

Program Consultative Forum

5 October 2022



1. Welcome

We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

We pay respect to their Elders past, present and emerging.

Agenda

#	Time	Topic	Presenter(s)
1	2:00 – 2:15	Welcome	Peter Carruthers (AEMO)
2	2:15 – 2:20	Meeting objectives	Peter Carruthers (AEMO)
3	2:20 – 2:40	Introduction to NEM 2025/ NEM reform implementation program	Peter Carruthers (AEMO)
4	2:40 – 3:10	Mobilising NEM reform engagement structure	Greg Minney / Ulrika Lindholm (AEMO)
5	3:10 – 3:30	Ways of working / Principles	Greg Minney (AEMO)
6	3:30 – 3:40	Current initiatives and participant impact	Lance Brooks (AEMO)
7	3:40 – 3:50	Upcoming engagements	Ulrika Lindholm
8	3:50- 4:00	Thanks and close	Peter Carruthers (AEMO)

Appendix A: Competition law meeting protocol and AEMO forum expectations

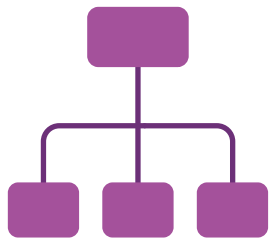
Appendix B: Draft Initiative Milestone Structure

Appendix C: Proposed Stage Gates

Please note that this meeting will be recorded for the purpose of compiling minutes.

2. Meeting objectives

Objectives for this PCF meeting



- Brief Industry Participants on the proposed NEM Reform engagement structure and approach
- Confirm the PCF's role
- Receive feedback on the applicability of proposed engagement approach for participants

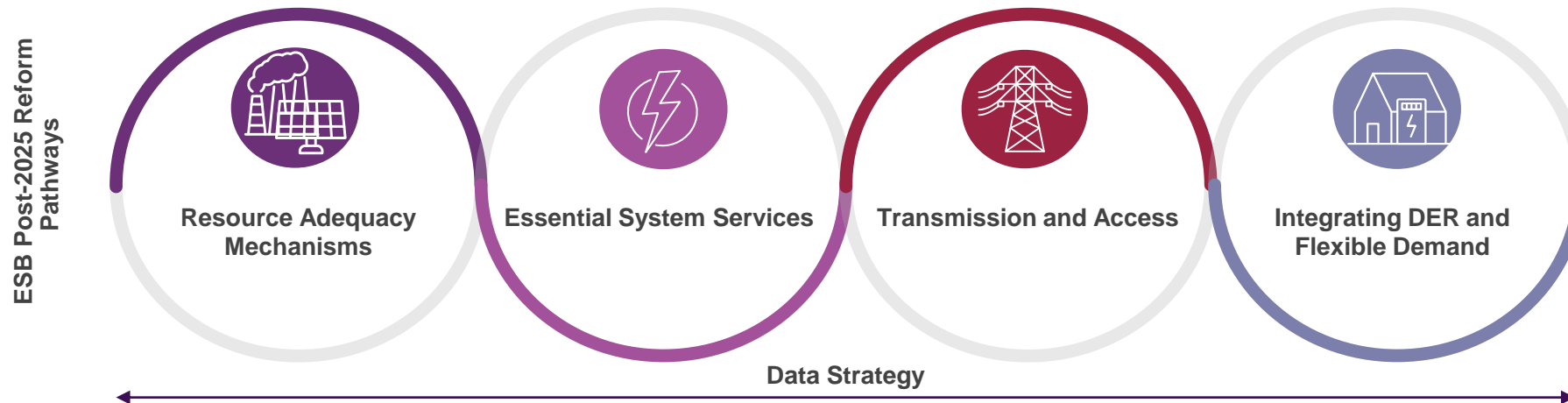


- Receive guidance from participants as to your further needs and requirements for program engagement

3. Introduction to NEM 2025/ NEM reform implementation program

Context

- The Energy Security Board (ESB) was tasked by the former Council of Australian Governments Energy Council (COAG EC), to advise on design changes required in the National Electricity Market (NEM) as it transitions from a fleet of largely coal fired generation to more variable renewable generation.
- The ESB provided its final advice to the Energy National Cabinet Reform Committee (National Cabinet) on 27 July 2021. The ESB divided the work into four interrelated reform pathways complimented by a Data strategy for the NEM.



- National Cabinet subsequently approved the Post-2025 reform recommendations on 29 October 2021.
- Energy Ministers agreed several actions at their June and August 2022 meetings regarding recent market volatility, NEM2025 reforms as well as gas market reforms.
- NEM2025 reforms namely the capacity mechanism (senior officials to lead development) and the congestion management mechanism (to be expedited) were called out in the August EMM communique.

NEM2025 Reform Program Scope

Pathway	Description	Initiatives
Resource Adequacy Mechanisms	Investment in the right mix of resources (generation, storage and demand response) in place prior to anticipated plant closures, and that plant exit does not cause significant price or reliability shocks to consumers through the transition	<ul style="list-style-type: none"> • Increased MT PASA Information • Capacity Mechanism
Essential System Services	The resources and services are available to manage the complexity of dispatch and to deliver a secure supply to customers	<ul style="list-style-type: none"> • Fast Frequency Response • Mandatory Primary Frequency Response • Operating Reserve Market • System Strength (Planning)* • Operational Security Mechanism
Transmission & Access	The network meets future needs, renewable energy zones, and there is a targeted set of investments that can deliver the energy transition at lower cost	<ul style="list-style-type: none"> • Congestion Management Model
Integrating DER & Flexible Demand	New opportunities are created for consumers to receive and use energy, and are rewarded for doing so flexibly	<ul style="list-style-type: none"> • Integrating Energy Storage • Flexible Trading Arrangements (Model 2) • Scheduled Lite • Dynamic Operating Envelopes • Distribution Local Network Services • Turn-up Services • DER Data Hub & Registry Services • DER Operational Tools
Data Strategy	A framework is established with new guiding policy principles, build capability, forward planning and adaptability and address priority data gaps	<ul style="list-style-type: none"> • Data Services • EV Charging Standing Data Register • Bill Transparency • Network Transparency

