

Business Case Discussion – Session 6B

- Identity and Access Management (IDAM)
- Industry Data Exchange (IDX)
- Portal Consolidation (PC)

12th March 2024



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
1	11:00am – 11:10am	Introduction
2	11:10am – 12:15pm	Business Case Change Summary <ul style="list-style-type: none">• Business Case will be taken as read by participants• Videos addressing key Business Case points are available here• Summary of the key updates that have been made to the Draft Business Case - Benefits, Security Risk, etc
3	12:15pm – 12:45pm	Questions and Discussion
4	12:45pm – 1:00pm	Next Steps and Meeting Close

Supporting materials:

- Appendix A: Competition law meeting protocol

1. Introduction

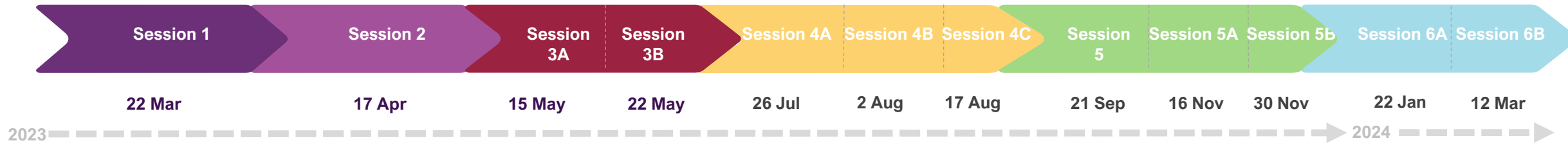
Industry Consultation Update

Draft Business Case

- AEMO received 9 submissions in response to the Draft Business Case Package.
- Stakeholders were generally supportive of the recommendations, and the majority of the feedback was specific items to make the business case clearer or more compelling.
- AEMO would like to thank the industry for providing formal submissions on the draft business case package as well as for FaSI working group participation throughout this consultation process.

Published information and materials:

- Focus Group webpage: <https://aemo.com.au/en/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/nem-reform-foundational-and-strategic-initiatives-focus-group>
- Any queries can be directed to NEMReform@aemo.com.au



Session	Introduction	Discovery	Target State	Transition Strategy	Cost & Method	Business Case
Agenda	<ul style="list-style-type: none"> • Introduce initiatives • Outline workshop plan 	<ul style="list-style-type: none"> • Pain points and benefits • Survey 	<ul style="list-style-type: none"> • Concept walkthrough • Survey 	<ul style="list-style-type: none"> • Transition Strategy • Impacts & Benefits • Survey 	<ul style="list-style-type: none"> • Industry and AEMO costs • Assumptions, options and methodology 	<ul style="list-style-type: none"> • Walkthrough of draft business case • Assessment and completion

Objective of today's session

AEMO is working with the [FaSI Focus Group](#) to complete the review of the business case for the Foundational and Strategic initiatives: IDAM, IDX and Portal Consolidation.

This final workshop aims to:

- Provide an overview of:
 - Key themes from formal submissions
 - Updates applied to the Business Case
- Provide an opportunity to clarify questions related to the key updates to the Business Case

The ask of participants:

- Review the updates to the business case package ahead of the session to identify any key areas requiring clarification or areas for discussion

Change Tracker

Slide Number: Draft Business Case Package V0.2	Change description
Slide 7	Added a new slide to reflect IDAM, IDX and PC Benefits.
Slide 12 (Cosmetic Change)	Updated to remove word aseXML based on industry feedback
Slide 13 (Cosmetic Change)	Added headers IDX, IDAM and Portals based on industry feedback
Slide 15 and Slide 16	Updated slide “addressing residual security risks” to provide clarification to industry stakeholders
Slide 33 (Cosmetic Change)	Formatted the layout of the slide to be aligned with IDAM and IDX Pain point slide
Slide 38 (Cosmetic Change)	Added 2a/b for IDAM and PC
Slide 41	Updated timelines for a Draft timeline for Option 1 to address participants’ concerns around upcoming reform roadmap congestion
Slide 97	Based on industry feedback, risk rating has been updated for Risk #4 and Risk#5
Multiple slides	Updated industry costs based on specific feedback on DP1 vs DP2 costs and an extra submission on IDAM costs
Multiple slides	Further assessment of operational costs has identified additional incremental supporting costs relating to infrastructure and technology support staff
Multiple slides	Changed the format to add the uncertainty range +/-40% within Financial assessment tables.
Slide 130	Added a new slide explaining a Risk Rating Methodology

