

IESS Working Group

Meeting #5
31 August 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

#	Approx. Time	Topic	Presenter/s
1.	10:00am – 10:05am	Welcome	Emily Brodie - AEMO
2.	10:05am – 10:10am	Notes, actions and feedback from previous WG meeting	Ulrika Lindholm - AEMO
3.	10:10am – 10:30am	Project Update	Damien Banky - AEMO
4.	10:30am – 10:40am	Procedures Update & Implementation Strawperson Feedback	Nicole Nsair - AEMO
5.	10:40am – 11:00am	Debrief from ERCF	Blaine Miner - AEMO
6.	11:00am – 11:15am	IESS Risk and Issues Register	Emily Brodie - AEMO
7.	11:15am – 11:30am	Readiness for Small Generation Aggregators	Ulrika Lindholm – AEMO
8.	11:30am – 11:40am	IESS Forward Plan	Ulrika Lindholm – AEMO
9.	11:40am – 12:00pm	General questions and close	Emily Brodie - AEMO

- **Appendix A: AEMO Competition Law & Meeting Protocol**
- **Appendix B: Procedure Consultations – Upcoming Dates**
- **Appendix C: IESS Risk Matrix**

Please note: This meeting will be recorded for the purpose of compiling meeting minutes.

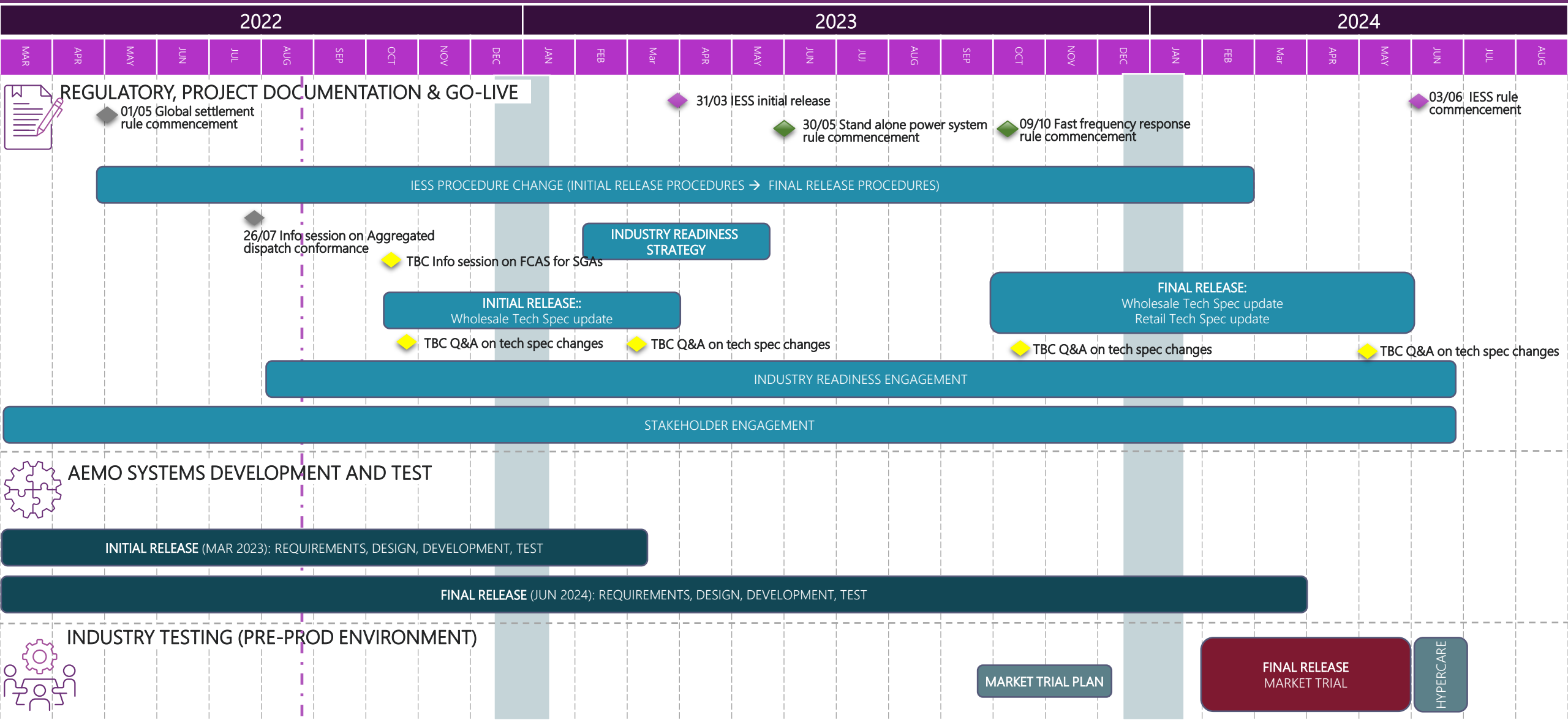
2. Notes, actions & feedback from previous IEES WG meeting

