

NEM Reform Program Consultative Forum

Meeting #8
14 June 2023



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 (AEST)	Topic	Presenter(s)
1	1:00 – 1:05pm	Welcome	Peter Carruthers
2	1:05 – 1:10pm	Actions & Feedback from Previous Meeting • Feedback from participants (May PCF meeting)	Peter Carruthers
3	1:10 – 1:25pm	Program & Release Update	Rowena Leung & Jim Agelopoulos
4	1:25 – 1:40pm	May Commencement Update • Status Update • May Go-Live debrief	Meghan Bibby & Greg Minney
5	1:40 – 2:10pm	Commencement Updates • August: IESS (ADC) • October: FFR, MT PASA, 5MLP • November: CDR, Metering Exemptions • June 2024: IESS • June 2025: FPP	<ul style="list-style-type: none"> • Emily Brodie • Chris Muffett, Meghan Bibby • Meghan Bibby • Emily Brodie • Oliver Derum
6	2:10 – 2:25pm	Foundational & Strategic Initiatives • IDX IDAM PC	Ulrika Lindholm & Andrew Bell
7	2:25 – 2:35pm	NEM Reform Forums Update • EWCF • Implementation Forum • General & Roadmap briefing feedback update	David Reynolds <ul style="list-style-type: none"> • Chris Muffett • Greg Minney • Ulrika Lindholm
8	2:35 – 2:40pm	NEM Reform Implementation Roadmap Update	Lance Brooks
9	2:40 – 2:45pm	Upcoming Engagements • Fee Consultation Update	David Reynolds <ul style="list-style-type: none"> • Lance Brooks
10	2:45 – 3:00pm	General Questions and Other Business	Peter Carruthers

Appendix A:
Competition law meeting protocol and AEMO forum expectations

Appendix B:
Go Live Criteria Management

"Please note that this meeting will be recorded by AEMO and may be accessed and used by AEMO for the purpose of compiling minutes. By attending the meeting, you consent to AEMO recording the meeting and using the record for this purpose. No other recording of the meeting is permitted"

2. Actions & Feedback from Previous Meeting

Actions & Feedback from Previous Meeting

(Item = Meeting # – Agenda # – Reference)

Item	Topic	Action	Responsible	Status
7.4.1	CDR pt 2, B2Bv3.8, ICFs	AEMO to share link to the updated tech spec with PCF members.	AEMO	Closed
7.5.5	June 2024 Update	<p>Participants to provide feedback on IESS readiness approach timing and IESS participant impacts, including:</p> <ul style="list-style-type: none"> • Settlement impacts • Level of interest in a further IESS settlement information session. • Indicative timing for readiness documents • Completeness and accuracy of participant impacts • Areas for further consideration <p>Feedback to be sent by emailing iess@aemo.com.au by Friday 19 May.</p>	Participants	Closed
7.8.0	NEM Reform Implementation Roadmap Update	Participants to email NEMReform@aemo.com.au to request a changed marked version of the NEM Reform Implementation Roadmap v2.	Participants	Closed
		AEMO to provide a change-marked version of the artefacts to requesting participants	AEMO	Closed

Feedback from Participants (May PCF Mtg)

Peter Carruthers



Participant Development Timeframes

- May 2023 PCF raised concerns around compressed timeframes for participant development and testing programs
 - Industry test for May release
 - Lack of contingency allowance
 - Timely availability of tech specs/schema definition/etc for IESS & FPP
- Compression of timeframes impacting participant readiness is not a new issue. Changes to the “ways of working” from AEMO is required to address this.
- Proposed changes/refinements to AEMO processes include:
 - Early development of High Level Implementation Design, Participant Impact Assessment, L1/L2 Milestones and (generic) Participant Development Timeline
 - Participant Development Timeline to be informed by Participant Impact Assessment
 - Consultation with Participants on Participant Impact Assessment, L1/L2 milestones and implications for Participant Development Timeline
 - Assessment of participant development support requirements e.g. testing requirements
 - Inclusion of contingency period – or inclusion on industry risk register
- AEMO will include these steps in reform initiatives moving forward. Covered later in this pack.

3. Program & Release Update

Program Update

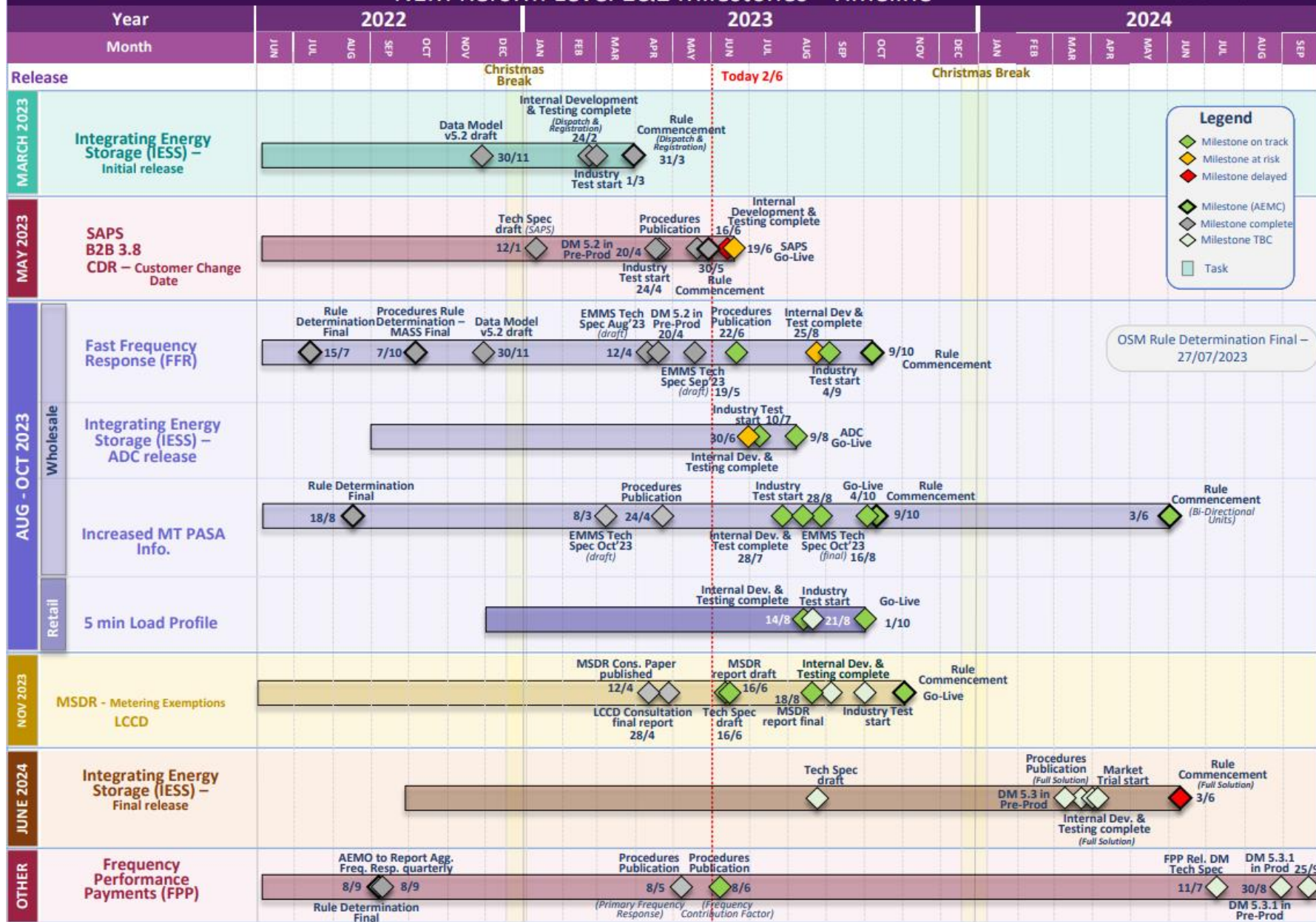
- Successful implementation of CDR, B2B v3.8 and other ICFs in May 23
- Resource concerns persist in key project areas and continue to place pressure on maintaining existing timelines.(Refer to slide 11)
- IESS June 24 is impacted by extended timeframes to complete build and system test across Settlements, Prudential's and Registrations and RMC applications ahead of SIT commencement. AEMO working on revised plans and approaches.
- FFR SIT & UAT test plans now in place.