Actions

	Topic	Action Description	Raised By	Owner	Status	Notes
1	All	Benefits assessment of IDAM, IDX and PC	Multiple participants	AEMO	Closed	Included in the draft business case package*
2	All	Clarification on Addressing Residual Risk under Option1 and Option2	Multiple participants	AEMO	Closed	Included in the draft business case package*

*AEMO has published the draft business case package to the industry on 26th February 2024

[Link to the draft business case V0.2 package](#)

2. Changes: Draft Business Case Package

Subtitles	Slide Number of the <i>Draft Business Case Package V0.2*</i>
Vision and Benefits of IDAM, IDX and PC	Slide 7
Residual security risk-Business Case Context	Slide 15
Addressing residual security risks	Slide 16
Financial Assessment Full Scope Delivery	Slide 19
Summary: This Business Case	Slide 48
Summary: Full Investment	Slide 49
Risk Assessment	Slide 96 and Slide 97
Risk Rating Methodology	Slide 130

Vision and Benefits of IDAM, IDX and PC initiatives

Vision

Creating **extensible, resilient and secure** enabling technology frameworks (identity management, data exchange and web access) that underpin AEMO's services to and between NEM market participants, extensible to WEM and gas.

AEMO Overall Benefits

- ✓ Supportability of the technology ongoing (transition away from a proliferation of custom solutions)
- ✓ Reduction in security vulnerability risk through move to 'secure by design' technology
- ✓ Ability to implement reform initiatives faster through scaling resourcing and more modular solutions
- ✓ Key plank of plans to meet SOCI Compliance – both minimum and evolving requirements

Industry Overall Benefits

- ✓ Reduced operational costs through self-service and
- ✓ Lowered barriers to entry for participants, including in emerging markets
- ✓ Lowered localisation costs of global industry technology solutions, e.g. CIS platforms
- ✓ Improved security posture and assists industry in meeting their SOCI obligations

IDENTITY & ACCESS MANAGEMENT



A unified mechanism to authenticate and authorise external identity and entitlements when accessing AEMO services, consolidating and improving overall cyber security controls.

Specific Benefits

- ✓ Provides support for organisational hierarchy and federation
- ✓ Enhanced security and alignment with industry obligations and best practice in cyber security controls (e.g. multifactor authentication)
- ✓ Enhanced self-service auditing and reporting capabilities to support industry's governance and compliance and reduce operational costs

INDUSTRY DATA EXCHANGE



A unified data exchange mechanism to support the secure and efficient exchange of data between energy stakeholders for new services required by NEM Reforms, existing legacy services and provide a framework extensible to other energy markets.

Specific Benefits

- ✓ Efficiently consolidates the development of data exchange protocols for new business services – avoiding protocol 'bloat', minimising siloed development & improving speed to market for new reforms
- ✓ Aligns with changing participant systems and cyber security obligations
- ✓ Improves transaction timeliness & reduces incidence of stop files
- ✓ Enables the scalable extension of existing business services [IDX Transition]
- ✓ Enable compartmentalisation of schema changes, thereby reducing regression testing costs of twice-yearly market changes [IDX Transition]

PORTAL CONSOLIDATION



A new web and mobile user portal to provide a unified stakeholder experience. The portals framework is an enabling platform that supports energy market participants and other partners to consume AEMO browser services in a secure manner.

Specific Benefits

- ✓ Standardised experience to consume AEMO browser services
- ✓ Enhance self-service capabilities for market participants
- ✓ Integration with the enterprise identity management and user authentication solution
- ✓ Enables improved user experience by establishing standards for navigation, look and feel and help menus

Residual security risk – Business Case context

Community expectations and **government directives and legislation** impose additional accountabilities and responsibilities for AEMO and industry to safeguard the critical services we collectively operate and protect our customers from impact.

The IDAM, IDX and PC initiatives under this business case address establishing target / end state capability for a subset of these services and are expected to be taken as an input into the overall compliance programs that AEMO and industry individually orchestrate.

