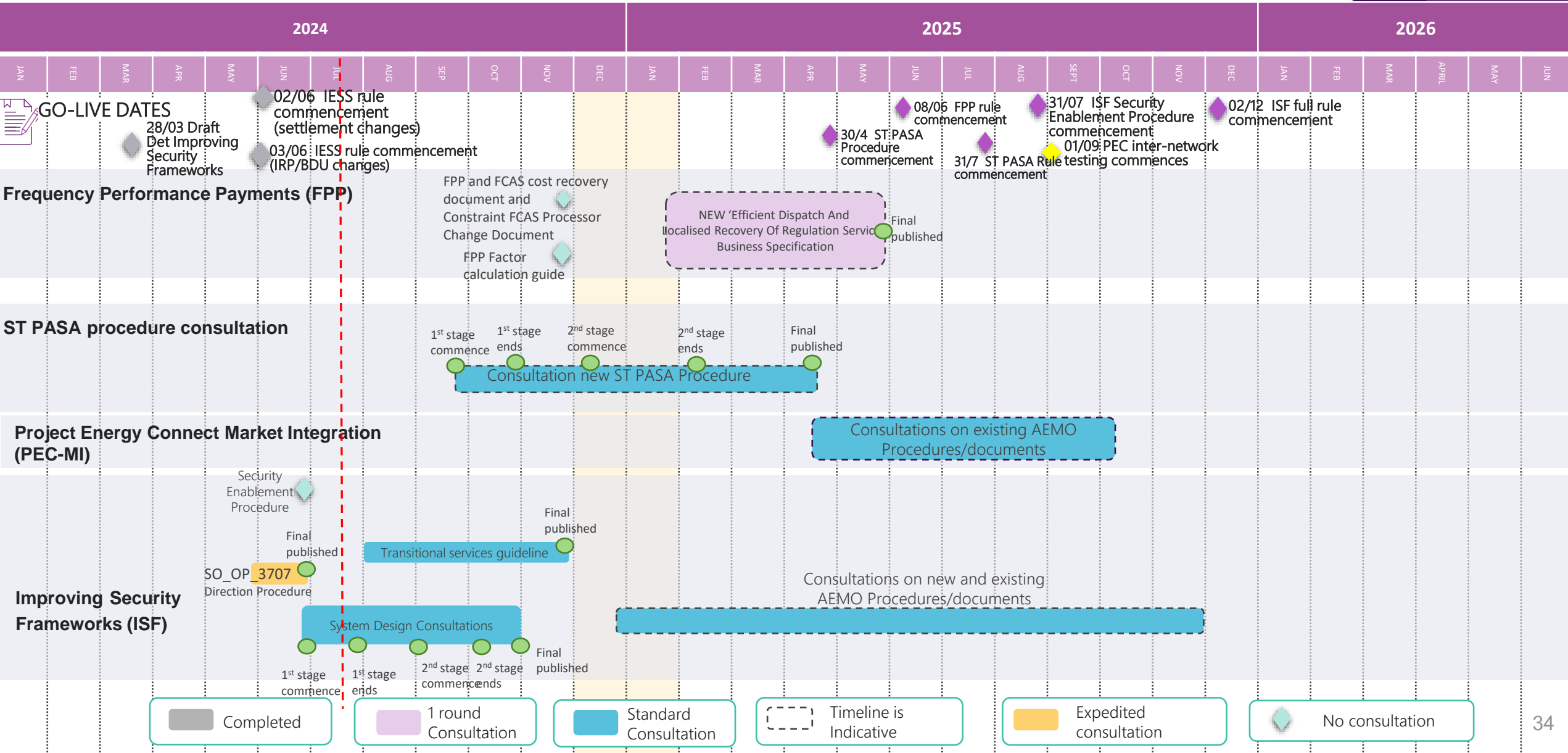
5. Procedures Consultation Roadmap

Procedures Consultation Roadmap



*Retail procedure changes are discussed through the Electricity Retail Consultative Forum (ERCF)