* TNSP led initiative

NEM2025 Reform Program Scope

- In addition to the Post-2025 reform initiatives, AEMO has identified a further set of initiatives linked to efficient implementation of the reform program.
- Each initiative represents either a foundational investment in an AEMO legacy system or a more strategic investment as part of AEMO’s wider digital program of work aimed at ensuring AEMO and industry participants’ IT systems are fit for purpose to meet the needs of the transition and beyond.

Pathway	Description	Initiatives
AEMO Foundational	Foundational dependency work to deliver an uplift to base capability on which reforms are dependent	<ul style="list-style-type: none"> • Identity Access Management • Industry Data Exchange • SCADA Lite
AEMO Strategic	Strategic dependency work to effectively futureproof capabilities and scalability of systems thereby avoiding investment in systems that will become end-of-life shortly after the reforms take effect	<ul style="list-style-type: none"> • Portal Consolidation • CoMaStR • Dispatch Target State • Bids / Offers Target State • Constraints Target State • FRC Target State

NEM Reform Implementation Roadmap

- The **NEM Reform Implementation Roadmap** is to establish a basis upon which AEMO, and stakeholders may navigate the breadth of ESB reforms over the coming few years, de-risking delivery, and informing implementation timing.
- It will enable careful planning for the delivery of reforms, avoid unnecessary or duplicative costs, and identify where strategic investments can be made to deliver efficient outcomes for AEMO, market participants and consumers

Why is it required?

- The Post-2025 reform program is significant, let's maximise the chances of industry-wide success and efficient delivery
 - Integrated program rather than piecemeal and fragmented
 - Drive down implementation costs
 - Supports implementation resource planning and mobilisation for all implementation stakeholders
- Transparency on implementation
- Informs implementation timing decisions by market bodies

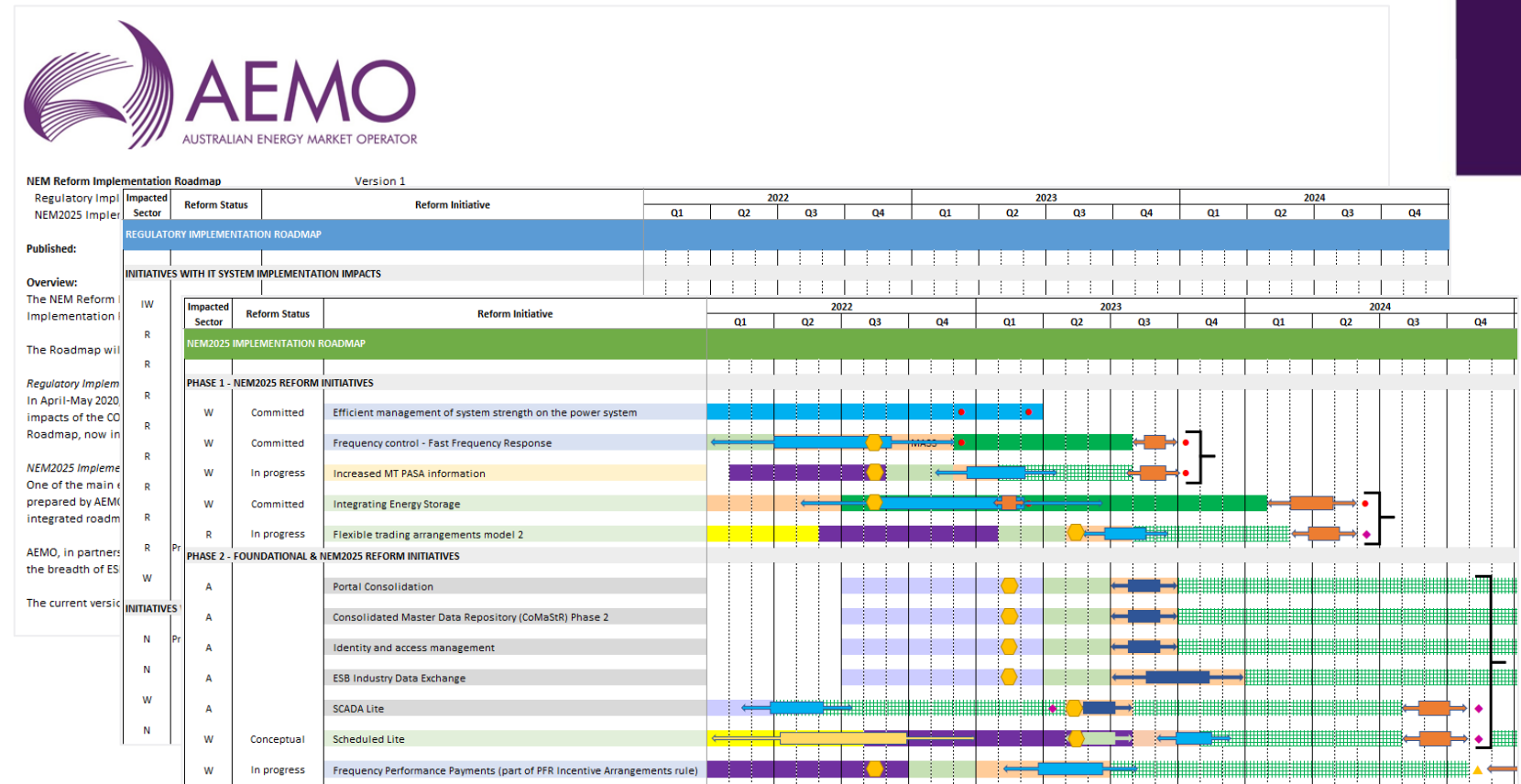
Roadmap Objectives

- The objectives of the NEM2025 Implementation Roadmap is to set out a program that:
 - Implements reforms in a timely and efficient manner;
 - Co-ordinates regulatory and IT change;
 - Aims to remove costs associated with implementation of individual initiatives; and
 - Provides transparency to stakeholders on the implementation program

