

MINUTES

MEETING: Reform Delivery Committee – Meeting 1
 DATE: Wednesday, 10 November 2021
 TIME: 3.00pm to 5.00pm (AEDT)
 LOCATION: By MS Teams

ATTENDEES:

NAME	COMPANY	REPRESENTING
Violette Mouchaileh (Chair)	Australian Energy Market Operator (AEMO)	AEMO
Tony Chappel	AEMO	AEMO
Ben Davis	Australian Energy Market Commission (AEMC)	AEMC
Mark Feather	Australian Energy Regulator (AER)	AER
Fergus Stuart	Origin Energy	Australian Energy Council (AEC)
Annemie Kotze	Stanwell Corporation	AEC
Michael Bell	Red Energy/Lumo Energy	AEC
Stefanie Monaco	Red Energy/Lumo Energy	AEC
Eva Hanly	TransGrid	Energy Networks Australia (ENA)
Greg Hannan	CitiPower/Powercor/United Energy	ENA
Declan Kelly	Flow Power	Energy Efficiency Council (EEC)
David Headberry	Major Energy Users Association (MEU)	MEU
Brian Spak	Energy Consumers Australia (ECA)	ECA
Andrew Richards	Energy Users Association Australia (EUAA)	EUAA
Craig Memery	Public Interest Advocacy Centre (PIAC)	PIAC
Craig Chambers	Engevity	Clean Energy Council (CEC)

APOLOGIES:

NAME	COMPANY	REPRESENTING
Rob Amphlett Lewis	Ausgrid	ENA

GUESTS:

NAME	COMPANY	REPRESENTING
Kate Reid	AEMO	AEMO
Peter Carruthers	AEMO	AEMO
Trent Morrow	AEMO	AEMO
Ulrika Lindholm	AEMO	AEMO
Kevin Ly	AEMO	AEMO
Jo Witters	Energy Security Board (ESB)	ESB
Suzanne Falvi	ESB	ESB
Anna Livsey	PIAC	PIAC

1. Welcome

Ms Mouchaileh, AEMO's Executive General Manager Reform Delivery, gave an acknowledgement of country and welcomed the members and guests to the meeting. At the invitation of Ms Mouchaileh, members and guests introduced themselves.

Ms Mouchaileh outlined the meeting's agenda and objectives of the session.

2. Purpose and Context

Ms Mouchaileh outlined AEMO's objectives in establishing the Committee including engaging industry early and collaboratively in the process of sizing, scoping and sequencing the reform agenda in order to de-risk reform delivery, and minimise implementation costs. The Regulatory and IT Implementation Roadmap ("Roadmap") would seek to take a portfolio approach rather than considering reforms on a project-by-project basis.

Ms Mouchaileh noted the purpose of the session which included outlining potential features of the roadmap, what was in and out of scope of the roadmap, discussing roadmap development principles and ways of working.

3. Draft Terms of Reference (ToR)

Mr Chappel introduced the draft interim Terms of Reference, reiterating that the Committee's purpose was to determine how to best drive down costs and risk in the delivery of reforms. Mr Chappel said he was confident that working together the Committee and industry will be able to land on the best pathway to drive down costs.

Mr Chappel indicated that AEMO would seek to settle an interim terms of reference by the next meeting which could be updated for the next phase of work following establishment of an initial Roadmap.

Mr Chappel indicated there would be further opportunity through the agenda to discuss the draft Terms of Reference and invited further feedback following the meeting.

With respect to the scope Mr Chappel indicated this Committee's focus will be on the implementation of reforms. There would be other market body forums and processes which would focus on policy development.

Mr Richards stated that this shouldn't preclude the Committee from identifying gaps and conflicts which could be referred back to the ESB or AEMC. Ms Mouchaileh agreed and added that the Committee's work may uncover more cost-effective ways of solving particular problems and in that way may inform policy processes.

Mr Headberry asked whether it was in scope of the Committee to consider ways of better achieving a policy's intent. Ms Mouchaileh responded this will depend on the issue and could be considered on a case by case on how to take such proposals forward.

Ms Monaco queried whether the objective was to drive down costs for industry or AEMO. Mr Chappel responded that the objective was to drive down whole of system costs which would ultimately benefit consumers.

Mr Richards suggested that the Terms of Reference refer to "least cost" not just "lower costs".

Action: AEMO to refine the wording in the Terms of Reference reflecting the Committee's feedback.

4. Overview of ESB reform work program

Ms Witters and Ms Falvi presented an overview of the Post 2025 Market Design Program.