Notes, actions & feedback from previous IESS WG meeting 27 July 2022

#	Action	Responsible	Status
4.1	Include a risks and issues register as a standing agenda item for future IESS WG meetings	AEMO	Closed. Included in agenda item 6

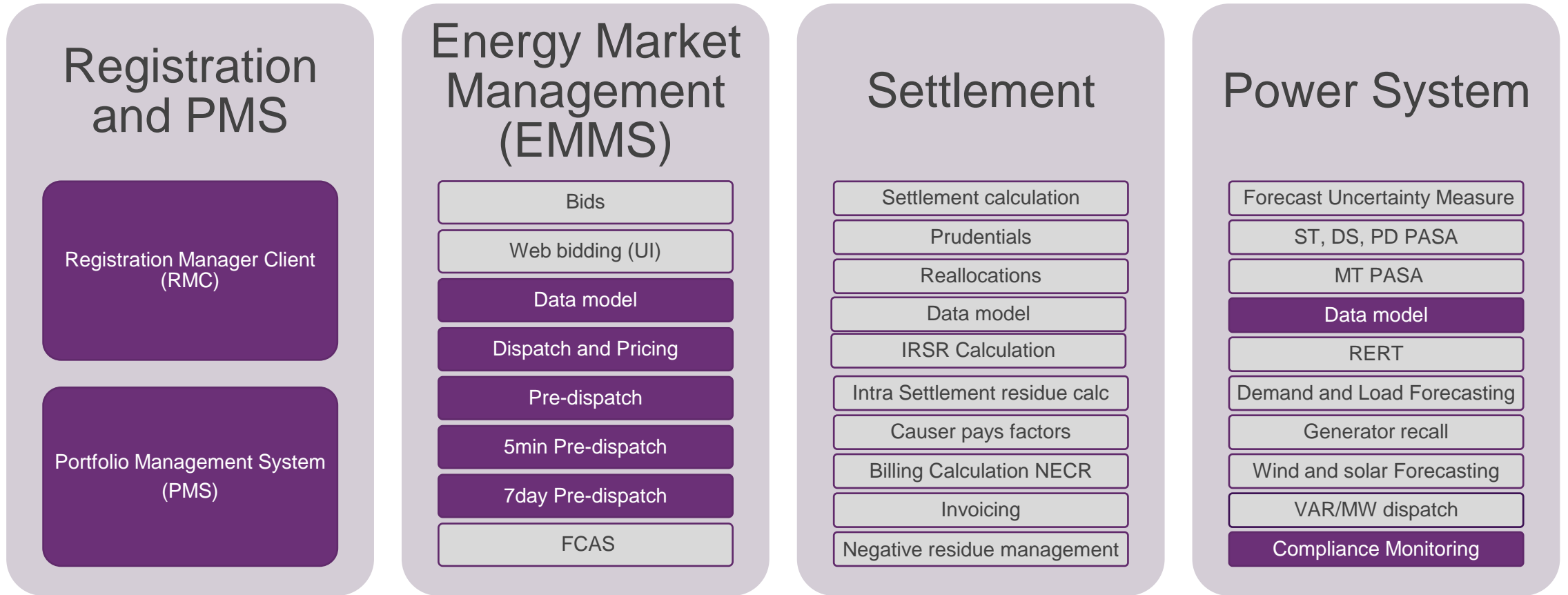
3. Project Update

IESS – Indicative Industry Timeline



Impacted Systems for March 2023

March 2023 release delivers aggregated dispatch conformance and SGA enabled ancillary services



