

5MS Executive Forum No. 7 – Meeting Notes

MEETING: Five-Minute Settlement and Global Settlement Executive Forum
 DATE: Monday 11 November 2019
 TIME: 10:00AM – 12:00 PM (AEDT)
 LOCATION: AEMO Offices Melbourne, Sydney, Brisbane, Video/Teleconference

Attendees:

Attendee		Location
Peter Geers	AEMO	Brisbane
Naomi Donohue	APA	Brisbane
Rachel Langford-Ely	APA	Brisbane
Stephen Quilter	Stanwell	Brisbane
Peter Carruthers	AEMO	Melbourne
Sonja Nigmann	AEMO	Melbourne
Graeme Windley	AEMO	Melbourne
Claire Morgan	AEMO	Melbourne
Stefanie Macri	Red Energy / Lumo	Melbourne
Camille Hymer	Tango	Melbourne
Malcolm Hempel	Tango	Melbourne
Ben Skinner	Australian Energy Council	Melbourne
Mike Stockley	AGL	Melbourne
Michael Chadwick	AFMA	Sydney
Buzby Kuramoto	Alinta Energy	Sydney
Chris Muffett	AEMO	Sydney
Emily Brodie	AEMO	Sydney
Bradley Campbell	ASX	Sydney
Clinton Rodda	AusNet Services	Melbourne
Juinn Tao	Ausnet Services	Melbourne
Matthew Skubis	Aussafe	Melbourne
John Cole	Edify Energy	Melbourne
Libby Hawker	ERM Power	Melbourne
Robert Lo Giudice	IntelliHUB Group	Melbourne
Stefanie Macri	Red Energy & Lumo Energy	Melbourne
Panos Priftakis	Snowy Hydro	Melbourne
Louise Pretty	Energy Australia	Melbourne
Corrina Woolford	Aurora Energy	Webex
Prabpreet Calais	Australian Energy Market Commission	Webex
Georgina Snelling	Energy Australia	Webex

Alison Davis	ActewAGL	Webex
Linda Brackenbury	Plus ES	Webex
Mark Maiolo	Hansen Technologies	Webex
Elizabeth Byrne	Stanwell	Webex
Gary Swinburne	Origin Energy	Phone

*Some members that joined via phone and WebEx may not be included in this list

1. Welcome, introductions and apologies – P. Geers (slide 4)

The Chair, Peter Geers welcomed participants to the meeting and noted that for participants joining via teleconference or WebEx, AEMO requests that these inform AEMO of their attendance via the 5ms mailbox for inclusion in the minutes. AEMO noted that the meeting was being recorded for the purposes of developing meeting notes and minutes.

2. Minutes and actions – P. Geers

The Chair received no additional comments in relation to the meeting notes from Executive Forum #6.

Item 6.2.1 AEMO provided an update that it is the responsibility of Participants to report on Readiness not Vendors. Vendors Readiness will therefore only be reported on as part of Participant Readiness.

Item 6.6.2 Origin provided an update that Origin and AEMO have discussed the Program delivery and are comfortable with the discussions and they are not going to proceed with any other action. This item will now be closed.

3. 5MS & GS Program Status Update – S. Nigmann (slides 5-11)

AEMO provided an update on the program and current activities. AEMO highlighted that the overall program was on track, noting that the Systems milestone – 5MS Staging Environment went live on 1 Nov.

AEMO provided an update that the final version of the Strategies for *Transition and Go-Live* and *Industry Testing and Market Trial* would be released on the 29 November 2019.

AEMO noted that there would be no third interim Readiness Report based on advice from the PCF, attention will be focused on the full Readiness Reporting commencing in February 2020.

Lumo/Red Energy questioned how further changes to procedures documents would be managed given the the Procedures Working Group had stopped meeting. AEMO clarified that there are currently 3 outstanding changes being looked at and that it's yet to be decided whether they will be made in 1 sweep or be built in with other procedures changes, highlighting that if material changes are required then the Procedures Working Group will reconvene.

EnergyQueensland questioned whether further changes would be communicated via email rather than the Procedures Working Group. AEMO clarified that they expect changes to be raised during Readiness and highlighted that communication would be made using the BAU channels and to the Procedures Working Group.

Tango questioned whether the 2 items raised in the ERCF survey were part of the 5MS related. AEMO confirmed that this would be checked and an update would be provided to the EF members.

Lumo/Red Energy sought clarification on the 3 potential changes being discussed to the procedures and also which procedures change group will be used. AEMO clarified that whichever group owns the procedures changes will be addressing the changes i.e. a metering change will be addresses by Metering.

ACTION 7.3.1 AEMO to clarify via email with the EF the 3 potential changes to the Procedures being discussed and which procedures change group will be used.

Lumo/Red Energy questioned whether the due dates for when feedback is due on the Readiness Reporting had been published. AEMO clarified that the draft Readiness Reporting plan was set out at the end of October.

AEMO highlighted that the program timeline and milestones are on track.

AEMO provided an update on the Critical Risks & Issues Register, highlighting that Item I06 and I07 are on the support for metering transition activities and Global Settlements go live throughout to 2022. Support for these activities has been moved to the Readiness Working Group.

