



**Energy Transformation  
Implementation Unit**

# **WEM Reform Implementation Group (WRIG)**

**Meeting #1**

16 March 2020





# Agenda



9.00  
am

**Introduction to WRIG (Terms of Reference & Key Roles)**  
Aden Barker| ETIU

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9.30  
am

**AEMO Implementation – Delivery Team**  
Stuart Featham| AEMO

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9.45  
am

**AEMO Implementation – Solution Design Overview**  
Thomas Killin| AEMO

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10.15  
am

**Implementation Planning Workshop**  
Stuart Featham| AEMO

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11.55  
am

**Next Steps**

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# WRIG Introduction

## Terms of Reference & Key Implementation Roles

### Session Purpose

- Discuss and agree Terms of Reference
- Discuss implementation roles of ETIU, AEMO and other stakeholders



# WRIG Introduction

## Terms of Reference

The Foundation Regulatory Frameworks workstream of the ETS will require significant implementation effort from market participants and institutional bodies. ETIU has convened the WEM Reform Implementation Group (WRIG) to consult on this implementation effort and support successful delivery.

### Purpose of the WRIG

The WRIG is an expert stakeholder forum requiring participation and input from relevant industry participants to assist the Taskforce to:

- develop a joint industry program plan for the transition to new market arrangements, including ongoing status assessment and reporting;
- identify and manage key program risks, assumptions, issues, and dependencies; and
- resolve challenges to the implementation of the new WEM by, where necessary, developing amendments to Market Rules or regulation during the transition to new market arrangements (e.g. transitional approach to compliance and monitoring, market trial obligations).

A key requirement of WRIG attendees is to represent their organisation and provide specific information that will assist planning and execution.



# WRIG Introduction

## Key Implementation Roles

It is imperative that there is clarity over the roles and responsibilities of different parties to ensure implementation success. This will be developed over time, with initial high level views provided below:

### ETIU

- Ultimately accountable for program success and benefits delivery
- Determining and delivering any necessary regulatory changes
- Arbiter of implementation challenges/issues (e.g. timeline vs scope)

### AEMO

- Accountable for delivery of its internal program of change
- Leading joint industry planning and execution (e.g. market trials)
- Provision of information to WRIG on program status and RAID items