The roadmap will be augmented over time to reflect Energy Ministers' initiatives that are strategic in nature and/or have a significant IT systems impact (i.e. meet the criteria for inclusion on the roadmap)

NEM Reform Implementation Roadmap

- The Roadmap, provides AEMO and stakeholders with a holistic view of the reform program impacting National Electricity and Gas Markets
- It does so by bringing together AEMO's former **Regulatory Implementation Roadmap** (version 7) and **NEM2025 Implementation Roadmap** (version 1) into one central Roadmap
- The Roadmap will be revised periodically to reflect changes in scope or timelines as policy or designs are being finalised or as new rule determinations are made.



Context and reference material

Significant collateral has been produced as part of the NEM Reform Implementation Roadmap development

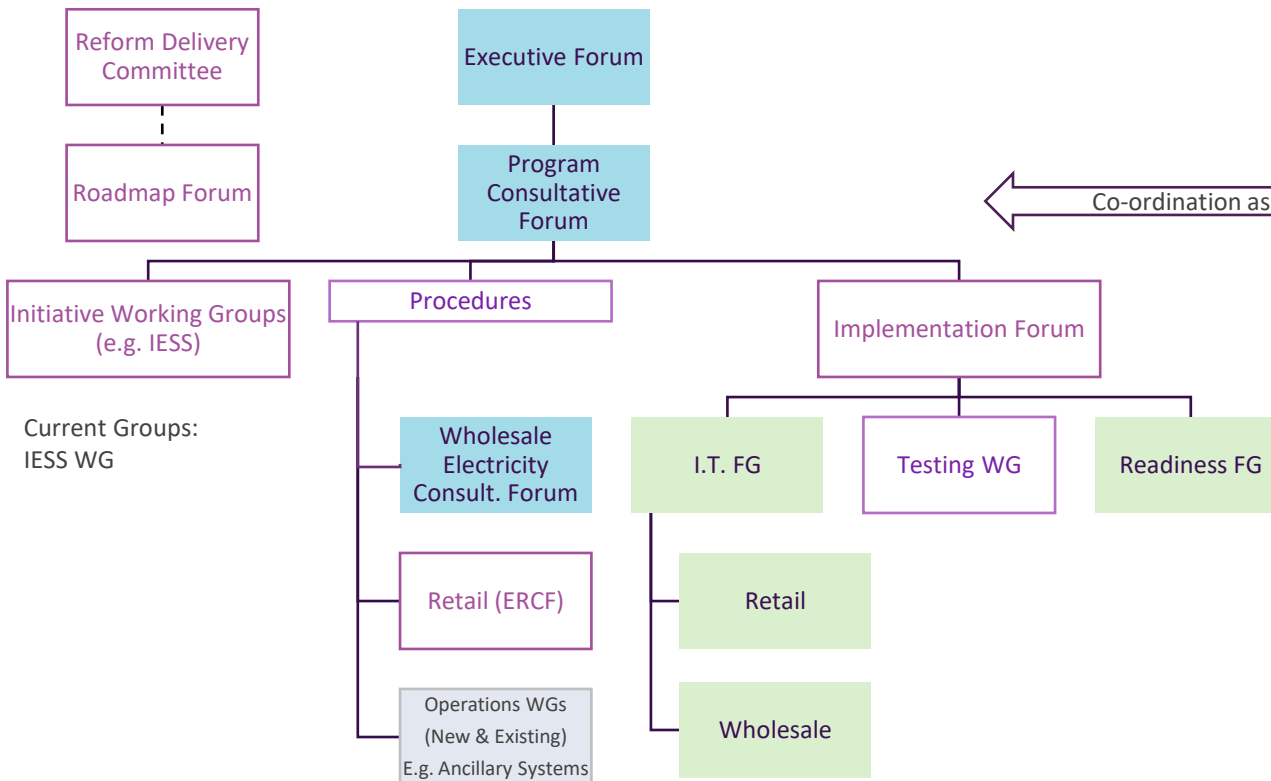
- **NEM Reform Implementation Roadmap V1**, which reflects the planned implementation sequence and timing at an initiative level;
- **NEM2025 Program scope statement**, introduces the scope of AEMO's NEM2025 program;
- **NEM2025 Gate 1 Business Case**, outlines AEMO's approach to implementation and includes a summary of stakeholder feedback informing the approach;
- **Participant Impact Assessments**, high level Impact assessment performed by Industry groups to highlight expected participant impact of reform initiative;
- **NEM2025 initiative briefs**, provides a short ~3 page description of the scope and benefit of each initiative that is part of the NEM2025 scope; and
- **NEM Reform Implementation Roadmap Governance - Statement of Approach**, which outlines AEMO's approach to governing scope and funding commitments for implementation of the Roadmap.

