Forecasting stakeholder engagement

27 October 2021 FRG Meeting

Energy.forecasting@aemo.com.au

Background and Purpose

This session summarises the Consumer Panel feedback on engagement, and includes a live-poll to inform discussion on how stakeholder engagement needs are best met.

Engagement timeline

FRG Timing	Details
Last Nov	Discussion about stakeholder needs
Today	**Forecasting Stakeholder engagement**
Today	Forecasting Accuracy Report and Forecasting Improvement Plan

Today's agenda:

- Background: current Terms of Reference
- Consumer Panel report on engagement
- Forecasting engagement – live poll
- Developing a forecasting engagement structure
- Developing a forecasting engagement plan

Discussion

- Poll results: types of stakeholders
- Design of engagement forums/channels
- How do we measure engagement
- Revisit the Terms of Reference

AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

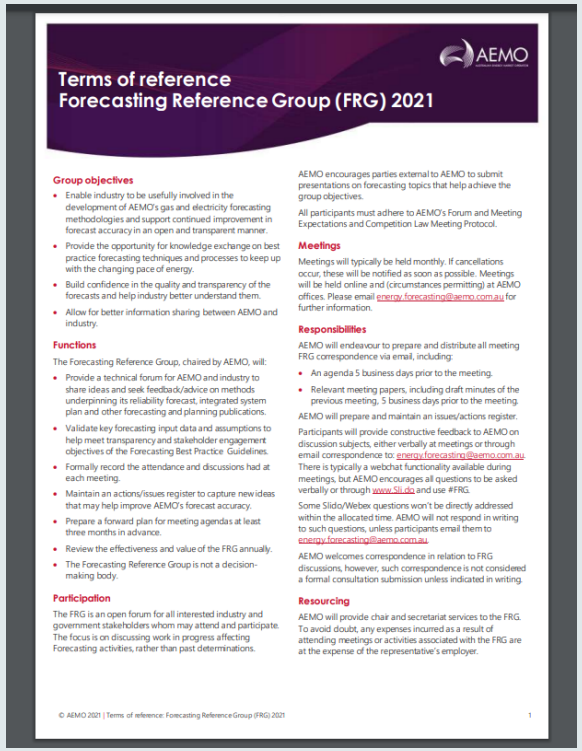
Background: current terms of reference

Objectives:
- Support useful industry involvement in methodology, to improve forecast accuracy
- Build Stakeholder confidence

Guidance
- Reliability Forecast Guidelines

Constraints:
- ACCC Competition Law
- Stakeholder resources
- AEMO resources

FRG Terms of reference



AEMO

Terms of reference
Forecasting Reference Group (FRG) 2021

Group objectives
- Enable industry to be usefully involved in the development of AEMO's gas and electricity forecasting methodologies and support continued improvement in forecast accuracy in an open and transparent manner.
- Provide the opportunity for knowledge exchange on best practice forecasting techniques and processes to keep up with the changing pace of energy.
- Build confidence in the quality and transparency of the forecasts and help industry better understand them.
- Allow for better information sharing between AEMO and industry.

Functions

The Forecasting Reference Group, chaired by AEMO, will:
- Provide a technical forum for AEMO and industry to share ideas and seek feedback/advice on methods underpinning its reliability forecast, integrated system plan and other forecasting and planning publications.
- Validate key forecasting input data and assumptions to help meet transparency and stakeholder engagement objectives of the Forecasting Best Practice Guidelines.
- Formally record the attendance and discussions had at each meeting.
- Maintain an actions/issues register to capture new ideas that may help improve AEMO's forecast accuracy.
- Prepare a forward plan for meeting agendas at least three months in advance.
- Review the effectiveness and value of the FRG annually.
- The Forecasting Reference Group is not a decision-making body.

Participation

The FRG is an open forum for all interested industry and government stakeholders whom may attend and participate. The focus is on discussing work in progress affecting Forecasting activities, rather than past determinations.

AEMO encourages parties external to AEMO to submit presentations on forecasting topics that help achieve the group objectives.