### Other participants/stakeholders

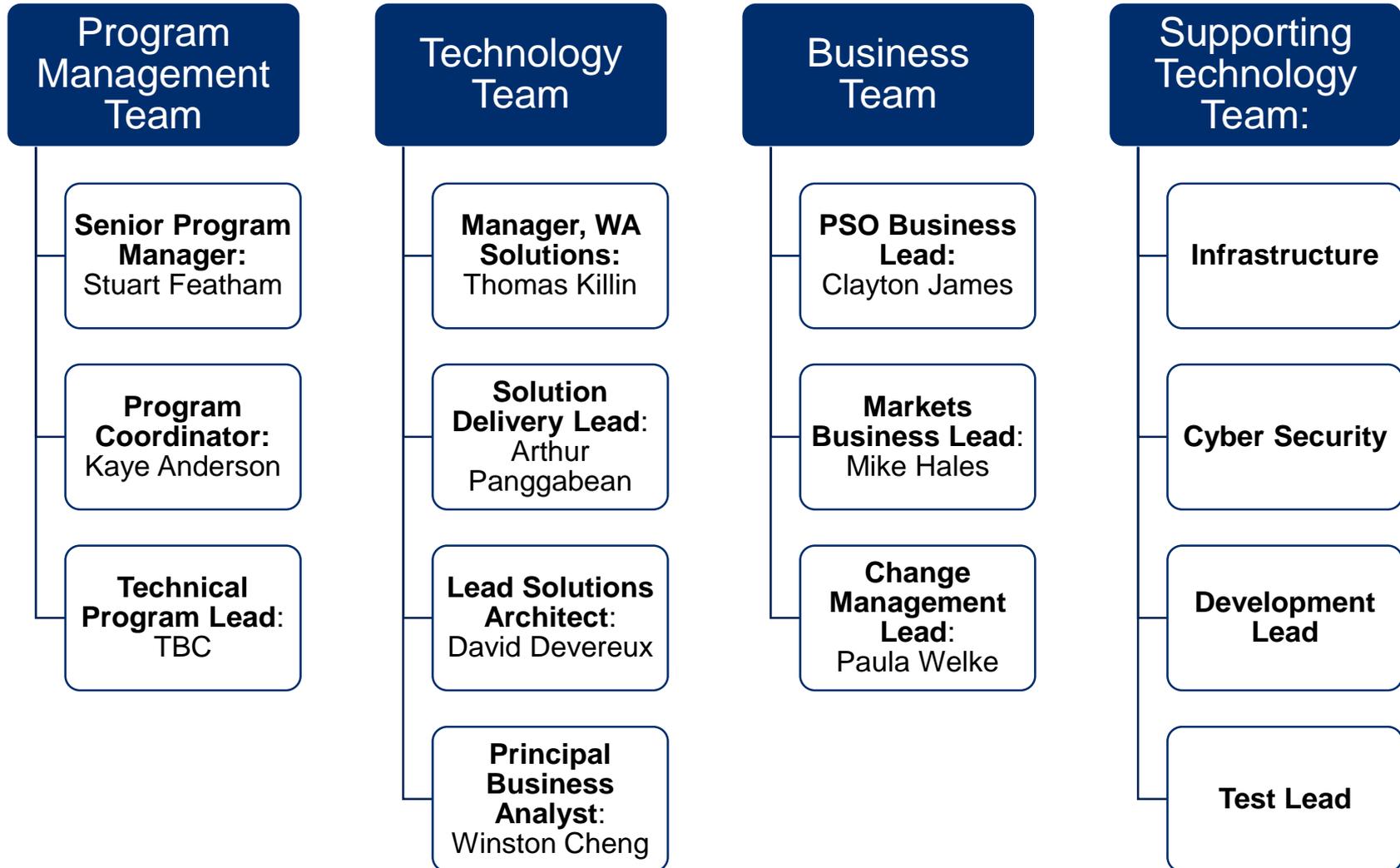
- Accountable for delivery of internal change programs
- Provision of information to WRIG on program status and RAID items

# AEMO Implementation Delivery Team

## Session Purpose

- AEMO to introduce the key team members responsible for implementation

# AEMO Implementation Delivery Team



# AEMO Implementation Solution Design Overview

## Session Purpose

- AEMO to provide a summary of its approach to system design
- AEMO to discuss the current state of its system Options and Recommendations (OAR)

# AEMO Solution Design

An evolving environment has shaped the approach

**Market Design and Rules** are still being developed and will **not be finalised until late 2020**, leaving approximately **30 months** – from now - to analyse, implement, test and trial business processes and solutions.

As market design evolves, the **delivery program will need to be adjusted** which will **add complexity** and **risk** – including the possibility of **reworking** processes and solutions.

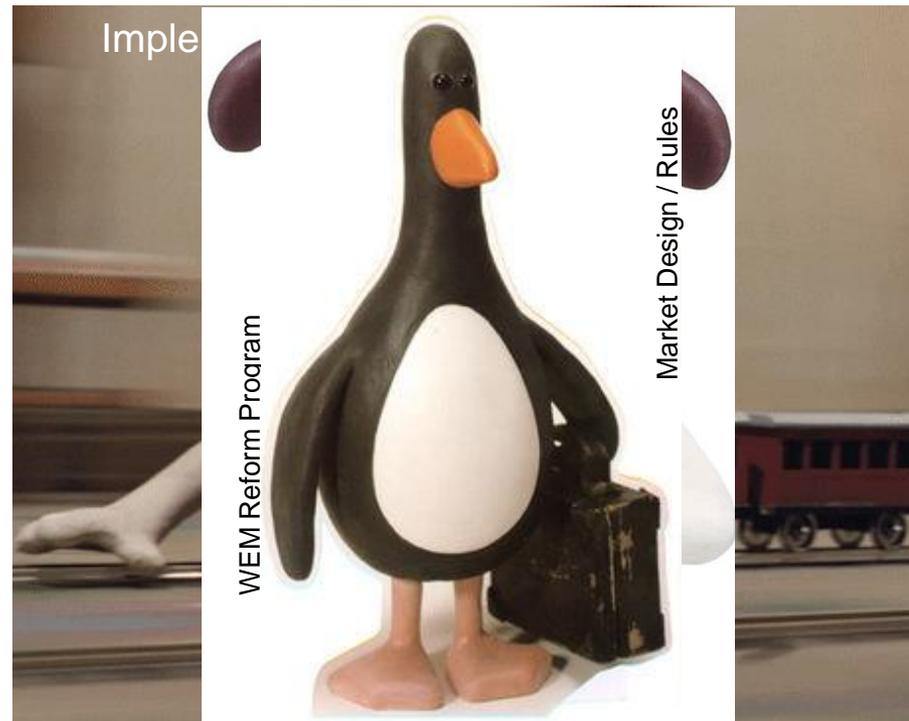
**Compressed regulatory timeframes** require the WEM Reform program and associated supporting solutions to be defined prior to finalisation of the amending rules.

