

MINUTES

MEETING: Reform Delivery Committee – Meeting 2
 DATE: Monday, 21 February 2022
 TIME: 3.00pm to 5.00pm (AEDT)
 LOCATION: By MS Teams

ATTENDEES:

NAME	COMPANY	REPRESENTING
Violette Mouchaileh (Chair)	Australian Energy Market Operator (AEMO)	AEMO
Tony Chappel	AEMO	AEMO
Fergus Stuart	Origin Energy	Australian Energy Council (AEC)
Annemie Kotze	Stanwell Corporation	AEC
Michael Bell	Red Energy/Lumo Energy	AEC
Neil Howes	TransGrid	Energy Networks Australia (ENA)
Greg Hannan	CitiPower/Powercor/United Energy	ENA
Alex McPherson	Ausgrid	ENA
Declan Kelly	Flow Power	Energy Efficiency Council (EEC)
Craig Memery	Public Interest Advocacy Centre (PIAC)	PIAC
Craig Chambers	Engevity	Clean Energy Council (CEC)

APOLOGIES:

NAME	COMPANY	REPRESENTING
Ben Davis	Australian Energy Market Commission (AEMC)	AEMC
Mark Feather	Australian Energy Regulator (AER)	AER
Jo Witters	Energy Security Board (ESB)	ESB
Suzanne Falvi	ESB	ESB
Stefanie Monaco	Red Energy/Lumo Energy	AEC
Rob Amphlett Lewis	Ausgrid	ENA
Eva Hanly	TransGrid	ENA
Brian Spak	Energy Consumers Australia (ECA)	ECA
Andrew Richards	Energy Users Association Australia (EUAA)	EUAA

GUESTS:

NAME	COMPANY	REPRESENTING
Kate Reid	AEMO	AEMO
Peter Carruthers	AEMO	AEMO
Trent Morrow	AEMO	AEMO
Lance Brooks	AEMO	AEMO
Kevin Ly	AEMO	AEMO
Ulrika Lindholm	AEMO	AEMO

1. Welcome

Ms Mouchaileh, AEMO's Executive General Manager Reform Delivery, gave an acknowledgement of country and welcomed the members and guests to the meeting.

Ms Mouchaileh recapped on the Committee's activities of 2021 and outlined the meeting's agenda.

2. Review of Action Items from previous meeting

Ms Mouchaileh reviewed the Action Items from Meeting 1 and Round 1 workshops, as follows:

Item 1.1 Defining collaborative tools for roadmap development:

Ms Mouchaileh thanked Mr Bell for the feedback given and indicated that this topic would be covered under item 4 in this meeting agenda.

Item 1.2 and 1.3 Committee members to provide any further feedback on the Terms of Reference (ToR), Principles and Development Approach, and AEMO to provide revised documents:

Ms Mouchaileh noted that AEMO sent the documents to the Committee towards the end of 2021 and thanked the Committee for their feedback, indicating that the topic would be covered under item 3 of the agenda.

Item 1.4 AEMO to prepare and circulate a draft schedule and program of workshops that will form the collaborative process:

Ms Mouchaileh stated that a schedule for the workshops was shared before the Christmas period and that the upcoming round of workshops in the March period would be further discussed as part of today's agenda.

Item 1.5w AEMO to circulate an overview that distinguishes the different working groups focused on the ESB's reform portfolio.

Ms Mouchaileh noted the queries received from the Committee wanting to understand the various market reform working groups and their interfacing roles and responsibilities. AEMO, in collaboration with the ESB, is preparing an overview to be shared with the Committee.

Item 1.6w AEMO to put together a proposed format for a heatmap for industry.

Ms Mouchaileh noted that this item is in progress, indicating that the topic would be covered under item 5 of the agenda.

Item 1.7w TransGrid to discuss the Market and System Operator Integration in relation to System Strength with cohort and respond to AEMO via email.

Mr Ly indicated that AEMO had communicated with TransGrid and it has been clarified how arrangements are meant to work under the System Strength rule change. Ms

Mouchaileh noted that there was nothing further for the Committee and that the matter is closed.