Release	Initiatives	Previous Status	Current status	Key Points	Impacted Stakeholders
MAY-23	CDR (excluding LCCD)	Delivered	Delivered	Successful implementation of first batch of performance improvements on 23 May 2023.	Major retailers
	B2B v3.8 and other ICFs	Delivered	Delivered	Successful implementation of B2B and 4 ICFs on 28 May 2023.	LNSP, FRMP, MP/MDP
	SAPS			SAPS on track for the revised 19 Jun Go live date. Amber due to lack of contingency prior to 19 Jun.	LNSP, FRMP, MP/MDP
AUG-23	Integrating Energy Storage Systems [ADC]			Development Complete. SIT execution in progress. Testing re-baselined to be completed by 30 June.	Aggregate Systems
	Fast Frequency Response - Dispatch & Reg			Testing timelines have been finalised and industry test dates can be met. Amber status remains due to parallel path of AEMO test program.	Generators, Market Customers
OCT-23	Fast Frequency Response			Final Service commencement plan was released 5 May. Testing timelines finalised. Amber status remains due to parallel path of AEMO test program.	Generators, Market Customers
	5 Minute load profile			Project progressing on track.	Market Customers / FRMP
	Increased MT PASA Information			Project progressing on track.	Scheduled Generators
NOV-23	Metering Exemptions (MSDR)			Project is continuing towards 1 Nov delivery	Retailers, MC and MP/MDP
	CDR (LCCD)			1 Nov effective date confirmed.	FRMPs
JUN-24	Integrating Energy Storage Systems [Final]			IESS key issues include resource capacity constraints, finalisation of functional requirements for BDU model and participant readiness for BDU and settlement changes. AEMO expect to provide a response to these issues and reviewed timelines in July PCF.	IRPs, NSPs, FRMP, MP/MDP, Vendors
JUN-25	Frequency Performance Payments			Final Frequency Contribution Factors Procedure (FCF) published 1 June 2023. Project progressing on track. Workshop underway to confirm participant impact and development timelines.	Generators, Market Customers

NEM Reform Level 1&2 Milestones PoaP



NEM Reform Level 1&2 Milestones - Timeline version 17.0



Key call outs:

- SAPS revised go-live date of 19/6 (from 30/5).
- The final procedure publication is on track for 22/6. SIT and UAT testing timeframes are being confirmed.
- The IESS ADC UAT timeframe re-baselined and plan confirmed, with target completion end of June.
- The MT PASA final Procedures publication was achieved on 24/4. Internal Dev and testing is on track.
- AEMO development for Metering Exemptions in progress, deployment and Procedure effective dates subject to consultation.
- Publication of the Frequency Contribution Factor procedure was published on 1 June.
- The LCCD Rule Commencement is deferred to 1/11/23.

Resourcing

- As noted at last PCF meeting the NEM reform program has experienced a number of challenges which are impacting the program's schedule and delivery timeline.
- For example of challenges experienced by the program include:
 - IESS Aug 2023 delivery times have been impacted by SME resourcing and test preparation challenges
 - IESS June 2024 is experiencing delays in finalising functional requirements for its BDU model and initial build estimates are extending beyond SIT start for IESS 2024 due to low SME capacity.
- AEMO has identified a number of de-risking actions to prevent delays with upcoming releases and mitigate future risk. AEMO has scheduled a check point at the end of June.
- These de-risking actions include:
 - **Accelerate requirements gathering**
 - Start earlier with requirements development
 - **Quality Assurance (SIT/UAT) Scale & Industry Test Support**
 - Scale SIT and have stronger industry test support
 - **Product Domain Support & Scale (Develop/System Test)**
 - Strengthen Prudential's team and Tech lead role in development process
 - **Project Environment (NPE) Support**
 - Provide stability and establish ongoing support processes and reporting
 - **Progress SME Strategy**
 - Succession planning and business / digital continuity activity
- AEMO will return to the July PCF with a post mitigations status update following its June check point.

4. May Commencement Update

May 2023 commencement updates

COMPLETE

CDR pt 2, B2Bv3.8, ICFs

Key Date(s)	30 May Commencement
Likely impacted stakeholders	DNISP, Retailers, MP/MDP
Industry testing anticipated	Industry Testing
Overall status	COMPLETE

Procedures	Technical documentation	AEMO Development and Internal Testing	Industry readiness and Transition	Industry testing	Deployment and go-live
<ul style="list-style-type: none"> Finalised procedures available on AEMO's website: AEMO Retail and metering 	<ul style="list-style-type: none"> Final MSATS 49.0 spec published 15 May 	<ul style="list-style-type: none"> Development complete Internal testing complete 	<ul style="list-style-type: none"> AEMO readiness criteria for May components checkpoint decision made for B2B, ICFs, go live maintained as 30 May 2023. 	<ul style="list-style-type: none"> Industry supported Pre-production completed noting delays in commencement due to deployment issues Program support occurred via ITWG and Q&A sessions 	<ul style="list-style-type: none"> Retail Software Deployed successfully 28th May Procedures Effective Date 30/5 achieved for B2B procedures

Relevant links

[AEMO | Consumer Data Rights MSATS Consultation](#)

[AEMO | B2B Procedures v3.8](#)

May Release Deployment Summary

- May Release deployed successfully 28th May, with procedure effective date 30th May
 - Slight Delay (approx. 1 Hour) in restart c/f Go-Live Plan
 - No major issues noted with Procedure Effective date transition
 - Confirmation of Deployment proceeding was not available until 5.00 PM on Friday 26th
 - Remediation and retesting of defect – if not successful would necessitate deployment reschedule
 - AEMO have scheduled feedback session 8th June
 - A number of participants encountered issues with aseXML schema upgrades
 - Lessons learned to be incorporated into future NEM Reform implementations

May 2023 commencement updates

SAPS

Key Date(s)	31 March SAPS MSRP Registration, 19 June Commencement				
Likely impacted stakeholders	DNSP, Retailers, MP/MDP				
Industry testing anticipated	Invitation Industry Testing for SAPS				
Overall status	Release Status Amber: SAPS Testing Late, go live delayed to 19 June 2023, status due to lack of contingency in test program and missed NER effective date.				
Procedures	Technical documentation	AEMO Development and Internal Testing	Industry readiness and Transition	Industry testing	Deployment and go-Live
<ul style="list-style-type: none"> Procedures for SAPS finalised 	<ul style="list-style-type: none"> SAPS Settlement supported by EMMS Data Model 5.2 MSATS tech Spec 49.0, final updates issued 19/5 	<ul style="list-style-type: none"> AEMO Internal Testing in progress and on schedule to complete in line with 19 June “go-Live” 	<ul style="list-style-type: none"> SAPS Implementation and uptake based on Participant implementation timeframes AEMO Capability to support MSRP registration and establishment implemented 17th April 	<ul style="list-style-type: none"> Invitation Industry Testing, where requested and MSRP registration is complete, will be supported across “go-live” date to support participant introduction timeframes 	<ul style="list-style-type: none"> SAPS MSRP registration able to commence from 17 April EMMS Data Model 5.2 deployed 23/5 Wholesale 25/5 and retail software 28/5 deployments occurred Final SAPS deployment to support 19/6 Go-live and settlements processing

Relevant links

[AEMO | Standalone Power Systems \(SAPS\) – Identifying a SAPS NMI in MSATS](#)

[AEMO | SAPS Retail Procedures - Error Corrections and Clarifications](#)

[SAPS Participant Fact Sheet](#)

[SAPS Connection Point Check List](#)

5. Commencement Updates



August 2023 Update

Emily Brodie

August 2023: IESS

Integrating Energy Storage Systems (IESS) - Aggregated Dispatch Conformance

Key Date(s)	Aggregated Dispatch Conformance implementation 09 Aug 2023
Likely affected stakeholders	Aggregate systems, connecting NSPs, control system vendors/developers – optional to use aggregated dispatch conformance
Industry testing anticipated	Industry testing available
Overall status	Amber – Delay in commencing AEMO testing. Management action has re-baselined schedule to support Industry Test commencement

Procedures	Technical documentation	AEMO development & internal testing	Industry readiness & transition	Industry testing	Deployment and go-Live
<ul style="list-style-type: none"> Procedure changes to support aggregate dispatch conformance have been completed. 	<ul style="list-style-type: none"> Data Model 5.2 released to production 23/5. This release includes the updates required for ADC. No further technical updates required for ADC release. 	<ul style="list-style-type: none"> AEMO development completed Internal testing schedule re-baselined to complete by 30 June (prior to industry test period commencing). 	<ul style="list-style-type: none"> No formal participant industry readiness or transition required. Go-Live Criteria for AEMO solution and business operations being developed for Implementation Forum confirmation in June. 	<ul style="list-style-type: none"> Invitation industry testing will be available for BESS and the two facilities that have ADC-like arrangements. Info session 15 Jun 2023. Test environment (pre-production) expected to be available 10 Jul 2023, Program support via ITWG and regular Q&A sessions 	<ul style="list-style-type: none"> ADC go-live date confirmed for 09 Aug 2023. Draft go-live plan release for industry comment – Mon 19 Jun.

