



WEM Reform Program

June 2022

Market Readiness Engagement & Reporting
Strategy

Important notice

PURPOSE

The Market Readiness Strategy is the overarching plan to guide AEMO and Wholesale Electricity Market (WEM) participants' readiness activities required for implementation of the WEM Reform program as part of the WA Government's Energy Transformation Strategy (ETS).

DISCLAIMER

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VERSION CONTROL

Version	Release date	Changes
0.1	8/3/2021	First draft released to WEM Reform Implementation Group (WRIG) for comment.
1.0	4/05/2021	Working version provided to the Readiness Working Group (RWG) for comment.
1.1	22/06/2021	Minor revisions shared with Readiness Working Group (RWG) for comment.
1.2	1/11/2021	Updated to reflect new go-live date.
1.3	8/02/2022	Amended to improve specificity in stakeholder terminology (Market Participant, Rule Participant, ERA)
1.4	10/06/2022	Amended to reflect changes in forums

Executive summary

AEMO and other entities with roles in the Wholesale Electricity Market (WEM) are currently implementing the WEM reforms and the implementation program has commenced its delivery phase.

The WEM Rules changes have amended or introduced new regulatory obligations on WEM participants and AEMO with the transition to the new Security Constrained Economic Dispatch (SCED) market. Significant updates or changes to market procedures and market participants' systems are now required. AEMO has a key coordination role, through collaboration with industry working groups, to ready industry and AEMO for the various system and market "go-live" dates.

This paper sets out AEMO's market readiness approach and has been prepared for industry consultation and feedback. It is intended to inform WEM participants' own readiness programs and provide a foundation for engaging on market readiness matters throughout the WEM Reform implementation process.

The market readiness strategy is the overarching plan for managing, coordinating, informing, monitoring and reporting both AEMO's and WEM participants' operational preparedness for WEM Reform. It particularly relates to the business process and IT system changes necessary for a smooth transition to the new market arrangements. At a high level, the market readiness strategy:

- explains the scope of market readiness and how market readiness activities will support the transition to the new SCED market
- sets out how market readiness will be planned and implemented to facilitate a smooth cutover to the new SCED market.
- describes how AEMO will engage and support market participants to ensure they are market ready
- defines the market readiness testing and reporting strategy that will be implemented

Market readiness activities are intended to address readiness challenges and support the prudent implementation of the WEM Reform changes. This is to safeguard the integrity of WEM processes across the various IT system go-lives and market start, given the market's complexity and need for continuous operation.

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1. Introduction

This chapter explains the Australian Energy Market Operator's (AEMO) WEM Reform implementation program. It then details the purpose and structure of the WEM Reform market readiness strategy for the Wholesale Electricity Market (WEM).

1.1 Background

WEM Reform is part of the WA Government's broader [Energy Transformation Strategy](#) which includes three components:

- Development of a [DER Roadmap](#)
- Development of an initial [Whole of System Plan](#) (WoSP); and
- Foundation Regulatory Framework

The Foundation Regulatory Framework is known as WEM Reform, and includes two subcomponents:

[Improving Access to the SWIS](#) – changes to Regulations and other instruments to implement constrained network access, as well as necessary, consequential changes to the Reserve Capacity Mechanism (RCM).

[Delivering the Future Power System](#) - Modernisation of the Wholesale Electricity Market to enhance power system security and enable new generators access to the network.

For AEMO, WEM Reform means delivering a new WEM that addresses today's security and market effectiveness challenges to shape a better energy future for WA.

New market rules developed by the [Energy Transformation Taskforce](#) will require more than 50 new market procedures to be updated or developed by AEMO and around 80% of AEMO's current WEM systems will require significant change. The WEM Reform Program has been designed to achieve this change through 23 projects grouped into six workstreams.

WEM Reform will have significant impacts on the way we work at AEMO and for other Rule Participants¹, and the pace of change will be high, with RCM changes coming into effect from late 2021 and Security Constrained Economic Dispatch (SCED) go-live in October 2023.

¹ Under the WEM Rules, the term "Rule Participants" encompasses Market Participants, Western Power as the Network Operator and AEMO as the Market and System Operator.