Item 1.8w AEMO to setup a standalone industry forum on IESS implementation.

Ms Mouchaileh noted that a forum and workshops has been held and that the item is closed.

Item 1.9w AEMO to advise on funding and cost recovery.

Ms Mouchaileh stated that she would provide an update later in this meeting's agenda.

Item 1.10w Committee members to provide any further feedback on Over voltage section of Data strategy (or any other feedback) from Round 1 workshops.

Ms Mouchaileh stated that this is in progress and that AEMO welcomes any feedback by 25 February.

3. Terms of Reference (ToR)

Mr Carruthers provided an overview of the review of and feedback on the Committee's Terms of Reference and Objectives and Principles that had occurred since the first Committee meeting in November 2021 and proposed to settle an interim ToR as of this meeting.

Ms Mouchaileh indicated that there will be opportunities to update the ToR as the Committee's work progresses and that the current version is proposed as interim.

Mr Hannan expressed support of considering this an interim version of the ToR, pointing to the balancing act between involvement of a broader set of stakeholders while ensuring an effective working structure.

Mr Memery stated [via chat] that the objectives and principles satisfactorily addressed the issues initially raised at Committee meeting 1.

Ms Mouchaileh stated that the interim ToR are now considered settled.

4. Collaboration items

Ms Mouchaileh introduced the Collaboration items topic, covering how we are going to collaborate on the roadmap format and the industry impact assessment to inform the roadmap.

Mr Carruthers thanked Mr Bell for raising the benefits of considering efficient and productive collaboration options at Committee meeting 1 in November and for sending through suggestions to AEMO which informed the starting point presented at today's meeting.

4.1 SharePoint

Ms Lindholm presented on the SharePoint site that has been setup to facilitate collaborative roadmap development. It was proposed that for the purposes of version control, the SharePoint site is there for Committee members to review, edit and comment on working documents. Final deliverables are published on the external AEMO website.¹

Mr Bell raised that access to collaboration platforms needs to be considered for organisations that don't allow access to Microsoft products. Ms Mouchaileh proposed to keep all Committee members in the loop of any issues and solutions to those issues.

The Committee discussed the balancing between transparency, efficiency and version control when using the SharePoint. There was general agreement that keeping to the principles of transparency and efficiency a nominated set of co-collaborators would be invited to the site. Further, it was agreed that the Committee's use of the SharePoint needs to be clearly communicated as an initiative to collaborate within the industry with the Committee operating under a model of representation while maintaining a practicable level of version control of documentation.

Mr Memery proposed to retain the socialising of documents via email for Committee members who preferred this option of accessing documents. It was agreed that meeting materials will continue to be issued via email with the option to interact through SharePoint.

Action: *AEMO to send SharePoint access information to the Committee.*

Action: *AEMO to investigate access to site for organisations that do not allow access to Microsoft products and report back to the Committee.*

Action: *Committee members are invited to nominate co-collaborators for read-only and collaboration access.*

4.2 Roadmap Format

Mr Carruthers presented on the Roadmap Format, indicating a consistency with the established Regulatory Implementation Roadmap for the time being while options for managing relationships between initiatives are being investigated.

Mr Bell commented that this format present still presents challenges to collaboration and specifically interacting and understanding details behind each initiative.

Ms Mouchaileh added that the intention is for the format to include a depiction of a sequenced program of work, while understanding the dependencies and the impacts to industry. It was also noted that the format can change over time as appropriate.

Action: *AEMO to connect with Mr Bell to explore opportunities and constraints with alternative roadmap formats.*

4.3 Participant impact assessment

Mr Carruthers presented how AEMO has captured and leveraged the impact assessment discussions held with the Committee at the Round 1 workshops. The noted impacts will be included in reform initiative briefs as part of the workshop pack to be issued to the Committee before end of week.

Mr Carruthers further reflected on the usefulness of a broader participant impact statement. It was proposed to jointly develop a Participant Impact Assessment and for the Committee to provide feedback on its perceived usefulness and template format, as well as inputs on what the perceived impacts are to the organisations represented by Committee members.