Relevant links

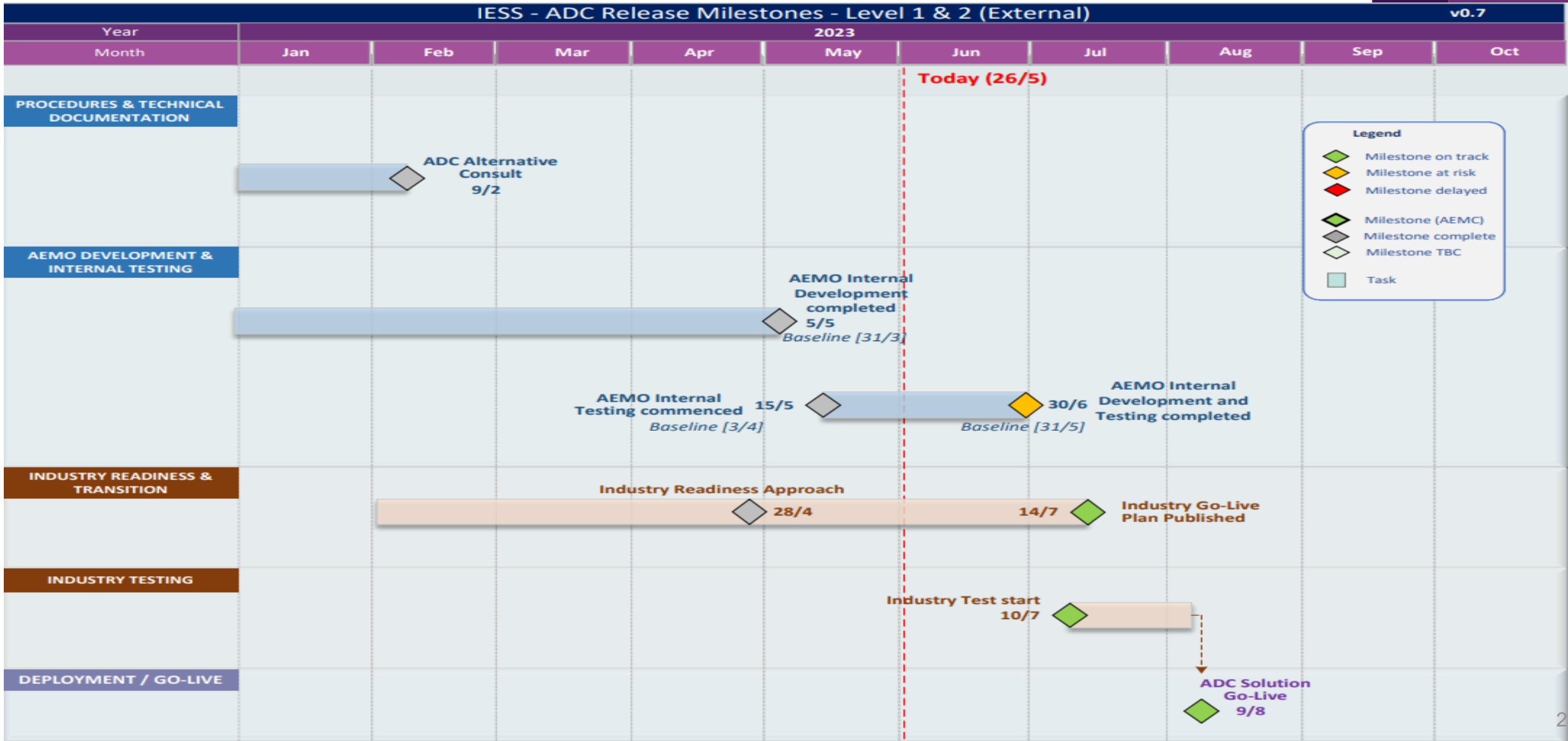
[Integrating energy storage systems into the NEM | AEMC](#)

[AEMO | Indicative change program](#)

[AEMO | Integrating Energy Storage Systems project](#)

[AEMO | Integrating Energy Storage Systems Working Group](#)

August 2023: IESS – Aggregated dispatch conformance





October 2023 Update

Chris Muffett / Meghan Bibby

October 2023: FFR

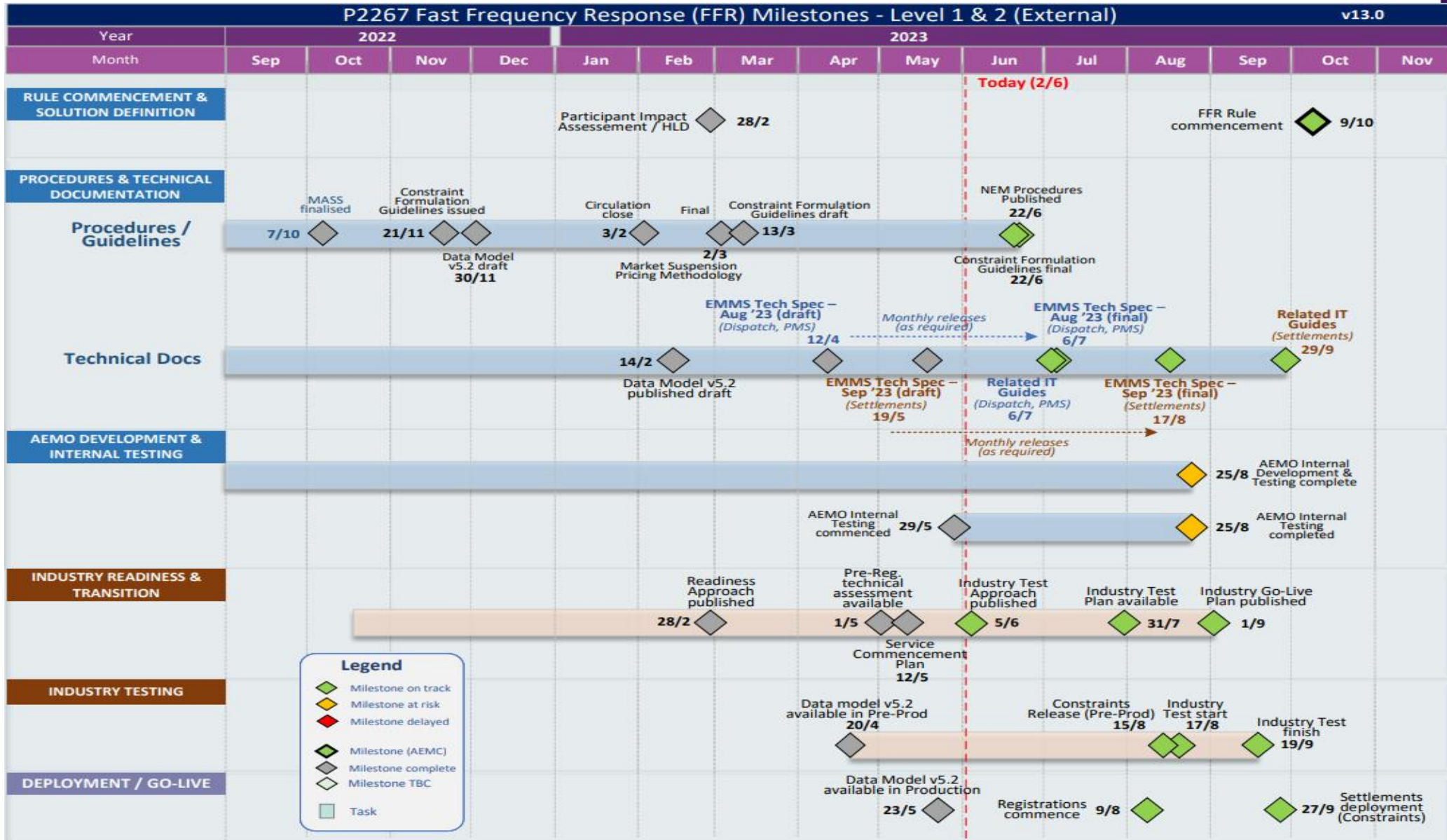
Fast Frequency Response

Key Date(s)	Go-live October 2023
Likely impacted stakeholders	Generators, Market Customers, Traders
Industry testing anticipated	AEMO will be facilitating industry testing in the pre-production environment, and will involve exercising dispatch and settlement processes of the new services.
Overall status	Overall AMBER , AEMO development in Progress, Delay in commencing AEMO testing has received management attention and are-baselined timeline confirmed, Procedure consultations has been finalised

Procedures	Technical documentation	AEMO Development and Internal Testing	Industry readiness and Transition	Industry testing	Deployment and go-Live
<ul style="list-style-type: none"> • MASS Finalised 7 October • Constraint and formulation guidelines consultation in progress, Draft published 9 March, Submissions due 12 April, with final guidelines to be published on 22 June • Constraint Implementation Guidelines was finalised on 20 April 	<ul style="list-style-type: none"> • Data Model changes released in v5.2 (March 2023). Tables to remain unpopulated until capability released. Data Model 5.2 has been released in production 23/5 • Changes to bidding, dispatch and settlement interfaces incorporated in EMMS Technical Spec updates released 19/5 	<ul style="list-style-type: none"> • All Development complete for FFR releases • AEMO Internal Testing (SIT, UAT) for initial release in progress on track against re-baselined schedule • Overlap of development and integration testing reflects multiple deployments with replanned testing schedule to address delivery issues. Testing Schedule now supports completion prior to Industry Test commencement 	<ul style="list-style-type: none"> • Service Commencement Plan final released 5th May • Pre-Registration technical assessments available from 1 May, to provide provisional confirmation of VF • FCAS maximum capacity • Technical go-live criteria and proposed contingency approach under development and will be presented to Implementation forum in June 	<ul style="list-style-type: none"> • Proposed Industry testing approach provided to Implementation Forum, and ITWG. Approach and detail will continue to be developed via ITWG • Approach will involve end to end test of dispatch and settlements 	<ul style="list-style-type: none"> • Changes will be deployed to production to enable registration and submission of bids for new service • Timings to be reflected in Industry Go-Live plans with Draft approaches issued mid July

Relevant links

FFR Milestones and progress



October 2023: Increased MT PASA Information

Increased MT PASA Information

Key Date(s)	Go-live October 2023
Likely impacted stakeholders	Scheduled Generators
Industry testing anticipated	Industry Testing in same timeframe as FFR, 5MLP
Overall status	Overall On Track , AEMO development in Progress, Procedure consultations finalised

