

# AEMO Consumer Forum

## Meeting Summary: 19 June 2023

These notes summarise AEMO's presentations at the Consumer Forum and feedback and questions received at a high level and are not intended to be a detailed set of minutes.

### Actions from previous meeting

- Verbal submissions: AEMO has taken on board the request for verbal submissions to be considered formal feedback. AEMO is here to listen and all feedback is taken into account.
- Written submissions: Where needed for engagements, AEMO will consider a Word template to help expedite approval processes for written submissions.
- On AEMO's involvement in building social licence, we acknowledge the mixed views from the last Consumer Forum but consider it crucial to understand community sentiment to inform the development of the Integrated System Plan (ISP) and for the industry's overall ambitions.

### Meeting topics

- Winter readiness
- East Coast Gas reforms
- Budget and fees
- NEM Reform update
- Inputs, Assumptions and Scenarios Report (IASR) update in the development of the ISP
- Victoria to New South Wales Interconnector West (VNI West) update and Q&A

### Reliability Emergency Reserve Trader (RERT) in winter

#### Presentation summary

Last winter, the NEM experienced supply-side limitations with coal and gas. AEMO used short notice RERT to manage the supply scarcity. With current operational preparations, no RERT contracts are expected to be activated this winter. Typically, short notice RERT panel agreements were meant to cover the summer months only, however AEMO is now encouraging 12-month panel membership with extension options.

Gas storage at Dandenong and Iona are also at high capacity (>85%) in anticipation of winter demand.

#### Feedback and actions

Feedback was given that AEMO could consider its ability to change baselining arrangements to allow demand-response mechanisms (DRM) to tap cheaper and faster generation sources previously only available under RERT. This is not currently under operational consideration but could be considered as part of longer-term reforms, to maximise value for consumers.

## East Coast Gas reforms

### Presentation summary

Rule changes since August 2022 have given AEMO broader powers to better respond to gas reliability and/or supply adequacy threats and better manage period of volatility. From 1 June 2023, AEMO can give direction and trade in natural gas to maintain or improve the reliability of gas supply and must establish a \$35 million trading fund. Impacts on the east coast gas system and consumer costs should be minimised.

### Feedback and actions

Questions were raised over the extent to which AEMO needed to use the \$35 million trading fund. AEMO responded that the trading fund was one of the broadened powers given to AEMO, and one of several options it could use in response to market events. In the first instance, AEMO will monitor and assess for risks and threats, and use existing market mechanisms to address them. AEMO will publish notice of an identified threat and seek an industry response. The extended powers given to AEMO in directions and trading are last-resort options. Where possible, AEMO will consult with relevant participants before issuing a direction or using the trading fund. In a Victorian gas contingency, for example, AEMO maintains and can deploy available inventory in Dandenong LNG storage as one option.

## Budget and fees

### Presentation summary

In April 2023, AEMO published its draft FY24 Budget and Fees document. AEMO sought to improve its budget process and its consultation with interested stakeholders. AEMO will continue to improve the process and outlined actions for the FY25 budget process, which also reflects stakeholder feedback. AEMO received two formal responses to its draft document, which are available on the [AEMO website](#).

The [final FY24 Budget and Fees](#) was published after the Consumer Forum.

### Feedback and actions

Consumers raised concerns about the costs of the five-minute settlement (5MS) project and lessons learnt that AEMO could apply to other projects to ensure costs are managed. AEMO noted the feedback and questions but was unable to address the concern in that meeting and has agreed to take an action to look into the matter further and provide further detail.

## Inputs, Assumptions, and Scenarios Report (IASR) update

### Presentation summary

Updated modelling scenarios in the draft IASR were shared with the Forum, with scenarios to limit global warming to 2.6, 1.8 and 1.5 degrees. Sensitivities were considered and tested in each scenario. On water projects, pumped hydro is considered a sensitivity but not water used in hydrogen production (as current usage levels are insufficient to be deemed a constraint). Other water issues will be considered through the ISP analysis process.

The transmission options engagement report reflected feedback that social license be considered as a baseline rather than a sensitivity.

### Feedback and actions

Consumers made several enquiries relating to sensitivities considered as part of the ISP development and made commentary on the composition of the Delphi Panel for ISP 2024. AEMO will incorporate stakeholder feedback for the development of the final IASR and Consultation Summary and share further developments on the IASR/ISP at the next meeting.

## VNI West update

### Presentation summary

Landholder consultations along the preferred VNI route for transmission will focus on minimising disruption to business, communities, and biodiversity. Transmission Control Victoria (TCV), a new company created by AEMO, will consult not only with landholders hosting transmission but also their neighbours. Efficiencies in the construction program will be sought to bring forward the project completion date, but not at the expense of timeframes for landholder consultations.

### Feedback and actions

Enquiries were made as to how multi-criteria analysis will be considered in TCV's discussion with landholders. AEMO responded that multi-criteria analysis was used in determining the preferred route, which is currently a proposed corridor that requires narrowing and further detailed consultation with the local community and landholders. Consumers also gave feedback that more clarity on roles was needed between AEMO, TCV, and other entities such as the recently established Victorian Transmission Investment Framework (VTIF), which AEMO agreed with and noted it was working on a simpler explanation of roles and responsibilities in Victoria as part of the VNI West project collateral. AEMO also stated it supports the Victorian Government's intent to have a single party undertaking end-to-end planning of transmission.

### Feedback/questions to be resolved

- AEMO to respond to consumers about the costs of the 5MS project, lessons learned and their application to other work.
- Potential agenda items for next meeting in August 2023 include FY24 Corporate Plan, NEM Reform Participant Fee Consultation update, 2023 ESOO publication and an update on the Wholesale Demand Response Mechanism. A survey will be sent to participants to determine which subjects are of most interest.

## Contact

If you require more information, please email AEMO Stakeholder Engagement:  
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