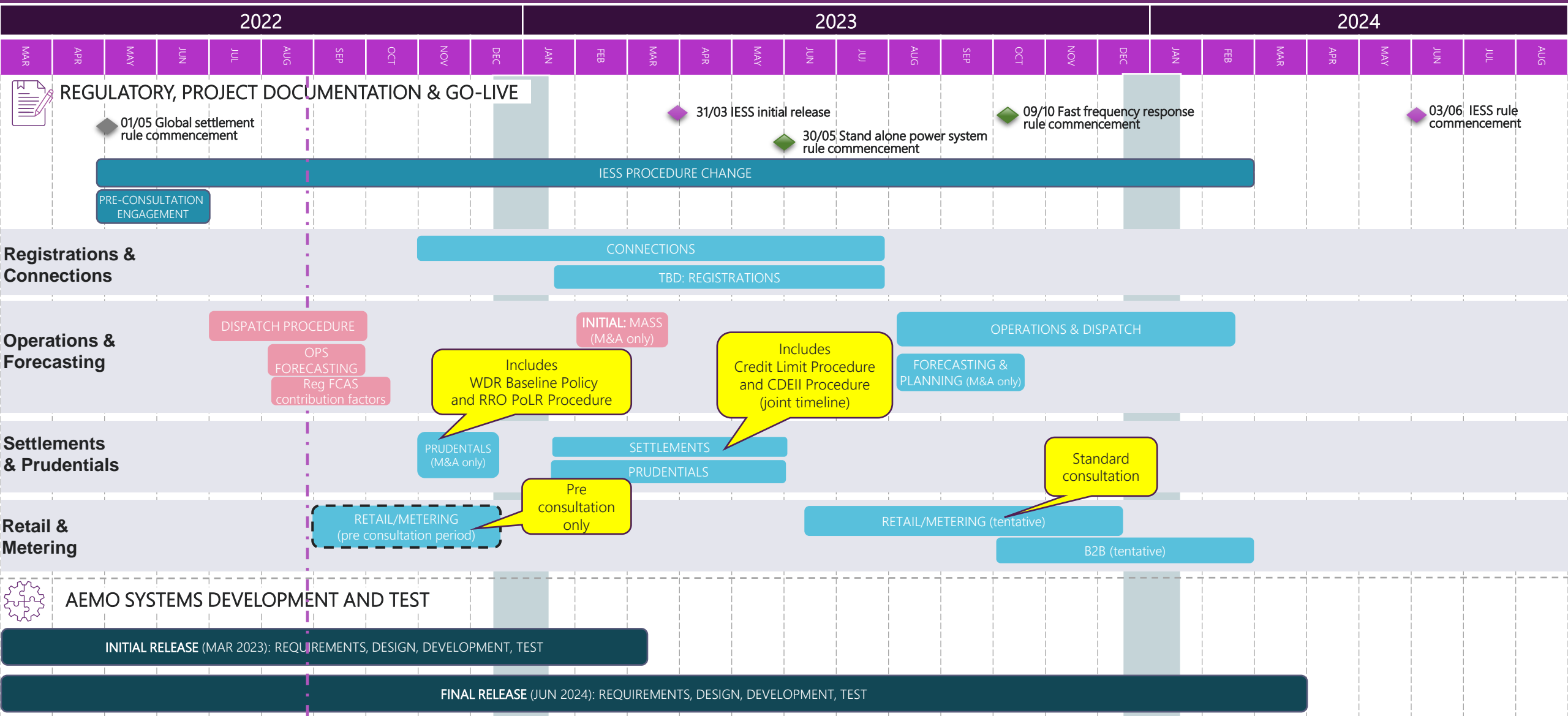
IESS Change

Note:

- No changes to Settlements & Retail/Metering applications for IESS 31 March Go Live.

