Forum meeting record

NEM Reform Delivery Committee (RDC) #10

Forum:	NEM Reform Delivery Committee #10
Date:	24 May 2023
Time:	10:00AM – 12:00PM AEST
Location:	Via Microsoft Teams

Attendees:

Name	Company	Representing
Andrew Pirie	Australian Energy Market Commission (AEMC)	AEMC
Declan Kelly	Flow Power	Demand side management
Dominic Adams	Energy Networks Australia (ENA)	Networks
Dor Son Tan	ENA	Networks
Fergus Stuart	Origin Energy	Retail and Generation
Geoff Hargreaves	Red Energy/Lumo Energy	Retail
Lisa Shrimpton	AEMC	AEMC
Liz Gharghori	AGL	Retail and Generation
Michael Bell	Red Energy/Lumo Energy	Retail
Victoria Mollard	AEMC	AEMC
Violette Mouchaileh	Australian Energy Market Operator (AEMO) (Chair)	AEMO

Guests:

Name	Company	Representing
Andrew Bell	AEMO	AEMO
David Reynolds	AEMO	AEMO
Lance Brooks	AEMO	AEMO
Lee Brown	AEMO	AEMO
Lenard Bayne	AEMO	AEMO
Peter Carruthers	AEMO	AEMO
Ulrika Lindholm	AEMO	AEMO

Apologies:

Name	Company	Representing
Brian Spak	Energy Consumers Australia (ECA)	Consumers
Craig Chambers	Engevity	Renewable energy
Craig Memery	Public Interest Advocacy Centre (PIAC)	Consumers
Greg Hannan	CitiPower/Powercor/United Energy	Networks
Jo Witters	ESB	ESB
Mark Feather	Australian Energy Regulator (AER)	AER
Michael Bradley	Australian Energy Market Commission (AEMC)	AEMC

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1   Welcome
Violette Mouchaileh (Slides 2-4)

- Acknowledgement of country and welcomed members and guests to the meeting.

- Participants provided with a brief overview of the agenda items and meeting objectives.

2   Review of Action Items from Previous Meeting
Peter Carruthers (Slide 6)

- Action item 9.3.0 remains open. A verbal update was provided at the meeting. AEMO will provide a documented update ahead of the August RDC meeting.

- Action items 9.4.1 and 9.5.0 were closed.

- No feedback received from previous meeting.

3   Change Management Update

Operational Security Mechanism
Victoria Mollard (Verbal update)

- AEMC provided a verbal update on Operational Security Mechanism (OSM).

- The AEMC requested that AEMO pause on the high-level implementation design and will provide an update to the RDC following the release of a public statement on OSM next steps on the AEMC website.

Raised By	Question/Comment	Response
Dominic Adams	Do we have any idea on what this might mean for the overall timelines for the OSM project and the final determination date?	Members are requested to refer to the communication on the AEMC website for further information.
	Do we have a new test candidate for the informed go live process?	This is dependent on the advice from AEMC. AEMO indicated it will likely be the next reform that progresses sufficiently through the rules making process.

FTA Model 2 (Unlocking CER benefits through flexible trading)
Lisa Shrimpton (AEMC Slides)

- AEMC provided an update on unlocking CER benefits through flexible trading with the below three key areas of focus:

  – Separately identifying CER

  – Introducing flexible trading (multiple FRMPs)

  – Unmetered street furniture

- It was noted that 65 submissions were received as part of the consultation. A directions paper will be released in July and will cover three broad elements of the rule change to establish what changes are required now with respect to the rules and what the AEMC will need to further consider.

Raised By	Question/Comment	Response
Fergus Stuart	From a retailer perspective, take up from customers would need to be high and you'd need to have a large cohort of customers to make it worthwhile. Should we have an opt in approach as industry would be looking at the cost benefits.	AEMC to undertake a benefits analysis on the customer and system benefits provided by CER load flexibility when considered under both business-as-usual conditions and if changes are made. Option costs will also be assessed.
Geoff Hargreaves	We welcome the more holistic approach and are interested in seeing the directions paper. What type of implications do you expect in relation to timing for this program of work.	The AEMC are working towards completing the rule change process by Q1 2024

- AEMC outlined below the next steps and related CER work;
  - AEMC has considered submissions along with their own analysis, the issues and spectrum of options.
  - AEMC expect to publish a directions paper setting our analysis and proposed directions around the end of July 2023.
  - The AEMC intend to undertake a cost/benefit analysis of the options/proposals considered.
- An indicative timeline is outlined below.