Procedures	Technical documentation	AEMO Development and Internal Testing	Industry readiness and Transition	Industry testing	Deployment and go-Live
<ul style="list-style-type: none"> RSIG and Energy Adequacy Assessment guidelines consultation Final Published 28/4 	<ul style="list-style-type: none"> Data model changes for MT PASA have been included in release 5.2 of data model. Data Model 5.2 now available in production 	<ul style="list-style-type: none"> AEMO development on schedule to complete AEMO Internal Testing to commence on schedule 	<ul style="list-style-type: none"> Capability for participants to provide updated information will be deployed 1 week prior to rule commencement to support participant compliance at rule commencement Initiative Go-Live Criteria to be reviewed with Implementation forum in July 	<ul style="list-style-type: none"> ITWG / Implementation Forum provided overview of Industry Testing approach and timeframe for MT PASA capability to be supported for Industry Testing 	<ul style="list-style-type: none"> Deployment dates to be confirmed. Planned deployment 4/10 (note minor change) to allow updates to MT PASA information ahead of rule commencement. Reporting capability to be deployed 9/10 Industry Go Live Plan draft planned for end August

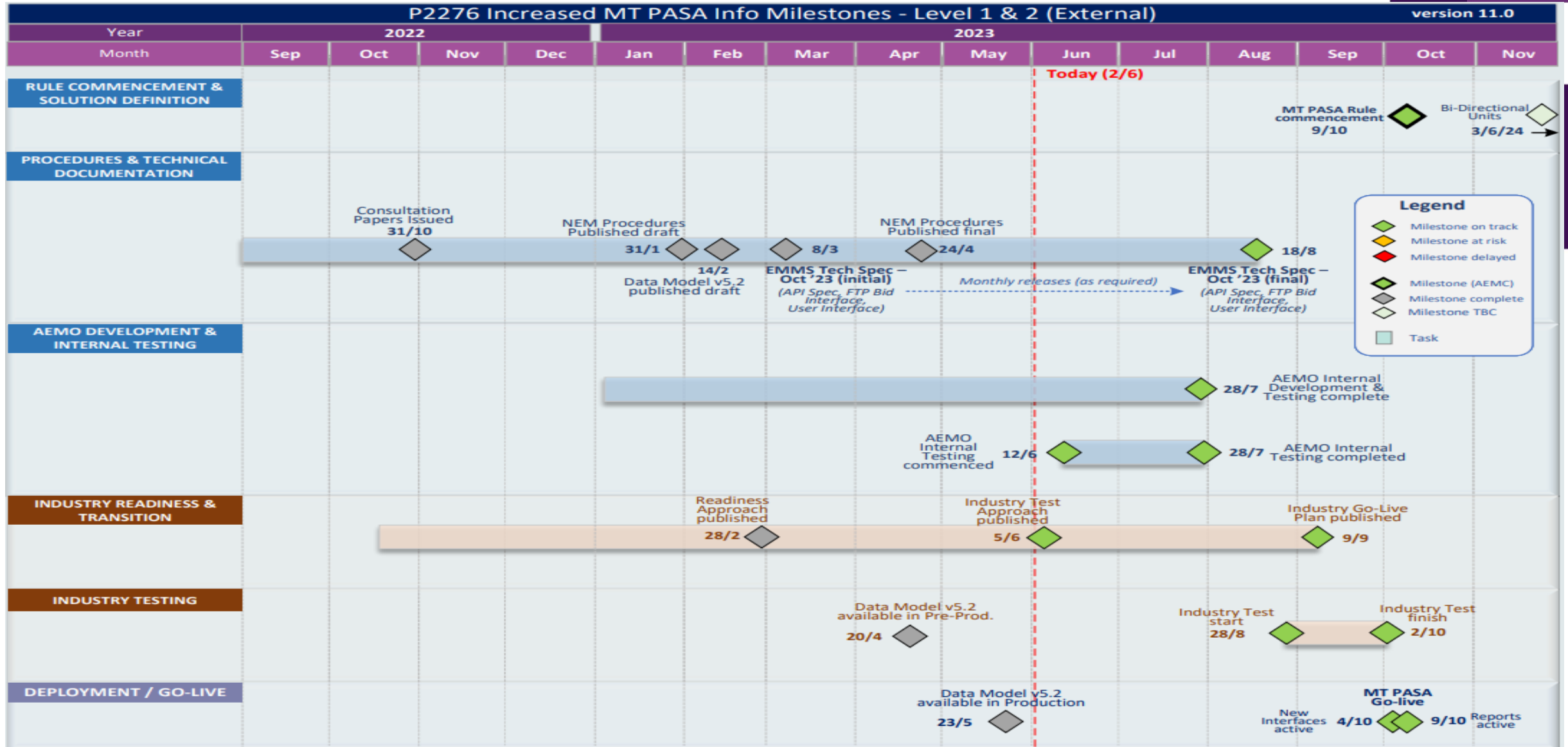
Relevant links

[Enhancing information on generator availability in MT PASA | AEMC](#)

[AEMO | NEM Reliability Forecasting Guidelines and Methodology Consultation](#)

[AEMO | Amendment of the Market Ancillary Service Specification \(MASS\) – Very Fast FCAS](#)

MT PASA Milestones and progress



October 2023: 5 Minute load profile [5MLP]

5MLP

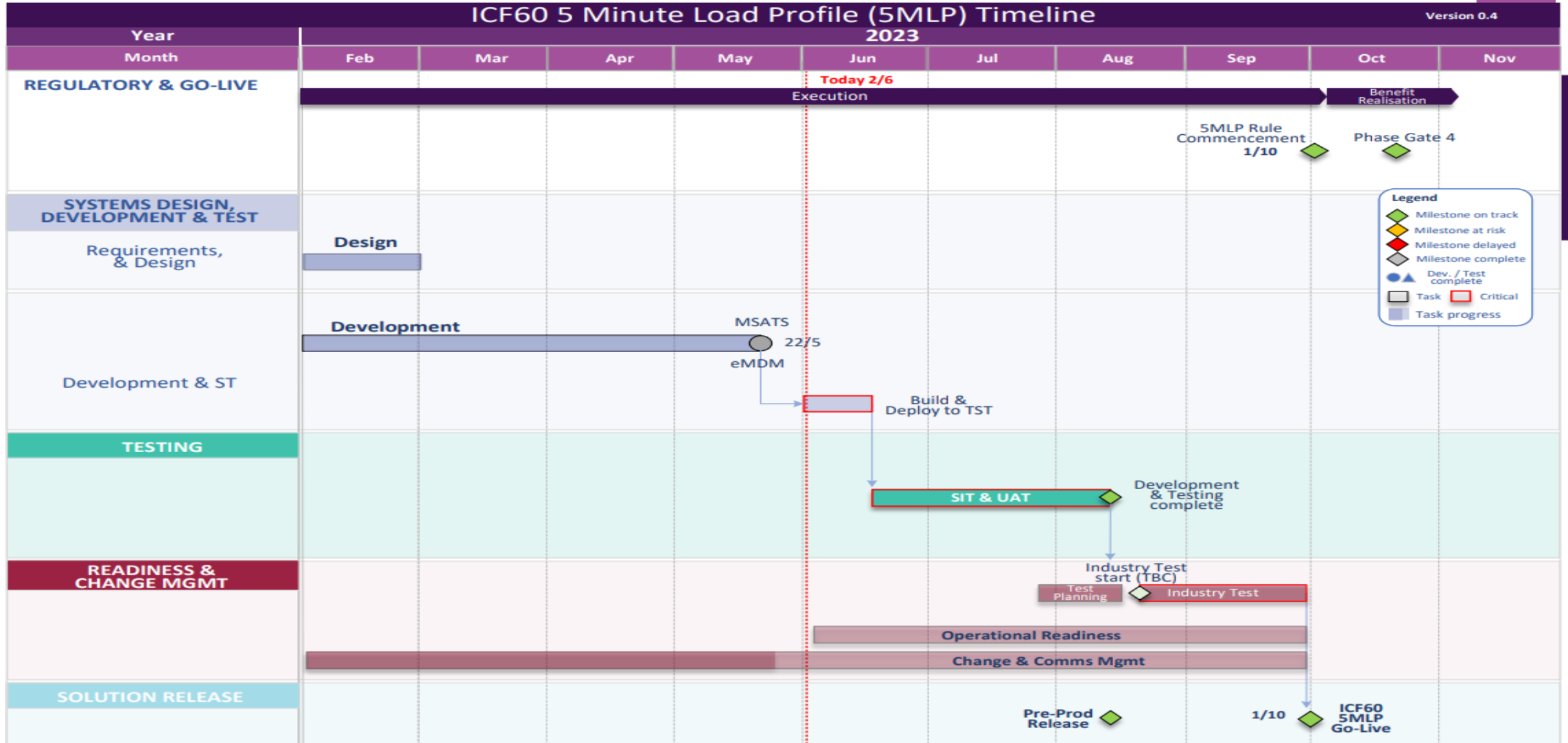
Key Date(s)	Go-live October 2023
Likely impacted stakeholders	FRMPs, Market Customers
Industry testing anticipated	Industry Testing in same timeframe as FFR with Co-ordinated Settlement Runs
Overall status	Overall On Track , AEMO development in Progress

Procedures	Technical documentation	AEMO Development and Internal Testing	Industry readiness and Transition	Industry testing	Deployment and go-Live
<ul style="list-style-type: none"> Consultation completed as component of ICF060 	<ul style="list-style-type: none"> No updates to technical documentation required for implementation. Current interfaces and reports remain unchanged. 	<ul style="list-style-type: none"> AEMO development in progress with eMDM main component for changes. 	<ul style="list-style-type: none"> No transition requirements identified for initiative implementation 	<ul style="list-style-type: none"> Industry Testing approach currently being scoped with ITWG. Industry Testing will require generation of Settlement runs, with proposed approach to utilise RM reports for validation of profile updates 	<ul style="list-style-type: none"> 1 October 2023 is procedure effective date No industry deployment plan required to support 5MLP.