Overall AEMO and industry cyber programs

↑ *Inputs into*

IDAM, IDX and PC:

By August 2024 (outside this Business Case)

Post August 2024 (within this Business Case)

Immediate term – High risk vulnerabilities

- Examples may include:
- Hardening of APIs that are internet enabled
 - Enhance visibility and API cyber incident management process
 - Where appropriate, enhanced controls and monitoring

Outside the scope of this business case – refer to AEMO cyber program

Immediate term – second tier vulnerabilities

- Action plan to address second tier vulnerabilities (this Business Case forms such an action plan)

Takes inputs from this business case

Medium term – continuous risk management

- While end state capability is being delivered and / or transition is in progress new requirements may identify a need to assess:
- Additional process controls
 - Additional transitional states applicable to participants who defer transition late into the sunset timelines

Managed through the Transition Roadmap Governance process proposed under this business case

End state

- Delivery of end state capability providing security uplift
- Transition of services across to the new capability (may be progressive – subject to transition approach)

The focus of this business case

Addressing residual security risks

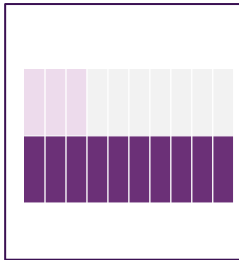
- Option 1
- Option 2a
- Option 2b

Addressing Residual Security Risk*

Identity and Access Management

Option 1

Option 2a

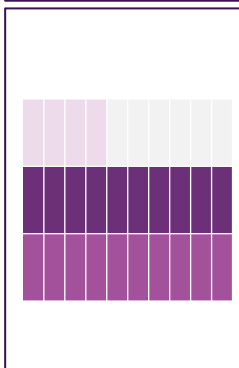


Industry Data Exchange

Option 1

Option 2a

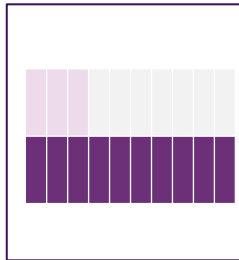
Option 2b



Portal Consolidation

Option 1

Option 2a



Option 1 (SOCl compliance driven)

Available from Q2 2025

IDAM delivery

- Implement Multi Factor Authentication (MFA) to enable two step authentication for the browser services
- Enhance self-certification management process

IDX Foundation & new services

- Migrate from FTP to SFTP
- Move APIs to OAuth authentication and authorisation pattern
- Deliver secure solution for large file transfer

Subject to DP2 - Available from Q4 26 (Wholesale) Q3 27 (Retail)

IDX Transition (legacy services)

- Progressive transition from insecure legacy protocols to secure IDX foundational protocols
- Further reduction in attack surface area

Available from Q2 2025

PC delivery

- Enhance existing browser services to integrate with IDAM to address legislative requirements
- Retire standalone MSATS browser URL, now available in Markets Portal

Option 2 (Strategically Driven)

Available from Q2 2025

IDAM delivery

- Secure Identity and Authorisation target state enabled
- Rationalisation of identity stores and solutions
- Improved audit and monitoring

IDX Foundation & new services

- New services established on target state, secure framework
- Containment of growth of attack surface area

Subject to DP2 - Available from Q4 26 (Wholesale) Q3 27 (Retail)

IDX Transition (legacy services)

- Progressive transition from insecure legacy protocols to secure IDX foundational protocols
- Further reduction in attack surface area

Available from Q2 2025

PC delivery

- Secure Portal framework provided
- Internet enabled services leverage secure framework




Both Option 1 and Option 2 address AEMO and industry's end state SOCl security compliance obligations (within the context of the scope of this business case).

Capability will be available for industry in equivalent timeframes under both options, noting extended sunset timelines requested by industry for IDX Transition subject to DP2.

Option 2 provides further reductions in residual security risk beyond bare minimum compliance through the establishment of secure by design consolidated capability and resulting reduced attack surface area.

Financial Assessment: Full Scope Delivery (Industry-wide)

For IDAM and PC, Option 2 strategic target state compared to Option 1 addresses the key drivers at a delta TCO of \$44M and \$17M respectively – this is a conservative (high watermark) estimate given industry cost impacts associated with IDAM Option 1 and industry cost savings (benefits) associated with IDAM and PC have not been quantified. IDX Option 2 compared to Option 1 has a delta TCO of \$213M, due primarily to the costs associated with migrating legacy services.