Raised By	Question/Comment	Response
Peter Carruthers	Regarding the timeline. How should we include this into the Implementation Roadmap to provide industry with some guidance?	The AEMC aims to complete the final determination by year end 2023 or January 2024.

Capacity investment scheme (CIS)   Lance Brooks (Slide 10)

- AEMO advised that the Commonwealth Government are working through policy design for CIS following the recent government budget announcement.
- AEMO noted that given the current policy direction for CIS it appears unlikely to be a significant industry wide investment in IT systems or business processes.

- Energy Security Board (ESB) is developing a rule change request for 'enhanced information' intended to promote more informed investment and siting decisions.

- ESB is working with senior officials and stakeholders to develop the voluntary CRM and priority access model. Consultation is due to close on 26 May.

- An outline of the consultation timeline is provided on slide 11 of the accompanying slide pack.

- AEMO await the Energy Ministers final decision on policy recommendations, as well as the outcomes of the rule change process prior to commencing the change management process on scope and timeline if and when required.

4   Taking Cost Out for Industry and Consumers   Peter Carruthers (Slides 13 – 15)

- AEMO recapped on the blueprint assessment and noted as part of the consultation approach, AEMO is proposing to put this approach on hold until the completion of the consultation on Identity and Access Management (IDAM), Industry Data Exchange (IDX) and Portal Consolidation (PC).

- AEMO presented findings of bundling and sequencing and prioritisation with findings outlined on slide 14 with potential opportunities to be assessed in the coming week/months with the RDC ahead of the next iteration of the Roadmap.

Raised By	Question/Comment	Response
Dominic Adams	Is AEMO looking for information from us to feed into what this will mean for members or is this a high level for now as we have a process that can go down into the detail which should give you that feedback that you need. If we are being asked to give it a thumbs up for now, we'll need to have a deeper dive and include some of our members who really understand what these things mean from a timing perspective for their implementation and costs.	AEMO is looking to obtain initial thoughts in terms of the next steps and note that the next steps are the ones where the opportunities will be provided to take each individual recommendation and to assess if it makes sense. In the case of Scheduled Lite for example, it is proposed that an informed go live date process will be undertaken that will provide you and your members an opportunity to assess what that means and to make your comments on whether it makes sense to sequence and align it with the May 2025 release of FPP.
Violette Mouchaileh	AEMO is looking for opportunities and will assess each on individual merit and will consider possible implications to industry.	
Fergus Stuart	There are three proposals from the blueprint process where there are initiatives that are subject to policy	Agreed. AEMO will pick that up in our next section of this meeting when we talk about the stage gates.

Raised By	Question/Comment	Response
	rules development and I think we need to have a bit of a prioritisation around what we are trying to look at. We should prioritize and get our order right around activities that are coming up in the next 12-18 month timeframe rather than something that remains subject to policy and rules development with associated uncertainty around implementation timelines.	In addition, we will look firstly at the top to bottom of where we think things might land and noting that the point is that we are seeing regulatory determinations in general moving to the right.

- AEMO presented examples of potential candidates for taking costs out of industry subject to RDC and industry consultation. These include SCADA Lite, OSM & ORM and NEM Reform Test Harness. No action will be undertaken on these at present. Further information is outlined on slide 15 of the accompanying slide pack.

5 Stage Gate Update

- AEMO outlined the stage gates key observations and noted the next steps on slide 17 of the accompanying slide pack. In addition, AEMO provided an indication of what is likely to be included in the upcoming stage gate Q3 /2023 (Tranche 2) funding.

- AEMO advised that CIS, DER Data Hub & Registry services, Data services and EV charging standing data register will be candidates for Q3 funding.

- In addition, AEMO advised that subject to industry consultation, IDAM, IDX, SCADA lite will also be part of the Q3 funding.