Mr Morrow presented Section 3 of the slide pack on ESB reform initiatives including on Resource Adequacy Mechanisms, Essential System Services, Scheduling and Ahead Mechanisms, Integration of DER and Flexible Demand.

Mr Bell queried whether other externally imposed changes, such as the Consumer Data Right, would be taken into account in the Roadmap. Ms Mouchaileh responded that the initial priority was to develop a baseline Roadmap for ESB reforms, with a second phase of work looking to incorporate other reforms.

The Committee discussed whether all issues raised during Committee meetings should be discussed fully during Committee meetings or whether it was appropriate to take some issues off-line for a detailed discussion with interested members and report back to the Committee on the outcome of the discussion.

With respect to the Integration of DER and Flexible Demand, Mr Memery made the point that a different approach to the traditional rule change consultation and determination process may be necessary given customers, and not just market participants, are key stakeholders in these reforms. It may be necessary to consult on, sequence and message these reforms differently. Ms Mouchaileh responded that this may also be relevant to the implementation stage of reforms with respect to public communications. Mr Feather added that the DER Implementation Plan takes a collaborative approach.

Mr Morrow presented on the Impact Assessment and Technology Heatmap and Pre-requisite Projects. Mr Bell commented that an impact assessment should not only consider impacts on AEMO.

5. Regulatory and IT implementation roadmap

Mr Carruthers presented on Roadmap Format, Assumptions and Principles.

Mr Bell suggested there may be online collaborative tools we can utilise to prepare and present the Roadmap. Ms Mouchaileh requested that Mr Bell investigate options and share these back with the Committee.

Mr Stuart commented it was important to get the timeframe between rule changes being made and go live dates right and that efficiencies could be achieved by undertaking some procedure development in parallel with the finalisation of rules. Flexibility at the rule change level around bundling would also achieve efficiencies.

Mr Carruthers stated that it would be beneficial to be able to map out transitional activities so that participants can bring forward planning.

Ms Mouchaileh added that AEMO aimed to have these discussions early with participants so that when the AEMC is consulting on rule commencement dates, input can be provided based on industry engagement.

Mr Davis commented that when considering delaying some reforms in order to be able to bundle these with other reforms to save on implementation costs this will also delay the benefits of reforms being delayed, both sides of equation need to be considered.

Mr Richards stated it was important to understand the cost of reforms for AEMO. Ms Mouchaileh responded this was one of the intentions of the Roadmap process. The ESB advice to governments was informed by an assessment of consequences and costs for AEMO. Ms Mouchaileh emphasised it was important that AEMO be transparent and continue to update its assessment of these costs.

Mr Memery recommended (post meeting due to connectivity challenges) that a distinction be made between objectives (outcomes sought) and principles (factors to be considered and balanced to achieve the objectives).

Action: *AEMO to review and refine the Principles reflecting the Committee's feedback.*

6. Forward Plan for the Committee

Mr Carruthers presented on a potential development approach and forward plan for the Committee, including an outline for a workshop based approach.

Mr Stuart commented that a workshop approach seemed appropriate, while Mr Headberry was concerned about the time intensive nature of this approach over the December/January period.

On the topic of engaging other members of the peak bodies, Ms Monaco suggested that AEMO attend AEC and ENA meetings before doing workshops.

Mr Kelly suggested it was also possible for Committee members to circulate material before workshops to their fellow peak body membership for input if materials are available early enough.

Mr Hannan commented that the importance of the task meant that the Committee members will make prioritise the work of the Committee. However, it was acknowledged by Mr Hannan and Ms Mouchaileh that it may not be possible for all members to attend every workshop.

7. Next Steps

Ms Mouchaileh thanked members for their representation and attendance at the first Committee Meeting.

Ms Mouchaileh invited members to provide further feedback and undertook to return to the Committee with revised documents, including the Terms of Reference, Principles and Development Approach.

Ms Mouchaileh also undertook to provide a draft schedule and program of workshops that will form the collaborative process.

Action items

Item #	Action	Responsibility	Due Date
1	Mr Bell to investigate online collaborative tools and report back to the Committee with options.	Mr Bell	Next meeting
2	Committee members to provide any further feedback on the Terms of Reference, Principles and Development Approach.	Committee members	End of November
3	Provide revised documents, including the Terms of Reference, Principles and Development Approach.	AEMO	Prior to next meeting
4	Prepare and circulate a draft schedule and program of workshops that will form the collaborative process.	AEMO	End of November