

IESS Working Group

Meeting 4
27 JULY 2022



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, present and emerging.

Agenda

#	Approx. Time	Topic	Presenter/s
1	10:00-10:05	Welcome	Emily Brodie, AEMO
2	10:05-10:10	Notes, actions and feedback from previous WG meeting	Ulrika Lindholm, AEMO
3	10:10-10:15	Project update	Damien Banky, AEMO
4	10:15-10:25	Procedures update	Nicole Nsair, AEMO
5	10:25-10:30	HLD/implementation strawperson update	Emily Brodie, AEMO
6	10:30-10:40	Scope and timing of wash up rule change	Emily Brodie, AEMO
7	10:40-10:50	Forward Plan	Ulrika Lindholm, AEMO
8	10:50-11:00	General questions and close	Emily Brodie, AEMO

Appendix A: Forum and Meeting Expectations and Competition Law Meeting Protocol

Appendix B: Procedure Consultations, upcoming dates

Please note that this meeting will be recorded for the purpose of note taking, and not for publication.

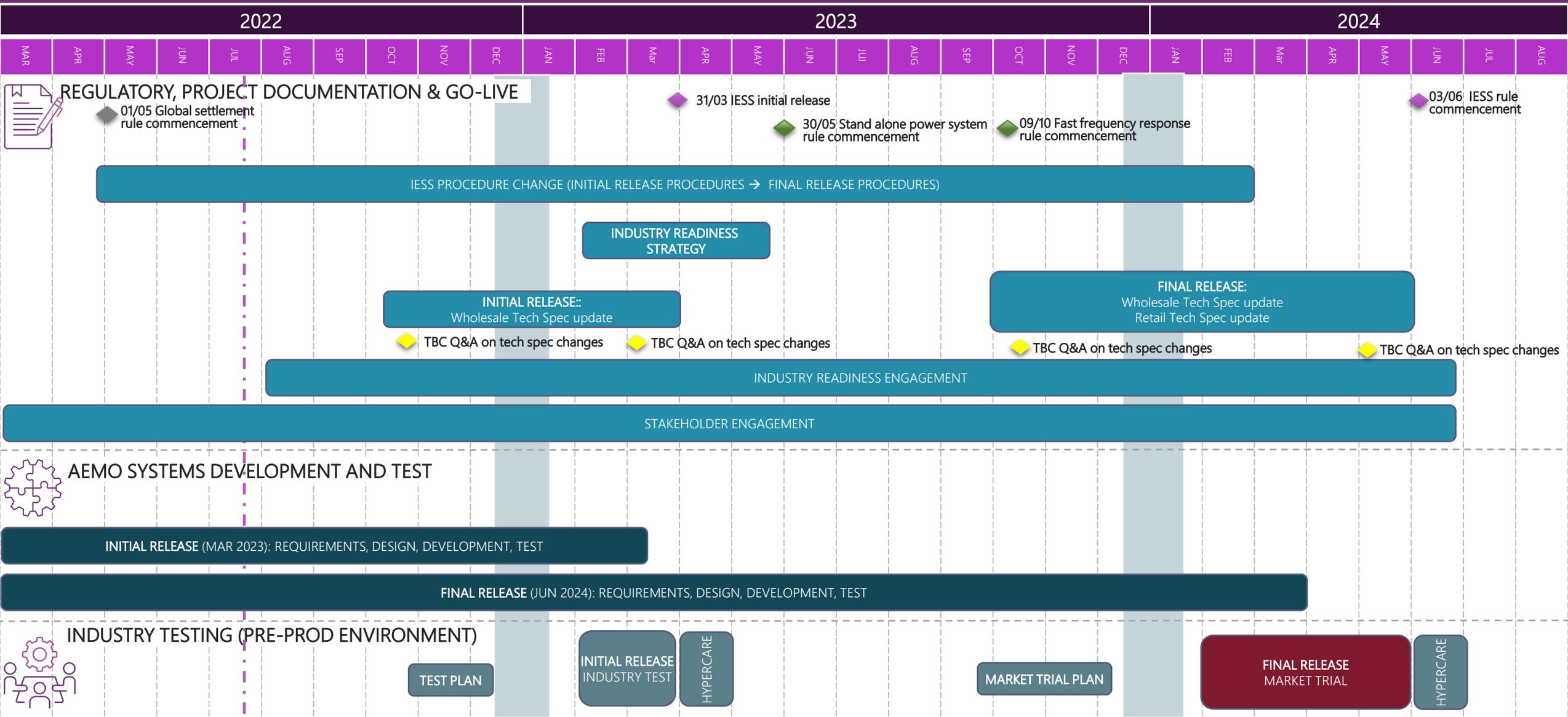
2. Notes, actions and feedback from previous WG meeting