Raised By	Question/Comment	Response
Andrew Pirie	Any further information regarding network visibility from AEMO's side?	At this stage, Bill Transparency and Network Visibility are not near term implementation initiatives.
Dominic Adams	Is there any updates on how and when the work on Dynamic Operating Envelopes might progress based on recent trials incl Project Edge?	AEMO will provide an update at the next RDC meeting.

6 Progression of Foundational & Strategic initiatives

Recap of context

- AEMO provided a recap on the overview of these initiatives with information outlined on slide 23 of the accompanying slide pack.

Consultation update

- AEMO provided an overview of the consultation activities to date. AEMO is seeking RDC's advice in relation to progressing the business case. A consensus position will be sought from RDC members at the August meeting.

- AEMO provided an overview of the IDAM solution capability and outlined key pain points from industry. Further information is outlined on slide 25 of the accompanying slide pack.

Raised By	Question/Comment	Response
Fergus Stuart	How is the consultation applying weighting to the pain points identified to identify what's really important?	AEMO conducted a survey following the Discovery phase for IDAM and Portal Consolidation, asking participants to indicate relative priority of pain points and benefits identified by participants at the Discovery workshops The results have been circulated with the focus group and published on AEMO's website.
	As a suggestion, We should consider taking the business case to the Executive Forum for wider industry review/consensus.	AEMO will consider this approach for the upcoming Executive forum.

- AEMO presented to RDC members an overview of sentiment and insights from industry participants, coming out of the pain points and benefits survey and Target state Technical focus group workshop. Key details outlined on slide 26 of the accompanying slide pack.

Business case approach

- An outline of the proposed approach for the business case for all three initiatives was presented to RDC members. An indicative outline was provided and is available on slide 28 of the accompanying slide pack.

Next steps

AEMO outlined on slide 29 the next steps and actions for the Foundational & Strategic initiatives.

7   Other Business

- No other business.

8   Thanks and Close   Violette Mouchaileh (Slide 31)

- Ms Mouchaileh thanked members for attending the meeting and advised that the next RDC Collaborative workshop will be held on 2 August 2023, followed by the RDC meeting on 29 August 2023.

OPEN ACTION ITEMS

(Item = Meeting # – Agenda # – Reference)

Item	Topic	Action	Responsible
10.4.0.1	Informed Go Live	At the appropriate time, AEMO to inform the RDC of which initiative we'll seek to trial the informed go live process	AEMO
10.5.0.2	Stage Gate Update	AEMO to provide an update on how and when the work on Dynamic Operating Envelopes might progress based on recent trials incl Project Edge	AEMO
10.6.0.1	Progression of Foundational & Strategic initiatives	RDC members to provide any feedback on business case approach including what broad industry consensus may look like by COB Friday 9 June.	RDC Members
10.6.0.2	Progression of Foundational & Strategic initiatives	AEMO to consider what broad industry consensus might look like and the potential for the Executive Forum to play a role in the approval process.	AEMO
10.6.0.3	Progression of Foundational & Strategic initiatives	AEMO to consider RDC feedback on business case and share draft business case for discussion ahead of the August RDC meeting.	AEMO
10.6.0.4	Progression of Foundational & Strategic initiatives	AEMO to share Industry pain points and benefits survey results with RDC members.	AEMO
10.6.0.5	Progression of Foundational & Strategic initiatives	AEMO to consider tabling the Foundational & Strategic initiatives business case at the upcoming Executive forum.	AEMO
9.3.0	Change Management Update & Ask of the Committee	AEMO to present at the next meeting on any lost and emerging bundling opportunities to consider when updating the Roadmap.	AEMO

CLOSED ACTION ITEMS

(Item = Meeting # – Agenda # – Reference)

Item	Topic	Action	Responsible
9.4.1	Taking Cost Out for Industry and Consumers	RDC members to provide feedback on the approach to exploring opportunities to Take cost out for industry and consumers by emailing NEMReform@aemo.com.au.	RDC Members
9.5.0	Stage Gate Update	AEMO to update the Stage Gate documents as described and share with RDC members for feedback ahead of publishing external documents.	AEMO