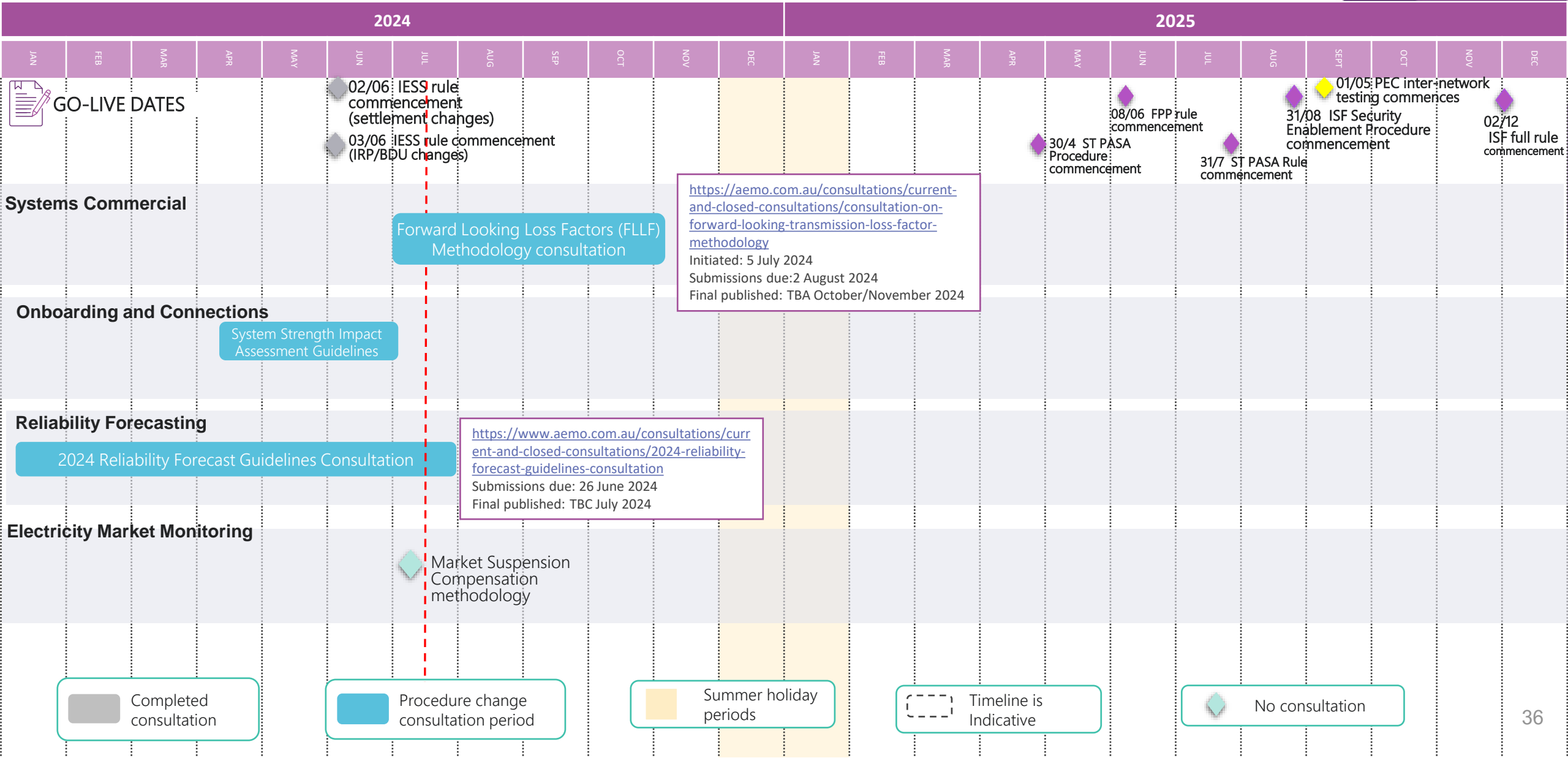
Reform INDICATIVE Consultation Timelines



Consultation Timelines – Reform Inflight projects

| In-flight projects | Consultation documents | Consultation Name | Consultation Type | Key dates |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| FPP | Replacement for 'Efficient Dispatch And Localised Recovery Of Regulation Services Business Specification' | NEW Efficient Dispatch And Localised Recovery Of Regulation Services Business Specification | 1 round document consultation | Commence: End Jan 2025 |
| Improving Security Frameworks | Security Enablement Procedure | Security Enablement Procedure | No consultation | Publish end of June 2024 |
| | SO_OP_3707 Intervention, Direction and Clause 4.8.9 instructions | Directions Procedure | Expedited consultation on increases to the amount of information AEMO will publish in direction and clause 4.8.9 instruction Market Notices | Commence: 29 May 2024 Submissions due: 27 June 2024 |
| | NSCAS Description & Quantities procedure | System Design | Standard consultation | Commence: 8 July 2024 Submissions close: 2 Aug 2024 |
| | System Strength Requirements Methodology | System Design | Standard consultation | Commence: 8 July 2024 Submissions close: 2 Aug 2024 |
| | Inertia Requirements Methodology | System Design | Standard consultation | Commence: 8 July 2024 Submissions close: 2 Aug 2024 |
| | Transitional services guideline | Transitional services guideline | Standard consultation | Commence: 2 August 2024 |
| ST PASA | ST PASA Process Description | ST PASA Procedure | Standard consultation | Commence – 30 Sept 2024 |
| PEC-MI | Settlement documents | | Standard consultation | Commence – Q2 2025 |
| | Operations documents | | Standard consultation | Commence – Q2 2025 |