Relevant links

[AEMO | Load Profiling Methodologies Consultation](#)

5 Minute Load Profile Timeline





November 2023 Update

Meghan Bibby

November 2023: CDR Tranche 3 & CDR MSATS LCCD, Metering Exemptions

CDR, Metering Exemptions

Key Date(s)	Go-live November 2023 (TBC for Metering Exemptions)
Likely impacted stakeholders	FRMP, MC, MP, DNSP, MDP
Industry testing anticipated	Industry Testing (TBC)
Overall status	Overall On Track , AEMO development for CDR Complete. AEMO development for Metering Exemptions in progress, deployment and Procedure effective dates subject to consultation

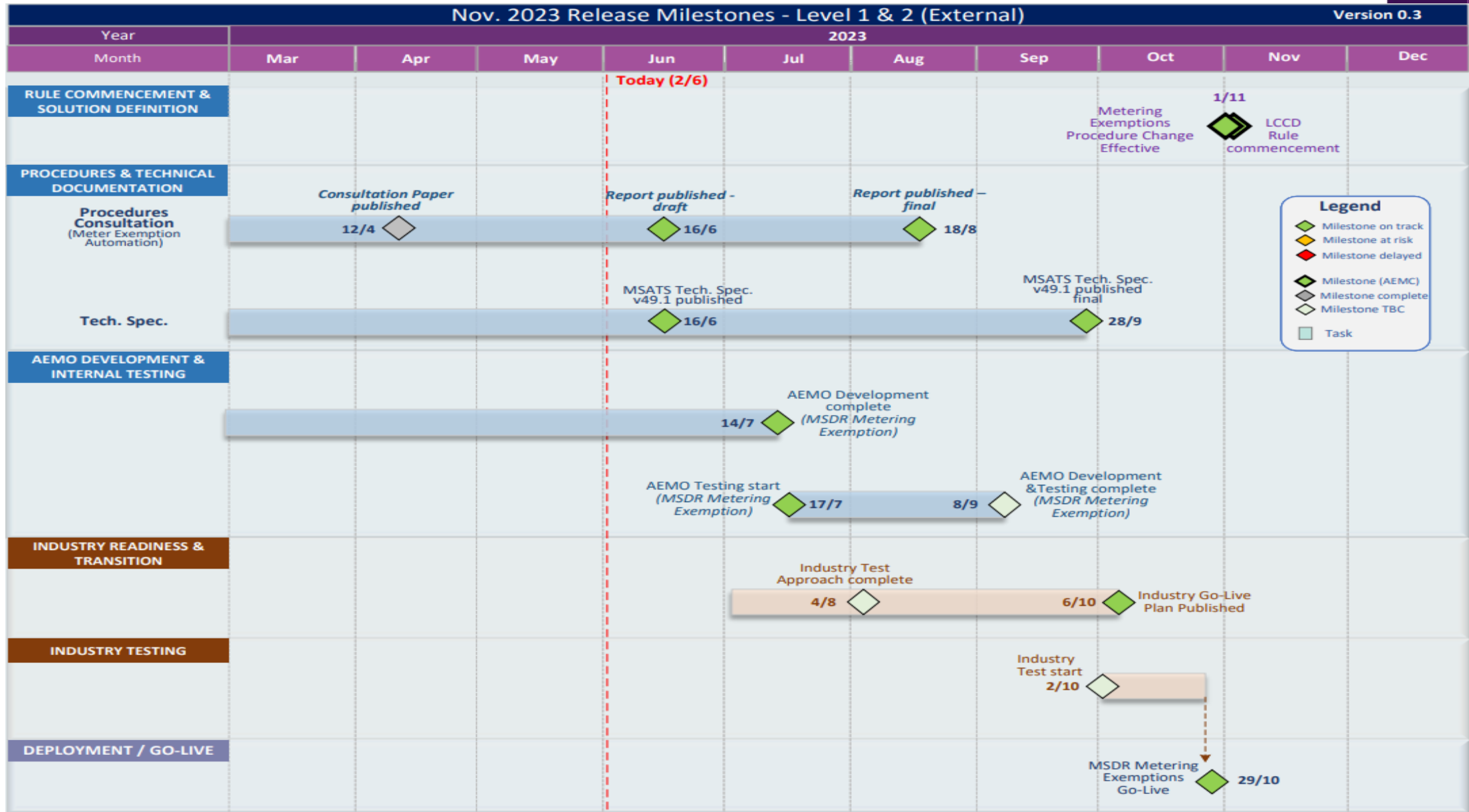
Procedures	Technical documentation	AEMO Development and Internal Testing	Industry readiness and Transition	Industry testing	Deployment and go-Live
<ul style="list-style-type: none"> Minor amendment consultation completed to delay CDR MSATS procedure effective date to 1 November <ul style="list-style-type: none"> All submissions received in support of 1 November effective date for all retailers Final report published 28/4 Consultation commenced 12 April to agree MC process impact and establish procedure effective date for Metering Exemptions changes <ul style="list-style-type: none"> 11 submissions received on Issues Paper. Draft report to be published 16 June. Final report due 21 August. 	<ul style="list-style-type: none"> MSATS 49.1 Technical Specification to provide Metering Exemptions update 	<ul style="list-style-type: none"> AEMO development for CDR Complete. Development in progress for Metering Exemptions. 	<ul style="list-style-type: none"> Metering Exemptions transition requirements to be established in parallel with procedure consultation Transition of current exemptions included in scope. 	<ul style="list-style-type: none"> Approach to be confirmed in line with establishment of effective dates. 	<ul style="list-style-type: none"> Metering Exemptions Procedure effective dates subject to consultation. CDR MSATS LCCD population aligned to CDR Tranche 3 rule commencement. MSATS LCCD field included in released r43 schema.

Relevant links

[AEMO | Consumer Data Rights \(CDR\) MSATS Minor Amendment Proposal](#)

[AEMO | Metering Installation Exemption Automation Consultation](#)

November 2023 Milestones Timeline





June 2024 Update

Emily Brodie

June 2024: IESS

Integrating Energy Storage Systems (IESS)

Key Date(s)	<ul style="list-style-type: none"> NECR go-live Sun 02 Jun 2024 IRP/BDU go-live Mon 03 Jun 2024
Likely affected stakeholders	<ul style="list-style-type: none"> Changes to non-energy cost recovery framework (NECR): Financially responsible market participants Introduction of IRP participant type and bi-directional unit (BDU) bidding, scheduling and participation: BDU participants, bidding system vendors/developers <p><i>**See slides 27 & 28 of the NEM Reform Program general stakeholder briefing (11/05/23) for more details on affected participants**</i></p>
Industry testing	Market Trial (details TBC, likely timing April & May 2024)
Overall status	Red – Procedures in progress, management action required to development and Testing timeframes, and establish industry readiness support requirements

PROCEDURES & REGULATORY	TECHNICAL DOCUMENTATION	AEMO DEVELOPMENT & INTERNAL TESTING	INDUSTRY READINESS & TRANSITION	INDUSTRY TESTING	DEPLOYMENT & GO-LIVE
<p>Current procedure consultations:</p> <ul style="list-style-type: none"> IESS retail electricity market procedures – draft report to be published 12 Jun 2023 Registration and Exemption Guide – final published 01 Jun 2023 <p>Upcoming procedure consultations</p> <ul style="list-style-type: none"> Prudentials – late June and late July Dispatch Procedure – post 9 August 	<p>Changes to:</p> <ul style="list-style-type: none"> MSATS technical specification EMMS technical specification MMS Data model aseXML schema (version release TBC) <p>Milestones: Publication of tech spec releases to be confirmed.</p>	<ul style="list-style-type: none"> Development in progress Schedule pressures emerging in development and system testing Finalisation of BDU model and confirmation of development scope and timeline place delivery milestones at risk. 	<ul style="list-style-type: none"> Readiness documentation schedule (transition, test and go-live plans) has been discussed with implementation forum. No feedback on schedule. Participants have expressed need for earlier support (transitions/tech specs/data model/ environments): <ul style="list-style-type: none"> Final BDU model & stakeholder summary response discussion at Implementation Forum 31 May. Feedback on IESS settlement changes discussed at Implementation 30 May. AEMO to assess options for earlier implementation support. 	<ul style="list-style-type: none"> Timing, duration and coverage of market trial TBC. Market Trial plan will be developed in conjunction with the ITWG. Program support via ITWG and regular Q&A sessions. 	<p>Go-live plans for data model releases:</p> <ul style="list-style-type: none"> Draft Dec 2023 Final Feb 2024

Relevant links

[AEMC | Integrating energy storage systems into the NEM](#)

[AEMO | Indicative procedure change program](#)