All participants must adhere to AEMO's Forum and Meeting Expectations and Competition Law Meeting Protocol.

Meetings

Meetings will typically be held monthly. If cancellations occur, these will be notified as soon as possible. Meetings will be held online and (circumstances permitting) at AEMO offices. Please email energy.forecasting@aemo.com.au for further information.

Responsibilities

AEMO will endeavour to prepare and distribute all meeting FRG correspondence via email, including:
- An agenda 5 business days prior to the meeting.
- Relevant meeting papers, including draft minutes of the previous meeting, 5 business days prior to the meeting.

AEMO will prepare and maintain an issues/actions register.

Participants will provide constructive feedback to AEMO on discussion subjects, either verbally at meetings or through email correspondence to: energy.forecasting@aemo.com.au. There is typically a webchat functionality available during meetings, but AEMO encourages all questions to be asked verbally or through www.Sli.do and use #FRG.

Some Slido/Webex questions won't be directly addressed within the allocated time. AEMO will not respond in writing to such questions, unless participants email them to energy.forecasting@aemo.com.au.

AEMO welcomes correspondence in relation to FRG discussions, however, such correspondence is not considered a formal consultation submission unless indicated in writing.

Resourcing

AEMO will provide chair and secretariat services to the FRG. To avoid doubt, any expenses incurred as a result of attending meetings or activities associated with the FRG are at the expense of the representative's employer.

© AEMO 2021 | Terms of reference: Forecasting Reference Group (FRG) 2021 1

Last major update: Nov 2019

Key functions
- Forum for technical feedback/advice
- Validate key forecasting input and assumptions

Note: not a decision making body

Needs updates to acknowledge:
- Forecasting Best Practice Guidelines
- AEMO's Corporate Goals and Stakeholder Relations strategy
- ISP engagement framework
- Consumer Panel feedback
- To be revisited during discussion

AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

The ISP Consumer Panel recommends changes to engagement

AEMO stakeholder types

- Academics
- Consumers
- Consultants
- Developers
- Generators
- Government
- Industry associations
- Market bodies
- Networks
- Workforce
- Other

The National Energy Objectives* are: "to promote efficient investment in, and efficient operation and use of, electricity/gas services for the long term interests of consumers of electricity/gas with respect to price, quality, safety and reliability and security of supply"

Key ISP Consumer Panel recommendations relevant to the FRG: AEMO is to -

Engagement related recommendations

- Develop a more comprehensive and tailored stakeholder engagement plan for the 2024 ISP, including undertaking a stakeholder mapping exercise to identify relevant stakeholders and how to best engage with them

See next slide

- Adopt a collaborative and co-design approach to engagement
- Establish an engagement evaluation framework
- Formalise structures to share information across forums/consultations
- Keep the FRG as a technical forum

Main focus of this pack

* Paraphrased for brevity

Introducing the in-session poll to understand forecasting stakeholders, their needs and how might we best engage

The purpose of the poll is to:

Understand who?

- Identify current stakeholders, their capacity, capabilities, motivations and needs
- Identify additional stakeholders that could contribute to forecasting as the energy system evolves

Understand how?

- AEMO and stakeholders can use the FRG and other channels to best engage on forecasting. This includes understanding participation, culture and expectations
- Engagement can be measured and tracked

Stakeholder mapping

How might each stakeholder type be best engaged?

	FRG	Consumer Forum	Technical forecasting workshop	...
Forecasting professionals				
Forecasting users				
Consumer reps				
...				