Resulting in ...

- Adoption of **current AEMO application** and technology components (i.e. **reuse** and **repurpose**) where appropriate.
- **Ongoing analysis** of proposed option will be undertaken during the CAD and SAD processes **to align** with the evolving **WEM reform** process.

# AEMO Solution Design

An evolving environment has shaped the approach



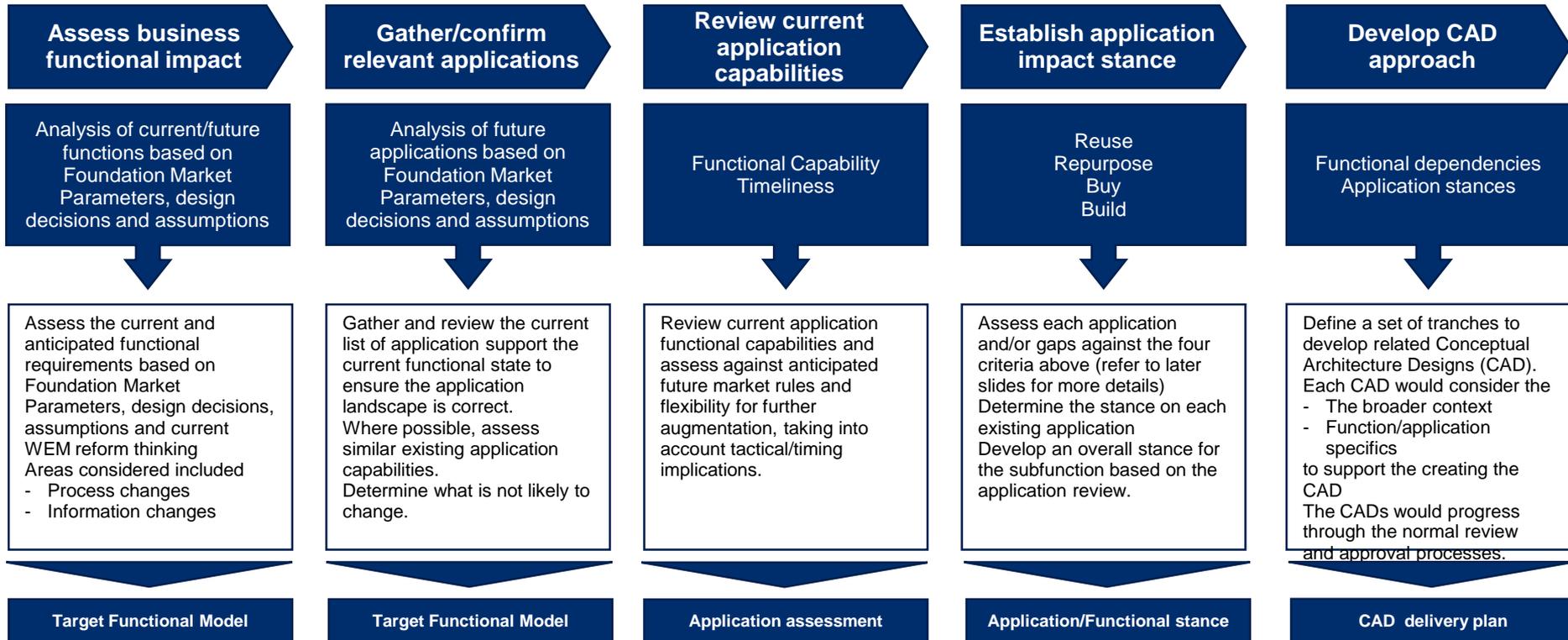