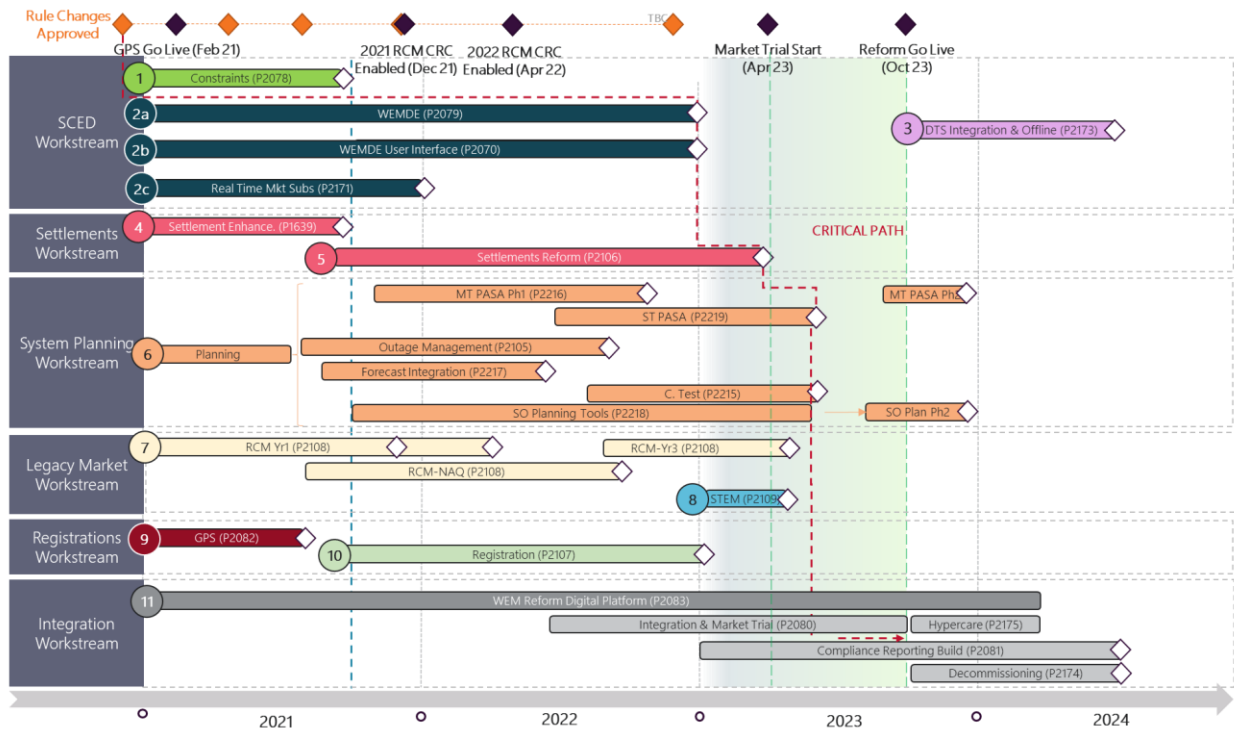


Figure 1 - WEM Reform Implementation Timeline (as of October 2021)

1.2 Purpose of the market readiness engagement & reporting strategy

The market readiness strategy is the overarching plan to guide the readiness activities of Rule Participants and the Economic Regulation Authority (ERA)². The Strategy sets out the approach for managing, coordinating, informing, monitoring and reporting on operational preparedness for running, participating in and regulating the new SCED market and the modified RCM.

It relates to the business process and IT system changes necessary for a smooth transition to the new market arrangements.

Unless explicitly limited, the obligations owed by and to “Rule Participants” in this Strategy, will also be owed by and to the ERA.

² All Rule Participants will be impacted by the WEM Reform Program and, hence, the readiness of all Rule Participants is within the scope of this Strategy. In addition, the Economic Regulation Authority (ERA) has important regulatory functions that will change as part of these reforms and the ERA’s readiness is also a matter of interest under this Strategy. The term Rule Participant will be used here for convenience, although it does not encompass the ERA for the purposes of the WEM Rules.

2. Market readiness framework

2.1 Market readiness principles for WEM Reform

The following principles will underpin WEM Reform market readiness:

1. Minimise disruption

All WEM Reform preparatory activities will be designed to minimise the risk of disruption to WEM customers and participants.

2. Shared commitment to readiness for market go-live

Rule Participants will perform all necessary activities so that each organisation:

- Complies with its WEM obligations from the go-live date; and
- Can effectively operate in the WEM and in compliance with the WEM Rules at all times.

3. Collaborative approach to market readiness planning and execution

AEMO will develop the market readiness strategy, including the supporting deliverables and plans. AEMO will consult with other Rule Participants on proposed approaches through the WEM Reform Implementation Group (WRIG) and other forums before finalising them.

AEMO and Rule Participants will work closely to coordinate market readiness activities, provide visibility of readiness issues and risks and appropriately plan for contingencies.