		AEMO Costs		Industry Costs	
		Implementation	TCO	Implementation	TCO
<i>Figures presented to nearest million, with a +/- 40% uncertainty range</i>					
 Identity and Access Management	Option 1	\$4	\$20	\$2	<i>Costs expected but unquantified</i>
	Option 2a	\$21	\$28	\$38	<i>Cost-savings expected but unquantified</i>
 Industry Data Exchange	Option 1	\$10	\$46	\$75	<i>Costs expected but unquantified</i>
	Option 2a	\$51	\$71	\$260	<i>Cost-savings expected but unquantified</i>
	Option 2b	\$42	\$62	\$182	<i>Cost-savings expected but unquantified</i>
 Portal Consolidation	Option 1	< \$1	\$2	< \$1	<i>n/a</i>
	Option 2a	\$6	\$8	\$13	<i>Cost-savings expected but unquantified</i>

Recommendations

PROCEED with IDAM Strategic target state, conservative industry-wide delta TCO of \$44M is justified by the reduction in residual security risk and industry pain point benefits.

UNABLE TO RECOMMEND TO FULLY PROCEED AT THIS STAGE – Industry cost impacts relating to transition reflect a high level of uncertainty, recommend a reconsideration of investment approach (see following slide)

PROCEED with PC strategic target state, conservative industry-wide delta TCO of \$17M is justified by the reduction in residual security risk and industry pain point benefits.

Recommendation Summary

Compelling drivers exist to develop new foundational capability across IDAM, IDX and PC areas. Given short term reform roadmap congestion & need for fiscal prudence, *AEMO recommends a phased investment approach for IDX* to address critical security needs, support near-term NEM reforms, provide flexibility for the future & address priority industry pain points.

RECOMMENDATION

RATIONALE



Identity and Access Management

PROCEED with a Strategic target state, AEMO investment of **\$21M¹** over 2 years

- Address key security vulnerabilities and reduce attack surface area – identity management is the most impactful “weak link” in the cyber security chain
- Manage expected increase in identities for management: DERs, small generators
- AEMO TCO cost differential of **\$8M** & total Industry costs of **\$38M** are smaller than the potential cost and customer impact of security breaches



Industry Data Exchange

PROCEED with a Strategic target state Foundation phase, AEMO investment of **\$20M** over 2 years

- As the grid becomes digitised, data exchanged is increasing in volume, frequency and requires lower latency
- IDX Foundation phase represents an efficient and unified implementation of data exchange capabilities across multiple reforms requiring it (AEMO costs are **\$20M** compared to **\$29M** if done initiative by initiative, and participants also see a cost efficiency)
- Migrating legacy services is difficult to assess at this stage given the cost uncertainty and value uncertainty. Deferring the decision point on migrating legacy services – IDX Transition phase – allows for more certainty on cost and value estimates and more information to guide optimising the transition approach.

DEFER decision on Transition phase to Q4 2025.



Portal Consolidation

PROCEED with a strategic target state, AEMO investment of **\$6M** over 2 years

- Portal Consolidation Strategic target state delivers benefits to address identified industry pain points for a TCO cost differential of **\$6M** for AEMO and **\$13M** for industry
- Reduces AEMO’s attack surface area in the most common ‘entry point’ for bad actors

1. All financial figures presented on this slide have a +/- of 40%

Summary: This Business Case

		IDAM		IDX		PC		This Business Case	
		Option 1	Option 2a	Option 1	Option 2a/2b (Foundation)	Option 1	Option 2a	Option 1	Option 2a
AEMO		Figures presented to nearest million, with a +/- 40% uncertainty range							
	Implementation cost	\$4	\$21	n/a	\$20	<\$1	\$6	\$5	\$47
	Cost ² impact to support DER, PQ Data (No foundation)	\$3	\$0	\$7	\$0	n/a	n/a	\$10	\$0
	Cost ³ impact to future NEM reforms in absence of foundation	\$11	\$0	\$22	\$0	n/a	n/a	\$33	\$0
	Delta operational cost ¹ to support new capabilities and legacy services	\$2	\$7	n/a ⁴	n/a ⁴	\$1	\$2	\$3	\$9
	Total cost of ownership (12 years for IDX, 7 years for IDX foundation, IDAM & PC)¹	\$20	\$28	\$29	\$20	\$2	\$8	\$51	\$56
	Total cost of ownership with 40% uncertainty increase	\$28	\$39	\$41	\$28	\$3	\$11	\$72	\$78
	Total cost of ownership with 40% uncertainty decrease	\$12	\$17	\$17	\$12	\$1	\$5	\$30	\$34
Industry	Implementation cost	\$2	\$38	n/a	~\$47 ⁶	<\$1	\$13	\$3	~\$99
	Cost ² impact to support DER, PQ Data (No foundation) Cost ³ to support new reforms other upcoming NEM Reform initiatives (in absence of foundation)	Costs expected but unquantified	\$0	> \$47	\$0	n/a	n/a	> ~\$47 ^{2,3}	\$0
	Delta operational cost ⁵ to support new capabilities and legacy services	unquantified	unquantified	n/a	n/a	unquantified	unquantified	unquantified	unquantified