Notes, actions and feedback from previous WG meeting (29 June)

Item #	Action	Responsible	Status
3.1	Working Group members to provide initial feedback on the IESS industry readiness approach to IESS@aemo.com.au	WG Members	Closed. No feedback received.
3.2	Working Group members to provide feedback on the risk register and risk management approach; in particular how appropriate is this proposed risk management approach, and what are the gaps.	WG Members	Closed. No feedback received.

3. Project update

IESS – Indicative Industry Timeline



- IESS Confirmed
- IESS Indicative
- Concurrent initiatives
- Completed activities
- Summer holiday periods: Avoid industry IESS activities where possible
- Market trial:** Feb-24 configure environment; Mar-24 1st test cycle; Apr-24 2nd test cycle; May-24 remediation

4. Procedures update

Context – timelines for consultations

AEMO continues to work with internal and external stakeholders to firm timelines for all procedure consultation periods



Timelines are indicative for

- Retail and B2B – seeking input from ERCF on timeframe options (28 July)
- Settlements and Prudential (Q3 2022 commencement)
- Registrations (Timing is dependent on new classification policy - a DC-coupled system as a Semi-Scheduled unit)



Timelines are settled for

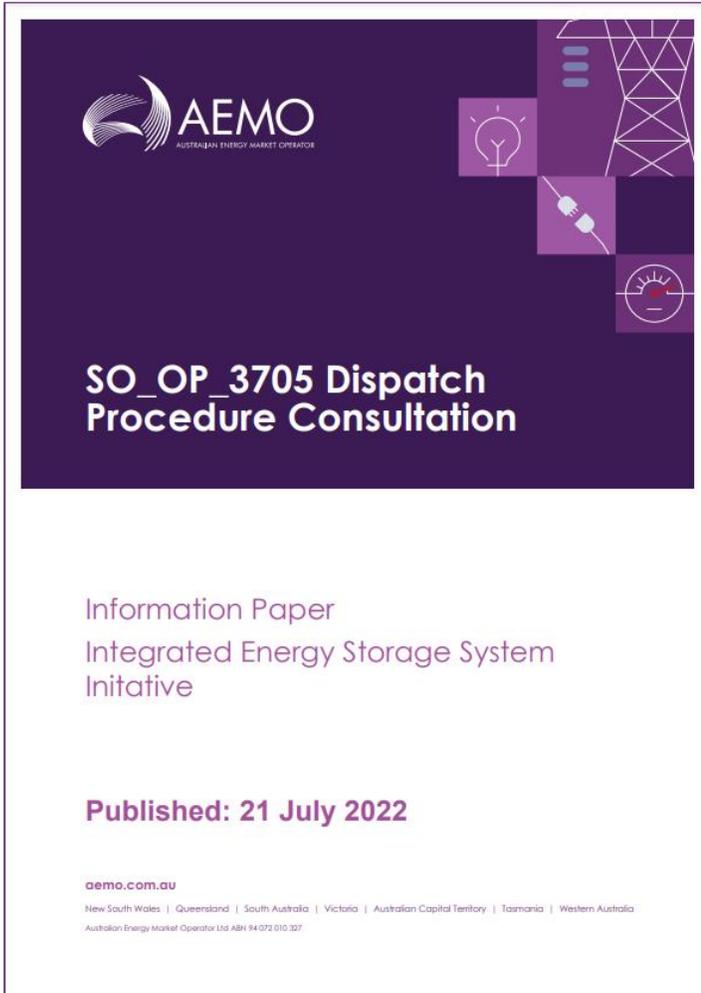
- Operations – Causer Pays Procedure (15 August commencement)
- Operational Forecasting (22 August commencement)