4. Emphasis on collective readiness to enable operation of the market/power system

The Market Readiness criteria will focus on those elements necessary for the successful operation of the electricity system and market, rather than on the readiness of all individual Rule Participants. This recognises that in some cases, the completion of specific deliverables by individual Rule Participants will be necessary for overall market readiness. In other cases, the market could go-live without significant disruption, despite specific failures on the part of one or more individual Rule Participants to be ready.

5. Each party is responsible for its own readiness

Each Rule Participant is responsible for developing and implementing its own organisational readiness program. This includes adhering to key activities and dates set out in the strategies and plans that support the market readiness strategy.

For AEMO, this includes:

- Developing WEM processes and AEMO systems to ensure compliance with the WEM Rules and procedures
- Providing WEM participants with the necessary information, documentation and access to enable them to interact with these systems and processes; and
- Coordinating and reporting on industry-wide readiness for go-live.

For other Rule Participants, this includes:

- Developing their own systems and processes to comply with the WEM Rules
- Ensuring they have the necessary commercial arrangements in place at go-live
- Performing testing and preparatory activities prior to relevant market start timeframes
- Reporting on readiness matters that may affect them and/or other participants.

6. No Surprises

Issues and risks that may affect the readiness of Rule Participants must be communicated to AEMO as early as possible in writing.

This will enable AEMO to:

- Undertake a timely impact assessment to establish the materiality of the issue or risk
- Communicate the issue or risk to the industry via the appropriate stakeholder forum (subject to any confidentiality considerations).

7. Open and honest readiness reporting

When reporting on the progress of their organisation's readiness activities, each Rule Participant is expected to prepare its reports in an open and honest manner based on information that is current as at the time of reporting.

AEMO will provide questionnaire templates and guidance on readiness reporting criteria to assist participants. Market Readiness reports will be published on a bi-monthly basis.

8. Appropriate handling of confidential and commercially sensitive information by AEMO

In their readiness reporting, Rule Participants should identify any information that they consider to be confidential (other than data that is already established under the WEM Rules as confidential information). If necessary, AEMO will clarify the nature of any confidentiality claim with a Rule Participant.

In respect of any confidential information disclosed to it by a Rule Participant in relation to market readiness, AEMO will treat that information as protected information. This includes not disclosing the identity of a participant without its consent where a general market readiness matter which concerns that Rule Participant is discussed at industry forums or with other parties.

9. AEMO to explain readiness decisions to WEM participants

AEMO will explain its market readiness decision-making processes and reasons for its decisions to Rule Participants, subject to any confidentiality considerations.

2.2 WEM Reform market readiness framework

The market readiness framework is comprised of the following deliverables:

- Market Readiness Engagement & Reporting Strategy (this document)
- Industry Testing & Market Trial Strategy
- Market Trial Definition
- Market Transition Strategy & Plan.

The desired outcomes and deliverables of the market readiness framework are outlined in the following figure.


Desired Outcome	Deliverable
Market readiness can be measured and everyone can see progress against the market go-live date. Stakeholders understand how they will be engaged and participate during the readiness process.	 Market Readiness Engagement & Reporting Strategy
Market Participants understand how to test against AEMO platforms	 Industry Testing & Market Trial Strategy
Market Participants understand the scope and timing of Market Trials	 Market Trial Definition
Everyone understands the plan to transition from the old to the new market and how the go/no-go decision will be made.	 Market Transition Strategy & Plan

Figure 2 - Market Readiness Framework components

This document is one of four deliverables to be completed as part of the Market Readiness framework and sets the foundation for the market readiness activities. Key components of each document are outlined below.

2.3 Components of WEM Reform market readiness

Component	Description	Associated Deliverable
Readiness reporting	<ul style="list-style-type: none"> • Development of objective readiness criteria, including establishing which Rule Participants and what capability needs to be ready for each system go-live • Regular reporting against the readiness criteria for affected Rule Participants • Analysis and assessment of reported results by AEMO, including confirmation of operational preparedness for go-live. 	Market Readiness Engagement & Reporting Strategy
Risk and contingency management	<ul style="list-style-type: none"> • Risk and issue identification and management • Contingency planning • Proactive responses by AEMO and Rule Participants to identified issues • Readiness issue and risk assessments, including development of contingency options and plans; and • Escalation of issues as required. 	Market Readiness Engagement & Reporting Strategy