4. Procedures Update & Implementation Strawperson Feedback

IESS – *INDICATIVE* IESS procedure change timeline



- IESS Confirmed
- IESS Indicative
- Concurrent initiatives
- Completed activities
- Initial release
- Final release
- M&A only = areas that only have minor & administrative changes to procedures
- Summer holiday periods: Avoid industry IESS activities where possible

Procedure *INDICATIVE* timeline changes

- Changes to the timeline to highlight are:
 - Settlements and Prudentials workstream

Commencement dates	Workstream	Documents
Nov 2022 Minor or Administrative changes	Prudentials	<ul style="list-style-type: none"> • WDR Baseline Eligibility Compliance and Metrics Policy • RRO PoLR Cost Procedures
Q1 2023 Standard Consultation	Settlements and Prudentials	<ul style="list-style-type: none"> • Carbon Dioxide Equivalent Intensity Index Procedures • Credit Limit Procedures
Q1 – Q2 2023 Standard Consultation	Prudentials	NEM Settlements Estimation Policy

Procedure Update

- Consultations closed:
 - Dispatch Procedure – thank you for your comments and submissions
 - The updated Procedure will be published on Monday 12 September 2022
 - Regulations FCAS Contribution Factors Procedure (Causer Pays)
 - Consultation closed 26 August and updated Procedure will be published 12 Sept 2022
- Consultations open:
 - Operational Forecasting Documents and forms
 - Consultation closes this Friday 2 September
- New IESS web page for all document changes:

<https://www.aemo.com.au/initiatives/major-programs/integrating-energy-storage-systems-project/integrating-energy-storage-systems-procedure-changes>

Refer Appendix B for additional details on the upcoming and current consultations

Dispatch Procedure feedback and AEMO's initial response

- Received 4 submissions – thank you – the following table gives some examples from the feedback

Participant feedback	AEMO's proposed response
Decision if the system is categorised as a cap aggregate or a target aggregate	AEMO decides according to the definition
Can DUIDs which are not part of one aggregate system be aggregated into one constraint equation?	Yes
Decisions around who will make the decision which units must be in one aggregate system behind one connection point?	Participant can choose whether to opt into aggregated dispatch conformance, and what DUIDs behind the connection point are included
Broadening the definition around Aggregate System to include scheduled loads	AEMO agrees to broaden the definition of an Aggregate System to include scheduled loads
Removing the "Hybrid System" definition from the Dispatch Procedure	Will be removed, as AEMO is moving to new definitions

Implementation Strawperson feedback

- No specific feedback received on implementation strawperson
- Next steps are for AEMO to:
 - Ensure consistency between final dispatch procedure and strawperson
 - Publish as final

5. Debrief from ERCF

Debrief from Electricity Retail Consultative Forum (ERCF)

- The Electricity Retail Consultative Forum (ERCF) provides a platform where Participants operating in the National Electricity Market (NEM), AEMO and interested parties to collaboratively participate in the enhancement of the Retail Electricity Market Procedures Framework (except for B2B Procedures*) including:
 - Market Settlement and Transfer Solution (MSATS) Procedures;
 - Metering Services Procedures and Metrology Procedures; and
 - Industry processes, guidelines and arrangements governing the retail electricity markets
- At the July ERCF meeting, AEMO engaged the ERCF on the following IESS related topics:
 - The potential of introducing 3 new NMI classification codes
 - TIRS: Transmission connected integrated resource systems (IRS)
 - DIRS: Distribution connected integrated resource systems (IRS)
 - DGENERATR: DNSP connected generators
 - Potential options regarding formal consultation timings
 - Late 2022
 - Mid 2023