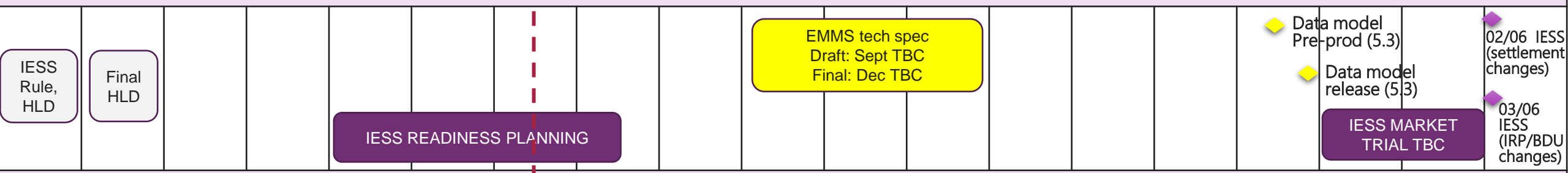
[AEMO | Integrating Energy Storage Systems project](#)

[AEMO | Integrating Energy Storage Systems Working Group](#)

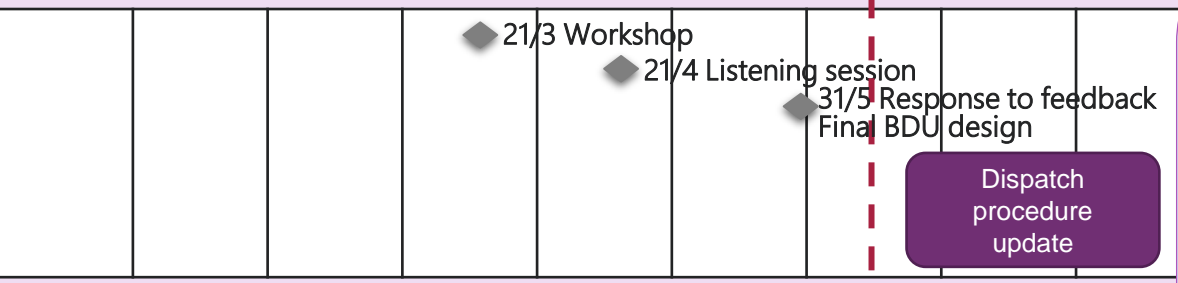
June 2024: Integrating Energy Storage Systems

Dec-21	Jul-22	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
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IESS implementation and industry support



BDU design engagement



IESS FEEDBACK

For both BDU changes & settlement changes, participants expressed need for **earlier support & appropriate industry test periods** to enable quality & timely implementation.

Seeking earlier:

- **Technical information**, including for AEMO to release information in batches as it becomes available rather than wait for draft tech spec
- Confirmed **transition** approaches
- Release **data model** in pre-prod and/or availability of **development environments**

AEMO RESPONSE

→ **June:**

- Continue planning options for earlier industry support, including development schedule checkpoint.

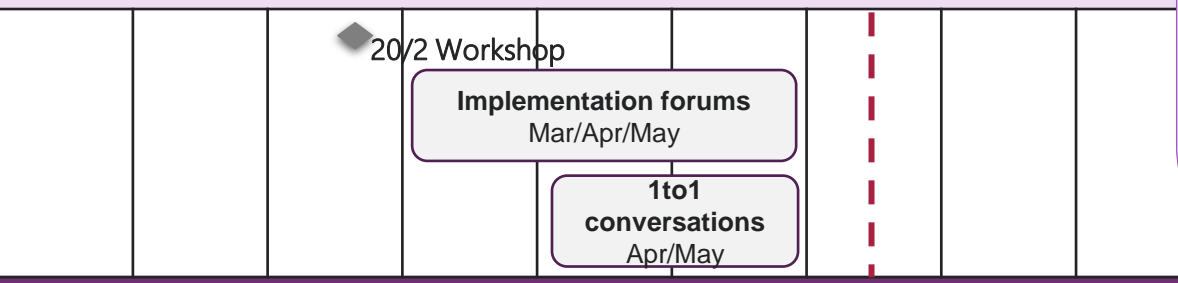
→ **27 Jun Implementation Forum:**

- Provide consolidated final BDU design ahead of tech spec
- Discuss settlement transition options

→ **12 Jul PCF:**

- Provide an update on timelines for earlier implementation support, where feasible.

IESS settlement changes engagement



◆ IESS Confirmed
◆ IESS Indicative
◆ Completed activities



June 2025 Update

Oliver Derum

June 2025: Frequency Performance Payments

FREQUENCY PERFORMANCE PAYMENTS (FPP)

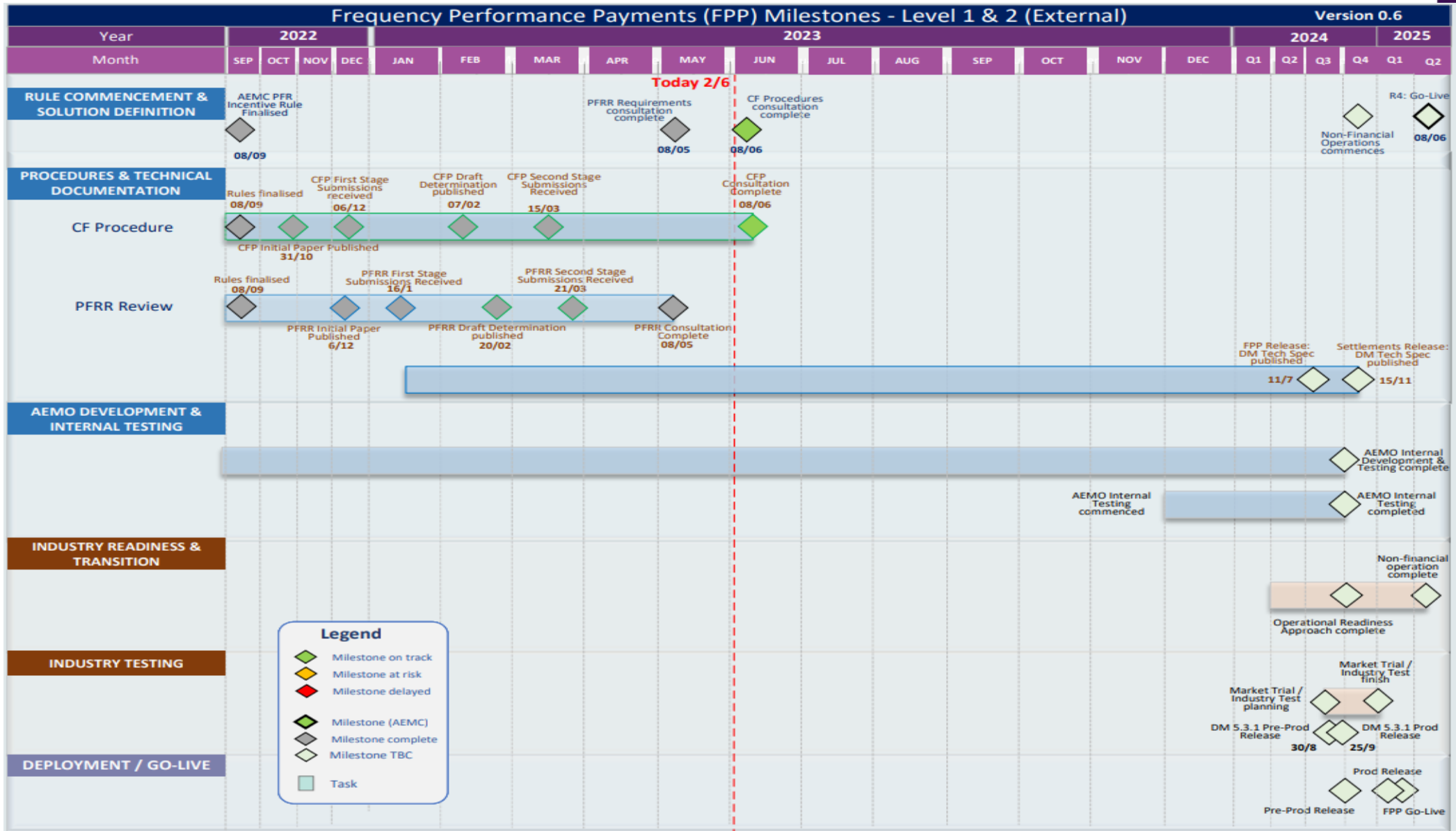
Key Date(s)	Go-live June 2025;
Likely impacted stakeholders	Generators, Market Customers
Industry testing anticipated	Extended period of non-financial operation for participant validation expected, Scope/approach of Industry testing TBC

Procedures	Technical documentation	AEMO Development and Internal Testing	Industry readiness and Transition	Industry testing	Deployment and go-Live
<ul style="list-style-type: none"> Final Primary Frequency Response Requirements procedure published 4 May. Final Frequency Contribution Factor Procedure published 1 June, along with the related Tuning Parameters and Input Sources document. 	<ul style="list-style-type: none"> Data Model Technical Specification with updates for FPP reporting – tbc Data Model Technical Specification with updates for FPP Settlements reporting – tbc 	<ul style="list-style-type: none"> Data integration Jun to Dec 2023 Settlements system development Jul to Dec 2024 	<ul style="list-style-type: none"> April-Sept 2024 	<ul style="list-style-type: none"> FPP calculation testing Dec 2024 (non-financial operation) Settlements testing April 2025 	<ul style="list-style-type: none"> Pre-prod releases 1+2 Nov 2024 (start and end) Pre-prod releases 3+4 start and mid March 2025 Prod release end May 2025

Relevant links

[AEMO | Frequency Performance Payments project](#)