Key issues for consultations

Work Package	Issues for consultation
OPERATIONS & DISPATCH Consultation open 21 July – 12 August	Implementation of Aggregated Dispatch Conformance mechanism into Dispatch Procedure
OPERATIONAL FORECASTING Consultation to open 22 August 2022	Changes reflect IESS initiative and new administration processes
RETAIL	New NMI classifications may be necessary to manage IESS initiative
SETTLEMENTS & PRUDENTIAL	<ul style="list-style-type: none"> Carbon Dioxide Equivalent Intensity Index - new participant category and address hybrids NEM Settlements Estimation Policy – changes to estimations process for Integrated Resource Providers and reflect terminology changes
OPERATIONS Commencement to open 15 August 2022	Regulation FCAS Contribution Factors Procedure (Causer Pays Procedure) - clarifying the Causer Pays for units that are registered for aggregated conformance

Detailed consultation timelines are attached at the end of this pack

Dispatch procedure consultation



The cover of the information paper features the AEMO logo at the top left. The title 'SO_OP_3705 Dispatch Procedure Consultation' is prominently displayed in the center. Below the title, it identifies the document as an 'Information Paper' for the 'Integrated Energy Storage System Initiative'. The publication date 'Published: 21 July 2022' is noted at the bottom. The footer includes the website 'aemo.com.au' and a list of Australian states and territories: New South Wales, Queensland, South Australia, Victoria, Australian Capital Territory, Tasmania, and Western Australia. A small reference number 'Australian Energy Market Operator Ltd ABN 94 072 010 327' is also present.

