Summary:

- Project status remains amber in October 2017:
  - Overall status of "**at risk**" of achieving project deliverables on schedule:
    - Around 70% of reporting participants reported a status of "on schedule", and around 30% reported a status of "at risk".
  - Progress increased from 70% to approximately **80%.**
  - Risk rating remains at "**Medium**":
    - On an internal project delivery basis: around 40% of reporting participants reported a "low" risk rating, 58% reported a "medium" risk rating, and 2% a "high" risk rating
    - On an overall industry basis: around 22% of reporting participants reported a "low" risk rating, 62% a "medium" risk rating, and 16% a "high" risk rating.
- Participant categories:
  - Retailers and Distributors are mainly reporting low / green or medium / amber for their own internal project risk rating but a number are reporting red / high for the overall industry due to concerns with other participants' readiness.
  - Meter Providers, Meter Data Providers and intending Metering Coordinators mainly reporting a medium or low risk rating for both their own internal project risk and for overall industry.
  - Intending Embedded Network Managers mainly reporting medium or low risk ratings.
  - AEMO overall reporting on schedule with a low risk rating.

NOVEMBER 2017 READINESS REPORT

Highlighted risks:

- Amber progress status relates primarily to constrained timelines for delivery and the dependency on other participants' readiness:
  - Metering Coordinator (MC) registration:
    - As at 14/11, three MCs have achieved registration (Active Stream, Metering Dynamics and Spotless Facility Services).
    - A number of other applicants are well advanced in their progress towards registration.
    - AEMO is engaging with all intending MCs to facilitate registration activities.
    - The staged approach to market commencement has been developed, providing retailers the option to arrange for distributors to carry out services on existing new connections until 31 March.
  - Embedded Network Manager (ENM) accreditation:
    - As at 14/11 two ENMs have achieved accreditation (Marden Energy (previously reporting as Network Energy Services) and Origin Energy.
    - A further 8 of applicants are well advanced in their progress towards accreditation.
  - B2B e-Hub accreditation:
    - As at 14/11 98% of retail electricity market participant IDs have commenced B2B e-Hub accreditation and 64% have completed B2B e-Hub accreditation.

Highlighted risks:

- Other issues contributing to the Medium risk rating include:
  - Industry Testing participation and scope:
    - Market Trial Cycle 3 concluded on 3 November with 22 Retail companies, 8 independent Metering companies and 12 Distributors taking part.
    - AEMO's pre-production systems remain open for bilateral testing and AEMO's test team is continuing to support participants.
  - Lack of alignment across industry processes:
    - Participants are actively engaging with each other to discuss and align B2B processes, including through ongoing bilateral testing.
    - Participants are increasing post go-live support
  - Lack of clarity on jurisdictional safety regulations in non-Victorian regions:
    - Participants are monitoring jurisdictional progress.

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Number of submissions:

⬆ 51 reports received in total representing the following participant roles (increased from 50 in October):

  ⬆ 23 retailers (increased from 22)

  ⬌ 13 distribution businesses (includes initial MC, MP and MDP)

  ⬌ 10 metering companies (MPD, MP)

  ⬆ 11 intending metering coordinators (MC)

  ⬌ 11 intending embedded network managers (ENM)

⬇ Approximately 12 retailers have not taken part in industry reporting

Notes:

1) Organisations can nominate for multiple roles and participants can submit combined reports (i.e. one report for two distribution businesses)

2) Participation in readiness reporting is voluntary, and reporting reflects each participant's self-assessment of their own readiness in respect of the roles they intend to undertake as at 1 December 2017.

AEMO Power of Choice Implementation Program
Monthly Readiness Report
Monday, 6 November 2017

Overall Status	Commentary	Risk Rating	# Open Risks - Rating:			Issues:
			High	**Med**	**Low**	**#**
(pie chart)	The majority of participants (around 70%) report being on schedule to deliver by 1 December 2017, however the overall project status remains amber - "at risk" of delivery, with a medium risk rating. A critical issue for many participants is their dependency on Metering Coordinator (MC) registration (note as at 14/11 3 MCs have been registered). Participants have also noted that whilst many program risks have now been addressed, there are still a number of open risks and issues (refer to POC Risk and Issue Log). Concerns have been raised about the participation and scope of test coverage in Industry Testing, increasing the risk of issues being raised post go-live. Participants are focusing on preparing for go-live, risk mitigation and post go-live support.	(amber)	2	8	2	2

AEMO and NEM Participants Readiness Criteria

#	Category	Criterion	AEMO Status	AEMO Note	Retailers Status	Retailers Note	Distributors Status	Distributors Note	MP and MDP Status	MP and MDP Note	Metering Coordinator Status	Metering Coordinator Note	Embedded Network Manager Status	Embedded Network Manager Note	Third party e-hub Status	Third party e-hub Note
1. Assessment and preparation																
1.1	Assessment and preparation	Consequences of the POC reforms for your business considered, and appropriate implementation plans are in place	green		green		green		green		green		green			
1.2		Key readiness planning documents delivered	green													
2. Legal, regulatory, contractual and policy																
2.1	Legal, regulatory, contractual and policy	Updated retail electricity market procedures and associated documents published	green													
2.2		Internal policies updated for consistency with regulatory changes including jurisdictional regulations and requirements (e.g. safety)			amber	#1	green		green		green		green			
2.3		Operationally critical commercial contracts in place			amber	#2	green		amber	#2	amber	#2	amber	#2		
2.4		Accreditation and registration activities completed	green		green		green		amber	#3	amber	#3	green			
3. People																
3.1	People	Operational roles specified, assigned to staff, and training delivered	green		green		green		green		green		green			
4. Business processes																
4.1	Business processes	Updated, validated and approved business processes in place	green		amber	#4	green		green		green		green			
4.2		Successfully validated critical business processes during industry testing	green		amber	#5	green		green		green		green			
4.3		Process work-arounds in place for any issues identified during industry testing	white		white		white		white		white		white			
5. Market systems																
5.1	Market systems	Delivery of the re-developed B2B e-hub for industry testing	green													
5.2		Successfully tested market systems capable of being moved into production	green		green		amber	#6	green		green		green			
5.3		Performance of, and communication between, market systems validated during industry testing	green		green		amber	#6	green		green		green			
6. Transition planning																
6.1	Transition planning	Transition and cutover plan(s) in place	green		green		green		green		green		green			
6.2		Prerequisite transition and cutover processes completed (e.g. trial data conversions and cutover dress rehearsals)	green/half		green		green		green		green		amber/half	#7		