All documents have been published at [AEMO | NEM Reform Implementation Roadmap](#)

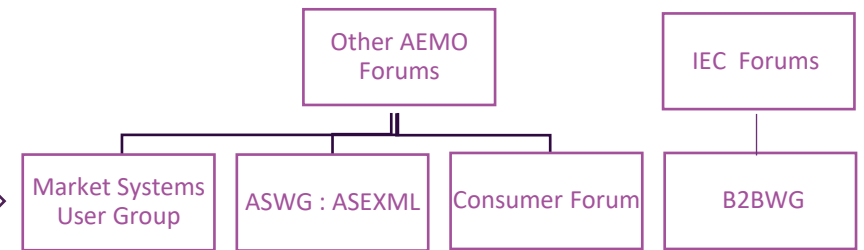
4. Mobilising NEM reform engagement structure

How AEMO proposes to engage across the program

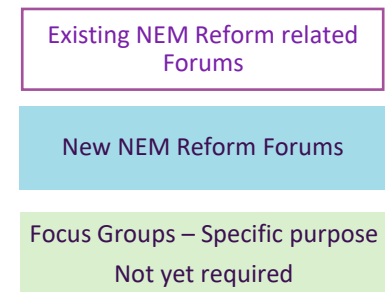
Proposed NEM2025 forums



Existing forums



Legend



Proposed forums - roles

Executive Forum to enable senior participant and market body engagement across NEM reform agenda

PCF to provide over-arching engagement and direction for the program

Implementation Forum – continuation of existing forum, focused on the system and business implementation aspects of initiatives

- Industry Test Focus Group (ITFG) to continue for participant testing engagement on release by release basis
- IT Working Group – where technical and interface changes require focussed engagement
- Readiness Working Group – where scope and complexity of initiative / release readiness require greater engagement than can be efficiently supported through Implementation Forum

Procedural Engagement via:

- WECF – Wholesale Electricity Consultative Forum – new forum established to focus on wholesale procedural change
- ERCF – Electricity Retail Consultative Forum – continuation of current role
- Recognise differing Wholesale and Retail participant impacts and procedural requirements for effective consultation

Initiative specific Working Groups (e.g. IESS) where required will be established during initiative design, after which engagement will be provided through program wide forums

General engagement forums and channels to complement Working Groups

Principles of the approach

- Support participant implementation across multiple reform initiatives
- Utilise existing engagement channels where feasible
- Recognise scale and extent of reform program through establishment of PCF and Executive Forums

Program forums and working groups

Type	Channel	Purpose	Membership and suggested roles	Chair	Cadence
Advise	EXECUTIVE FORUM	To facilitate engagement between AEMO and executive-level representatives from market bodies, market participants and consumer groups on matters relating to the implementation of the NEM2025 Program.	Executive and Senior industry stakeholders, Open nomination	Violette Mouchaileh	6-monthly and to be determined by the forum (October / April)
	REFORM DELIVERY COMMITTEE	Co-design the development of, and updates to NEM2025 Implementation Roadmap	Executive and Senior industry stakeholders, Attendance by nomination by peak industry bodies	Violette Mouchaileh	Quarterly (Nov / Feb / May /Aug)
Coordination and Collaboration Forums	PROGRAM CONSULTATIVE FORUM (PCF)	To collaborate with participants and intending participants on matters relating to the planning, coordination and implementation of the NEM Reform Program.	Open to nominated representatives Program Directors / Business owners	Peter Caruthers	Monthly (1 st week of month)
	INITIATIVE WORKING GROUPS / FOCUS GROUPS	Undertake impact assessment following a final determination, collaborate on high level design & update mobilisation plan.	Open to nominated representatives Initiative Specific SMEs	Initiative business lead	As Required
	IMPLEMENTATION FORUM (IF)	To collaborate with participants and intending participants the IT systems development, transition planning and deployment of initiatives under the NEM2025 Program. See sub-groups on following page.	Open forum with current membership Project Managers/ Implementation Leads / Business Leads	Greg Minney	Monthly (3 rd week of month)
	PROCEDURES -Wholesale Electricity Consultative Forum - Retail Electricity Consultative Forum	To collaborate with participants and intending participants on the coordination, and the development of amendments to, procedures, guidelines and documentation required for implementation of reforms. Will utilise AEMO / initiative forums to consult on specific topic areas as appropriate	Open to nominated representatives Regulatory Leads & procedural SME's	WECF- Chris Muffet ERCF – Blaine Miner	Monthly

Program forums and working groups continued

Type	Channel	Purpose	Membership	Chair	Cadence
Implementation Forum – Working Groups	IT FOCUS GROUP	Co-ordination and collaboration on IT technology matters Consultation on AEMO foundational/strategic initiatives implementation - Retail subgroup - Wholesale subgroup	Open to nominated representatives	TBD	If required.
	TESTING WORKING GROUP	Coordination and dialogue between subject matter experts on testing prior to each release, Test Planning and Joint issue resolution	Open to nominated representatives	Tui Grant	As Required for Initiative support
	READINESS WORKING GROUP (RWG)	Coordination and dialogue between subject matter experts on readiness to go-live- if required given scale of initiative and level of market impact	Open to nominated representatives	Greg Minney	Monthly (As Required)
Information Forums	NEM REFORM ROADMAP FORUM	Facilitate broad industry perspectives on NEM reform and Roadmap iterations	Open attendance	Peter Caruthers	6 monthly/as required by roadmap updates
	INDUSTRY INFORMATION SESSION	Provide high-level, transparent, timely information on program implementation	Open attendance	Peter Caruthers	Quarterly

