

# Forum meeting record

<b>Forum:</b>	<b>Improving Security Frameworks (ISF) for the energy transition</b> Transitional Services Guideline consultation paper webinar
<b>Date:</b>	22 August 2024
<b>Time:</b>	11:00AM – 11:30AM AEST
<b>Location:</b>	MS Teams

## 1 Overview

AEMO introduced the purpose of the Transitional Services Guideline webinar, highlighting that it was:

- Intended as an opportunity to ask questions about the Transitional Services Guideline Consultation paper, released by AEMO on 31 July 2024
- To support clarification in preparation for stakeholders’ written submissions pertaining to the consultation paper
- Not intended to capture feedback from stakeholders for consideration in the consultation process
- Not intended to discuss future plans/intentions for procurement of Transitional Services, as AEMO is unable to do so whilst this procurement guideline is under consultation.

AEMO provided a brief overview of the Improving Security Frameworks Initiative and the Transitional Services Guideline consultation as outlined on slides 7-9 of the accompanying slide pack.

## 2 Q&A

AEMO facilitated a Q&A as captured in below table. Post-session note: questions that were not responded to in session have also been included in below Q&A table.

Raised by	Question/Issue Raised	Response
Anonymous	How would the Transitional Services be dispatched?	<p>AEMO is developing a new enablement tool for scheduling security services.</p> <p>This enablement tool will be available for scheduling Transitional Services, should it be the most appropriate means for doing so.</p> <p>For Type 2 services in particular, it may be appropriate to use another means for enablement to trial new technologies. The intended approach to scheduling will be set out by AEMO on a per-procurement basis.</p>

Raised by	Question/Issue Raised	Response
Queensland Electricity Users Network	What if the transitional service does not contribute to emission targets and instead increases emissions?	AEMO needs to consider all aspects set out in the Transitional Services Procurement Objective, including emissions. The consideration must also be made more broadly and longer term than just the direct emissions from the unit that is providing the security service. For example, the procurement of a unit that is expected to result in some emissions, but also supports more renewable generation.
Anonymous	Are these transitional service contracts temporary in nature? Will there be any contractual security to provide certainty for investors?	The ISF Final determination and the Transitional Services Guideline consultation paper sets out the length of time during which this framework will apply. The Transitional Services framework has a sunset date overall and the overall potential length of individual contracts is also specified.
Powerlink	If AEMO is leveraging an existing contract through a TNSP, how will cost allocations be managed? TNSP regulatory frameworks may not allow recovery of costs for AEMO obligations.	Transitional Services are procured by AEMO, not via an existing contract with a TNSP. The Transitional Services Non Market Ancillary Services (NMAS) Framework aligns with existing NMAS Frameworks, including adopting the cost recovery provisions of the existing NSCAS Framework .  More information on cost recovery of security contracts with TNSPs (that are not Transitional Services) is available in the AEMC's Final Determination on the ISF Rule <sup>1</sup> .
Powerlink	How will AEMO manage the interaction & potential double ups between transitional services & TNSP obligations to procure services?	Security services can only be procured as Transitional Services when they do not qualify to be procured via other security service procurement mechanisms. AEMO notes it will need to verify with TNSPs that there is no potential overlap, for each procurement process.
Tesla	Type two contracts specify application must not have been used before 28 March 2024, but also call out using type two contracts to trial IBR applications. Are grid-forming BESS eligible to apply in "new" use cases even though they have been used for system strength previously? (but not widely adopted)	To be eligible for the Type 2 contracts, the application of the technology must not have been used to manage system security before the final determination of the ISF rule was published (28 March 2024). However it does not preclude assets that have been used in a way that is distinct to the new Type 2 contracts. The technology types eligible for the Type 2 contracts are not specified to ensure flexibility to enable AEMO to use these contracts to trial emerging and new ways of using these technologies.
Tesla	Is the application before 28 March 2024 considered at an asset level vs a technology type level?	As mentioned, the policy intent of Type 2 transitional services is that the new technology, or new application of existing technology, must not have been used to manage system security before. AEMO recognises certain circumstances may affect specific scenarios.
Anonymous	Does AEMO have a target for the number of transitional contracts it believes it may need? How is this information presented to industry and when (noting the application process)?	AEMO does not have a defined target at this stage. AEMO needs to go through this consultation process before we can commence to procure these services. The way AEMO envisages this to work is, when there is an identified need, a statement of security would be published, prior to procurement of Type 1 or 2 services..

<sup>1</sup> [Improving security frameworks for the energy transition | AEMC](#)

### 3 Next steps & close

AEMO provided an overview of the next steps and links to useful information about the Transitional Services Guideline consultation, highlighting that stakeholder submissions on the consultation paper are due on Thursday 29 August. For more information, refer to slides 12-13 of the accompanying slide pack.

No actions were taken.