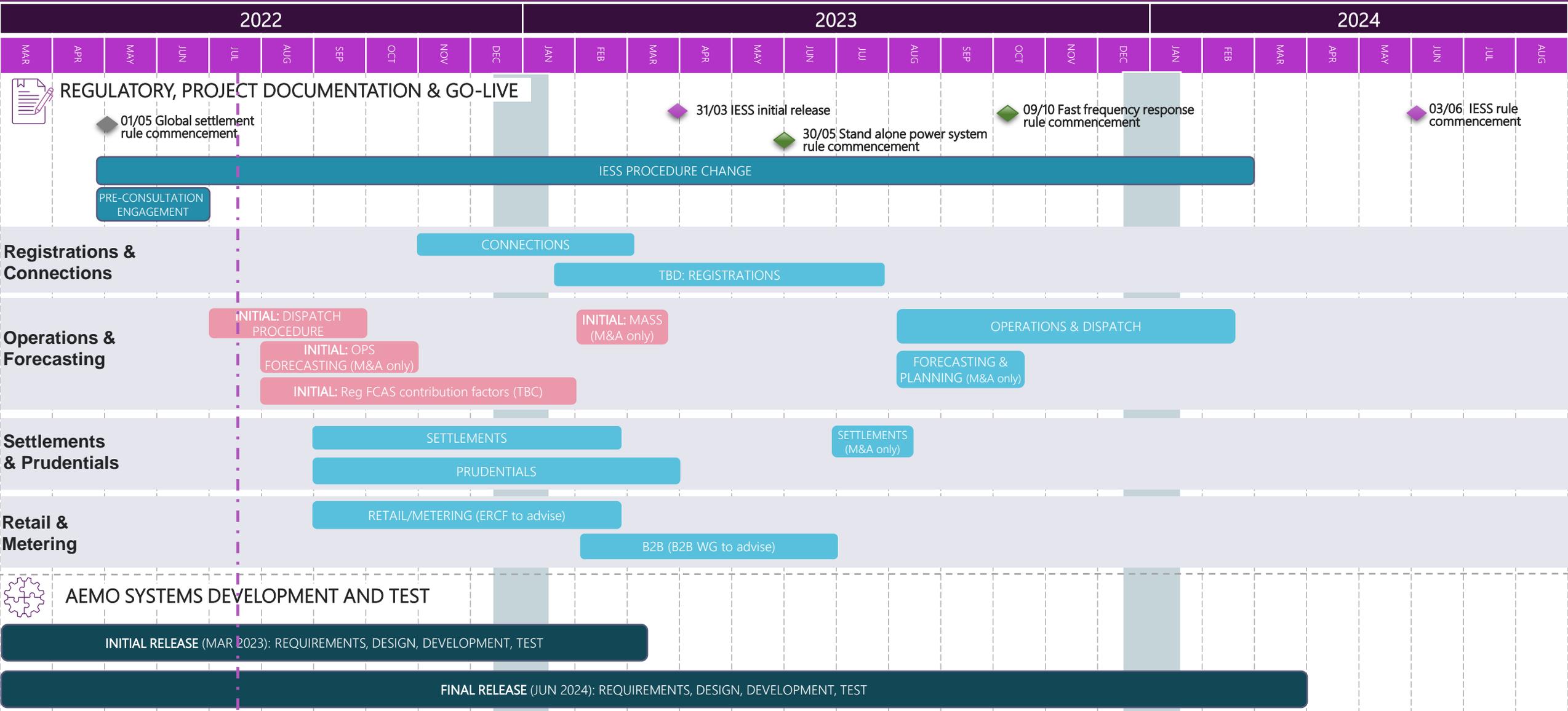
SO_OP_3705 Dispatch Procedure	TIMING
Publication of draft Dispatch Procedure information paper and change marked procedure	21 July 2022
Stakeholder information session on information paper	26 July 2022
Written stakeholder feedback on draft information paper	12 Aug 2022
Publication of final Dispatch Procedure	1 Sep 2022

← Note due date

To learn more, visit:

<https://aemo.com.au/consultations/current-and-closed-consultations/dispatch-procedure-consultation-iess>

IESS – *INDICATIVE* IESS procedure change timeline

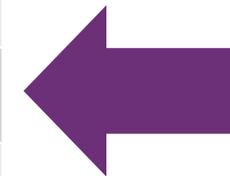


- IESS Confirmed
- IESS Indicative
- Concurrent initiatives
- Completed activities
- Initial release
- Final release
- M&A only = areas that only have minor & administrative changes to procedures
- Summer holiday periods: Avoid industry IESS activities where possible

5. HLD/implementation strawperson update

Consultation approach

ACTION	TIMING	STATUS
Publication of Draft High Level Design	16 Dec 2021	Complete
Stakeholder Q&A Forum	4 Feb 2022	Complete
Written stakeholder feedback on Draft HLD	12 Feb 2022	Complete
Publication of HLD update and Draft Implementation Strawperson	Early July	Complete
Engagement through the IESS Working Group	Ongoing	In progress
Written stakeholder feedback on Draft Implementation Strawperson	12 Aug 2022	In progress
Publication of Final Implementation Strawperson	1 Sep 2022	Not started



We are here

Stakeholders are welcome to provide feedback on the Strawperson and Aggregate Dispatch Conformance information paper together, both are due on 12 August to IESS@aemo.com.au.

6. Scope and timing of wash up rule change

Refresher

- IESS ‘Wash-up’ rule change needed to clarify aspects of the IESS arrangements
- Is not intended to revisit the policy decisions made by the AEMC in the IESS rule determination
- Items are non-controversial
- Very unlikely to have timeline impacts to procedure changes, system development and other dependencies.