FPP- June 2025

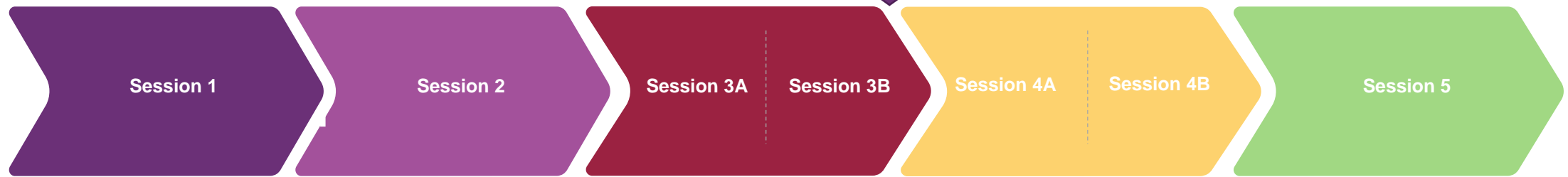






6. Foundational & Strategic Initiatives

Industry Consultation – update

- Discovery phase and Target state workshops completed with supportive and constructive interactions to date
- Interactions suggests:
 - the nature of content is more technical than expected
 - participants are looking to understand detailed implications before a transition has been discussed
- AEMO team is working through additional feedback, especially on IDX, to ensure the focus group aligns on the target state prior to moving on to the next phase of the consultation.

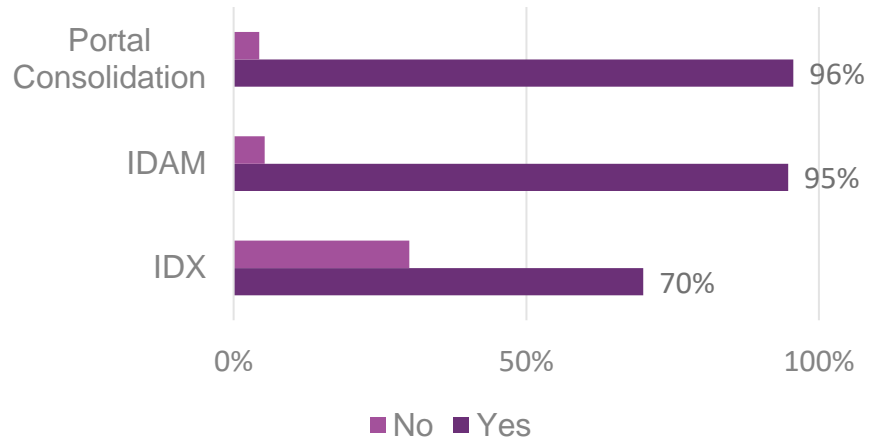
We are here



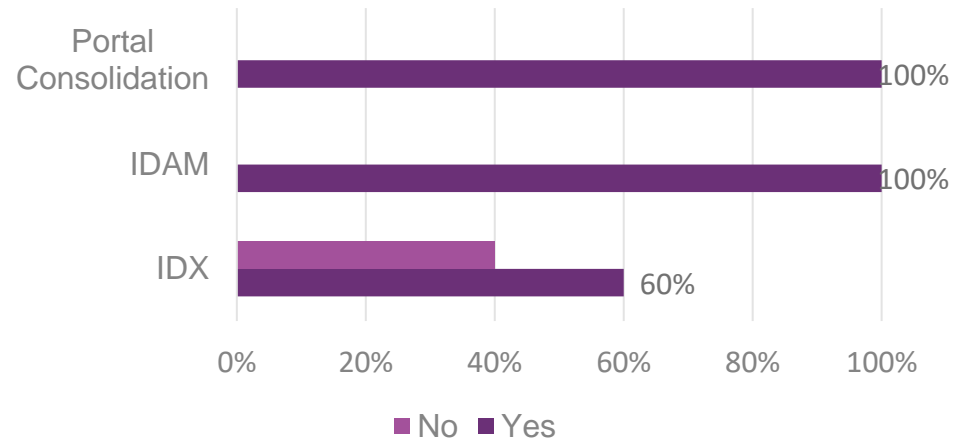
Session	Introduction – IDX, IDAM & PC ✓	Discovery Workshops – IDAM and PC ✓	Target State Discussion	Transition Strategy	Conclusions and Business Case
Agenda	<ul style="list-style-type: none"> • Introduce initiatives • Outline workshop plan 	<ul style="list-style-type: none"> • Pain points and benefits • Survey 	<ul style="list-style-type: none"> • Concept walkthrough ✓ • <i>Additional survey</i> 	<ul style="list-style-type: none"> • Transition Strategy • Impacts & Benefits 	<ul style="list-style-type: none"> • Summary • Options
Audience		 	 	 	

Consultation update - sentiment

Indicative focus group alignment on Target state from Technical session



Indicative focus group alignment on Target state from Business session



Target state workshops held on 15 May (Technical Focus Group) and 22 May (Business Focus Group). A participant alignment check was done at both workshops, indicating majority alignment. AEMO is working through participant feedback to assess the nature of feedback for IDX.

Consultation update - schedule


FOR NOTING: Schedule change

Session	Original date	New date
Session 4A: Transition Strategy for Technical Focus Groups	19 June	20 July
Session 4B: Transition Roadmap for Business Focus Groups	26 June	26 July
Session 5: Conclusions and Business Case	10 July	17 August

Focus group members have been informed and calendar invitations have been sent.

Please reach out to us at NEMReform@aemo.com.au if you have any questions or concerns about this date change.

Executive engagement on business case

- In line with AEMO’s governance approach, the intent is to seek advice from industry on the Foundational & Strategic initiatives business case. A consensus position will be sought in relation to whether/when and how the initiative proceeds.
- AEMO engaged with the Reform Delivery Committee (RDC) on the approach in May. Feedback suggests for AEMO to seek broad industry consensus at an Executive level.
- AEMO is considering two options: 

AEMO is leaning towards option 2, however feedback is sought from PCF members on which option may add most value vs effort from industry’s perspective.

Option	Ask of industry participants
Option 1: Executive endorsement via circular	Participants nominated to the <u>Foundational & Strategic Focus Group</u> are asked to: <ol style="list-style-type: none"> 1. Brief internal constituents and execs on the contents and outcomes of the consultation. 2. Facilitate an endorsed internal position which can be shared with AEMO.
Option 2: Table the business case at the first Executive Forum (late Aug-mid Sep indicatively)	Participants nominated to the <u>NEM Reform Forums including the Foundational & Strategic Focus Group</u> are asked to <ol style="list-style-type: none"> 1. Brief internal constituents and execs on the contents and outcomes of the consultation. 2. Facilitate an endorsed internal position which can be brought to the Exec forum.

Next steps: Transition Strategy & Roadmap Workshops

COMING UP

- 20 July: Session 4A - Transition Strategy for Technical Focus Group
- 26 July: Session 4B - Transition Roadmap for Business Focus Group

ACTIONS

- AEMO continue to work through feedback on the Target states and may reach out to organisations that have provided feedback where clarification is needed
- PCF members are asked to provide feedback on which option for engaging executives may add most value vs effort.
- Meeting materials to be shared by AEMO one week in advance of the July workshops
- Focus Group members are asked to prepare for the workshop as follows:

Content considerations:

- Review and discuss proposed materials internally ahead of the workshop

Administrative items:

- RSVP to calendar invite
- Indicate to AEMO if you wish to attend in person in Melbourne

7. NEM Reform Forums Update

NEM Reform Forums update

Channel	Current focus	Next meeting
NEM2025 Electricity Wholesale Consultative Forum (EWCF)	<ul style="list-style-type: none"> The current focus is on regular updates for inflight reform IESS, FFR, FPP, MT PASA, the Procedures Consultation Roadmap, and the strategic and foundational initiatives (IDAM IDX and PC). The forum recently held a session on the Quarterly Energy Dynamics report (QED) and will be providing an update on the NEM Reform Delivery Committee at the next session. 	20 June 2023
Electricity Retail Consultative Forum (ERCF)	<ul style="list-style-type: none"> The current NEM Reform focus is on considering retail and metering procedural impacts associated to the introduction of the IESS Rule. 	26 June 2023
Information Exchange Committee (IEC) and Business-to-Business Working Group (B2BWG)	<ul style="list-style-type: none"> The current NEM Reform focus is on considering and preparing for the upcoming consultation regarding B2B procedural impacts associated to the introduction of the IESS Rule. 	13 July 2023
NEM2025 Implementation Forum	<ul style="list-style-type: none"> Focus on 2023 Releases – progress and implementation updates for all inflight initiatives Present Go-live criteria and contingency approaches for FFR and ADC Provide draft go-live plan for ADC De-brief SAPS/May release Go-live 	27 Jun 2023
NEM2025 Industry Testing Working Group (ITWG)	<ul style="list-style-type: none"> Address testing approaches for ADC FFR 5MLP and MT PASA Look at Q&A schedule for ADC testing Confirm pre-prod refresh dates 	29 Jun 2023
NEM2025 Executive Forum	<ul style="list-style-type: none"> Targeting Q3 (August 2023) Agenda to focus on: <ul style="list-style-type: none"> NEM Reform Industry Impact, readiness and mobilisation through the reforms Project budget status reporting 	August 2023 (TBC)

For more information and meeting papers for each of the forums, please refer to the [NEM Reform program](#) website.