Component	Description	Associated Deliverable
Transition and cutover planning and execution	<ul style="list-style-type: none"> • Development of the Market Transition Strategy & Plan, detailing the activities, timeframes and responsibilities to move to the reformed WEM • Planning and monitoring of AEMO's and Rule Participants' transition activities • Systems cutover planning and execution, including Rule Participant cutovers and system go-live coordination • Post-cutover activities – not required for cutover but needed soon afterwards. 	Market Transition Strategy & Plan
Industry Testing and market trials	<ul style="list-style-type: none"> • Planning, execution and management of activities that enable industry testing and / or market trials for the go-live. • AEMO and Rule Participants will test their systems against the updated procedures and their ability to communicate with each other • Environment support and availability: • Dedicated test environments will be available for Rule Participants to test their systems during individual project execution • A dedicated pre-production environment will be available for undertaking coordinated market trials • Scenarios to be tested during the market trial period. 	Industry Testing & Market Trial Strategy Market Trial Definition

3. Market readiness strategy implementation

3.1 AEMO's role in market readiness

In accordance with the market readiness principles, AEMO's overall approach to WEM Reform market readiness is to undertake the following roles:

- Chair and maintain the primary WEM Reform program consultative forum (WRIG), and establish and maintain subsidiary forums and groups as required, to support market readiness strategy, planning and coordination for WEM Reform, including development of market readiness strategies and plans
- Support industry testing by providing testing environments in addition to the market trial testing in pre-production environments
- Run coordinated market trials; and
- Perform industry readiness monitoring and reporting. This includes managing issues, risks and actions, as well as developing contingency approaches.

3.2 Overview of readiness activities for WEM Reform

The key regulatory, systems development and industry environment milestones for WEM Reform are contained in the Joint Industry Plan (JIP). The JIP is maintained by AEMO and will include key Rule Participant readiness milestones.

The milestones are updated and communicated via the WRIG with transition and go-live milestones to be finalised as part of the development of the Market Transition Strategy & Plan.

The JIP is available through the AEMO external SharePoint site "The Reformer", [here](#)³.

3.3 WEM Reform readiness communications and stakeholder engagement

AEMO will employ a dedicated Market Readiness Advisor to manage WEM participant engagement, utilising forums and communications channels outlined in table 1 below.

The WRIG is the primary forum for:

- Program coordination and communication between AEMO and industry program teams;
- Consultation with industry program teams on implementation approaches;
- Providing updates and education for Rule Participants regarding the systems and procedures that will give effect to the WEM Reforms;
- coordinating, assisting and preparing AEMO and other Rule Participants for the transition to the new WEM through the implementation of the market readiness strategy.

Given the broad nature of the WRIG's scope, subordinate focus groups may be formed to contribute to specific subject matter areas. For example, there may be additional working groups to support industry

³ AEMO provides access to this site to all WEM participants, as well as to entities such as consultants or other service providers sponsored by a market participant (which can include intending participants). If you require access, please email wa.ets@aemo.com.au.

testing and market trial activities. Additionally, joint focus groups may also be formed to manage areas of cross-dependency, such as transition planning.

Meetings between AEMO’s Market Readiness Advisor, and Rule Participants with identified market readiness challenges will be arranged as required.

The AEMO website will be maintained with basic information on the WEM Reform Program including published market readiness reports. The Reformer SharePoint site will be used as the primary information platform to support participants with the latest information on WEM Reform, Market Readiness requirements and reporting calendars.

Channel Type	Initiative	Description	Target Audience	Frequency
WEM Reform specific channels	The Reformer	Create an external SharePoint site as a central repository for sharing all Market Participant information on WEM Reform, including news, forum recordings, Market Readiness survey publications, technical specification documentation, forum or technical showcase forum recordings and training modules.	WEM Market Participants	Updated at least weekly
	Working groups	Target engagement with participants critical to Market Readiness to assist with technical solution design, process and procedures. Facilitates collaboration across company teams, helps define role clarity and integration and alignment of efforts, as well as seeking inputs from impacted stakeholder groups	Western Power Synergy	At least Monthly
	WRIG	An open industry forum to support market participant consultation and education on Program – Joint Industry Plan Updates; Readiness Survey Results; Educations Programs WEM Procedures – WEM Procedure updates and consultation. IT and Technical – Development timetables; showcases, specifications and system trial and testing information.	WEM Market Participants Technical Teams	Fortnightly.
	Market Readiness Survey and Reports	Survey developed to test project set up and execution commencement during the early stages of the change to enable corrective action, and at later stages, the survey will test specific criteria to be successful in the new market, leading up to market trial.	Market Participants	Bi-annually
	One on one contact	Market Readiness Advisor to contact and be available to market participants and other stakeholders as required.	Market Participants Western Power	
	WEM Reform Updates	Email newsletter with key updates on WEM Reform milestones (for example – how to participate in Market Trial, Market Readiness Survey participation / results).	WEM Market Participants	Weekly or as required
AEMO BAU Channels (used for WEM Reform)	AEMO Website	Create a simple set of web pages to house WEM Reform public information including information on the projects and new market design. Updates will focus on elements of interest to the public, as the Reformer will be the primary channel for communicating detailed information.	Market Participants/Public	As required
	WAECF	General updates on high level progress, ministerial decisions and key program messaging	Western Power, Market participants	Monthly
	TDOWG	Run by EPWA, This working group provides a forum for AEMO to offer expert and detailed technical input into the Energy Transformation Strategy work streams, with a particular focus on projects being delivered as part of WEM Reform.	Market Participants, EPWA	As required