Wash up rule change

	Total	Comments
Policy clarification issues	~5	<ul style="list-style-type: none"> Relate to Classification, UFE, Dispatch AEMO is still considering whether the interaction of NER and its Procedures would fulfill the intent of the IESS initiative
Drafting issues	~10	<ul style="list-style-type: none"> Typos and clarifications Potentially can be managed via AEMC’s regular administrative updates to the NER

Action	Timing
AEMO discussions with AEMC	July/Aug
AEMO to submit wash-up rule change proposal <ul style="list-style-type: none"> Any outstanding policy issues Drafting issues that can’t be dealt with via NER administrative updates 	Late Aug

7. Forward plan

Forward plan – IESS Stakeholder engagement

	JULY 2022	AUG 2022	SEP 2022	BEYOND
Monthly meeting	<ul style="list-style-type: none"> ✓ <u>Mthly meeting (today)</u> Dispatch procedure Discussion of potential scope and timing of rule change 	<ul style="list-style-type: none"> <u>Mthly meeting</u> Debrief on ERCF discussion (if appropriate) Potential discussion on procedure changes relating to settlement, prudentials, forecasting and planning 	<ul style="list-style-type: none"> <u>Mthly meeting</u> Debrief on feedback received on Dispatch procedure and Implementation Strawperson Debrief on B2B WG discussion (if appropriate) 	<ul style="list-style-type: none"> <u>Mthly meetings</u> Ongoing procedure consultations Discussion on approach to updating Technical Specifications
Other IESS engagement	<ul style="list-style-type: none"> ✓ HLD update & Draft external strawperson published (7 July) ✓ Dispatch procedure Information Paper published (21 July) ✓ Dispatch procedure Stakeholder Information Session (26 July) ✓ Industry feedback on Strawperson register and proposed risk management regime (15 July) Discussion on retail procedures at Electricity Retail Consultative Forum (ERCF 28 July) 	<ul style="list-style-type: none"> Industry feedback due on draft strawperson (12 August) Industry feedback due on Dispatch procedure Issues Paper (12 August) Discussion on Business to Business procedures at the B2B Working Group (9 August) Regulation FCAS Contribution Factors Procedure (Causer Pays Procedure) consultation begins (mid August) Operational forecasting consultation begins Industry feedback due on Regulation FCAS Contribution Factors Procedure (Causer Pays Procedure) changes (late August) 	<ul style="list-style-type: none"> Publish final strawperson (1 September) Publish final Dispatch procedure (1 September) Industry feedback due on Operational forecasting changes (~5 September) Publish final Regulation FCAS Contribution Factors Procedure (Causer Pays Procedure) (mid September) Publish final Operational Forecasting procedure (mid-late September) 	<ul style="list-style-type: none"> Phone calls to WG members to understand initial thinking on readiness

Stakeholder enquiries may be sent to the IESS mailbox:
IESS@aemo.com.au

Legend
 Black text = stakeholders are invited to participate
 Purple text = action by AEMO

8. General questions and close

IESS project contact



iess@aemo.com.au



<https://aemo.com.au/initiatives/major-programs/integrating-energy-storage-systems-project>



For more information visit

aemo.com.au

Appendix A: Forum expectations and competition law



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 behaviour 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: Procedure Consultation upcoming dates



Consultation: Upcoming Dates

Dispatch Procedure	
Change marked Procedure	Consultation open
Information session on Aggregated Dispatch Conformance	21 July 2022
Feedback Due	12 August 2022
Updated Procedure Published	1 September 2022
Operational Forecasting	
Consultation Type	Minor & Administrative
Change marked procedure	Consultation to open 22 August 2022
Feedback Due	5 September 2022
Updated Procedure Published	19 September 2022

Consultation: Upcoming Dates (cont.)

Regulation FCAS Contribution Factors Procedure (Causer Pays)	
Consultation type	M&A
Change marked procedure and issues paper published	15 August 2022
Submissions due	26 August 2022
Updated Procedure Published	16 September 2022