

Forum meeting record - Reform Delivery Committee (RDC)

Forum:	Reform Delivery Committee meeting 5
Date:	21 June 2022
Time:	1.00-3.00 PM AEST
Location:	MS Teams

Attendees

Name	Company	Representing
Kevin Ly (Chair)	Australian Energy Market Operator (AEMO)	AEMO (alternate for Ms Mouchaileh)
Andrew Pirie	Australian Energy Market Commission	AEMC (alternate for Mr Bradley)
Fergus Stuart	Origin Energy	Australian Energy Council (AEC)
Stefanie Monaco	Red Energy/Lumo Energy	AEC
Dor Son Tan	Energy Networks Australia (ENA)	ENA (temporary representative)
Dominic Adams	ENA	ENA (temporary representative)
Greg Hannan	CitiPower/Powercor/United Energy	ENA
Declan Kelly	Flow Power	Energy Efficiency Council (EEC)

Apologies

Name	Company	Representing
Violette Mouchaileh	AEMO	AEMO
Tony Chappel	AEMO	AEMO
Michael Bradley	AEMC	AEMC
Mark Feather	Australian Energy Regulator (AER)	AER
Michael Bell	Red Energy/Lumo Energy	AEC
Craig Chambers	Engevity	Clean Energy Council (CEC)
Jo Witters	Energy Security Board (ESB)	ESB
Craig Memery	Public Interest Advocacy Centre (PIAC)	PIAC
Brian Spak	Energy Consumers Australia (ECA)	ECA

Guests

Name	Company	Representing
Peter Carruthers	AEMO	AEMO
Lance Brooks	AEMO	AEMO
Trent Morrow	AEMO	AEMO
Ulrika Lindholm	AEMO	AEMO
Kate Reid	AEMO	AEMO
Phil Hayes	AEMO	AEMO
Fredy Mejia	Ernst & Young (EY)	EY
Matt Armitage	EY	EY
Cara Graham	EY	EY

1 Welcome

Mr Ly, AEMO's Group Manager for Reform Development & Insights and stand-in Chair, gave an acknowledgement of country and welcomed the members and guests to the meeting.

Mr Ly gave an update on the market suspension and the Committee discussed steps expected to follow in understanding the impacts to reform implementation.

Mr Ly outlined the meeting's agenda.

2 Review of Actions Items from previous meeting

Mr Carruthers reviewed the Action Items from Meeting 4 [Refer to slide 6 of the accompanying slide pack].

No questions or feedback was received on the notes and actions from Meeting 4 and the minutes will be finalised and published on the RDC webpage.

Action: In progress items will be brought forward to be addressed at the next meeting.

3 Industry Forum & WG structure

Ms Lindholm presented a feedback summary and responses to RDC feedback on the NEM2025 Forum & Working Group structure. Next steps were outlined for establishing these engagement groups.

Ms Monaco asked for clarification whether the Working Groups would initially be organised by reform initiatives. Mr Carruthers confirmed this and added that it will likely evolve into a functional structure over the next few months. Mr Carruthers provided the example that the Procedures Working Group would likely be comprised of a Retail focus group and a Wholesale focus group.

4 Roadmap pathways

4.1 Participant Feedback on Roadmap

Mr Brooks presented a summary of feedback received from industry on the NEM2025 Implementation Roadmap Information Paper that was published on 27 April. AEMO's response to this feedback was also presented.

Committee members enquired to the process for cost benefit analysis of reform initiatives and the process and governance in place for AEMO to deliver in accordance with budget. Mr Brooks responded that AEMO feed into AEMC's process to evaluate costs and benefits of reforms. Mr Carruthers added that for the NEM2025 program, AEMO will take the business case to an investment committee and the AEMO Board with the view to establish a funding envelope with expectations over a multiyear period but seek approval on a stage gate basis on reform initiatives that are firmer in scope and timing. The first funding request will cover the IESS, FFR, MT PASA and PFR initiatives where rules determinations are in place. AEMO will justify delivery within that funding envelope and if costs deviate from funding there are processes in place for mitigation.

Post meeting note: a detailed governance approach is to be discussed at the July RDC meeting.

4.2 Business Case briefing

Ms Graham from Ernst & Young gave an overview of the draft business case developed for AEMO for the NEM2025 program.

The Committee discussed the methodology of the business case. Ms Graham explained that the business case was developed before the market suspension and so currently excludes any implications thereof. It was further added that the business case assumes under both pathways that all initiatives are delivered.

The Committee then discussed the costs assessed as part of drafting the business case. Mr Stuart raised that cost estimates appeared on the low side compared to recent reform implementations. Mr Carruthers added that such a comparison had occurred and that AEMO would take as an action to the Committee to perform another review.

Finally, Committee members enquired about the role of the new Program Consultative Forum and the Reform Delivery Committee in regard to the ongoing stage gate process, and the relationship to the RDC. Mr Carruthers indicated that AEMO is open to the Committee's views and since the RDC is focused on the roadmap it may logically be best placed to provide that advice to AEMO. Further work is to be done to define the role of the PCF, Executive Forum and the RDC in regard to the Stage Gate process.

Action: AEMO to perform second review of business case cost estimates in comparison to costs of recent reform implementations.

Action: AEMO to define the Stage Gate approval process and the role of the PCF, EF and RDC in that process.

4.3 Next steps

Mr Carruthers provided an overview of the proposed next steps for finalising the business case and preparation of Version Two of the NEM2025 Implementation Roadmap.

The Committee discussed the consultation timeline for the business case. AEMO took an action to review the timeline with the view to provide the Committee with sufficient time to review internally and with their constituents.

Action: AEMO to come back to the Committee with a revised consultation timeline for the business case.

Post meeting note: AEMO advised a revised due date of COB Tuesday 5 July for business case feedback.

5 Participant Impact Assessment

Mr Brooks shared the status on Impact Assessments received from the Committee [Refer to slide 17 of the accompanying slide pack]. Committee members were thanked for inputs.

The Committee discussed that the participant impact assessments for the initiatives Increased MT PASA Information, FTA Model 2 and Scheduled Lite were high or very high compared to AEMO's initial assessment, which was noted by AEMO.

6 Other business

The Committee discussed how it may manage potential future re-prioritisation and changes to the Roadmap. AEMO took an action to include this in the topic of Strategic roadmap issues to be covered at the next meeting.

Action: AEMO to include a discussion of regulatory change control process in the discussion of Strategic issues at the 20 July RDC meeting.

Actions

Item #	Action	Responsibility	Due Date
5.1	Continuation of 4.1. Further exploration of opportunities and constraints with alternative roadmap formats	AEMO	August Committee meeting
5.2	Continuation of 4.2. Participant Impact Assessment	Committee members	Ongoing until complete
5.3	Continuation of 4.3. Consider strategic issues in regulatory planning including regulatory change control process	AEMO, AEMC, ESB, AER	July RDC meeting
5.4	Continuation of 4.4. AEMO to discuss Roadmap interactions with reform implementation requirements from the NSW Roadmap with AEMO Services	AEMO	July RDC meeting
5.5	New permanent members to be nominated by ENA (2) and AEC (1)	ENA, AEC	Ongoing until complete
5.6	AEMO perform second review of business case cost estimates in comparison to costs of recent reform implementations	AEMO	July RDC meeting
5.7	AEMO to define the Stage Gate approval process and the role of the PCF, EF and RDC in that process.	AEMO	July RDC meeting
5.8	AEMO to come back to the Committee with a revised consultation timeline for the business case	AEMO	22 June 2022