Table 1 - WEM Participant Communications and Engagement Channels

3.3.1 Education and Training

AEMO is developing a comprehensive Education and Training program based on its training skills ladder outlined in the top row of table 2 below. Education and training will be focused on changes to WEM procedures and AEMO systems and where relevant will be extended to market participants.

The socialisation, education, and familiarisation activities will take place during the system development phases, whereas formal training including the provision of end-to-end scenarios for market simulations will be provided during market trial.

It is important to note that AEMO can only provide training support for WEM procedures and AEMO-owned systems. Other Rule Participants will be responsible for designing their own training programs for their in-house systems.







GO-LIVE					
 Socialisation 1	 Education 2	 Familiarisation 3	 Formal Training Modules 4	 Scenario-based Training Sessions 5	 Post GO-Live On-demand video walk-throughs +
Raises awareness on what to expect from the new system and procedures.	Provides stakeholders with an understanding of new processes, and the system's look and feel. Delivered in the second half of system-build.	Allows structured familiarisation and testing with working system components during mid-to-late stages of system development.	Allows detailed step-through of systems and new ways of working, individually in the lead-up to go-live, and supplemented with group learning sessions.	Provides an unstructured parallel operational-practice environment to build confidence and to consolidate learning, to small groups of end-users	Provides on-demand support to assist with post-training 'memory slips'.
<ul style="list-style-type: none"> • Kick-off Presentations • Stakeholder Briefings • Change Roadmap • Program progress Updates • WRIG 	<ul style="list-style-type: none"> • Showcase presentations • WRIG and WRIG IT 	<ul style="list-style-type: none"> • Sandbox environment • Walkthrough guides 	<ul style="list-style-type: none"> • E-learning modules • Facilitator-led training – classroom and hands on • Quick Reference Guides • User Guides 	<ul style="list-style-type: none"> • Simulations • End to end scenario testing during market trial • Coaching – one on one, and in teams 	<ul style="list-style-type: none"> • On-line help • Bite sized 'how to' videos

Table 2 – AEMO's Education and Training Program

4. Readiness Reporting Process

On a periodic basis, Rule Participants will be expected to submit information on their readiness status and progress towards relevant market readiness criteria. AEMO will provide each Rule Participant with a Market Readiness Survey to facilitate the collection of readiness information across the industry. AEMO will then aggregate this information to produce a Market Readiness Report.

AEMO will be engaging with the industry on readiness reporting through the WRIG. AEMO will inform the industry of readiness reporting through its WRIG forums and its industry communication channels. An analysis of industry participation in readiness reporting will be presented in every Market Readiness Report.

The readiness self-assessment and reporting process is described in the following sections. This process will be periodically reviewed and updated by WRIG where appropriate as the WEM Reform program progresses.

4.1 Organisational Reporting

Each Rule Participant to complete Market Readiness Surveys and submit these to AEMO for collation.

Rule Participants that represent multiple companies or participant types will not have to complete multiple Market Readiness Surveys if they are implementing WEM Reform through a single program of work. Rule Participants will be expected to report on all specific readiness criteria applicable to the types of entities they represent.

4.2 Reporting Criteria

Assessing market readiness involves tracking the industry's progress towards successful WEM Reform commencements. Readiness reporting involves a reporting entity self-assessing their progress and status against agreed market readiness criteria. This includes reporting on:

- General criteria - by Market Participants, Western Power and the ERA
- Specific readiness criteria - by AEMO, Market Participants, Western Power and the ERA

The sections below describe general criteria and specific readiness criteria at a high level.