Other channels

Type	Channel	Purpose	Stakeholders	Cadence
Communications and tools	MEDIA RELEASES	Generate general awareness around key implementation milestones that have broader implications to the public	Trade and National media, General public	At major program milestones
	AEMO NEWS ROOM ARTICLES & SOCIAL MEDIA (LINKEDIN)	Generate general awareness around implementation milestones.	Industry and general public	At program milestones
	FACT SHEETS & INFOGRAPHICS	To support effective communication around implementation milestones, used in newsletters, articles, social media etc	As required	As required
	AEMO COMMUNICATION NEWSLETTER	Provide high level updates to wider industry on key implementation milestones using AEMO's existing weekly industry newsletter	Subscribers to AEMO Comms newsletter	At program milestones
	PROGRAM NEWSLETTER	Provide transparent and timely information on program management and implementation progress to involved stakeholders	Stakeholders involved in forums and working groups	Monthly
	DEDICATED PROGRAM WEBSITE	Provide transparent, timely information on program. Linking relevant implementation information for individual reform initiatives. Final versions of documents are published on the website.	Industry and general public	Throughout the program
	DIGITAL COLLABORATIVE TOOLS	Enables collaborative development of documents	Impacted industry stakeholders	As required
	DEDICATED MAILBOX	Provide coordination point for implementation program Connect stakeholders with the correct AEMO representative to assist with questions or suggestions	As required	Throughout the program

PCF Terms of Reference - Scope

- Provide overall advice on the mobilisation, coordination, and implementation of NEM reform initiatives
 - Approach to development of high-level designs for solution development
 - Market and operational procedures, guidelines and other documentation
 - Participant IT development
 - Industry Testing and Initiative Go-Live readiness
- Provide advice on necessary subsidiary working and focus groups
 - Including the establishment, oversight and delegation to any groups established
- Monitor program delivery
 - Including industry testing and readiness, and the management of changes against key program milestones , including collaboration and co-ordination in managing and resolving risks and issues
- Inform the process to confirm critical elements of strategic/foundation initiatives on the Roadmap
 - High Level Design, Detailed Design or Scope
 - Implementation Plan and Impact Assessment (including the cost/benefit assessment)
- Explore and identify opportunities to remove costs from industry
 - In the design and development of AEMO and industry systems including identifying where AEMO can build common infrastructure that can be utilised by industry.

Out of scope:

The PCF is not a decision-making body regarding AEMO's internal program governance.

The PCF is not a consultative forum for policy development and design and rules development.

PCF Terms of Reference - Representation

Participation in the Program Consultative Forum is open to suitably qualified nominations from market participants impacted by the implementation of reforms. In the interests of facilitating effective discussions, each organisation should nominate a primary member. An organisation's membership can change, as appropriate, through the life of the program.

AEMO expect PCF members to:

- Have a thorough understanding of the NEM and the reform initiatives under the NEM2025 Program,
- Have a detailed understanding of their own program's timelines, deliverables and business impacts and how their program interfaces with AEMO's program,
- Be prepared to participate in discussion and provide detailed responses to matters under discussion,
- Have the authority to consider PCF matters and provide official views and commitments on behalf of their business, and
- Provide Forum outcomes back into their business.

Engagement Structure – Discussion

1. Are there any refinements that should be considered to the working group structure?
2. Do participants plan to establish “NEM Reform” programs or engage on a initiative by initiative basis?
3. At what stage are participants at in establishing individual reform programs?
4. Is October an appropriate timeframe for NEM Reform Executive Forum
 1. Currently scheduled for 25th October
 2. Would holding this forum assist in mobilising engagement
 3. Would early 2023 better reflect participant engagement
5. Ability of participants to engage in relevant forums?
 1. Number and extent of engagements to be supported given number of initiatives
 2. Ability to select which forums provide best engagement for available resources

5. Ways of Working

Managing Inflight Initiatives

For initiatives that are “In Flight”, following issue of AEMC final determination AEMO will provide program:

- **Milestone Management**
 - Consistent set of milestones that reflect both regulatory and delivery progression (draft milestones included in appendix)
 - Highlight availability of artefacts required for participant development
- **Status Reporting**
 - Progression against committed dates, highlight implementation issues and risks
- **Readiness Management**
 - Defined and measured go-live criteria, with associated contingency approaches
 - Industry and market test support
 - Transition planning and engagement
- **Execution Change management**
 - Impact assessment for changes to schedule, scope to in-flight initiatives
 - Industry and AEMO program impacts taken into account
- **Program and Industry Risk management**
 - Consolidation of Industry risk across initiatives
 - Regular review and mitigation evaluation

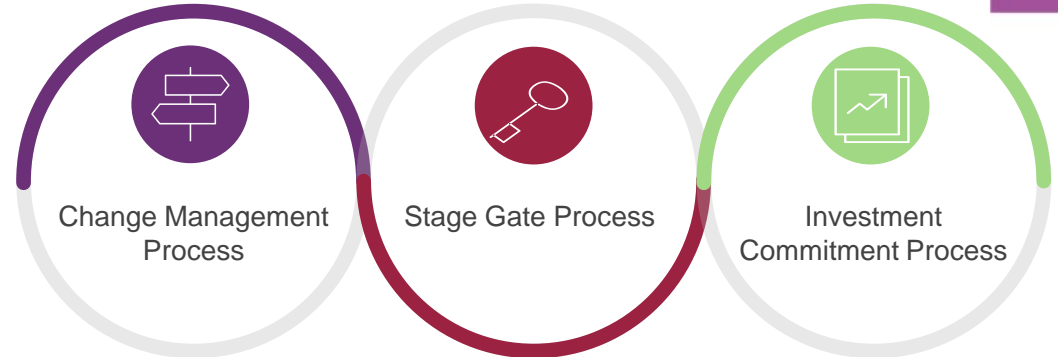
NEM2025 Roadmap Governance

In developing the Roadmap, AEMO and RDC members noted the significant challenges and risks associated with delivery of the NEM2025 Program and the importance of an appropriate management and governance framework.