Initial ERCF Feedback

- Potential of introducing 3 new NMI classification codes (NCCs):
 - Concerns were raised regarding:
 - The increasing number of NMI Classification codes in the market and the associated complexity as to how and who administers them
 - The need for a clear process and criteria to support any proposed NMI Classification codes
 - Any proposed changes introducing unintended consequences e.g. a reduction in the market's ability to understand what a connection point represents
- Preferred Formal consultation timings:
 - ERCF members expressed a consistent preference to commence Retail & Metering procedure consultations in mid-2023.
 - This timing was preferred to:
 - Allow for additional collaboration/informal consultation with Industry
 - Allow for the May 2023 Procedural changes to be successfully implemented
 - Reduce the potential risk of Procedure versioning confusion
- ERCF members also requested ongoing engagement on potential/proposed IESS changes

Proposed next steps

- IESS WG to consider and respond to ERCF feedback
- AEMO to engage the ERCF in developing a Pre-consultation Engagement Plan
- AEMO to ensure an ongoing and consistent flow of information between the ERCF and the IESS WG
 - Blaine Miner (chair of the ERCF) to attend IESS WG meetings to assist in this objective

6. IESS Risk and Issues Register

Refresher: IESS risk management regime

Regular evaluation of risks and issues at IESS WG meetings (or out of session when necessary)

TIMING	ACTIVITY	RESPONSIBILITY
Prior to monthly IESS WG meeting	AEMO to: <ul style="list-style-type: none"> • Seek feedback (internally and from IESS WG) on existing and new risks/issues • Consolidate and distribute marked up risk/issues register as part of meeting pack 	AEMO
At monthly IESS WG meeting	IESS WG to review and discuss by exception: <ul style="list-style-type: none"> • New or existing risks/issues that have been identified as requiring consideration • Current issues • “High” or “critical” risks: <ul style="list-style-type: none"> ➤ Check probability and impact ➤ Discuss additional mitigations ➤ Discuss actions 	IESS WG
After monthly IESS WG meeting	AEMO to: <ul style="list-style-type: none"> • Update register considering input from IESS WG • Post updated register on its website 	AEMO

IESS Risk and Issues Register: Items for discussion August 2022

Category	Comment
New risks/issues	AEMO proposing new risk (see next slide)
Existing risks/issues for consideration	None identified
Current issues	None identified
Risks with 'high' or 'critical' rating	One risk with a 'high' rating (Risk #10). Proposing to move this risk to appropriate NEM2025 stakeholder forum when available (see slide after next).

For discussion: Proposed new risk

- TITLE: Project or system requirement changes arising from Procedure change processes.
 - DESCRIPTION: If changes to project requirements arise from procedure change processes, then AEMO and participants' implementation timeframes may be affected.

Likelihood	Consequence	Impact Date	Risk rating	Mitigation	Raised by	Risk Owner	Actions	Residual likelihood	Residual impact	Residual risk rating
Unlikely	Moderate	31-Mar-23 & 03-Jun-24	Medium	<p>AEMO has implemented a program management and reporting framework to monitor work stream deliverables.</p> <p>If deliverables are at risk from an emerging procedure change, AEMO to develop and discuss remediation plan with IESS WG.</p>	AEMO	AEMO & IESS WG	<p>IESS WG to consider any procedures issues if they arise and recommend a course of action, including escalation to the appropriate industry forum.</p> <p>AEMO to manage the scope and timing of the implementation activities considering IESS WG recommendations (implement remediation plan).</p>	Rare	Moderate	Medium

For discussion: Proposal to move risk to NEM2025 program register

- TITLE: Impact to IESS program delivery from other industry changes
 - DESCRIPTION: If the significant, existing regulatory changes stretch resources, then there may be potential impacts to participants' resourcing and program delivery.