# AEMO Solution Design

## Technical Implementation: Three major streams



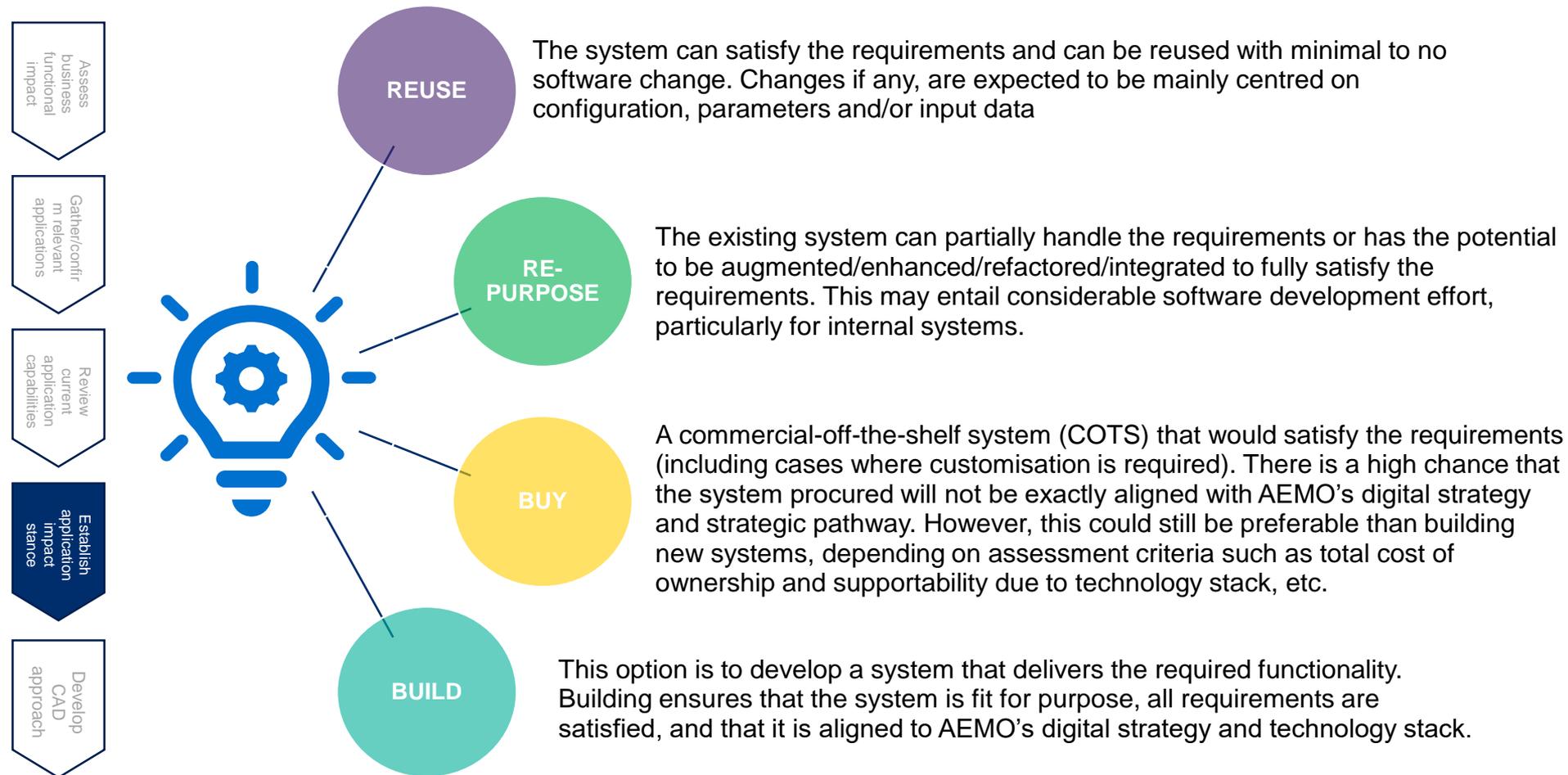
# AEMO Solution Design

## OAR functional analysis approach



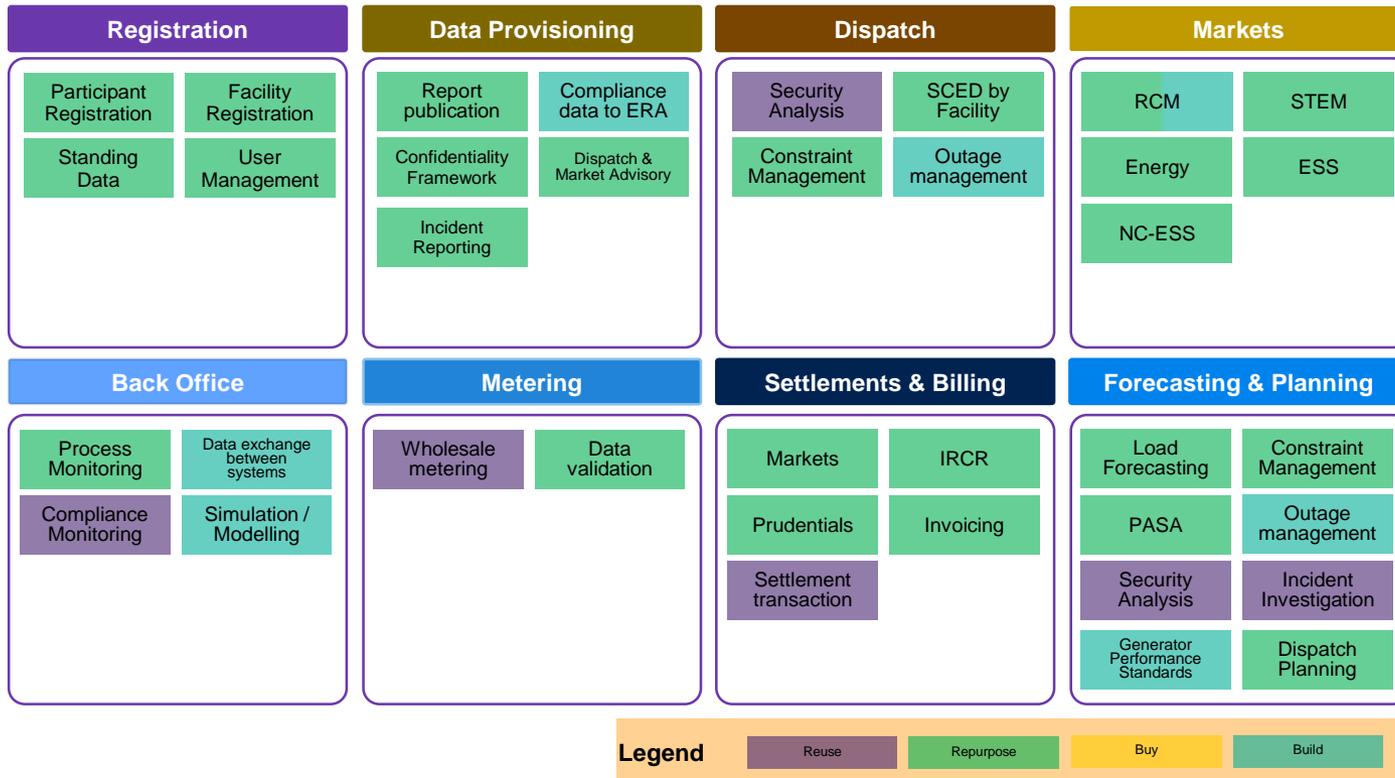
# AEMO Solution Design

## Implementation options considered



# AEMO Solution Design

## Recommendation summary



### Key Messages

- Recommended options are based on point-in-time (and informed) understanding of WEM reform scope and relevant applications associated with each function/subfunction.
- The options provide a foundation for planning and costing the next iteration of the program, and seek to minimise/mitigate program delivery risks.
- Further analysis of the chosen options will continue into the CAD phase to validate the decisions and maintain alignment with WEM reform market design.