Wholesale Electricity Consultation Timeline



6. NEM Wholesale Issues & Changes

ICF 002

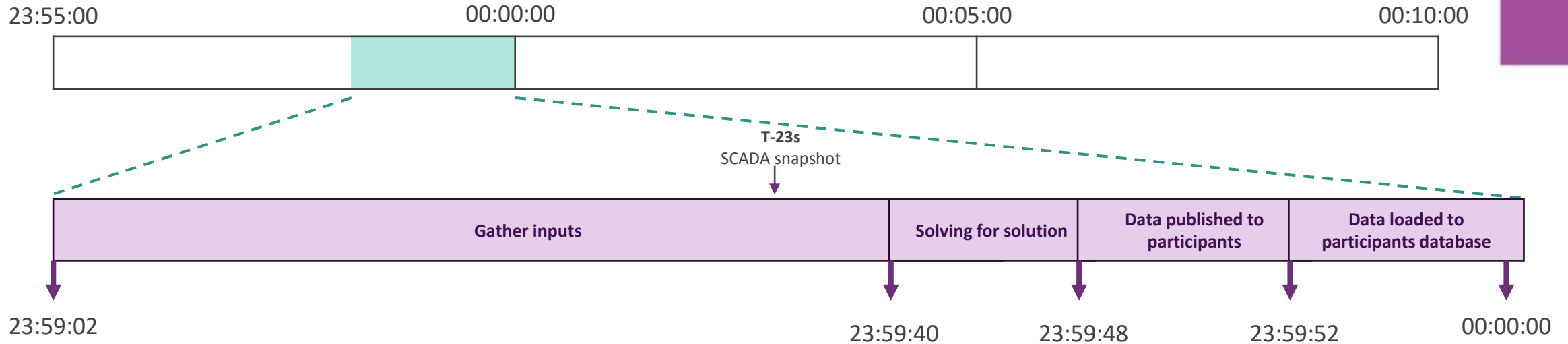
Time taken for Dispatch Targets to be made available to participants

Alice Kelly

Time taken for Dispatch Targets to be made available to participants

- AEMO has been examining the time taken for dispatch targets to be made available to participants, in response to concerns raised by participants on the mismatch between the 5-minute interval boundary and when a dispatch target is received (and a unit can start moving to the new target).
- At the May EWCF, AEMO presented a high-level example illustrating the impacts of shifting the SCADA snapshot and dispatch process earlier.
- AEMO has been seeking feedback from participants to indicate if the dispatch timing is a key issue AEMO should continue to prioritise resources to assess and explore options to resolve on the following:
 - Is dispatch timing a key issue for your business, and should AEMO continue to prioritise resources to assess and explore options to resolve?
 - How significant would this change be to their business and what are the risks associated?
 - When would be an appropriate time be for this change?
 - Any other feedback that may assist, including how to strike the appropriate balance between reliability and performance of the dispatch process.

Participant Feedback



- Three participants provided support for the proposal to bring the dispatch process forward so that the dispatch instructions are issued at/for the start of the trading interval.
 - On the basis of low downside risk to this change.
 - Acknowledging the need for further consultation and prudent testing should such a change be implemented.
- Next Steps:
 - AEMO will look to compile the resources gathered to-date on the dispatch process and timings and publish on the AEMO website.

Internal discussions within AEMO are underway to identify any major risks associated with changing the dispatch process and prioritisation of such a change.

ICF 003

Improvements to Dispatch Conformance

Alice Kelly

Dispatch conformance messages

- At the April EWCF, AEMO was asked about the possibility of reducing ‘off-target’ messages (from the AEMO Dispatch Conformance Module (DCM)) when a unit is providing mandatory primary frequency response (PRF).
- At the May EWCF, AEMO provided an overview on the details of dispatch non-conformance messages communicated to participants under the current non-conformance arrangements.
- **Further discussions into dispatch conformance are being held as part of the next Ancillary Services Technical Advisory Group (ASTAG)**
- AEMO has raised this as an issue in the ICF Register but considers the matter is best left to existing technical forums.