Mr Stuart commented that it would be useful to jointly define scale of impact - small, medium and large – to ensure consistency and detail in responses given.

Mr Carruthers stated that the outcome would be used to signal to industry where to pay attention.

Ms Mouchaileh added that the outcome can be used for a dual purpose. Understanding impacts helps uncover risks and issues from a delivery perspective but should also provide foundation for a strategic conversation around opportunities to reduce cost and risk.

Mr Memery enquired whether the data from the impact assessment would be used quantitatively or qualitatively, indicating that care would need to be taken for the data to be used quantitatively. It was further noted that contextual verbal feedback attached to the inputs given in the template would be useful to

Mr Carruthers clarified that the data is intended to be used qualitatively to help market participants understand where the impacts are to them, as well as sanity check bundling of initiatives.

Mr Ly proposed for the template to include a comment field to ensure context was given where needed and this was supported by Mr Memery.

Mr Howes and Mr Hannan raised that the template may need to include additional participant categories and Mr Carruthers suggested for the Committee to include participant categories and functions in their feedback.

Action: AEMO to consider definitions for high, medium and low impact and report back to the Committee.

Action: Committee members to provide feedback to usefulness of impact assessment, feedback on the format and data categories captured in the template as well as provide input on the perceived impacts to the organisations represented by Committee members.

5. Forward plan

5.1 Round 2 workshop structure

Mr Brooks presented on the format of the Round 2 workshops and materials Committee members can expect to receive beforehand. The objective of these workshops is to assess bundling, sequencing and prioritisation pathways as part of roadmap development.

Mr Brooks stated the intention to provide a reference pack for workshop participants to read beforehand, so Committee members have the opportunity to recap on outcomes from Round 1 workshops and utilise this resource when discussing the roadmap in the workshops.

Ms Kotze enquired whether AEMO has an established view of bundling vs prioritising initiatives and Mr Brooks clarified that the intent of the coming workshops is to seek the Committee's views on items of this nature in order to prioritise between available pathways of reform implementation. There is the more tactical approach which focuses on getting the individual reform initiatives done (likely on legacy IT platforms), or the more strategic approach where initiatives are completed on target state IT application platforms.

Ms Mouchaileh added that the Committee is well placed to be having strategic conversations around the trade-offs between time, risk, cost and other factors when making choices on implementation.

5.2 Future topics for the Committee

Mr Carruthers proposed potential future topics for the Committee to discuss going forward.

It is anticipated that the roadmap development work may end up with a number of roadmap pathways, to be subjected to the objectives and principles adopted by the Committee.

Ms Mouchaileh added that it was important for the Committee to also anticipate when the practical crossroads of pathways might occur to ensure the optimal pathways are still available when we make decisions.

In terms of additional proposed topics, Mr Carruthers stated that there will be opportunities to reduce industry cost in implementation with sequencing/bundling and leveraging shared or centralised capabilities.

Also, to ensure a coordinated engagement with the broader industry, and taking into consideration that the first initiatives Integrated Energy Storage and Fast Frequency Response already are proceeding into implementation, it was proposed that the Committee discuss a NEM2025 industry working group structure at Committee meeting 3 in March.

The Committee is anticipated to play a key role in managing the roadmap going forward so that is also proposed as a topic for discussion.

Mr Hannan enquired when the roadmap would be shared with the Committee, and Mr Carruthers clarified that a working version would be shared and discussed as part of the early March workshops. The aim is to the first version ready for public release by the end of March.

Emphasising the point that the roadmap is being developed collaboratively with industry, Ms Mouchaileh noted that the working version will be there to kickstart the right conversations with industry around pathways, cost, delivery and other relevant aspects.

Mr Chambers enquired whether there would be opportunities to consider fast tracking certain initiatives. Mr Carruthers confirmed that there would be, existing rule determinations allowing. It was noted that timeline has been set for the first initiatives IESSⁱⁱ and FFRⁱⁱⁱ.

Action: Agenda for 21 March Committee meeting to include Future Topics as discussed above.