NEM Reform General & Roadmap briefings feedback update



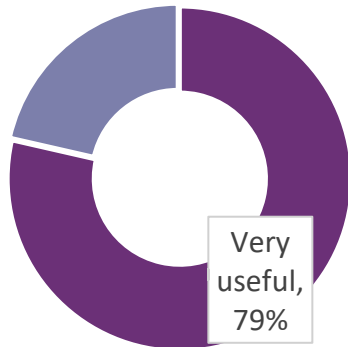
Ulrika Lindholm

Feedback: NEM Reform General & Roadmap briefings

- On 11 May, AEMO hosted two public briefings; on the Program reforms and the release of v.2. NEM Reform Implementation Roadmap
- The sessions were aimed at stakeholders with an interest in NEM Reform and who are not regular attendees of the Program's forums.
- Following the session, feedback was sought from attendees on:
 - Usefulness of engagement through the sessions
 - What worked well
 - What could be improved
- The program received 14 responses out of 140+ attendees.

Feedback summary: NEM Reform General & Roadmap briefings

Usefulness of sessions



- Very useful
- Somewhat useful
- Neutral
- Somewhat not useful
- Not very useful

Positive	Constructive
A transparent, comprehensive overview, which helped them understand the whole picture of the roadmap and schedule. ✓	Suggestion to consider layout and clearer versioning of documents on NEM Reform Implementation Roadmap webpage.
The sessions stuck to the time and the clear agenda. ✓	Use of acronyms made it harder to understand the content.
Images / diagrams were helpful. ✓	Suggestion to give an overview of the “why” of reforms.
Offer regular session to update on changes. ✓	Suggestion to use a mix of media to convey the content.

Work in progress



In addition, one piece of feedback suggested that the presentation was a lot to take in / content heavy. The comment is acknowledged however it's viewed that the nature of the program is technical and detailed and it's important that materials can be consumed stand-alone.

What's next

The program aims to hold regular (~biannual) general briefings for stakeholders with an interest in NEM Reform and who are not regular attendees of the Program's forums.

The presentation materials and recording from the first briefing are available for stakeholders at AEMO's website:

<https://aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/nem-reform-public-forums>

8. NEM Reform Implementation Roadmap Update

Operational Security Mechanism

- The AEMC has proposed a shift in the focus of its OSM rule change to identify more immediate solutions that address the need for power system security signalling their intention to investigate options to streamline and simplify existing security services frameworks
- The AEMC has indicated that investigation will be carried out in relation to system strength, inertia and the Network Support and Control Ancillary Services (NSCAS) frameworks – including how contracts for such ancillary services are scheduled in real-time and improvements to the directions process.
- Further, the AEMC indicated key concerns identified in the initial OSM rule change such as putting in place frameworks to procure ESS to support the NEM and reduce the need for the AEMO to use ‘directions’ and supporting new investment in ‘plant’ technologies that provide services are to be covered in its upcoming directions paper.
- Details of the AEMC’s proposed forward direction are available [here](#)

This represents a significant change in scope of the OSM initiative from that assumed under the Roadmap and supporting materials. AEMO will continue to monitor the progress of the rule change and work with the RDC to update the Roadmap in due course in accordance with the Change Management Process

9. Upcoming Engagements

Upcoming Engagements

June						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

NEM Reform Program Forums
Program Consultative Forum
Reform Delivery Committee
Reform Delivery Committee - Collab W.
Implementation Forum
Electricity Wholesale Consultative Forum
Electricity Retail Consultative Forum
Industry Testing Working Group
AEMO Consumer Forum
Placeholder - Executive Forum
NEM Reform General Stakeholder Briefing & Implementation Roadmap Briefing
Initiative Specific Meetings
NEM Reform Foundational and Strategic initiatives
May Go-Live Criteria
Other
National Public Holiday
State/Territory Public Holiday

To learn more about these events, please visit AEMO's [Industry meeting calendar](#) or contact the program at NEMReform@aemo.com.au.

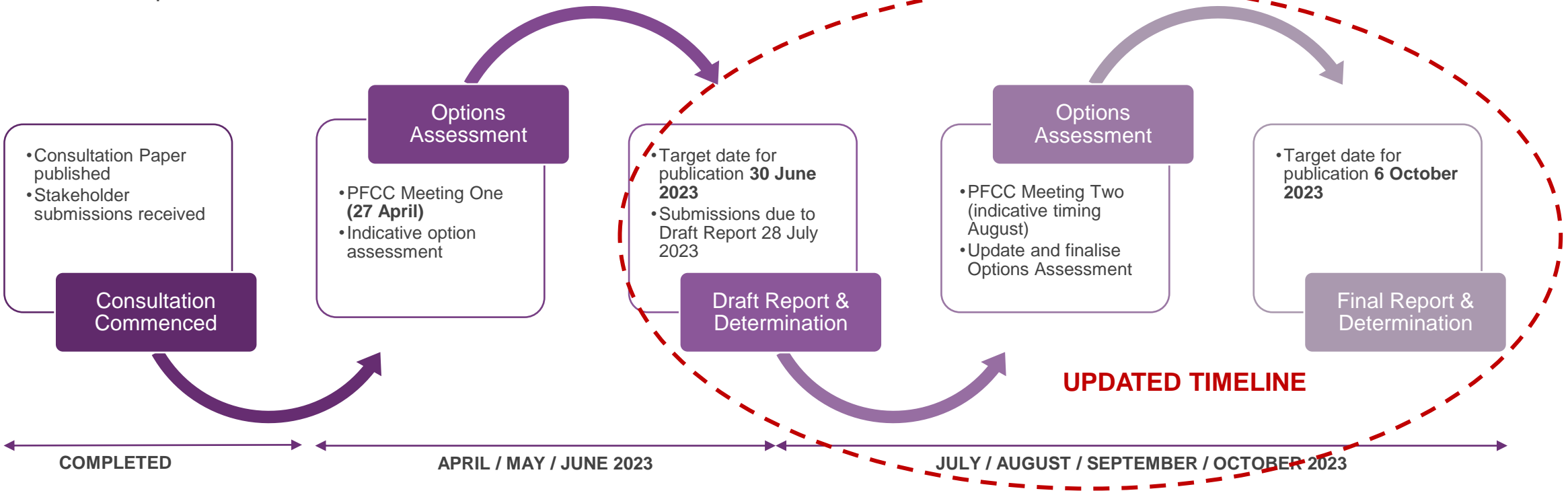


Fee Consultation Update

Lance Brooks

Participant Fee Structure for the NEM2025 Reform Program Declared NEM Project

- AEMO is conducting a consultation on the determination of the Participant Fee structure for the NEM2025 Reform Program declared NEM project. The NEM2025 Reform Program was determined a declared NEM2025 Reform Project on 29 September 2022 following a consultation process
- In April, AEMO held its first meeting with the **Participant Fee Consultative Committee** to discuss key issues and potential fee structure options



10. General Questions and Other Business



NEMReform@aemo.com.au



[NEM Reform Program Consultative Forum](#)



Appendix A: Competition law meeting protocol

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.

Appendix B: Go Live Criteria Management

NEM 2025 Reform Program

Industry Readiness principles

1. All NEM2025 Initiatives will have an established readiness approach to support participant implementation and the criteria against which go-live decisions will be made. Readiness to Go-Live decisions are to be made on an Initiative basis
 1. Approach to Initiative Readiness will be documented in Initiative Readiness Approach
2. Readiness Criteria will be reported to Industry transparent and consistent manner, allowing for difference in level of detail and emphasis for scale and impact of individual initiatives
3. Initiative readiness will address both the implementation of the initiative and the NEM continuing to operate with integrity
4. AEMO will be responsible for their operational readiness to support initiatives at go live and the readiness of systems upgrades required
5. Market participants will be responsible for their own preparations and readiness for those initiatives that impact their business. The AEMO program will facilitate and support those preparations as a component of the program delivery in-line with agreed readiness approach
6. Where individual initiatives are implemented at the same time, readiness aspects should reflect the combined delivery impact of those initiatives

NEM 2025 initiative readiness assessment principles

- External Milestone reporting to provide guidance to Industry Participants regarding Initiative progress
 - Once baselined, a proposed shift to Milestones will require Industry Impact assessment
- Initiative Readiness Criteria will be established for each initiative addressing Solution, AEMO and Industry aspects:
 - Criteria and contingency approaches will consider the optionality and complexity of initiatives
 - Implementation forum will be point of industry engagement for development and management of criteria
 - Contingency planning and risk mitigation approaches are to be applied against criteria to provide AEMO readiness assessment to industry
 - Contingency options to include rule change to commencement date to maintain integrity of NEM operations
 - Progressive assessment of readiness criteria and contingency options must take into account timeframe for option implementation
 - Where Participant readiness, or completion of participant activity is considered a “go-live” criteria, participants reporting will be required to support assessment and status (Mandatory)
 - Participant readiness reporting to be considered where lack of participant readiness would impact smooth operation of market and Business functions, although would not halt rule implementation (Desirable)
 - Readiness Criteria (in the case of service introduction) may distinguish technical/ solution readiness and service introduction criteria
- Initiative Readiness checkpoint (Solution, AEMO Business & IT and where relevant Participant) prior to the scheduled commencement of the Industry Test / Market Trial period to provide participant certainty on readiness and implementation timings



For more information visit

aemo.com.au