7. Other Reforms

ST PASA Recall Time

Nicole Nsair



AEMC's Updating Short Term PASA rule change

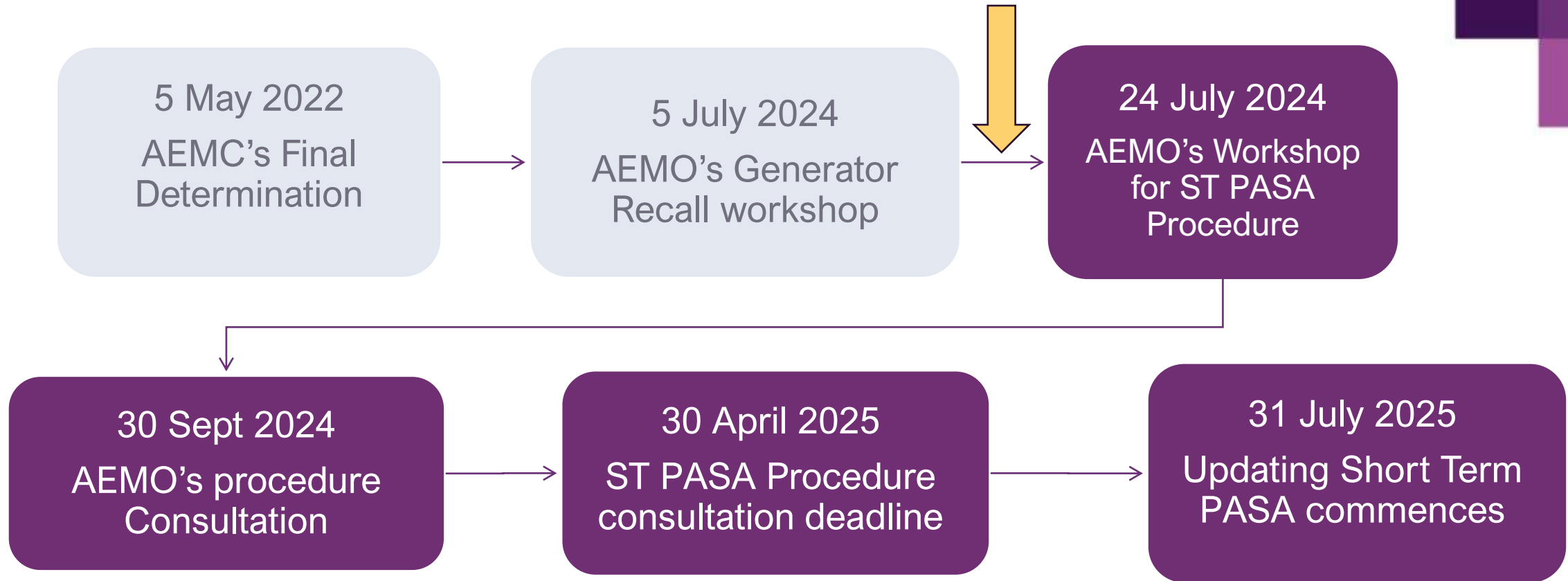
Final Determination (5 May 2022)

- Requires AEMO to develop the ST PASA procedures to describe how it will administer the ST PASA process
- Requires AEMO to publish generator availability information on a per unit /dispatchable unit identifier (DUID) level
- Changed the definitions of PASA availability (recall time) and energy constraint
- Changed the ST PASA timeframe to reflect current practices

It has two commencement dates:

1. ST PASA Procedures – 30 April 2025
2. Changes to generator availability information, recall time and publishing timeframes – 31 July 2025

Indicative ST PASA High-level Timeline



QUICK REFERENCES

- AEMO – [information on Recall Time](#)
- AEMC – [Rule Change Determination](#)

Indicative Consultation Timetable



| Consultation Process | Indicative Dates |
|--------------------------------------------------|--------------------------|
| Procedure Consultation Workshop | 24 July 2024 |
| Consultation paper and initial version published | 30 September 2024 |
| Submissions due on initial version | 28 October 2024 |
| Draft procedure published | 17 December 2024 |
| Submissions due on draft procedure | 5 February 2025 |
| Final ST PASA Procedure published | 16 April 2025 |

To attend the procedure consultation workshop 24 July 2024 – please email NEMReform@aemo.com.au

Recall time proposal

- As part of the Generator Recall Process workshop held on 5 July, AEMO outlined a proposed approach to PASA availability and recall times:
 - Three tranches of availability
 - Approach to profiling of recall times
 - Who/how recall times are submitted, including the decommissioning of the current Generator Recall portal
- Stakeholder feedback was requested by 19 July 2024 via STPASARepacement@aemo.com.au

Integrating price-responsive resources into the NEM (IPRR)