6. Funding and cost recovery

Ms Mouchaileh provided a verbal update on funding and cost recovery, noting that it's something that AEMO is currently working through and will be able to share in more detail at the next Committee meeting.

As part of the ESB's Final advice to governments^{iv}, AEMO was asked to provide costings to implementation of reform as understood at the time. AEMO indicated in this report that industry needed to be engaged to better understand costs and delivery timing. Advice was sought from ministers on how to recover cost of ESB reform and AEMO is waiting on formal correspondence from ministers.

Ms Mouchaileh indicated the intention is that AEMO costs relating to NEM2025 are recovered through a NEM Declared Project mechanism. Under the NEM Declared Project mechanism, there are two key stages which both include consultation. The first step is determination of NEM2025 reform implementation as a declared NEM project similar to how it was done for 5MS^v; the second stage, which is also subject to consultation, is to determine a fee method and pathway to recovery of the costs. AEMO is in the process of putting

together a timeline and framework for both consultations and will share it with this Committee and the Financial Consultation Committee^{vi} in the coming period.

Ms Hannan enquired whether there would be consultation on the costs and Ms Mouchaileh confirmed there would be consultations on both making the program NEM declared as well as the fee methods and methodology used to recover the cost.

7. Other business

No other business was raised by the Committee.

8. Next Steps

Ms Mouchaileh thanked members for their representation and attendance at the second Committee Meeting.

Ms Mouchaileh noted the importance of achieving alignment now on the means and format of collaboration as material decisions on the NEM 2025 work will need to be made by the Committee in the coming period. A number of decisions will be followed up on after this meeting in respect to the collaboration tools.

With respect to upcoming activities, Ms Mouchaileh provided an overview of the workshops and meeting coming up in March^{vii}. Round 2 workshops will be held on 3 and 10 March respectively to assess bundling, sequencing and prioritisation pathways. The next Committee meeting is on 21 March and intended as a stock take on where the roadmap is at and draw out any strategic issues.

Action items

Item #	Action	Responsibility	Due Date
2.1	Continuation of Action item 1.5w. AEMO to circulate an overview that distinguishes the different working groups focused on the ESB's reform portfolio	AEMO	By the next Committee meeting
2.2	Continuation of Action item 1.10w. Committee members to provide any further feedback on Over voltage section of Data strategy (or any other feedback) from Round 1 workshops	Committee members	25 February 2022
2.3	AEMO to send SharePoint access information to the Committee.	AEMO	25 February 2022
2.4	AEMO to investigate access to SharePoint collaboration for organisations that do not allow access to Microsoft products and report back to the Committee.	AEMO	3 March 2022
2.5	Committee members are invited to nominate co-collaborators for read-only access.	Committee members	3 March 2022
2.6	Mr Carruthers to connect with Mr Bell to explore opportunities and constraints with alternative roadmap formats.	AEMO	2 March 2022
2.7	AEMO to consider definitions for high, medium and low impact in the Participant Impact Assessment and report back to the Committee.	AEMO	2 March 2022
2.8	Committee members to provide feedback to usefulness of impact assessment, including feedback on the format and data categories captured in the template as well as provide input on the perceived impacts to the organisations represented by Committee members.	Committee members	8 March 2022
2.9	Agenda for Committee Meeting 3 (21 March) to include Future Topics as discussed under agenda item 5.2.	AEMO	By the next Committee meeting

References

- i <https://aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/reform-delivery-committee>
- ii **Integrating Energy Storage Systems** <https://aemo.com.au/initiatives/submissions/integrating-energy-storage-systems-iess-into-the-nem>
- iii **Fast Frequency Response** <https://www.aemc.gov.au/rule-changes/fast-frequency-response-market-ancillary-service>
- iv <https://esb-post2025-market-design.aemc.gov.au/delivering-post-2025-reforms>
- v <https://aemo.com.au/en/consultations/current-and-closed-consultations/declared-nem-project-5ms-program>
- vi <https://aemo.com.au/en/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/financial-consultation-committee>
- vii <https://aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/reform-delivery-committee>