1. All estimates are incremental cost to the projected current baseline
2. Whilst the cost of implementing DER Data Hub and PQ data are covered in those reforms, there is an assumption in those costs that foundational capability would be in place. This cost impact category relates to the cost impacts incurred in the event that foundational capability would not be in place
3. The energy transition will require an increasing volume, diversity and frequency of data exchange between a wider cohort of energy stakeholders to sustain new market processes. Leveraging the estimated impacts for the upcoming reforms, we anticipate a cost impact on the future budgeted NEM program if the foundational capability was not available, estimated at 10% for data exchange, and 5% for identity management.
4. IDX foundation does not result in a net delta to operational cost noting that new NEM reforms will be responsible for assessing any uplift requirements for their own projects and the uplift to legacy services will be assessed at **Decision Point 2**
5. Industry submissions haven't quantified savings for Delta operational cost
6. Based on industry cost submissions and feedback received in earlier submissions

Summary: Full Investment (including DP2 Transition)

		This Business Case (IDAM, PC, IDX Foundation)		DP2 Business Case: IDX Transition of the legacy services			Full Investment		
		Option 1	Option 2a	Option 1	Option 2a	Option 2b	Option 1	Option 2a	Option 2b
		Figures presented to nearest million, with a +/- 40% uncertainty range							
AEMO	Implementation cost	\$5	\$47	\$10	\$31	\$22	\$15	\$78	\$69
	Cost ² impact to support DER, PQ Data (No foundation)	\$10	\$0	n/a	n/a	n/a	\$10	\$0	\$0
	Cost ³ impact to future NEM reforms in absence of foundation	\$33	\$0	n/a	n/a	n/a	\$33	\$0	\$0
	Delta operational cost ¹ to support new capabilities and legacy services	\$3	\$9	\$7	\$20	\$20	\$10	\$29	\$29
	Total cost of ownership (12 years for IDX, 7 years for IDAM & PC)¹	\$51	\$56	\$17	\$51	\$42	\$68	\$107	\$98
	Total cost of ownership with 40% uncertainty increase	\$71	\$78	\$24	\$71	\$59	\$95	\$150	\$137
	Total cost of ownership with 40% uncertainty decrease	\$31	\$34	\$10	\$31	\$25	\$41	\$64	\$59
Industry	Implementation cost	\$3	~\$99	\$75	\$212	\$134	\$78	\$311	\$233
	Cost ² impact to support DER, PQ Data (No foundation) Cost ³ to support new reforms other upcoming NEM Reform initiatives (in absence of foundation)	> \$47	\$0	n/a	n/a	n/a	> ~\$36	\$0	\$0
	Delta operational cost ⁴ to support new capabilities and legacy services	<i>unquantified</i>	<i>unquantified</i>	<i>unquantified</i>	<i>unquantified</i>	<i>unquantified</i>	<i>unquantified</i>	<i>unquantified</i>	<i>unquantified</i>

1. All estimates are incremental cost to the projected current baseline
2. Whilst the cost of implementing DER Data Hub and PQ data are covered in those reforms, there is an assumption in those costs that foundational capability would be in place. This cost impact relates to the costs estimated in the event that foundational capability would not be in place
3. The energy transition will require an increasing volume, diversity and frequency of data exchange between a wider cohort of energy stakeholders to sustain new market processes. Leveraging the estimated impacts for the upcoming reforms, we anticipate a cost impact on the future budgeted NEM program if the foundational capability was not available, estimated at 10% for data exchange, and 5% for identity management.
4. Industry submissions haven't quantified savings for Delta operational cost

Risk Assessment

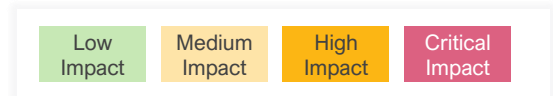
Risk assessment analysis focuses on the risks on transition and achieving the strategic target state