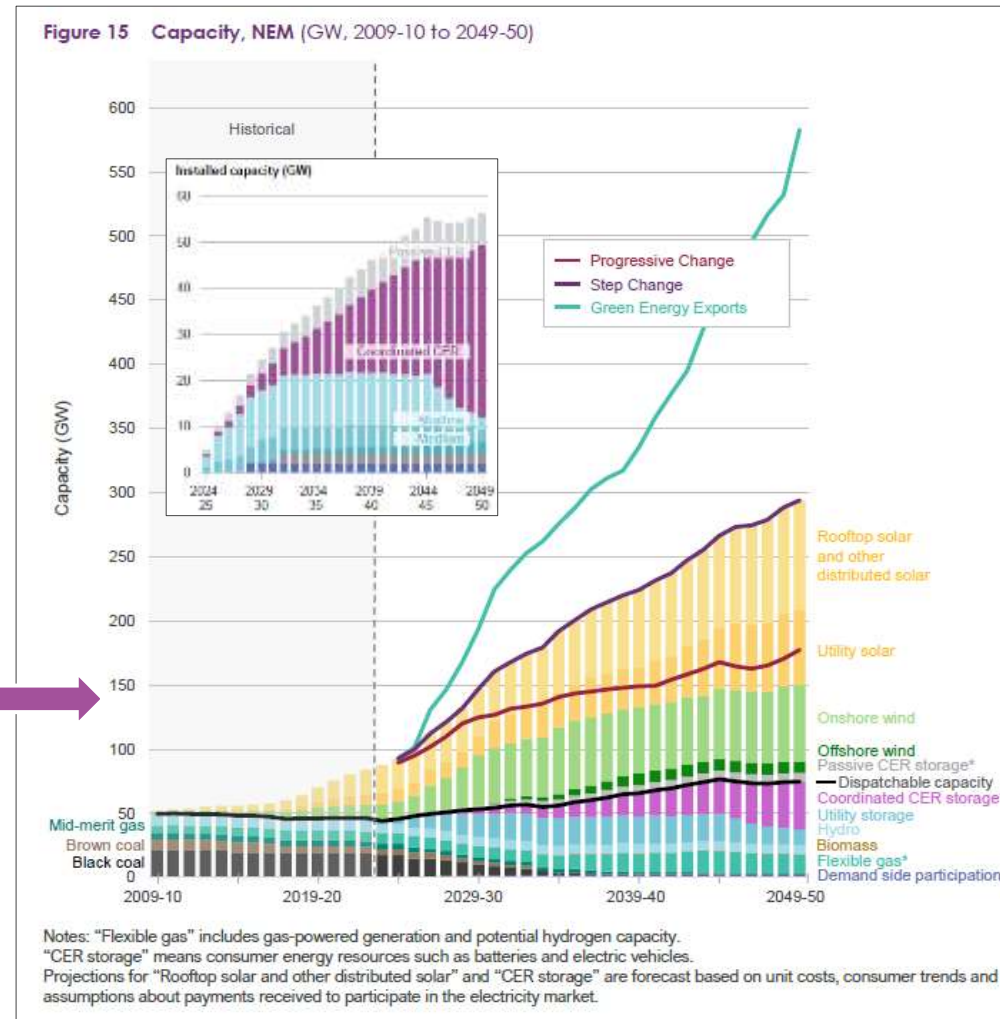


Emily Brodie

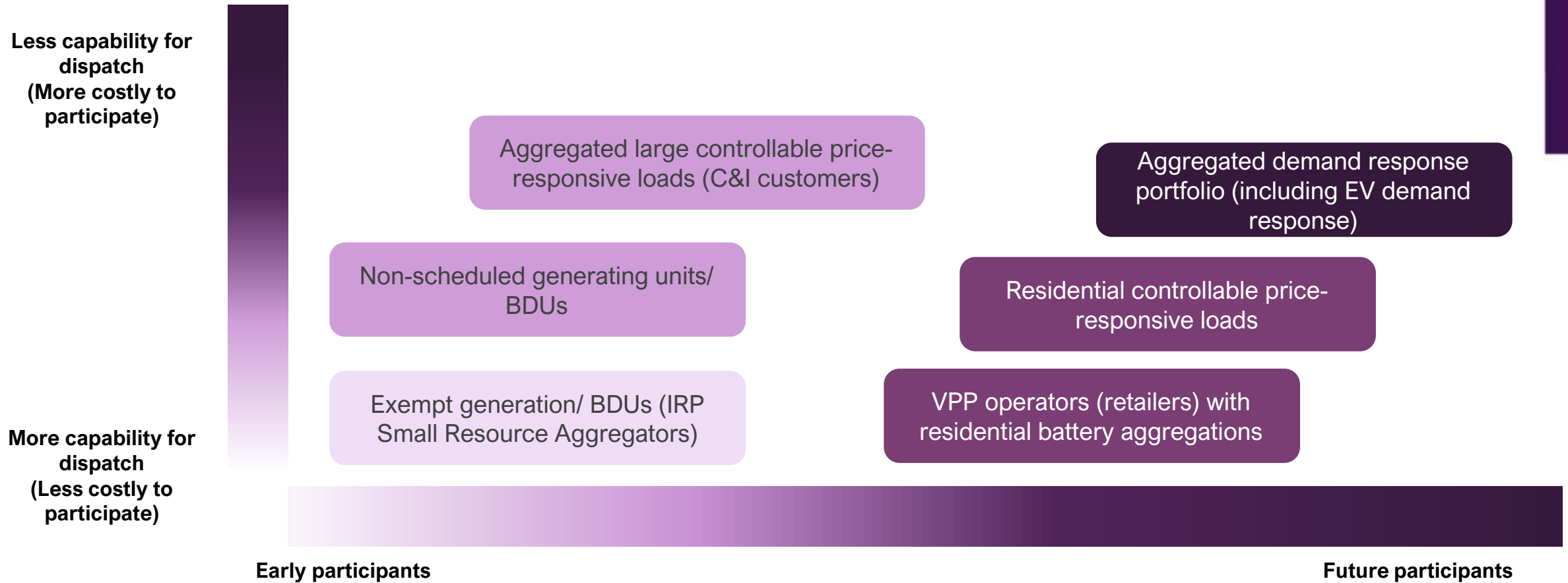
What is the purpose of the IPRR reform?

Integrate unscheduled price-responsive resources into NEM scheduling and dispatch processes:

- Voluntary
- Includes aggregations of resources/VPPs
- Have the same opportunities as other scheduled resources to participate in market services