4.2.1 General Criteria

To assist AEMO and the industry identify risks and issues across all participant types, Market Participants, Western Power and the ERA will report their progress against a set of general criteria. These criteria focus on the level of establishment and overall progress and status of participant programs. All types of respondent will report on the same general criteria.

This set of criteria will become less relevant as respondents complete program establishment activities and progress further with their implementation programs. The RWG will be invited to assess if reporting on general criteria is still relevant at scheduled revision dates specified in the readiness reporting plan.

AEMO will continue to report on its level of program establishment and overall progress via regular industry updates at the WRIG.

The detailed general criteria are included in Appendix A – Market Readiness Criteria.

4.2.2 Specific Readiness Criteria

The successful commencement of WEM Reform requires the implementation of different capabilities for each participant type, based on the changes to be delivered by the implementation program.

Specific readiness criteria are intended to provide a basis for monitoring readiness based on the specific market commencement requirements for each participant type.

The specific readiness criteria will be based on the different capabilities to be delivered as part of the WEM Reform program, and will include readiness aspects such as the ability to:

- Receive dispatch instructions and targets
- Submit bids into the SCED market
- Apply for capacity credits as part of the RCM
- Receive and reconcile settlements data, receive and pay invoices; and
- Submit outage and commissioning test requests.

Draft specific readiness criteria will be developed followed by consultation with industry stakeholders, prior to commencement of readiness reporting against the specific readiness criteria.

4.3 Completing the Market Readiness Survey

Each Survey Respondent will have its own implementation program to prepare its organisation for WEM Reform. The scope of each program will depend on several factors, including participant type, size, and business strategy. Readiness reporting will track progress and status towards the achievement of market readiness requirements (criteria) and will ask respondent to report on overall progress towards the outcome.

For individual criteria, respondents will be asked to report on :

- Status
- Progress

The combination of ‘progress’ and ‘status’ reporting for each criterion provides a fuller picture of each respondent’s readiness. For example, a respondent may report progress at 25% for a criterion for an extended period. If its status is ‘on track’ then its level of readiness would not be concerning. However, if its status was ‘late’, then its readiness may be of concern.

Respondents will also be able to provide general overall commentary on their overall readiness status.

The following sections, together with Appendix A – Market Readiness Criteria, provide further information on each metric.

4.3.1 Status

Respondents will report on the status of general and specific market readiness criteria. The following options will be available as responses:

Options	Description
● On track	Work to establish the capability to satisfy this criterion is proceeding as planned
● At risk	Work has missed some milestones but overall end date is not at risk
● Off track (or Late)	Project is sufficiently off track that it is likely to deliver late
N/A	This capability is assessed by the respondent as not relevant to the business

4.3.2 Progress

For specific criteria, respondents are asked to report progression following a defined scale. Reporting will be done by providing information on ‘percentage progress’ in 25% increments. The following options will be available as responses.

Options	Description	Examples
0%	Not started	
1 – 24%	Planning complete.	<ul style="list-style-type: none"> Regulatory changes understood Business requirements for system and process changes elaborated and approved
25 – 49%	System and/or process change delivery in progress.	<ul style="list-style-type: none"> Implementation commenced Key resources / contracts on board Development and testing commenced and on track
50 – 74%	System and/or process change delivery well underway. Operational readiness activities commenced.	<ul style="list-style-type: none"> UAT commenced Integration scoped Training needs identified Internal procedure documentation changes underway.
75 – 99%	System and/or process change delivery well advanced. Operational readiness activities well advanced.	<ul style="list-style-type: none"> UAT well-advanced Integration progressing Testing in trial / test underway Training underway Procedures developed
100%	System and/or process change delivery complete. Operational readiness activities complete.	<ul style="list-style-type: none"> Systems and processes handed over to operational teams All training complete Ready for go-live
N/A	This capability is assessed by the respondent as not relevant to the business	

The target level for readiness criteria is 100% by the defined expected completion date.

Each criterion may have multiple activities associated with it and the number and nature of these activities will depend on the design and implementation of participants' programs. Therefore, for reporting consistency, respondents are asked to report on their progress towards achieving the required outcome (criterion) rather than reporting against discrete activities. However, the completion of key activities will inform how progression is reported for each criterion. Guidance on how to report on progression for each criterion will be provided.

4.4 Self-Assessment and Authorisation

Reporting on readiness information is based on self-assessments of readiness by each respondent. It is not possible for AEMO to validate the accuracy of information submitted by each participant prior to the creation of the aggregated Market Readiness Report.

As such and in accordance with the readiness reporting principles, it is expected that each respondent will complete the Market Readiness Survey in an open and honest manner, based on information that is current as at the time of reporting.

