

Forum meeting record

NEM Reform Delivery Committee (RDC) #11

Forum:	NEM Reform Delivery Committee #11
Date:	29 August 2023
Time:	10:00AM – 12:00PM AEDT
Location:	Via Microsoft Teams

Attendees:

Name	Company	Representing
Andrew Pirie	Australian Energy Market Commission (AEMC)	AEMC
Christiaan Zuur	Clean Energy Council	Renewable energy
Declan Kelly	Flow Power	Demand side management
Dominic Adams	Energy Networks Australia (ENA)	Networks
Fergus Stuart	Origin Energy	Retail and Generation
Geoff Hargreaves	Red Energy/Lumo Energy	Retail
Greg Hannan	CitiPower/Powercor/United Energy	Networks
Michael Bell	Red Energy/Lumo Energy	Retail
Violette Mouchaileh	Australian Energy Market Operator (AEMO) (Chair)	AEMO

Guests:

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

1 Welcome

Violette Mouchaileh (Slides 2-4)

- Acknowledgement of country and welcomed members to the meeting.
- Participants provided with a brief overview of the agenda items and meeting objectives.
- Chair welcomed Christiaan Zuur (Clean Energy Council) who will be replacing Craig Chambers at the RDC. It was noted that Liz Gharghori who has moved positions with a replacement yet to be confirmed. In addition, Geoff Hargreaves will discuss with Peter Carruthers regarding a suitable replacement.
- AEMO provided an update regarding the Consumer representatives at RDC.

2 Review of Action Items from Previous Meeting

Peter Carruthers (Slides 5-7)

RDC Meeting Action Items

(Slide 6)

Items 10.4.0.1 and 10.5.0.2 remain open with an update expected at the November RDC meeting/workshop.

Raised By	Question/Comment	Response
Fergus Stuart – Origin Energy	An indication of informed go live process was well received from Executive Forum members and the RDC should look to leverage that.	Agreed.

Remaining RDC action items were closed.

RDC Workshop Action Items

(Slide 7)

- Item 3.6.2.1 discussed as part of agenda item 3.
- Remaining RDC workshop action items were closed.

3 Change Management and Roadmap Update

Lance Brooks (Slides 8-21)

- AEMO presented proposed changes to the “Roadmap” and supporting artefacts and sought endorsement from members for their release in October. A draft roadmap and supporting documents were provided prior of the meeting and taken as read.

FTA Model 2 (Unlocking CER benefits through flexible trading)

(Slide 9)

- AEMO provided an update on ‘Unlocking CER benefits through flexible trading’ rule change and noted that the Roadmap has been updated to reflect the change in timing for the rule change consultation. AEMO added that no change has been made at this time to assumed implementation requirements. AEMO outlined the three core areas within the AEMC’s directions paper.
- AEMO provided the indicative timings as outlined in the AEMC paper and are listed below:
- Draft determination – December 2023
- Final determination – April/May 2024
- Additional information on the rule change is outlined on slide 9 of the accompanying slide pack.

Raised By	Question/Comment	Response
Andrew Pirie – AEMC	Submissions to the Directions paper are due middle of September 2023.	Noted.
Fergus Stuart – Origin Energy	Regarding the reference to less complexity. Do you therefore attach that to less impact to participants and less cost for implementation?	In terms of the scope considerations, the first one is the original AEMO model to apply to large customers, but not to small customers and therefore reduces complexity significantly for retailers, distributors and AEMO.

Integrating price-responsive resources into the NEM

(Slide 10)

- AEMO provided an update on 'Integrating price-responsive resources into the NEM' rule change and noted that the roadmap has been updated to reflect change in timing for the rule change consultation. AEMO added that no change has been made at this time in assumed implementation requirements. AEMO outlined the two modes within the AEMC's formal consultation under review.
- AEMO provided the indicative timings as outlined in the AEMC paper are listed below:
- Draft determination – December 2023
- Final determination – May 2024
- Additional information on the rule change is outlined on slide 10 of the accompanying slide pack.

Operating Reserve Market

(Slide 11)

- AEMO noted AEMC's publication of the Operating Reserve Market direction paper. AEMO noted that the AEMC has indicated that it will not be recommending the implementation of an Operating Reserve Market citing it would not offer any performance improvements relative to the current arrangements. AEMO noted the AEMC will instead assess options for incremental improvements to existing frameworks. Based on this change in direction, AEMO noted that the indicative implementation timeline within the Roadmap will be replaced with a placeholder until further information is available regarding the incremental options.
- AEMO provided the indicative timings as outlined in the AEMC paper are listed below:
- Draft determination – October 2023
- Final determination – End of 2023

DER Initiatives Update

Lance Brooks (Slide 12)

AEMO provided an update on DER initiatives and proposed conducting a holistic review of all initiatives to assess the opportunities, impacts or challenges for Industry Participants and how they may be accounted for in the Roadmap / Program at the November RDC Collaborative Workshop. The chair noted that further detail will be needed from ESB's coming CER and Data End of Program report to inform what is relevant to consider. Further information is available on slide 12 of the accompanying slide pack.

