

Terms of Reference

NEM2025 Reform Delivery Committee (RDC)

1 Objective

The [Energy Security Board's \(ESB\) National Electricity Market \(NEM\) 2025 reforms](#) seek to make changes required in the NEM as it transitions from a fleet of largely coal-fired generation to more variable renewable generation and into a modern energy system fit to meet consumers' evolving wants and needs.

A comprehensive reform program, each of the initiatives that make up the ESB's NEM 2025 reform package are at varying stages of development or implementation. AEMO, in partnership with the Reform Delivery Committee ('RDC', or 'the Committee'), has compiled the NEM2025 Implementation Roadmap¹ (the 'Roadmap') to establish a basis upon which to navigate the breadth of reforms over the coming few years, de-risking delivery and informing implementation timing.

Having finalised an integrated NEM2025 Implementation Roadmap The purpose of this Committee is to facilitate deep and effective collaboration across the industry to develop a Regulatory and IT implementation Roadmap (the "NEM2025 Implementation Roadmap") that appropriately sequences and seeks to achieve least whole of system cost for implementation of reforms, and supports the overall delivery of the reform portfolio. These reforms will primarily stem from Energy Ministers, Energy Security Board (ESB) or AEMC rule change processes and decisions.

Provide strategic leadership and guidance to industry on operational matters.

2 Scope

2.1 In scope:

The Committee will:

- Seek industry and consumer feedback on the prioritisation, interdependencies and sequencing of market reforms and their implementation for consideration by the market bodies and input to the regulatory implementation roadmap;
- Provide early input on the scope, options and interdependencies of AEMO and industry business process, system and technology uplifts required to implement proposed and mandated reforms;

¹ [NEM Reform Implementation Roadmap v.1](#)

- Share information on technology costs associated with implementation options for mandated reforms and identify areas or opportunities to reduce overall cost to AEMO and industry;
- Identify risks and share emerging issues that may impact on the implementation of reforms and require amendments to the Roadmap; and
- Provide advice on strategic initiatives to make changes to market systems that will reduce costs for participants and consumers.

2.2 Out of scope:

- The RDC is not a forum to consult on, or make decisions, on the cost benefit assessment of policy or rule changes; and
- The RDC is not a decision-making body regarding AEMO's internal program and financial governance.

3 Functions

The Committee will define a Roadmap which:

- Implements reforms in a timely and efficient manner and at least whole-of-system cost;
- Co-ordinates industry wide regulatory and IT change; and
- Provides transparency to stakeholders on reform implementation.

In developing the Roadmap, the Committee will:

- Seek industry and consumer feedback on the prioritisation, interdependencies and sequencing of market reforms and their implementation for consideration by the market bodies and input to the regulatory implementation roadmap;
- Provide early input on the scope, options and interdependencies of AEMO and industry business process, system and technology uplifts required to implement proposed and mandated reforms;
- Share information on technology costs associated with implementation options for mandated reforms;
- Provide early input on cost-recovery implications of reforms being considered by the market bodies and jurisdictions, and identify areas or opportunities to reduce overall cost to AEMO and industry;
- Identify risks and share emerging issues that may impact on the implementation of reforms and require amendments to the regulatory implementation roadmap; and
- Discuss and provide feedback on other potential strategic initiatives to make changes to market systems that will reduce costs for participants and consumers.

An initial priority for the Committee will be to develop an agreed NEM2025 Implementation Roadmap for the Post 2025 ESB reforms by March 2022. The plan will be updated by June 2022 to include all other reforms (outside of the ESB reform agenda).

AEMO will work with the Committee and stakeholders to review and update the baseline Reform Delivery Roadmap as required every quarter.

The Committee will work at a strategic level on the development of the Reform Delivery Roadmap while the Reform Implementation Forum will engage with the broader industry on the details of this roadmap.

The working relationship between the Committee and other related forums are outlined in the Governance section of these Terms of Reference.

4 Participation

Participation in the Committee is open to suitably qualified nominations from market participants, consumer representatives and three other participants that are not members of the peak bodies invited to provide nominations.

Members of the Committee will include:

- Two to three nominees from the Australia Energy Council (AEC) membership;
- Two to three nominees from the Energy Networks Australia (ENA) membership;
- Two to three nominees from the Clean Energy Council (CEC) membership;
- One nominee from the Energy Efficiency Council (EEC); and
- One representative from each of Energy Consumers Australia, Energy Users Association of Australia, Public Interest Advocacy Centre and Major Energy Users;

AEMO will also select up to three members from self-nominated participants that are not constituent members of the above peak bodies.

AEMO members of the Committee will include:

- Executive General Manager Reform Delivery;
- Relevant Executive Leadership Team members for major projects and expenditure as needed.

AEMC members of the Committee will include:

- Executive General Manager, Retail and Wholesale Markets.

AER members of the Committee will include:

- General Manager, Policy and Performance.

All government jurisdictions will be invited to nominate an observer.

Participants, and their alternates, are expected to register with AEMO.

AEMO expect Committee members to:

- Be senior managers and have sufficient expertise and authority to consider matters on behalf of the organisation(s) they represent and provide the views of those organisations for the public record;
- Have a broad and strategic understanding of electricity and gas market reform programs;
- Have a detailed understanding of their own organisation's program's timelines, deliverables, and business impacts and how their program interfaces with AEMO's program;
- Work collaboratively with other Committee participants;
- Provide forum outcomes back into their business and industry sectors, and
- Seek permission from the Chairs before reporting on the operation or outcomes of forum meetings in the media or on social media, unless referencing the official minutes.

5 Meetings

The intention is for three to four virtual or face-to-face meetings of approximate 2 hours duration. Video conference information will be made available in advance of each meeting. Additional out-of-session meetings may be scheduled as required between meeting dates. Any expense incurred as a result of attending meetings or activities associated with the Committee are at the expense of the Committee participant or their employer.

6 Governance

AEMO will Chair the and provide secretariat services to the Committee including:

- Preparation and distribution of all meeting correspondence via email.
- Publication of meeting records on the AEMO website.
- Circulation of a draft agenda to participants at least 7 business days before a meeting.
- Circulation of relevant meeting papers and a finalised agenda five business days prior to a meeting; and
- Circulation of draft minutes within five business days of a meeting. Minutes will include a record of the consensus and dissenting positions expressed at the meeting.

The Committee will work alongside the ESB advisory committee and consultative forums aimed at working through outstanding policy and design areas. There will be no formal reporting relationship between the Committee and related market body forums and working groups. However, agendas with other relevant groups will be coordinated and issues and outcomes communicated between related forums.

AEMO will establish consultative structures to coordinate across the sector as industry moves into the delivery phase of implementing reforms.

7 Version control and contact details

Version	Effective date	Comments
0.1	5 October 2021	Draft Document
0.2	17 December 2021	Draft Document
0.3	14 February 2022	Settled Interim Document
1.0	12 December 2022	Final RDC Terms of Reference

For more information on the RDC please email NEM2025@aemo.com.au.

For a list of NEM2025 committees and forums refer to AEMO's NEM2025 Program webpage².

² [AEMO | NEM2025 Program](#)