Challenges include but are not limited to:

- Managing uncertainty in scope, timing and cost of initiatives
- Establishing the basis for, and timing of AEMO strategic and foundation enabling initiatives
- Setting funding commitments over a multi-year Program given the uncertainty surrounding policy and regulatory outcomes and scope of certain initiatives.

The Roadmap commits to delivery of mandatory and no regrets initiatives in a timely way. It also sets a pathway and progressive commitment process for delivery of those initiatives with greater uncertainty in policy, design, scope or timing



01

Manage and advise on impacts of new initiatives or changes in scope/timing of existing proposed initiatives.

Process provides for engagement with the RDC and relevant market bodies.

02

Engagement focused on mobilisation and delivery for Post-2025 reform initiatives.

Includes cost/benefit analysis and industry consultation via PCF for AEMO strategic / foundational initiatives.

AEMO will seek RDC advice in relation to whether/when and how the strategic / foundational initiative proceeds.

03

Progressive draw down of funds that will be informed by regulatory determinations, the stage gate approach and AEMO's defined investment approval processes.

See "NEM Reform Implementation Roadmap Governance – Statement of Approach" for further information on each process.

Industry Cost management

Given scope and scale of the NEM Reform program a key focus must be the management of total industry cost in the realisation of reform outcomes

NEM reform program endeavours to address this through multiple channels:

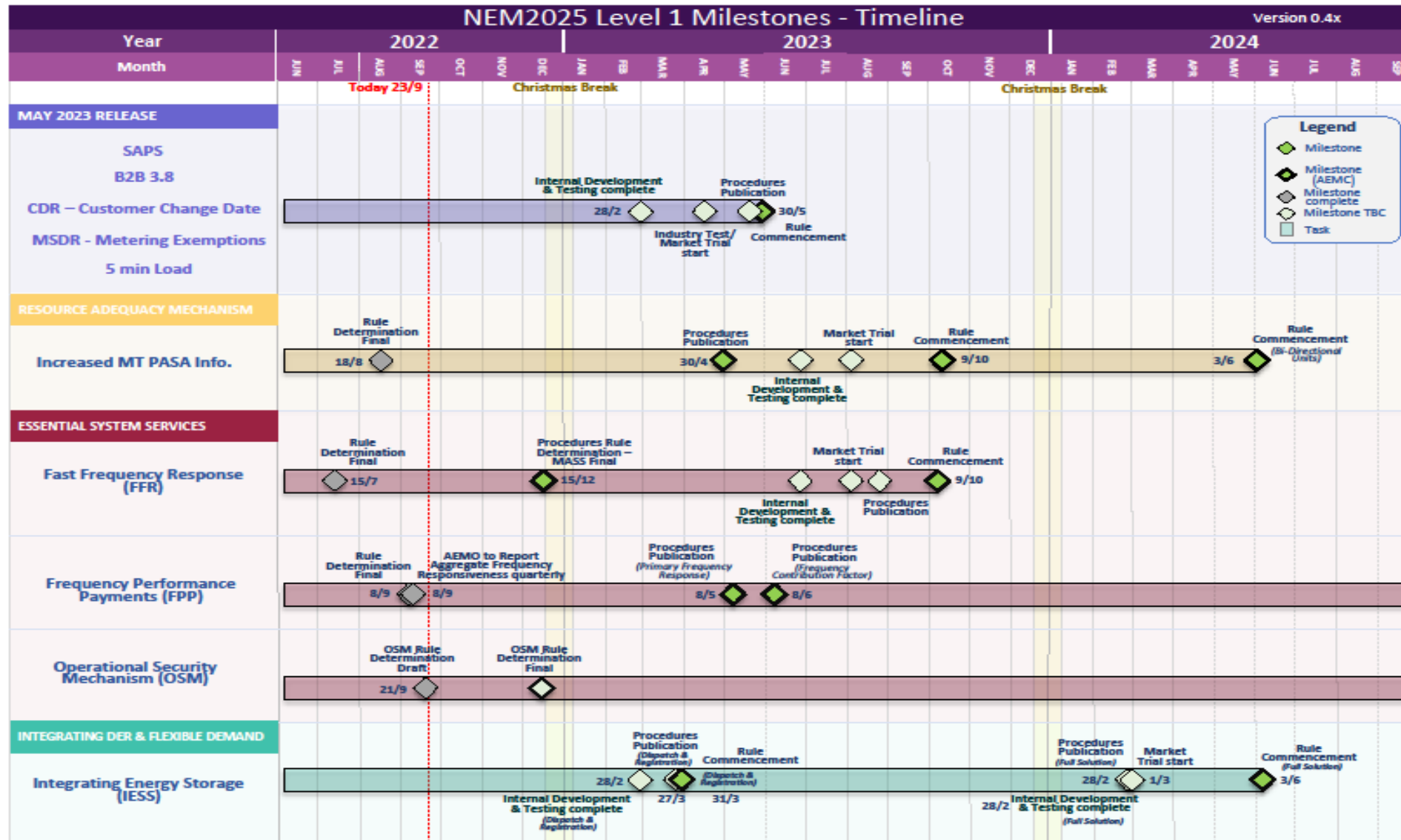
- Efficiency in implementation planning
 - Bundling of initiatives and commencement timeframes to extract implementation efficiencies
 - NEM Reform Roadmap to outline long term program and reflect overall implementation priorities and capacity
 - Integrated Design of initiatives at policy / rule stage, to the extent practicable
- Implement opportunities for process improvement through Quick Wins
 - E.g. Settlement Reconciliation workshops as conducted under 5MS to clarify and refine end-to-end process
 - Workshops / focus groups to be established via the program as opportunities identified
- Long term operational efficiency initiatives
 - Bundled into stage gate 3 initiatives (foundational and strategic initiatives)
 - Proposals and business case to be confirmed with participants as basis for inclusion in roadmap for implementation
- Opportunities to avoid or remove duplication of implementation activity
 - Relies on industry input to identify opportunity
 - May require increased investment in AEMO process to leverage multiple participant investment

Implementation of approaches :

- Quick wins and low hanging fruit items have been successfully implemented previously
- Big ticket items have proven harder to progress. A longer term perspective and progressive transition to provide participant flexibility are likely to lead to better outcomes.