Likelihood	Consequence	Impact Date	Risk rating	Mitigation	Raised by	Risk Owner	Actions	Residual likelihood	Residual impact	Residual risk rating
Likely	Moderate	31-Mar-23 & 03-Jun-24	High	<p>AEMO and Reform Delivery Committee have developed a NEM2025 implementation Roadmap to appropriately prioritise and sequence reform implementation.</p> <p>After publication of v.2 of the Roadmap in late July/early August 2022, AEMO will engage on 6 monthly updates to the roadmap through the Reform Delivery Committee.</p> <p>As part of this cadence, AEMO will run a change control process for assessment of changes including new scope and resulting deliverability challenges for AEMO and participants.</p>	AEMO	AEMO & participants	<p>Participants and AEMO to assess risks to IESS implementation from proposed regulatory changes.</p> <p>Participants and AEMO to advocate to the appropriate authority if risk to IESS is material.</p> <p>AEMO to internally align where procedure and system impacts overlap among reform projects.</p>	Unlikely	Moderate	Medium

7. Readiness for Small Generation Aggregators

Readiness considerations for Small Generation Aggregators (SGAs)

	Initial release 31-Mar-2023	Final release 03-Jun-2024
Scope*	SGAs can provide FCAS (optional for participants).	Transition registered SGAs to the IRP participant category. An IRP will classify a small resource connection point rather than a small generating unit (SGU), in its capacity as a small resource aggregator (SRA).

*Refer to the draft [IESS Implementation Strawperson](#) document for a detailed overview.

Proposed engagement approach

- AEMO plans to engage with registered and intending SGAs to build awareness of the IESS implementation and the impacts to them, and
- equip stakeholders with information on where and who to go to for support.

Date	Activity / Channel	Purpose/Description
31 Aug	Discussion at IESS WG	<ul style="list-style-type: none"> • Discuss proposed approach
Early Sep	AEMO communications	<ul style="list-style-type: none"> • Build stakeholders’ awareness of the IESS March 2023 release and the impacts to SGAs • Invitation to Stakeholder Information session
Mid Sep	1on1s with SGAs on the IESS Working Group	<ul style="list-style-type: none"> • Discuss likelihood and timing for participating FCAS • Understand barriers and discuss what information is needed to help implement necessary changes
Mid-late Sep	Present at relevant AEMO Forums e.g. DER Market Integration Consultative Forum	<ul style="list-style-type: none"> • Build stakeholders’ awareness of the IESS implementation and the impacts to them • Invitation to Stakeholder Information session
Early Oct (timing TBC)	Information session	<ul style="list-style-type: none"> • Build stakeholders’ awareness of the IESS implementation and the impacts to them • Brief on available resources and point of contact • Q&A • Call to action: ask SGAs to provide indication of interest to participate in FCAS (via confidential poll)
Mid Oct	Direct email	<ul style="list-style-type: none"> • Distribute pack and link to poll
Mid –late Oct	1on1 phone calls	<ul style="list-style-type: none"> • Connect with registered SGAs

8. IESS Forward Plan

Forward plan – IESS Stakeholder engagement



	AUG 2022	SEP 2022	OCT 2022	BEYOND
Monthly meeting	<ul style="list-style-type: none"> ✓ <u>Mthly meeting</u> • Debrief on ERCF discussion • Debrief on feedback received on Dispatch procedure and Implementation Strawperson 	<ul style="list-style-type: none"> <u>Mthly meeting</u> • Potential discussion on procedure changes relating to settlement, prudentials, forecasting and planning 	<ul style="list-style-type: none"> <u>Mthly meetings</u> • Debrief on feedback received on procedure consultations • Discussion on approach to updating Technical Specifications • Debrief on B2B WG discussion (if appropriate) 	<ul style="list-style-type: none"> <u>Mthly meetings</u> • Ongoing procedure consultations
Other IESS engagement	<ul style="list-style-type: none"> • ✓ Industry feedback due on draft strawperson (12 August) • ✓ Industry feedback due on Dispatch procedure Issues Paper (12 August) • ✓ Operational forecasting consultation begins (22 August) • ✓ Industry feedback due on Regulation FCAS Contribution Factors Procedure (Causer Pays) (26 August) 	<ul style="list-style-type: none"> • <u>Publish final strawperson and Dispatch procedure (12 September)</u> • Industry feedback due on Operational forecasting changes (2 September) • M&A consultation on Inter-network test guidelines (5-16 September) • Early discussions on retail and metering procedures through ERCF • <u>Publish final Regulation FCAS Contribution Factors Procedure (16 September)</u> • <u>Publish final Operational Forecasting procedure (19 September)</u> • Discussion on Business to Business procedures at the B2B Working Group (late September) • 1to1s with WG members to understand initial thinking on readiness for initial release on 31 March 2023 (starting with SGAs) 	<ul style="list-style-type: none"> • Standard consultation on Power System Model Guidelines (mid-Oct) • <u>Publication of final documentation Inter-network test guidelines (3 October)</u> • Stakeholder information session for SGAs on optional FCAS participation (early October indicative) • Ongoing 1to1s with WG members to understand initial thinking on readiness for initial release (31 Mar 2023) 	<ul style="list-style-type: none"> • Ongoing procedure consultations

