

Forum meeting record – Reform Delivery Committee (RDC) Workshop #4

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| Forum: | Reform Delivery Committee Workshop #4 |
| Date: | 7 February 2024 |
| Time: | 1:00PM – 3:00PM AEDT |
| Location: | Via Microsoft Teams |

Attendees:

| Name | Company | Representing |
|-----------------------------|----------------------------------|-------------------|
| Greg Hannan | CitiPower/Powercor/United Energy | Networks |
| Geoff Hargreaves | Red Energy | Retail |
| Dominic Adams | ENA | Networks |
| Dan Mascarenhas | Energy Australia | Retail/Generation |
| Amy Wiech | AEMC | AEMC |
| Genevieve Schulz | AEMC | AEMC |
| Lisa Shrimpton | AEMC | AEMC |
| Violette Mouchaileh (Chair) | AEMO | AEMO |
| Andrew Bell | AEMO | AEMO |
| Dominic Mendonca | AEMO | AEMO |
| Lance Brooks | AEMO | AEMO |
| Lenard Bayne | AEMO | AEMO |
| Michelle De Saram | AEMO | AEMO |
| Monica Morona | AEMO | AEMO |
| Peter Carruthers | AEMO | AEMO |
| Ulrika Lindholm | AEMO | AEMO |

1 Welcome

Violette Mouchaileh (Slides 1-4)

- Welcome, acknowledgement of country and outlined agenda for today’s workshop.

2 Actions & Feedback from Previous Workshop & Meeting

Peter Carruthers (Slides 4-5)

RDC Workshop Actions

- Item 3.2.0.1 was closed.

RDC Meeting Actions

- All action items were closed.

3 AEMC Rule Change Update

Genevieve Schulz & Lisa Shrimpton (Slides 5-6)

- AEMC provided an overview of the Unlocking CER benefits through flexible trading rule change and advised that a draft determination will be published on 29 February 2024.

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- AEMC provided an overview of the improving security frameworks for the energy transition rule change and noted the a final determination is to be published on 29 March 2024..
- The AEMC advised that at the next RDC meeting in March, an update will be provided for the following rule changes:
 - Integrating price-responsive resources into the NEM; and
 - Enhancing reserve information

| Raised by | Question/Issue Raised | Response |
|------------------------|--|---|
| Dominic Adams - ENA | Would the Improving security frameworks for the energy transition and unlocking CER benefits through flexible trading be a suitable candidate for an informed go live? | <p>AEMO intend to take the Unlocking CER benefits through flexible trading through the informed go-live process and have commenced drafting of a High-Level Implementation Design (HLID) and Participant Impact Assessment for stakeholder consideration. This material will be released post draft determination.</p> <p>Given a pending final determination in March for the Improving security frameworks for the energy transition rule change AEMO do not intend to take this through a formal informed go-live process. However, AEMO is aware of key proposed dates and is intending to draft a HLID / PIA for this rule change, with recently work commencing. Where appropriate, AEMO intend to share its findings that may impact on its ability to meet the AEMC’s proposed timelines – noting AEMO have previously indicated to the AEMC a DEC 2025 go-live for certain aspects of the rule change would be difficult to meet (refer to AEMO’s submission to the AEMC’s Second Update Paper).</p> |
| | Improving security frameworks’ rule may have potential impacts on structure of participants contracts with TNSP’s. | Noted. Additional work required to understand overall impacts and what may be implemented in time to align with key proposed dates |

4 Change Management & Roadmap Update

Lance Brooks (Slides 8-12)

- AEMO advised that several material (and incremental) changes to the NEM Reform Implementation Roadmap (v3.1) were made and published in December 2023. Key changes captured in v3.1 are outlined on slide 9 of the accompanying slide pack.
- AEMO outlined the next steps for publication of v4 of the Roadmap with detailed information outlined on slide 10 of the accompanying slide pack.
- AEMO highlighted on slides 11 and 12 (in bold) the changes made since the previous RDC workshop in November 2023 and that it intends to capture as part of v4 of the Roadmap.
- In addition, AEMO advised that investment approval for SCADA lite was provided late 2023. AEMO are currently conducting a proof of concept with an expected date of April/May 2024.
- AEMO advised that a Change Register (v4) would be shared with RDC members post workshop for review and input.