EnergyQueensland questioned whether the support for metering transition activities and Global Settlement go live was on track. AEMO confirmed that work had been done via the Metering Transition Plan Group and that the draft metering transition plan in on track to be published on 29 November 2019. It's expected the work will be finalised in early February or mid March 2020. EnergyQueensland questioned whether the Support for Global Settlement go live should be listed as a risk until it's finalised. AEMO confirmed that they would extend the timeline for the Support for Global Settlement go live and provide an update to the EF members after the next Readiness Working Group.

4. Market Readiness – E.Brodie (slides 13-17)

Interim Readiness Reporting

AEMO provided an update on the outcomes of the recently completed second Interim Readiness Reporting Survey. AEMO highlighted the strong response rate from Industry, noting that good progress had been reported by Participants.

AEMO confirmed that the second Interim Readiness Reporting survey results would be emailed to EF members.

Transition Approach

AEMO provided an update on the Transition Approach, highlighting that a staged transition approach would continue to be used.

5. Financial Markets Implications & Status

Mike Chadwick (AFMA) (slide 19)

AFMA provided an updated on how they are responding to the 5MS regulatory changes, noting that they have created an internal 5MS project team to address any financial market implications of the project. AFMA highlighted that the confirmation of products, including swaps, caps, floors and collars had been updated to allow trade in the market post 2020.

Bradley Campbell (ASX) (slide 20)

ASX provided an update on their progress with the 5MS implications for the market, noting that the changes required are on CAPs. ASX highlighted that a new method for margining CAPs will be proposed and is due to be listed in Q1, 2020.

6. Participant Briefings

Gentailer – Mike Stockley, AGL

AGL provided an update on the impact on their organisation and the management of the 5MS project.

Distributor – Linda Whatman, Energy Queensland

EnergyQueensland provided an update on the impact on their organisation and the management of the 5MS project.

Generator – Stephen Quilter, Stanwell

Stanwell provided an update on the impact on their organisation and the management of the 5MS project.

Small Retailer – Malcolm Hempel, Tango Energy

Tango Energy provided an update on the impact on their organisation and the management of the 5MS project.

7. Industry Wide Change: AEC Rules Change Review - S. Macri (additional slides)

Red/Lumo Energy and the AEC provided an update on the industry wide changes and the AEC rules change review.

Red/Lumo Energy provided an update on the KPMG Report, 'Coordinating Electricity Market Reform' commissioned by the Australian Energy Council to develop a framework and tool to assist policy makers to understand how well their proposals might fit within, or are congruent with the other market-wide reviews currently underway. Red/Lumo Energy noted that the report looked at 23 reforms and that 26% of the reforms involved overlap.

Red/Lumo Energy highlighted the importance of ensuring industry changes are delivering for customers.

EnergyQueensland questioned was there any assessment on the crossover of any of the initiatives. The Australian Energy Council (AEC) confirmed that the report has a method for allowing a decision maker to see the congruence between different reforms, noting there is a spreadsheet on the AEC website outlining the differences. AEC confirmed that the tool was used to assess the various rule changes on the AEMCs website, noting that there are other reforms that are not captured on the AEMC website.

AEC highlighted that the KPMG Report noted that the industry has a great number of decision makers making the industry particularly complex. The complexity of the industry makes the contemplation of these congruencies more challenging.

AEC confirmed that the AEC is not exercising the tool and that the tool was created for the industry to undertake an assessment.

8. Managing Vendor Risk – G. Windley (slide 26)

AEMO provided an update on managing vendor risk.

9. AEMO Cost Recovery Update – P. Carruthers (slide 28)

AEMO provided an update on the cost recovery approach.

10. Forward Meeting Plan – P. Geers (slide 30)

The next Executive Forum will be held in February 2020.

11. General Questions – P. Geers

There were no further questions.

Meeting Closed

ACTIONS

Item	Topic	Action required	Responsible	Status
EF 7				
3.1.1	Market Procedures	AEMO to clarify the 3 potential changes to the Procedures and what procedures change group will be used.	AEMO	AEMO to email EF Members
6.2.1	Market Readiness	AEMO to consider including vendors in future reporting.	AEMO	Closed
6.2.2	Market Readiness	Origin to further consider its position and concerns in relation to Program delivery and communicate to AEMO and Executive Forum via out-of-session teleconference.	EF Member – Origin	Closed
6.2.3	Market Readiness	Red energy to co-ordinate with AEC to bring forward the wholesale rules map for the November Executive Forum.	EF Member – Red Energy / Lumo	Closed
6.4.1	Industry Risks and Issues	AEMO to include risk trend analysis in the risks and issues register.	AEMO	Closed
6.7.1	Forward Meeting Plan	Executive Forum Members to nominate to present their approach to 5MS & GS Program implementation at EF #7.	EF Members	Closed

Item	Topic	Action required	Responsible	Status
EF 6				
6.2.1	Market Readiness	AEMO to consider including vendors in future reporting.	AEMO	Closed

6.2.2	Market Readiness	Origin to further consider its position and concerns in relation to Program delivery and communicate to AEMO and Executive Forum via out-of-session teleconference.	EF Member – Origin	Closed
6.2.3	Market Readiness	Red energy to co-ordinate with AEC to bring forward the wholesale rules map for the November Executive Forum.	EF Member – Red Energy / Lumo	Closed
6.4.1	Industry Risks and Issues	AEMO to include risk trend analysis in the risks and issues register.	AEMO	Closed
6.7.1	Forward Meeting Plan	Executive Forum Members to nominate to present their approach to 5MS & GS Program implementation at EF #7.	EF Members	Closed