Stakeholder enquiries may be sent to the IESS mailbox: IESS@aemo.com.au

- ### Standing agenda - monthly meetings
- Notes, actions and feedback from previous WG meeting
 - Project update
 - Procedures update
 - Industry Risk and Issues register
 - Forward Plan (this page)

Legend
 Black text = stakeholders are invited to participate
 Purple text = action by AEMO

9. General Questions & Close

IESS project contact



liess@aemo.com.au



<https://aemo.com.au/initiatives/major-programs/integrating-energy-storage-systems-project>



For more information visit

aemo.com.au

Appendix A: AEMO 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: Procedure Consultation – Upcoming Dates

Procedure Consultation: Upcoming Dates (1/2)

Dispatch Procedure	Key Date
Change marked Procedure published	21 July 2022
Information session on Aggregated Dispatch Conformance	26 July 2022
Feedback Due	12 August 2022
Updated Procedure published	12 September 2022
Regulation FCAS Contribution Factors Procedure (Causer Pays)	Key Date
Consultation type	Minor or Administrative
Change marked procedure and issues paper published	15 August 2022
Submissions due	26 August 2022
Updated Procedure published	12 September 2022

Procedure Consultation: Upcoming Dates (2/2)

Operational Forecasting	Key Date
Consultation Type	Minor or Administrative
Change marked guidelines and forms published	22 August 2022
Feedback Due	2 September 2022
Updated documents published	19 September 2022

Inter-Network Test Guidelines	Key Date
Consultation type	Minor or Administrative
Change marked Guidelines and information paper published	6 September 2022
Submissions due	16 September 2022
Updated Guidelines published	26 September 2022

Appendix C: IESS Risk matrix

IESS Risk Matrix

RISK MATRIX									
1 LIKELIHOOD	Likelihood	Probability	Qualitative Description						
	Almost Certain	>90%	Will occur in most circumstances						
	Likely	51% - 90%	Can be expected to occur in most circumstances						
	Possible	11% - 50%	May occur, but not expected in most circumstances						
	Unlikely	1% - 10%	Conceivable, but unlikely to occur						
	Rare	<1%	Will only occur in exceptional circumstances						
2 CONSEQUENCE	Consequence	Qualitative Description							
	Immaterial	Minor issue of little concern							
	Minor	Isolated case, some small disruptions							
	Moderate	Requires attention, inconvenience							
	Major	Requires urgent attention, impact days							
	Extreme	Wide damage, lasting weeks, impact high							
				LIKELIHOOD	CONSEQUENCE				
				Immaterial	Minor	Moderate	Major	Extreme	
				Almost Certain	Medium	Medium	High	Critical	Critical
				Likely	Low	Medium	High	Critical	Critical
				Possible	Low	Medium	High	High	Critical
				Unlikely	Low	Low	Medium	Medium	High
				Rare	Low	Low	Medium	Medium	High
				TREND KEY					
				↑					
				↔					
				↓					
					IMPROVING				
					NO CHANGE (STABLE)				
					WORSENING				