- AEMO added that the Roadmap changes are mainly rule change driven and are assumed to be accepted by RDC unless any concerns raised.

5 Bundling Opportunities Review

Lance Brooks (Slides 13-17)

- AEMO provided a recap on the discussions at the November workshop associated with prioritisation and bundling opportunities. Further details are outlined on slide 14 and 15 and Appendix C of the accompanying slide pack.
- AEMO proposed a refresh of the program wide Participant Impact Assessment (PIA) for those initiatives with CY24-CY26 release dates, to act as a basis for a bundling and sequencing opportunities review. Detailed information on this assessment is outlined on slide 16 of the accompanying slide pack.
- AEMO outlined its intention to share a PIA template based on previously conducted assessments, including the RDC's initial assessment conducted in 2022 and circulate to RDC members for review and input.

| Raised by | Question/Issue Raised | Response |
|---------------|---|---|
| Dominic Adams | Regarding timings, how long will RDC members have to complete the template? | Approximately 4 weeks, noting the March 2024 RDC meeting provides an opportunity to discuss the assessment. |

6 Foundational & Strategic Initiative – Process Update

Andrew Bell (Slides 18-32)

- AEMO provided a recap on the F&S initiatives and outlined a summary to date as outlined on slide 19, 20 and 21 of the accompanying slide pack.
- AEMO noted that two main options have been considered and provided an assessment of these options against key drivers. Further information is available on slide 23 and 24 of the accompanying slide pack.
- AEMO provided a financial assessment for the full scoop delivery (industry wide). Recommendations are outlined on slide 25 and 26 of the accompanying slide pack.
- AEMO provided a summary of the overall recommendation for IDAM, IDX and PC initiatives with more information available on slide 28 of the accompanying slide pack.
- The business case summary was presented and in addition the intended process with further information available on slides 29 and 30 of the accompanying slide pack.
- AEMO outlined the key milestones and next steps with key dates outlined on slide 31 of the accompanying slide pack. AEMO added that formal submissions to the draft business case package is due 9 February. AEMO welcomes one-on-one sessions in January/February and can reach out to NEMReform@aemo.com.au. The second and final stakeholder session is scheduled for Tuesday 12 March 2024.

| Raised by | Question/Issue Raised | Response |
|------------------------------------|--|---|
| Dan Mascarenhas – Energy Australia | What is the purpose of the second and final stakeholder session on the 12 March? | It is a placeholder in case AEMO receive material feedback. |

| Raised by | Question/Issue Raised | Response | |
|-------------------------|---|--|--|
| Peter Carruthers – AEMO | Do RDC members feel that we are in a position to decide? | Dominic Adams – ENA | Don't know the extent to which customer groups have engaged, AEMO may want to consider reaching out proactively. |
| Dominic Adams – ENA | Is there another phase for networks i.e. transparency around costs. | We have benchmarked against other investments but take your point. | |

7 General Questions / Other Business

Violette Mouchaileh (Slide 33)

| Raised by | Question/Issue Raised | Response |
|------------------------------------|---|--|
| Dan Mascarenhas – Energy Australia | Is the metering review on the roadmap? | This is included under the metering services framework. |
| | Who is the decision maker on the F&S business case? | AEMO Board. Due to the size of the investment and implications to participants, we need to understand the full process for participants and encourage to raise any concerns. |

OPEN ACTION ITEMS

(Ref: lte

| # | Topic | Action | Responsible | Status |
|---------|--|--|-------------|--------|
| 4.5.0.1 | Bundling and Sequencing Opportunities Review | RDC members to facilitate a refresh of participant impact assessments by early March 2024. | RDC Members | Open |