 - incl. energy, reg FCAS & capacity schemes
- Play a role in delivering the future anticipated in [2024 Integrated System Plan](#)
- If effectively integrated, reduce the need for duplicative investment in large-scale storage.

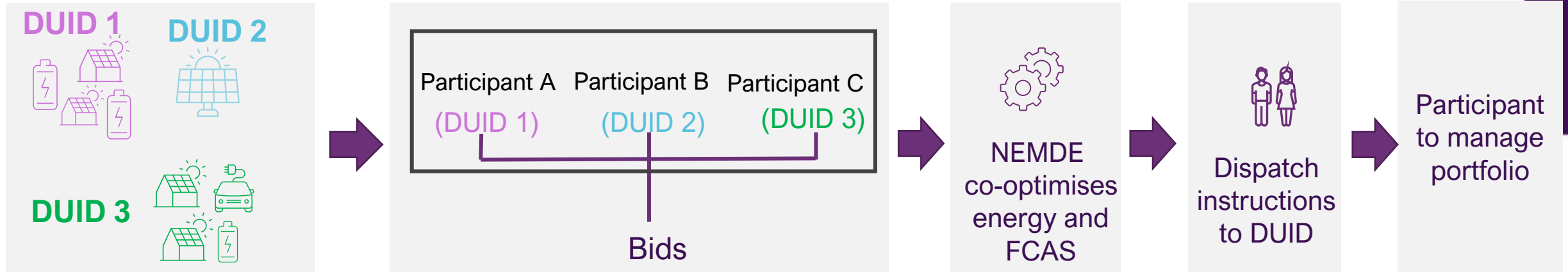


Who would participate in IPRR?