Co-design engagements

- What do we want from each type of engagement, and how can we all contribute to achieve it?
- Frequency, style
- Terms of Reference

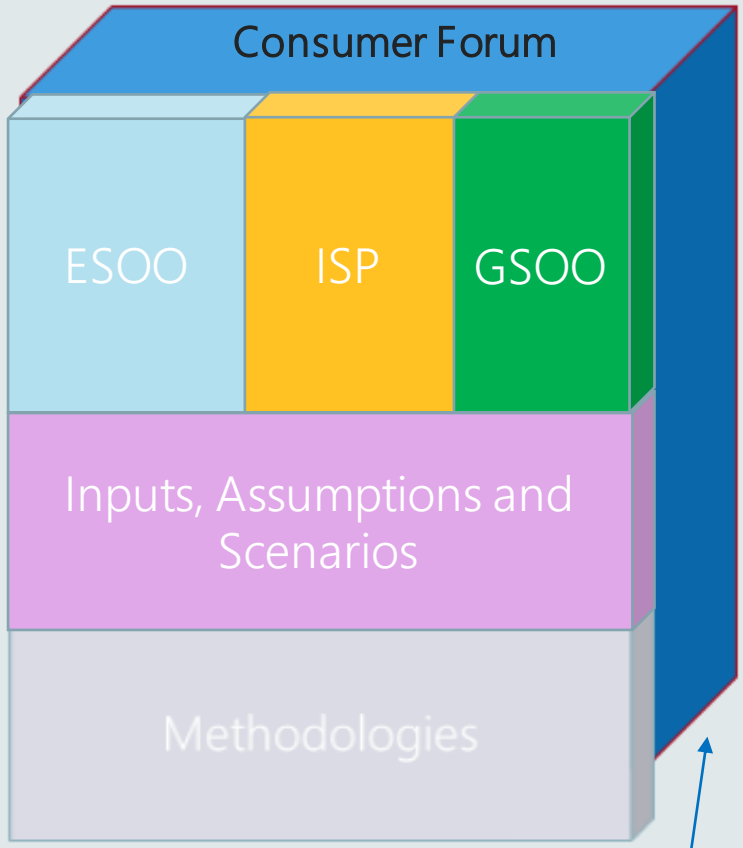
AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

For discussion

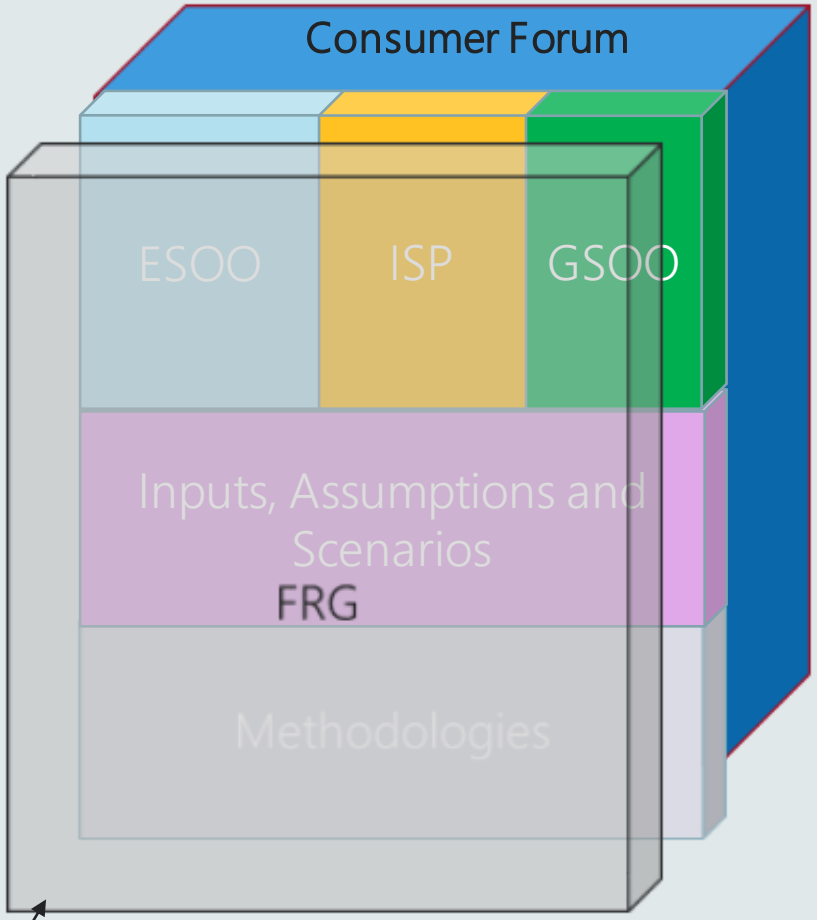
Developing a Forecasting Engagement Structure

AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

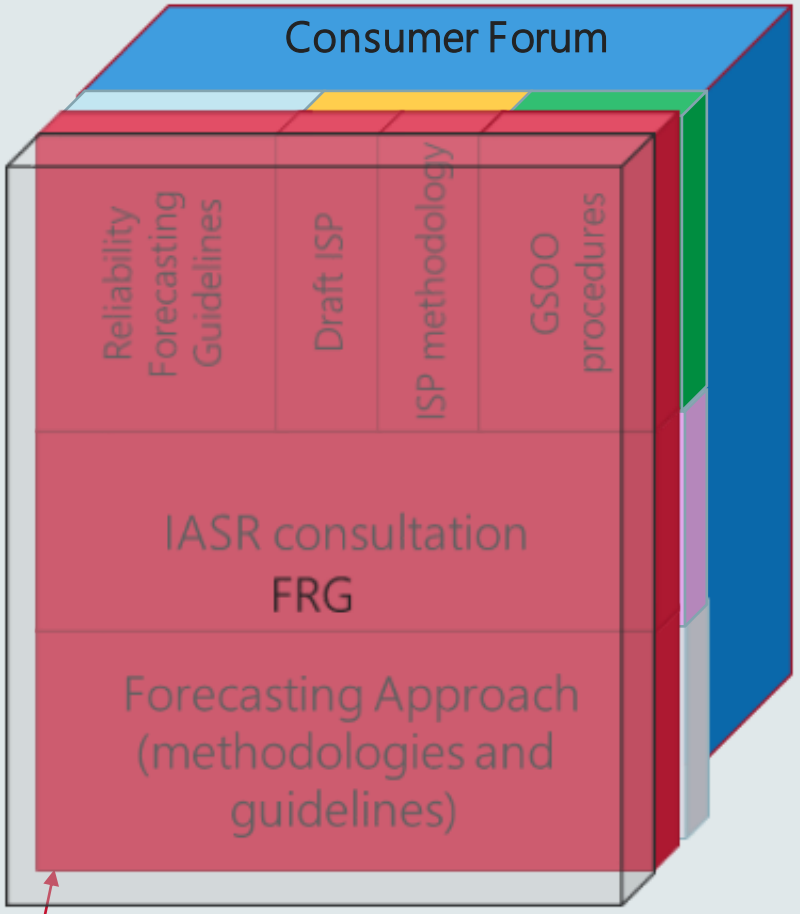
Going forward: Consumer Forum, FRG and consultations similarly cover NEM forecasting, but differ in accessibility, timing and formality



Consumer Forum covers all AEMO activities, with a focus on accessibility to consumer advocates



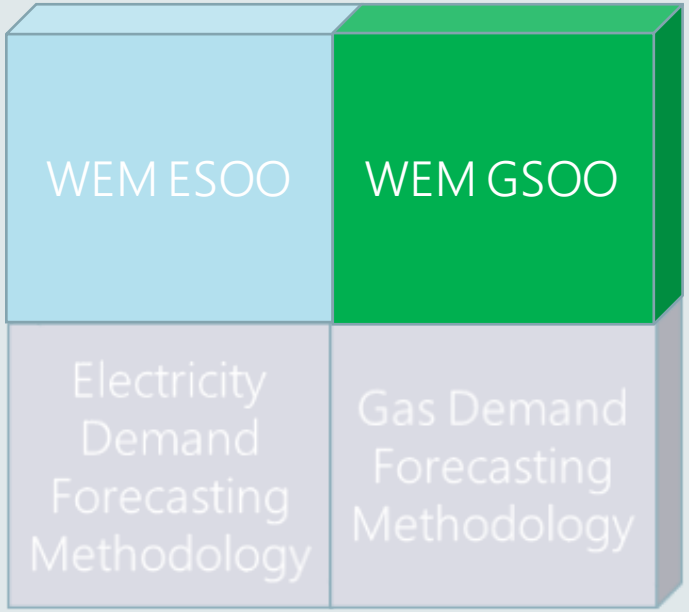
FRG provides informal initial feedback (especially of a technical nature), and co-designs fit for purpose approaches/solutions