# Implementation

## Developing a Joint Industry Plan

### Session Purpose

- Discuss views on and definitions of 'Go Live
- Discuss key change activities for all stakeholders
- Discuss components of joint industry plan
- Discuss priorities

# Joint Industry Planning

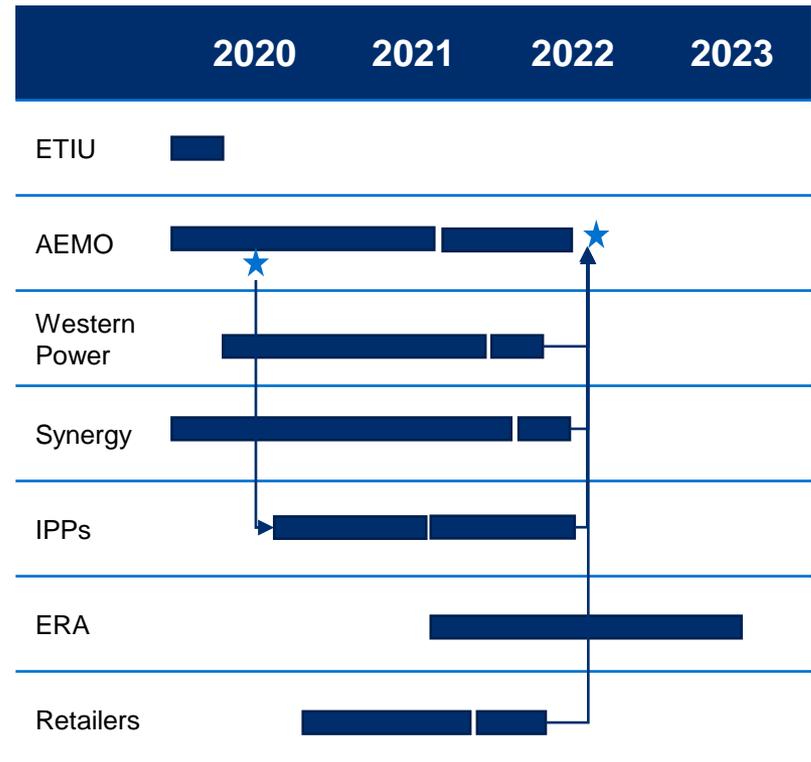
## Introduction

As set out in the Terms of Reference, the WRIG will be tasked with developing a Joint Industry Plan to aid in the preparation and successful execution of the Foundation Regulatory Frameworks workstream.

The proposal is that this plan will include ‘swim lanes’ for all relevant stakeholders who are required to implement change, coordinate and collaborate to meet the ‘Go Live’ of security constrained economic dispatch in October 2022.