Self-assessments must be submitted by authorised representatives on behalf of their organisation.

4.5 Reporting Frequency and Review Points

The timeline below aims to balance the effort of reporting with the value of reporting. The approach is to increase the frequency of reporting to enable increased monitoring of readiness issues closer to commencement.

The first Market Readiness Survey was released on in June 2021, followed by the first Market Readiness Report, published in early August 2021. With the announcement of an extension to the delivery timeline for the WEM Reform Program on 30 September 2021, readiness reporting was paused. Going forward, the frequency of readiness reporting will be:

- Quarterly from January 2022 until July 2022; and then
- Every two months until market commencement.

Periodic reviews are scheduled to review the effectiveness of the criteria and the overall process of readiness reporting. The plan may be updated at the defined review points in consultation with the WRIG as appropriate.

The timings for readiness survey releases and reporting are provided in the table below.

Market Readiness Testing and Reporting Calendar

Month	Milestone
Jun-21	Market Readiness Survey – Release 1
Jul-21	Market Readiness Report 1 published
Jan-22	Market Readiness Survey – Release 2
Feb-22	Market Readiness Report 2 published
Apr-22	Market Readiness Survey – Release 3
May-22	Market Readiness Report 3 published
Jul-22	Market Readiness Survey – Release 4 (Specific Readiness Criteria)
Aug-22	Market Readiness Report 4 published
Sep-22	Market Readiness Survey – Release 5
Oct-22	Market Readiness Report 5 published

Month	Milestone
Nov-22	Market Readiness Survey – Release 6
Dec-22	Market Readiness Report 6 published
Jan-23	Market Readiness Survey – Release 7
Feb-23	Market Readiness Report 7 published
Mar-23	Market Readiness Survey – Release 8
Apr-23	Market Readiness Report 8 published
May-23	Market Readiness Survey – Release 9
Jun-23	Market Readiness Report 9 published
Jul-23	Market Readiness Survey – Release 10
Aug-23	Market Readiness Report 10 published

4.6 Input Format

AEMO will administer the Market Readiness Survey through an online portal. An email will be sent to all respondents with a link to the Survey.

Respondents will be expected to complete and submit the Market Readiness Survey before the survey close date. A confirmation email together with a copy of the provided answers will be sent to acknowledge the submission.

5. Summary Reporting by AEMO

5.1 Readiness Criteria Reporting

The reporting of overall market readiness will be presented in the Market Readiness Report. AEMO will produce a Market Readiness Report for every Market Readiness Survey that is released. At a high level, the Market Readiness Report will contain the following overall readiness information:

- Overall project status and risk rating
- Risks and issues
- Aggregated readiness for each group
- Aggregated readiness for market commencement
- Comparison of responses between survey periods

The Market Readiness Report will also provide commentary as appropriate on:

- Actual and potential readiness gaps
- Remedial action being taken to address these gaps
- Risks to market operation if the gap is not remedied
- Any potential mitigation of these risks
- Any required contingency decisions.

5.2 Presentation of Results

For each round of readiness reporting, AEMO will publish the names of each organisation that took part, to the extent that this does not create confidentiality issues. This is to encourage the industry's consistent participation in readiness reporting.

Individual responses will be treated as strictly confidential and will be reported in aggregate.

5.3 Aggregation and Weighting

In preparing the Market Readiness Report, AEMO will aggregate individual readiness responses to present readiness at a program level and across the different types of entity.

When presenting the progress of each criteria on aggregate, AEMO may:

- Report the proportion of "Yes" responses
- Report the average of all received responses

In addition, AEMO will present a view of critical participant readiness by assigning weightings to each response for relevant criteria. When presenting the weighted aggregated readiness progress, AEMO may:

- Where appropriate, identify critical respondents and report the average of this subset
- Report the weighted average of responses based on a defined methodology.

In the case of Market Participants, AEMO will consider the below factors when presenting overall status across multiple respondents:

- market share
- The likelihood of overall impact on industry readiness, including any dependencies that could have consequential impacts for other Market Participants; and
- The possible outcomes of any listed mitigating controls and workarounds.

Where appropriate, AEMO will also provide supporting commentary explaining its approach to interpreting the reporting results.

5.3.1 Comparisons Between Surveys

AEMO will present any analysis of notable changes in survey responses between survey periods.