Proposed IPRR dispatch

Consistent with existing framework for scheduled BDUs

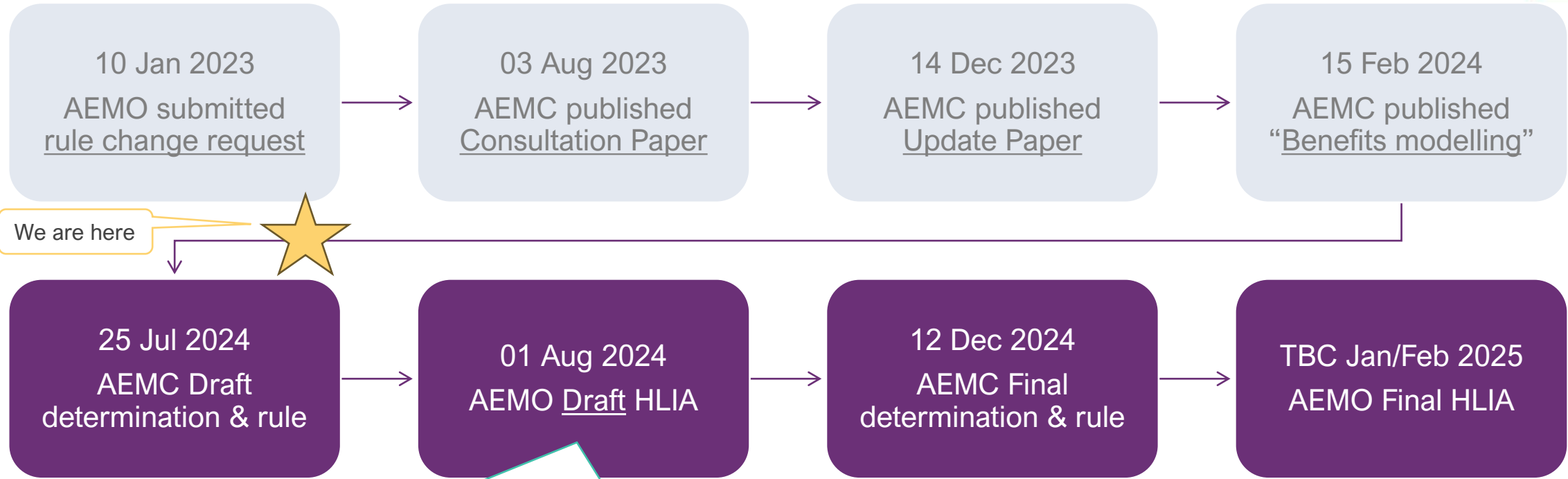


For every trading interval for which it is scheduled, the participant will receive a dispatch instruction for its DUID:

- A single bi-directional dispatch instruction representing the net flow to be achieved by its DUID
- Enablement for each FCAS service

Participants will need to disaggregate the dispatch instruction to their portfolio and comply with respect to the services they provide.

High-level timeline to date



We are here



AEMO’s draft HLIA will help inform AEMO’s and industry’s submissions to AEMC, particularly around policy design and implementation timeframe. AEMO will:

- Hold an **industry briefing** on draft HLIA on Wed 07 Aug
- Seek **feedback** on its draft HLIA by Mon 19 Aug.

If you would like to attend the briefing, contact us at NEMReform@aemo.com.au

8. For Noting

Upcoming Engagements

For noting

Upcoming Engagements

| July | | | | | | |
|------|----|----|----|----|----|----|
| M | T | W | T | F | S | S |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
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| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

| August | | | | | | |
|--------|----|----|----|----|----|----|
| M | T | W | T | F | S | S |
| | | | 1 | 2 | 3 | 4 |
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| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

| September | | | | | | |
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| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | | | | | | |

| October | | | | | | |
|---------|----|----|----|----|----|----|
| M | T | W | T | F | S | S |
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

NEM Reform Program Committees/Forums

| | |
|--------------------------------------------------|--|
| Executive Forum | |
| Reform Delivery Committee | |
| Reform Delivery Committee Collaborative Workshop | |
| Program Consultative Forum | |
| Electricity Wholesale Consultative Forum | |
| Implementation Forum | |
| Industry Testing Working Group | |

NEM Reform Briefings

| | |
|--------------------------------------------------------------------------------------|--|
| Industry Briefing - Integrating price responsive resources into the NEM - Draft HLIA | |
| ST PASA Procedure Stakeholder Workshop | |

Other Forums

| | |
|---------------------------------------|--|
| Electricity Retail Consultative Forum | |
|---------------------------------------|--|

Other

| | |
|--------------------------------|--|
| National Public Holiday | |
| State/Territory Public Holiday | |

9. Questions and Other Business



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[NEM Reform Electricity Wholesale Consultative Forum](#)



10. ERI focus session

Bid daily energy constraint issue

Ross Gillett

Background

- An issue currently exists in how some participants indicate they do not have any energy constraints which, if not addressed, will create ongoing errors in the calculation of region aggregate daily energy availability and undermine the scheduled reserves element of ERI rule change.
- Prior to the 5-Minute Settlement (5MS) changes, participants were unable to submit ‘null’ value for a daily energy constraint and (as a work-around) were required to enter a large number like ‘999999’ or other value larger than their unconstrained availability.
- As part of the 5MS changes, the bidding service was changed to allow participants to submit a ‘null’ daily energy constraint when their unit was not energy constrained.

| Pre 5MS | Current arrangements |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Participants indicated the extent of any energy constraint. 0 = No constraint | Participants indicate their energy availability. 0 = No energy available NULL = No constraint |

- At the June EWCF, AEMO requested participants consider how they think this issue should be addressed and invite any other necessary staff to the July EWCF for a discussion.