6. Current initiatives progress

Initiatives in progress



High level impact Assessment

- Impact of Initiative implementation varies across Participants
- Attached Slides are extract of preliminary assessments performed by industry groups in development of roadmap and published on [AEMO's website](#)
- Consideration should be given to extent and timing of impacts in developing participant engagement approaches
- AEMO will expand and consolidate impact heatmaps as initiatives move into implementation

7. Upcoming engagements

Upcoming engagements

OCT 2022

- Program: PCF initial meeting (today!)
- MASS: Publication of the Final MASS Determination (7 October)
- IESS: Standard consultation commences on [Power System Model Guidelines](#) (mid-October)
- IESS: Stakeholder information session for Small Generation Aggregators on optional participation in ancillary services market (18 October)
- FPP: Standard consultation commences on [Frequency CF Procedure Issues Paper](#) (late October/early November)
- Program: [Implementation Forum](#) (25 October)
- Program: Executive Forum (late October TBC)
- IESS: Monthly [Working Group](#) meeting (26 October)
- WECF: Initial Meeting (late October TBC)

NOV 2022

- Program: PCF monthly meeting
- RDC: [Collaborative Workshop](#) (2 November)
- Program: Implementation Forum (29 November)
- IESS: Standard Consultation commences on [Guide to Generator Exemptions and Classifications of Generating Units](#) (mid November)
- IESS: [Minor consultations](#) on
 - Wholesale Demand Response Baseline Eligibility Compliance and Metrics Policy (timing tbc)
 - Retailer Reliability Obligation – Procurer of Last Resort Cost Procedures (timing tbc)
- IESS: Monthly [Working Group](#) meeting (30 November)

DEC 2022

- Program: PCF monthly meeting
- RDC: [Quarterly meeting](#) (1 December)
- IESS: Discussion on Technical Specifications at [Market System User Group](#) (timing tbc)

Q1 2023

- Program: PCF monthly meeting
- RDC: [Collaborative Workshop](#) (8 February)
- RDC: [Quarterly meeting](#) (21 February)
- IESS: Consultation on [Carbon Dioxide Equivalent Intensity Index Procedures](#) (February-March)

Stakeholder enquiries and nominations may be sent to NEM2025@aemo.com.au

Glossary

MASS: Amendment of the Market Ancillary Service Specification (MASS) – Very Fast FCAS
 FPP: Frequency Performance Payments
 IESS: Integrating Energy Storage Systems
 PCF: Program Consultative Forum
 RDC: Reform Delivery Committee

8. Thanks and close



NEM2025@aemo.com.au

Appendix A: Competition law meeting protocol and AEMO forum expectations

AEMO Competition Law - Meeting Protocol

AEMO is committed to complying with all applicable laws, including the Competition and Consumer Act 2010 (CCA). In any dealings with AEMO regarding proposed reforms or other initiatives, all participants agree to adhere to the CCA at all times and to comply with this Protocol. Participants must arrange for their representatives to be briefed on competition law risks and obligations.

Participants in AEMO discussions **must**:

- Ensure that discussions are limited to the matters contemplated by the agenda for the discussion
- Make independent and unilateral decisions about their commercial positions and approach in relation to the matters under discussion with AEMO
- Immediately and clearly raise an objection with AEMO or the Chair of the meeting if a matter is discussed that the participant is concerned may give rise to competition law risks or a breach of this Protocol

Participants in AEMO meetings **must not** discuss or agree on the following topics:

- Which customers they will supply or market to
- The price or other terms at which Participants will supply
- Bids or tenders, including the nature of a bid that a Participant intends to make or whether the Participant will participate in the bid
- Which suppliers Participants will acquire from (or the price or other terms on which they acquire goods or services)
- Refusing to supply a person or company access to any products, services or inputs they require

Under no circumstances must Participants share Competitively Sensitive Information. Competitively Sensitive Information means confidential information relating to a Participant which if disclosed to a competitor could affect its current or future commercial strategies, such as pricing information, customer terms and conditions, supply terms and conditions, sales, marketing or procurement strategies, product development, margins, costs, capacity or production planning.

AEMO Forum and Meeting Expectations

This charter explains expectations regarding participation and behaviour in the Australian Energy Market Operator (AEMO)'s stakeholder forums.

Meeting Expectations

All participants will:

- Respect the diversity of the group.
- Speak one at a time – refrain from interrupting others.
- Share the oxygen – ensure that all attendees who wish to have an opportunity to speak are afforded a chance to do so.
- Maintain a respectful stance towards all participants.
- Listen to others' points of view and try to understand others' interests.
- Share information openly, promptly, and respectfully.
- If requested to do so, hold questions to the end of each presentation.
- Remain flexible and open-minded, and actively listen and participate in meetings.
- Abide by COVID-Safe workplace guidelines, if attending a meeting on AEMO's premises.

Roles and Responsibilities

Forum stakeholders agree to:

- Be specific and fact-based in their feedback on a specific workstream or emerging issue;
- Review and provide feedback on papers and reports;
- Relay information to their colleagues or constituents after each meeting and gather information/feedback from their colleagues or constituents, as practicable, before each meeting;
- Maintain a focus on solutions or outcomes that benefit all energy consumers.