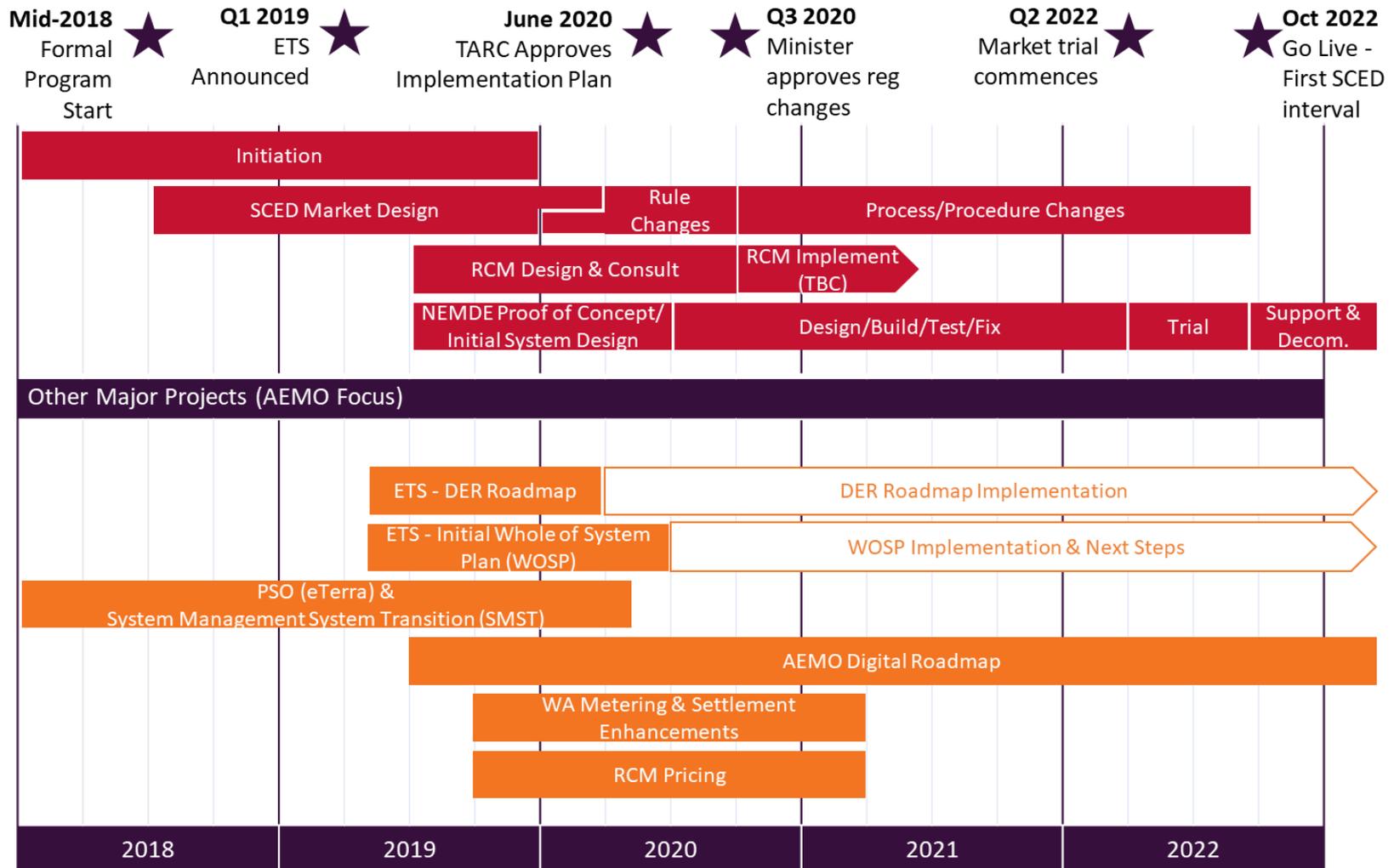
This will require a clear definition of:

- Go Live milestone and preceding milestones;
- defined program activities and phases (e.g. test and trial);
- mandatory vs voluntary requirements; and
- key dependencies



# Joint Industry Planning

## Current high level timeline





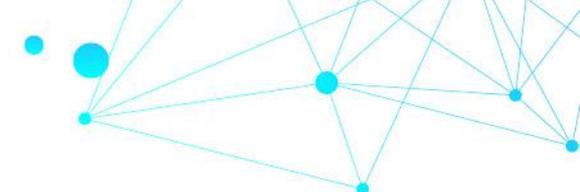
# Joint Industry Planning

## Workshop activity – introduction

It is proposed that a ‘standard’ program management approach is taken to develop the Joint Industry Plan – based around definition of deliverables & milestones and a breakdown of work & key activities.

It is expected that this will take a number of WRIG sessions to build, with today’s initial workshop looking for stakeholder views on the basic building blocks of a plan and other important considerations (e.g. regulatory regime as it relates to implementation).

Following sessions will build detail on these initial views as well as seek input on risk, assumptions and other (e.g. external) change activities that should be considered.



### Workshop Approach

1. Tables are spread out ‘cabaret’ style with aim to have a variety of stakeholders at each table
2. AEMO/ETIU will facilitate each table seeking feedback on a number of key planning questions
3. During a short tea break, AEMO and ETIU will review and consolidate key points
4. Session will close with a playback and discussion of key points
5. Full summary of feedback will be collated and sent out to WRIG members in advance of Meeting #2



# Joint Industry Planning

## Workshop activity – questions for discussion

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1. What does or should the Go Live milestone define – is it possible to shift from one set of market/power system arrangements to another in one interval?
  2. What are the major changes that you will need to prepare for and/or implement (e.g. IT systems, business process, plant upgrades)?
  3. What are the key phases or activities required to be captured in the Joint Industry Plan?
  4. What are your views on the testing and trialling arrangements (e.g. scenario-based, 'parallel run')?
  5. What regulatory considerations need to be addressed (e.g. pre-Go Live requirements to pass scenario exit criteria, post Go Live monitoring and compliance)?
  6. What are your key dependencies and high priority information/data requirements?