Risk #	Risk Description	Rating (Option 0)	Potential Mitigants (Option 1 and Option 2)	Residual Risk Rating (Option 1)	Residual Risk Rating (Option 2)
1	<p>If foundational capabilities for IDX/IDAM/PC are not established before embarking on subsequent and other future reforms:</p> <p>Impact</p> <ul style="list-style-type: none"> New market services proposed by NEM Reform Program, and subsequent program may be compromised due to lack of identified fit-for-purpose capability. 	High Impact	<p>Option 1:</p> <ul style="list-style-type: none"> Option 1 wouldn't provide any upfront foundational capabilities. This option will follow a reactive approach where upcoming reforms will have localised implementation. <p>Option 2:</p> <ul style="list-style-type: none"> AEMO will implement foundational capabilities to support future reforms for a faster and more flexible adaptation as the market matures and the energy landscape changes. The timeline of the implementation of these foundational capabilities underpinning v3 NEM Reform Implementation program. This allows participants to plan and manage their investment and roadmap for the energy transition AEMO ensure the rationale for a target state is fully considered to balance implementation cost against whole-of-life costs, benefits and security considerations 	High Impact	Medium Impact
2	<p>If AEMO and Industry systems are not ready to meet SOCI compliance and do not follow cybersecurity best practices:</p> <p>Impact</p> <ul style="list-style-type: none"> Existing services have been identified to have known vulnerabilities and lack support for modern authentication and authorisation requirements, which are needed to comply with AESCSF SP1 requirements, which in turn is required to meet new industry obligations introduced under the SOCI Act 	Critical Impact	<p>Option 1:</p> <ul style="list-style-type: none"> AEMO uplifts existing NEM platforms to meet the minimum cybersecurity legislative requirements. Option 1 reflects a reactive rather than secure-by-design Additional work will be required to identify an alternate approach to SOCI compliance for existing services and across other energy markets <p>Option 2:</p> <ul style="list-style-type: none"> The strategic target state architecture is underpinned by the secure-by-design principle to improve security posture by inherently following security best practices right from the design process, thus reducing vulnerabilities 	Medium Impact	Medium Impact
3	<p>If upcoming reforms add extra scope</p> <p>Impact</p> <ul style="list-style-type: none"> Changes to policy and rules, scope and design for the upcoming reforms will impact IDAM/IDX/PC, resulting in increasing scope uncertainty and/or cost 	High Impact	<p>Option 1:</p> <ul style="list-style-type: none"> AEMO will enable a focus on building components that are required 'Day 1' and are less likely to be stranded. This option has a lower need to make a guess on the upcoming scope of the reforms <p>Option 2:</p> <ul style="list-style-type: none"> Implement strategic foundational target state architecture that supports scalability and facilitates faster and more flexible adaption as the energy market undergoes a rapid transformation. 	High Impact	Medium Impact

Risk Assessment

Risk assessment analysis focuses on the risks on transition and achieving the strategic target state

Risk #	Risk Description	Rating (Option 0)	Potential Mitigants (Option 1 and Option 2)	Residual Risk Rating (Option 1)	Residual Risk Rating (Option 2)
4	<p>If Upcoming reforms do not leverage the full capability of IDAM/IDX/PC</p> <p>Impact</p> <ul style="list-style-type: none"> If the full suite of capabilities in IDAM/IDX/PC are not utilised by future reforms, making investments upfront in implementing them may not be worthwhile 	Low Impact	<p>Option 1:</p> <ul style="list-style-type: none"> No upfront investment in the foundational capabilities reduces the risk of regret cost for upfront implementation. <p>Option 2:</p> <ul style="list-style-type: none"> Implementing strategic foundational target state architecture upfront poses the risk of regret cost, mitigated through identification of immediate use cases under DER and Metering Services Review. 	Low Impact	Medium Impact
5	<p>If the industry and AEMO experience resource and management time congestion/constraints, due to a series of initiatives competing for resources to deliver various projects within in NEM Reform Implementation Program:</p> <p>Impact</p> <ul style="list-style-type: none"> Deliverability of the upcoming reforms and meeting timelines may be compromised 	High Impact	<p>Option 1</p> <p>Implement the minimum capabilities to meet the legislative security requirements meaning requires fewer FTEs at any given point in time relative to Option 2a.</p> <p>Option 2</p> <ul style="list-style-type: none"> Implement a strategic target state using a Phased investment approach to enable a more structured approach for the management of option 2 ambitious up-front scope and need for resources reducing duplication of delivery efforts and cost Ensure a collaborative approach with the industry to a robust and detailed transition strategy and roadmap, aligning the industry's requirements with considerations of the industry's concerns The establishment of the strategic and foundational platforms reduces the work required for other reforms in the longer term 	High Impact	Medium Impact
6	<p>If critical existing market functions are impacted due to post go live defects in the system changes implemented</p> <p>Impact</p> <ul style="list-style-type: none"> May impact customers or market functions (e.g. bidding, retail connections) 	Medium Impact	<p>Option 1</p> <ul style="list-style-type: none"> Less of an impact because there are less changes. <p>Option 2</p> <ul style="list-style-type: none"> This risk has been addressed through inclusion of a staged approach including consultation on design, providing LVI capability, a pilot, industry testing and an extended sunset window throughout which current market services remain available 	Low Impact	Low Impact