Proposed solution – Change to bid validation

- AEMO proposes a change to the bidding service, to reject a bid if:
 - bid Daily Energy Constraint \geq registered Max Capacity * 24 Hours**
- A suitable error message would be provided, advising that the DUID is not energy constrained and that the daily energy constraint value should be blank.
- This change would take effect in Production from 1 July 2025 when the ERI rule starts, with changes in Pre-Production prior to this and suitable time to allow participants to develop their own bidding system changes.
- The change would require an update to the “Offers and Submissions” documentation published to the [NEM Wholesale IT systems](#) webpage on AEMO’s website.

Discussion

Is AEMO’s proposed solution appropriate?
 Do participants have other proposed solutions for consideration?

Appendix A: Competition law meeting protocol and AEMO forum expectations

AEMO Competition Law - Meeting Protocol

AEMO is committed to complying with all applicable laws, including the Competition and Consumer Act 2010 (CCA). In any dealings with AEMO regarding proposed reforms or other initiatives, all participants agree to adhere to the CCA at all times and to comply with this Protocol. Participants must arrange for their representatives to be briefed on competition law risks and obligations.

Participants in AEMO discussions **must**:

- Ensure that discussions are limited to the matters contemplated by the agenda for the discussion
- Make independent and unilateral decisions about their commercial positions and approach in relation to the matters under discussion with AEMO
- Immediately and clearly raise an objection with AEMO or the Chair of the meeting if a matter is discussed that the participant is concerned may give rise to competition law risks or a breach of this Protocol

Participants in AEMO meetings **must not** discuss or agree on the following topics:

- Which customers they will supply or market to
- The price or other terms at which Participants will supply
- Bids or tenders, including the nature of a bid that a Participant intends to make or whether the Participant will participate in the bid
- Which suppliers Participants will acquire from (or the price or other terms on which they acquire goods or services)
- Refusing to supply a person or company access to any products, services or inputs they require

Under no circumstances must Participants share Competitively Sensitive Information. Competitively Sensitive Information means confidential information relating to a Participant which if disclosed to a competitor could affect its current or future commercial strategies, such as pricing information, customer terms and conditions, supply terms and conditions, sales, marketing or procurement strategies, product development, margins, costs, capacity or production planning.

AEMO Forum and Meeting Expectations

This charter explains expectations regarding participation and behavior in the Australian Energy Market Operator (AEMO)'s stakeholder forums.

Meeting Expectations

All participants will:

- Respect the diversity of the group.
- Speak one at a time – refrain from interrupting others.
- Share the oxygen – ensure that all attendees who wish to have an opportunity to speak are afforded a chance to do so.
- Maintain a respectful stance towards all participants.
- Listen to others' points of view and try to understand others' interests.
- Share information openly, promptly, and respectfully.
- If requested to do so, hold questions to the end of each presentation.
- Remain flexible and open-minded, and actively listen and participate in meetings.
- Abide by COVID-Safe workplace guidelines, if attending a meeting on AEMO's premises.

Roles and Responsibilities

Forum stakeholders agree to:

- Be specific and fact-based in their feedback on a specific workstream or emerging issue;
- Review and provide feedback on papers and reports;
- Relay information to their colleagues or constituents after each meeting and gather information/feedback from their colleagues or constituents, as practicable, before each meeting;
- Maintain a focus on solutions or outcomes that benefit all energy consumers.

AEMO agrees to:

- Provide technical expertise in a manner that is considerate of the audience and their level of expertise;
- Assist participants in understanding issues enough to represent their views;
- Provide all participants the opportunity to voice their views.

Appendix B: ICF Register

Appendix B: Industry Change Form (ICF) Register

| No. | Title | Status | Comments | EWCFs discussed at |
|-----|----------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| 1 | Reducing the notification period for Default Contribution Factors | Closed | Apart from the ICF proponent (Shell), no stakeholders responded to invitations that this change was a priority for them. | Mar 2024 (slide 31) Feb 2024 (slide 35) Nov 2023 (slides 49-50) |
| 2 | Time taken for Dispatch Targets to be made available to participants | Open | At the March 2024 EWCF, AEMO presented the results of the initial investigation and sought feedback from participants about content and the priority of this issue. Next steps to be determined based on that feedback. | Mar 2024 (slides 32-48) Apr 2024 (slides 40-41) |
| 3 | Improvements to dispatch conformance | Pending closure | At the May 2024 EWCF, AEMO presented on the current non-conformance arrangements. | May 2024 (slides 45-47) |



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