

# Terms of Reference

## Foundational and Strategic Initiatives Focus Group (FaSI FG)

### 1 Mission

The [Energy Security Board's \(ESB\) National Electricity Market \(NEM\) 2025 reforms](#) seek to make changes required in the NEM as it transitions from a fleet of largely coal-fired generation to more variable renewable generation and into a modern energy system fit to meet consumers' evolving wants and needs.

AEMO's [NEM Reform Program](#) works collaboratively with energy market participants and intending participants on matters relating to the implementation of reforms stemming from the Energy Security Board (ESB), Energy Ministers, and AEMC rule change processes and decisions.

In addition to market reforms, AEMO has identified a subset of initiatives that are prerequisites to implementation of the NEM program reform initiatives. Each of these initiatives represents either a:

- **Foundational** investment in an AEMO legacy system to deliver an uplift to base capability on which reforms are dependent; or
- **Strategic** investment where system uplift is required at some time in the future and AEMO sees the opportunity for this life-cycle type investment to be brought forward and delivered in the same timeframes as the reforms for efficiency purposes.

The Foundational and Strategic initiatives are included in the [NEM Reform Implementation Roadmap](#). AEMO has committed to an industry consultation process before Foundational and Strategic initiatives proceeds to implementation.

Thus, the **objective** of the Foundational and Strategic initiatives Focus Group (FaSI) is to enable collaboration with industry to progress an assessment of the following Foundational and Strategic initiatives:

- **IDX (Industry Data Exchange).**
- **IDAM (Identity and Access Management).**
- **PC (Portal Consolidation) <sup>1</sup>.**

<sup>1</sup> A description of these initiatives is available in the NEM2025 Initiative Briefs published with the NEM Reform Implementation Roadmap. Link: <https://aemo.com.au/initiatives/major-programs/nem-reform-implementation-roadmap>

## 2 Scope

### 2.1 In Scope:

The FaSI FG will seek to agree Target State definitions for each of the initiatives, identify a Transition Strategy and a Roadmap for implementation and assess impacts and benefits to support development of an Industry Business Case.

The FaSI FG will explore opportunities to lower design and development costs associated with AEMO and industry systems and where appropriate review opportunities to build common infrastructure to avoid duplicate processes.

- Expected outcomes from the consultation are:
  - Target state proposals.
  - A Transition strategy and Roadmap.
  - Industry impacts and benefits.
  - A Business case.

### 2.2 Out of scope

- The FaSI FG is not a decision-making body regarding AEMO's internal program governance.
- The FaSI FG is not a consultative forum for policy development and design and rules development and consultation in this forum will not supplant any ongoing statutory consultation processes.

## 3 Governance

The FaSI FG will operate under the guidance of this Terms of Reference document and the NEM Reform [Program Consultative Forum](#). AEMO will provide support for the FaSI FG, including provision of meeting materials, meeting summaries, action items, and a register of key documents.

At the conclusion of the consultation with this Focus Group, AEMO intends to seek the advice of the Reform Delivery Committee on whether/when and how the initiatives proceed <sup>2</sup>.

## 4 Participation

Participation in the Foundational and Strategic Initiatives Focus Group is open to suitably qualified nominations from market participants impacted by the implementation of reforms. In the interests of leveraging relevant industry expertise, each organisation may have multiple members to provide representation across Business and Technical domains for IDX, IDAM and PC.

AEMO expect FaSI FG members to:

- Have a thorough understanding of the NEM and the reform initiatives under the NEM2025 Program.
- Have a detailed understanding of their own systems, and business processes.
- Be prepared to participate in discussion and provide detailed responses to matters under discussion.

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<sup>2</sup> This is in accordance with AEMO's NEM Reform Implementation Roadmap Governance Statement of Approach: <https://aemo.com.au/initiatives/major-programs/nem-reform-implementation-roadmap>

- Have the expertise and authority to consider matters and provide views on behalf of their business.
- Provide consultation outcomes back into their business.

## 5 Meetings

The FaSI FG consultation will be conducted over the course of March – July 2023. The graphic below outlines the consultation process. Detailed dates and schedules are supplied to nominated participants throughout the process.



FaSI FG meetings will be conducted via videoconference, unless otherwise advised.

To enable the provisioning of industry expertise while using the time of participants and AEMO effectively, the agenda will be clearly laid out with timings and obligations on the chair to cover the ground effectively.

## 6 Administration

AEMO will prepare and distribute all meeting correspondence via email and manage the Focus Group webpage.

AEMO will endeavour to provide stakeholders with:

- A draft agenda and relevant meeting papers five business days prior to the meeting.
- A meeting outcomes paper five business days after the meeting.
- AEMO will provide Chair, secretariat services and subject matter expert(s) for each meeting.
- Once approved, copies of the meeting papers will be published on the AEMO website.

## 7 Resourcing and expenses

AEMO will provide Chair and Secretariat services to the FaSI FG.

Any expense incurred as a result of attending meetings or activities associated with the Focus Group are at the expense of the members or their employer.

## 8 Version control and contact details

Version	Effective date	Comments
0.1	16 March 2023	Draft Terms of Reference shared with the Foundational and Strategic Initiatives Focus Group

For more information please email [NEMReform@aemo.com.au](mailto:NEMReform@aemo.com.au) or visit <https://aemo.com.au/initiatives/major-programs/nem2025-program>.