Formal Consultation builds on Consumer Forum and/or FRG engagement

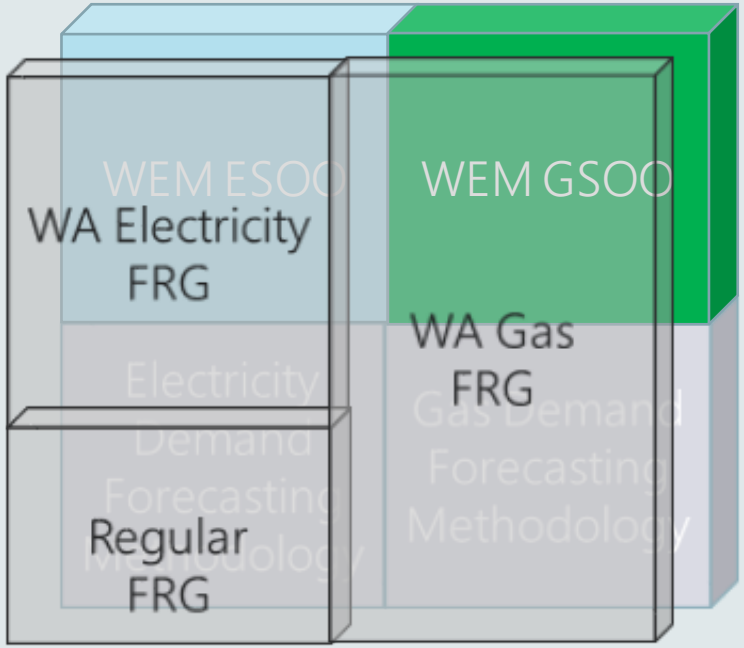
Going forward: FRG, WAECF, WAGCF cover WA forecasting, but occur at different engagement stages

Scope of engagement



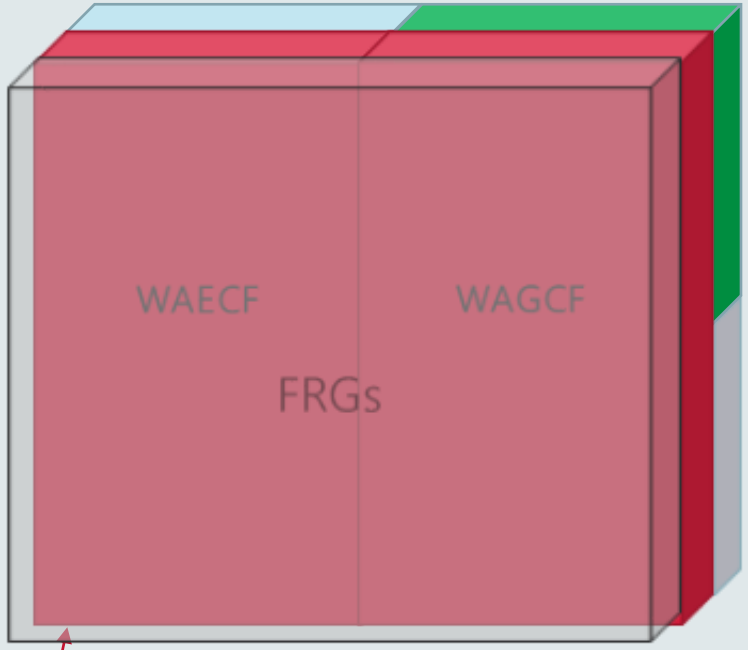
AEMO develops long term electricity demand forecasts and gas demand forecasts for WA