Jurisdictional Status

Jurisdiction	Comments	AEMO Status	AEMO Risk	Retailers Status	Retailers Risk	Distributors Status	Distributors Risk	MP and MDP Status	MP and MDP Risk	Metering Coordinator Status	Metering Coordinator Risk	Embedded Network Manager Status	Embedded Network Manager Risk	Third party e-hub Status	Third party e-hub Risk
ACT	Jurisdictional risk is a reflection of overall project risk.	green	green	amber	amber	green	amber	green	amber	amber	amber	green	amber		
NSW	Jurisdictional risk is a reflection of overall project risk.	green	green	amber	red	amber	amber	green	amber	amber	amber	green	amber		
QLD	Jurisdictional risk is a reflection of overall project risk.	green	green	amber	red	green	amber	green	amber	green	amber	green	amber		
SA	Jurisdictional risk is a reflection of overall project risk.	green	green	amber	red	amber	amber	green	amber	green	amber	green	amber		
TAS	Jurisdictional risk is a reflection of overall project risk.	green	green	amber	amber	amber	amber	amber	amber	green	amber	green	amber		
VIC	Jurisdictional risk is a reflection of overall project risk.	green	green	amber	red	green	amber	green	amber	green	amber	green	amber		

Variances		
Note #	**Explanation of Variance**	**Mitigating Actions**
1	Variance reported by Retailers, DB and ENMS: Updating internal policies on schedule at risk due to late or yet to be defined jurisdictional changes, including in relation to remote re-en / de-en in non-Vic jurisdictions and clarity on the ENM role in Victoria.	Participants are monitoring jurisdiction safety discussions and engaging with jurisdictional bodies.
2	Variance reported by Retailers, MP&MDPs, MCs and ENM): Updating commercial arrangements on schedule is at risk, or not within schedule, due to volume and complexity of contracts that need to be entered into with industry parties. The slow progress of MC registration has also been raised as a risk.	[As at 14/11, 3 full MCs have been registered and a number of other applications are well advanced.]
3	Variance reported by Participants: Fulfilment of accreditation and registrations activities on schedule at risk due to tight timeframes and unanticipated time and effort required for the registration process.	[AEMO is engaging with participants to facilitate registration and accreditation activities.]
4	Variance reported by Participants: Updating and finalising business processes on schedule is at risk, or not within schedule due to #1 (lack of clarity in processes including remote re-en and de-en) and #2 (dependency on metering partners) and concerns around different interpretations from different market participants Intending ENMs have also highlighted concerns with the ENM NMI discovery process.	Participants continuing to engage with each other and relevant jurisdictional bodies. Intending ENMs engaging with AEMO and the AER.
5	Variance reported by Participants: Validation of business processes during Industry Testing at risk or not within schedule due to limited participation and scope in industry testing.	[Market Trial Cycle 3 concluded on 3 November with 22 Retail companies, 8 independent Metering companies and 12 Distributors taking part. AEMO's pre-production systems remain open for bilateral testing and AEMO's test team is continuing to support participants.]
6	Variance reported by Participants: Not all end-to-end test cases were able to be completed due to other parties not being ready or able to undertake testing, as such it is likely that some issues will be identified post go-live.	Participants are continuing to undertake bilateral testing. Participants are increasing post-go-live support.
7	Variance reported by Participants: Transition and Cutover activities are dependent on timely delivery of earlier program stages.	

Notes
1. Please refer to the POC Industry Readiness Reporting Plan for more details on the Readiness Report process: http://www.aemo.com.au/-/media/Files/Electricity/NEM/Power-of-Choice/B2B/AEMO-POC-Industry-Readiness-Reporting-Plan-v20.pdf 2. The count of open Risk and Issues is based on the POC Industry Risk Register as at 15/11/2017. 3. Explanation of Variance and Mitigating Actions above are based on Participants comments, AEMO's comments are included within square brackets [ ].

Key - Progress and Status						Key - Risk Rating	
Progress				**Status**		**Rating**	
Harvey balls represent progress towards achieving the criterion				*Colour indicates the readiness status*			
~0%	⬜	~50%	◗	Criterion is within agreed schedule and deliverable requirements	🟢	High	🟥
~10%	◔	~60%	◕	Criterion is at risk of not meeting requirements and corrective action may be required	🟡	Medium	🟧
~20%	◔	~70%	◕	Criterion not meeting requirements. Immediate corrective action required	🔴	Low	🟩
~30%	◔	~80%	◕				
~40%	◕	~90%	◕	Criterion has been achieved	✔		

See POC Industry Risk Register for open risks and issues:

POC Industry Register