AEMO agrees to:

- Provide technical expertise in a manner that is considerate of the audience and their level of expertise;
- Assist participants in understanding issues enough to represent their views;
- Provide all participants the opportunity to voice their views.

Appendix B: Draft Initiative Milestone Structure

Draft Initiative Milestone Structure

Milestone	Level	Description
Initiative		L1 Milestones to manage progress against key Implementation in line with Regulatory Roadmap identifying where significant delay has potential to impact rule commencement
Draft Determination Published (AEMC)	L1	Identifies point of NEM2025 Program Implementation Engagement
Final Determination Published (AEMC)	L1	Confirmation of Scope and timing
Rule Commencement Date(s)	L1	Reflects effective date(s) for rule that will be met by implementation program
NEM Procedures Published	L1	Provide procedure certainty to impacted Participants- where included in rules decision
AEMO Internal Development and Testing Completed	L1	Progress Confidence prior Industry Test
Market Trials / Industry Testing Commence	L1	Key Initiative Readiness milestone
	L2	L2 Milestones provide transparency for the completion of L1 milestones and support for participant preparation
High Level Design Published	L2	Basis for Procedure and System changes
AEMO Program Workstreams Engaged	L2	Commencement of Initiative Implementation in Timeframe to support Go-Live
Phase go-Live/ Deployment (s)	L2	Staged deployment of solution to support Rule Commencement Milestones (eg early availability of Registration, update of interface tech)
Procedures		By Package
Consultation Papers issued	L2	Supports NEM Procedures L1 Milestones and Industry Resource allocation, assumes consolidation across timeframes, relates to those external procedural documents required for Participants to progress their changes
Draft Documents Published	L2	Draft Procedures determination
Final Documents Published	L2	Procedures finalised
Systems Development		By "release"
Technical Specs Draft	L2	Technical Documentation milestones to be supported by detailed scheduled of all supporting - milestone to reflect scope/ build requirements
Technical Specs Final	L2	
Data Model / Schema Draft	L2	Identifies scope and timing for MMS, aseXML (B2M) and B2B changes to support initiative
Data Model / Schema final	L2	
AEMO Development Complete	L2	Progress milestone for Industry transparency
AEMO Development Commenced	L2	Progress milestone for Industry transparency
AEMO Internal Testing Commenced	L2	Progress milestone for Industry transparency - completion of Release development and Testing is L1
Industry Testing / Market Trial		by "Release"
Testing Strategy (Approach) Published	L2	Approach for Initiative
Participant Preparation Completed	L2	As Required for Market Trial / not explicit for Industry Testing
AEMO Preparation Completed	L2	Support of Test Commence (may include environment prep/ dta refresh)
Staging Environment release Available	L2	If identified in Readiness approach to support Participant implementation
Readiness		By "Release"
Readiness Approach Published	L2	Agree approach to Readiness support for Initiative
Transition Plan Published	L2	For Preparatory transition activities if required
Industry Go-Live Plan Published	L2	Activities and communication to take release live
Contingency plans updated	L2	For Release readiness - if identified in Readiness Approach as required
Accreditation / Registration Plan	L2	If required to meet release changes

- Milestones to reflect consistency of implementation approach
- Support participant planning and progress management
- Tailored to requirements of initiative
- Commence for an initiative once Draft Determination available and refine during lifecycle

Appendix C: Proposed Stage Gates

Stage Gate Proposal – Initial Plan

Initial plan – flexibility to manage changes in timing will be required

Stage Gate	Name	Comment	Timing
-	Initial Business Case	<ul style="list-style-type: none"> • Presents holistic view and sets out overall budgetary envelope • No funding commitment • Used to inform decision around Strategic vs Reg-Led Pathway 	3Q2022
1	Immediate Reforms	<ul style="list-style-type: none"> • Mandatory Initiatives for 2022 Rules Determinations <ul style="list-style-type: none"> • IESS, FFR, MT-PASA, FPP and OSM 	3Q2022
2	Capacity Market & Congestion Management model	<ul style="list-style-type: none"> • Stage Gate 2A: Capacity Mechanism • Stage Gate 2B: Congestion Management Model • Separated due to possible different policy timelines for each initiative, and likely short timeframes for CM. 	Subject to Policy-makers timing
3	Strategic & Foundation Pre-Requisites	<ul style="list-style-type: none"> • Stage Gate 3A: Identity & Data bundle: IDA, IDX (noting pre-existing participant consultation should be leveraged), CoMASTR and Portal Consolidation • Stage Gate 3B: Dispatch Bundle (including dispatch, constraints and bids/offers target state) • Stage Gate 3C: FRC target state • Integrated design, plan and cost/benefit to be prepared, industry engagement to be conducted 	1Q2023 4Q2022 1Q2023
4	DER Flexible Demand & Marketplace	<ul style="list-style-type: none"> • Stage Gate 4: Turn-up services, DOEs, DER Data Hub & Registry services, Distribution/local network services and potentially DER Operational Tools • Scope is subject to change once Policy/Trials complete (impacting budget, timeline and responsibilities). • Co-ordinated approach with DNSPs may be valuable, to ensure roles are clear and scope for each role is defined 	Indicative Mid-2023, subject to trials & policy development
5	Next Reforms	<ul style="list-style-type: none"> • Mandatory initiatives for 2023 Rules Determinations <ul style="list-style-type: none"> • FTA2, Scheduled Lite & SCADA Lite, ROR 	Indicative mid/late 2023, subject to Rules timing
6	Data Strategy	<ul style="list-style-type: none"> • Data Services, Bill Transparency, Electric Vehicles, Network Visibility 	Indicative Mid-2023 (subject to policy development)



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