FRG feedback



FRG provides initial feedback, especially of a technical nature

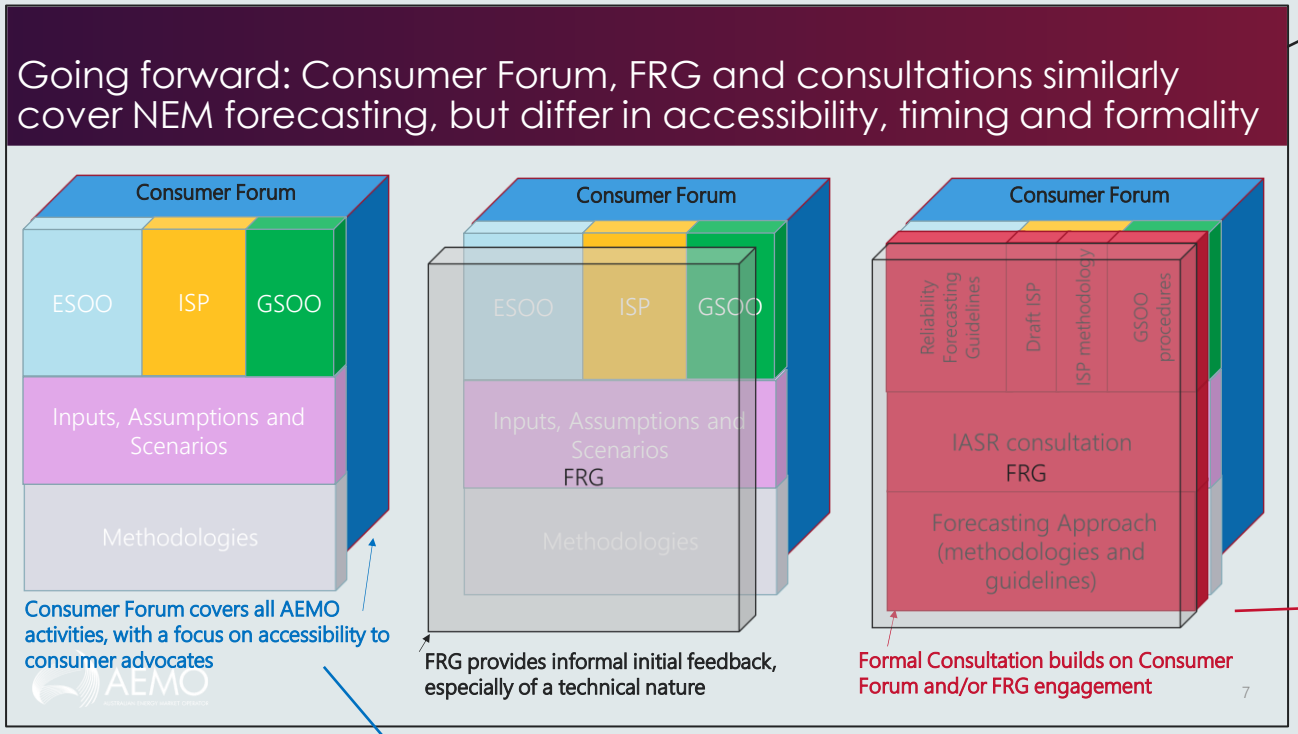
Consultative feedback



Consultative forums build on FRG engagements

AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

A plan for how the Consumer Forum, FRG and its culture contribute to effective engagement and its measurement



FRG focus

- Early collaboration with stakeholders
- Co-design solutions, leveraging principles

Informs AEMO's initial draft

FRG culture

- Participatory culture can be measured and improved

Formal consultations focus

Fulfilling rules obligations via:

- Public forums
- Submissions via written and customised channels

Consumer Forum focus

"To foster active and constructive collaboration between AEMO and forum participants on energy issues of mutual interest and priority"

AEMO considers:

- Relevance to consumers
- Consumer engagement needs

Measurement of effective engagement

Discussion

- What other interpretations of the poll results are there?
- Do you see the FRG as being able to meet your forecasting engagement needs, or do you need an additional forum/channel?
- What changes do you suggest to the proposed forecasting engagement plan?
- How might we best measure engagement?
- What else should be considered in updating the Terms of Reference?