Roadmap + Supporting Artefacts

Lance Brooks (Slides 13-21)

- AEMO advised that 2025 remains a congested delivery year despite policy / rules delays and direction changes. Key considerations are outlined on slide 16 of the accompanying slide pack. AEMO will continue to assess opportunities for bundling, sequencing, and prioritisation. In addition, AEMO outlined that several initiatives are close to final policy / rules change outcomes which may further added to the congestion in the coming years. Key considerations are outlined on slide 17 of the accompanying slide pack.

Raised By	Question/Comment	Response
Christiaan Zuur – Clean Energy Council	Regarding CRM priority access suggest for AEMO to provide greater clarity on the cost and benefits to implement to inform future policy decision.	Noted. AEMO provided order of magnitude costs into the ESB's assessment of cost and benefits and will ensure that up to date cost

Raised By	Question/Comment	Response
		estimates are provided for transparency.
Dominic Adams – Energy Networks Australia (ENA)	Regarding the congestion for 2025, it appears that the trend seems to be simplified significantly across many of these. Is the congestion issue mitigated by the way these projects are moving?	While recent changes for certain initiatives have simplified the scope of their implementation, there are still several complex initiatives that may reach a final policy or rules decision on the horizon and when coupled with the proposed implementation of foundational and strategic initiatives issues regarding congestion are likely to remain.
Fergus Stuart – Origin Energy	Are the F&S initiatives interlinked. Can they be shifted? If the F&S initiatives are interlinked with reforms, then we should look to accelerate those parts and consider options for reducing technology risks.	AEMO will put forward for discussion with the RDC a prioritisation assessment of those initiatives contributing to congestion within the NEM Reform Program no later than Q1 2024.
Christiaan Zuur – Clean Energy Council	Slide 21 For the second dot point in ‘Ask of the Committee’, suggest providing clarity regarding CRM/PA implementation costing.	Agreed. Action taken by AEMO to update the ‘Ask of Committee’ and for that ask to be shared with Committee members out of session.
Fergus Stuart – Origin Energy	I would like to see a commitment to the prioritisation of the 2025 work by a date.	

4 Stage Gate Update

Lance Brooks (Slide 23)

- Slides taken as read.
- Updates have been made to reflect changes in policy or rule change consultation timelines. Further information is available on slide 23 of the accompanying slide pack.

5 Progression of Foundational & Strategic initiatives

Ulrika Lindholm (Slides 22 – 29)

- AEMO provided an overview of the consultation activities to date and noted good participation from industry.
- AEMO presented indicative industry views on transition for Identity and Access Management Portal Consolidation and Industry Data Exchange investment phasing. This is based on in-session voting by focus group members. Further information is outlined on slide 30-31 of the accompanying slide pack.
- AEMO presented the consolidated strawman roadmap which represents consideration of dependencies across the initiatives. Further information is outlined on slide 32 of the accompanying slide pack.

- AEMO presented options for the business case which are outlined on slide 34 of the accompanying slide pack.
- AEMO outlined the next steps on slide 37 of the accompanying slide pack and requested members provide feedback on the following:
 - Case for change narrative
 - Direction of travel
 - Business case process

Raised By	Question/Comment	Response
Andrew Pirie – AEMC	Has the consultation shown dependencies with reform initiatives?	Yes, especially DER.
Greg Hannan - CitiPower/Powercor/United Energy	From a DNSP perspective, we'd rather have certainty early so we can apply this to our planning process	Noted with thanks.

6 Other Business

- A verbal update was provided regarding the recent Executive Forum meeting. It was recommended by majority members that the cadence should be 3-4 times per year. AEMO advised the need to revisit the representation for this forum.

7 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 1 November 2023, followed by the RDC meeting on 28 November 2023.

OPEN ACTION ITEMS

(Item = Meeting # – Agenda # – Reference)

Item	Topic	Action	Responsible
11.1.0.1	Welcome	AEMO and Red Energy/Lumo Energy to discuss a suitable profile for replacement representative.	Peter Carruthers, Geoff Hargreaves
11.3.0.1	Change Management and Roadmap Update	Members to discuss DER Initiatives at the November RDC Collaborative workshop.	AEMO
11.3.0.2	Change Management and Roadmap Update	AEMO to ensure details on the costs and benefits analysis for CRM / Priority access are updated as part of the ESB's assessment.	AEMO
11.3.0.3	Change Management and Roadmap Update	AEMO to provide clarity on the 2025 dependencies, and potential sequencing options as part of an overall prioritisation assessment of those initiatives contributing to congestion within the Program no later than Q1 2024.	AEMO

Item	Topic	Action	Responsible
11.3.0.4	Change Management and Roadmap Update	Members to provide feedback on a revised 'Ask of the Committee' and publication of v3 Roadmap and supporting artefacts as outlined on slide 21 by 15 September.	Committee members
11.5.0.1	Progression of Foundational & Strategic initiatives	Members to optionally provide feedback on the Foundational & Strategic initiatives case for change narrative, direction of travel and business case process by 8 September.	Committee members
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

CLOSED ACTION ITEMS

(Item = Meeting # – Agenda # – Reference)

Item	Topic	Action	Responsible
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