Risk Rating Methodology

Risk ID	Option 0			Post Mitigation					
	Pre-Mitigation Likelihood	Pre-Mitigation Consequence	Total Rating	Option 1			Option 2		
				Post Mitigation Likelihood	Post Mitigation Consequence	Total Rating	Post Mitigation Likelihood	Post Mitigation Consequence	Total Rating
Risk ID # 1	Almost Certain	Moderate	High	Almost Certain	Moderate	High	Unlikely	Minor	Low
Risk ID # 2	Almost Certain	Extreme	Critical	Possible	Minor	Medium	Unlikely	Minor	Low
Risk ID # 3	Almost Certain	Moderate	High	Likely	Moderate	High	Possible	Immaterial	Low
Risk ID # 4	Rare	Immaterial	Low	Rare	Immaterial	Low	Unlikely	Moderate	Medium
Risk ID # 5	Possible	Moderate	High	Possible	Moderate	High	Possible	Minor	Medium
Risk ID # 6	Unlikely	Moderate	Medium	Unlikely	Minor	Low	Unlikely	Minor	Low

3. Questions and Discussion

Questions

- Open session for additional questions and discussion.



4. Next steps & close

Closure and Next Steps: FaSI Working Group

AEMO would like to thank industry for their participation throughout 2023 via the Foundational and Strategic Initiatives Focus Group (FaSI FG); this participation, collaborative engagement and development of the target state, transition strategy and business case inputs including costs and benefits has enabled the development of this package. The development and assessment of options in the draft business case package would not have been possible without this collaboration.

We also thank industry for providing formal submissions on the draft business case package. The detailed feedback has enabled AEMO to improve the general quality of this document, address ambiguity in language and presentation, and clarify very relevant queries.

Next Steps

- Closure of FaSI Working group
- Given the significant industry-wide investment in time and effort into the assessment, AEMO will review lessons learnt in Q2 2024 following the finalisation of the business case.
 - AEMO will invite industry participation and comment on this process
- Executive Forum will be held **on 28 March** to seek industry support.

Ask of FaSI FG

- Brief your Executive Forum representatives so that they are prepared for the 28 March Executive Forum.

Intended process: Business Case

This process is guided by the NEM Reform investment governance framework, agreed with the Reform Delivery Committee and published in September 2022*:

- ❖ AEMO to put forward a recommended option.
- ❖ Broad industry support will be sought following conclusion of industry workshops.
- ❖ Industry views will inform AEMO internal governance.



*Published information and materials:

<https://aemo.com.au/en/initiatives/major-programs/nem-reform-implementation-roadmap>

Legend: ● AEMO publishes materials □ Feedback due □ Forum/workshop/survey

Please reach out



NEMReform@aemo.com.au



[AEMO | NEM Reform Foundational & Strategic Initiatives Focus Group](#)





For more information visit

aemo.com.au

Appendix A

AEMO Competition Law - Meeting Protocol

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, all participants agree to adhere to the CCA at all times and to comply with appropriate protocols where required to do so.

AEMO has developed meeting protocols to support compliance with the CCA in working groups and other forums with energy stakeholders. Before attending, participants should confirm the application of the appropriate meeting protocol.

Please visit: <https://aemo.com.au/en/consultations/industry-forums-and-working-groups>