Depending on received responses, this may be presented as:

- Changes in proportion of status responses (e.g. change in % of “On track” responses)
- Changes in proportion of progression responses (e.g. change in % of “0%” responses)

5.4 Risk and Issue Identification

A key principle of the WEM Reform readiness program of work is the early communication of issues and risks. Any WEM Reform readiness-related issues and risks identified during the implementation phase of the program will be captured in the WEM Reform Industry Risk and Issues Register.

In readiness reporting, respondents will be asked to raise any risks and/or issues that:

- Are not currently captured; or
- Require amendments.

Additionally, both AEMO and other Rule Participants will be expected to report on the details of any factors causing activities to be at risk of being late when completing the Market Readiness Survey.

Any new readiness risks, or requests to amend existing risks that arise through readiness reporting, will be published in the Market Readiness Report, incorporated into the Industry Risk Register. AEMO will identify risks and issues trends in the Market Readiness Report and provide commentary on changes in risk profile where appropriate.

5.5 Contingency Planning

An Industry Contingency plan will be developed to outline the different contingency scenarios that could eventuate from the risks defined in the Industry Risks and Issues register. For each scenario, the plan will describe the appropriate contingency response, monitoring mechanism, and contingency trigger.

The triggers to certain contingency responses will be monitored through the appropriate readiness reporting criteria. If the results from readiness reporting satisfies any of the defined triggers, this will be published in the Market Readiness Report and escalated to the RWG and WRIG as necessary.

5.6 Report Format and Distribution

The Market Readiness Report will be presented in a simple dashboard format, using visual keys for progression and status.

The Market Readiness Report will be published on the Reformer and AEMO’s WEM Reform web page, promoted in news items and the newsletter. High-level results will be presented at WRIG.

A1. Appendix A – Market Readiness Criteria

A1.1 General Criteria

ID	Criteria	Response Options (Progress)	Progression Guide	Response Options (Status)	Presentation of Results
Program Setup					
G1	Project funding secured	<ul style="list-style-type: none"> • Yes • No • N/A 	<ul style="list-style-type: none"> • Yes – Project funding agreed and incorporated into funding cycles, budgets in place and allocated to project. • No – Project funding not secured or still in progress 	<ul style="list-style-type: none"> • On track • At risk • Late • N/A 	For each criterion, AEMO will: <ul style="list-style-type: none"> • Report the proportion of “Yes” responses • Identify critical participants and report the proportion of “Yes” responses.
G2	Project plan established		<ul style="list-style-type: none"> • Yes – Project schedule established, with progress monitored against plan • No – Project schedule not established or still in progress 		
G3	Project governance established		<ul style="list-style-type: none"> • Yes – Management ownership for project delivery established; Steering committee formalised • No – Project governance not established or still in progress 		
G4	Project team onboarded		<ul style="list-style-type: none"> • Yes – Management ownership for project delivery established; Steering committee formalised • No – Project governance not established or still in progress 		
Program Execution					

ID	Criteria	Response Options (Progress)	Progression Guide	Response Options (Status)	Presentation of Results
G5	Program delivery	<ul style="list-style-type: none"> • 0% • 1 – 24% • 25 – 49% • 50 – 74% • 75 – 99% • 100% • N/A 	<ul style="list-style-type: none"> • 0% - No delivery program in place • 1 – 24% - Solution designs and solution delivery approach confirmed • 25 – 49% - Solution delivery in progress, suppliers engaged, and underway, operational readiness activities commenced • 50 – 74% - Solution delivery well underway and progressing to schedule, supplier solutions delivered, testing approach defined and resourced • 75 – 99% - Solution testing in progress, operational readiness activities well advanced • 100% – Program completed and signed off 	N/A	<p>For each criterion, AEMO will:</p> <ul style="list-style-type: none"> • Report the non-weighted average of all received responses • Identify critical participants and report the average for this sub-category.
G6	Agreements with suppliers finalised	<ul style="list-style-type: none"> • 0% • 1 – 24% • 25 – 49% • 50 – 74% • 75 – 99% • 100% • N/A 	<ul style="list-style-type: none"> • 0% - Vendors not engaged • 1 – 24% - Vendors identified • 25 – 49% - Vendors engaged • 50 – 74% - Negotiations commenced • 75 – 99% - Negotiations concluded; Work commenced • 100% – Contracts signed • N/A – Criterion not applicable (provide reasoning) 	N/A	
G7(a)	Are there any new industry risks or issues not currently captured?	<ul style="list-style-type: none"> • Yes • No 	<ul style="list-style-type: none"> • Yes – Please propose a new risk following the appropriate template (to be provided) • No – N/A 	N/A	<ul style="list-style-type: none"> • AEMO will publish the received responses in the format of the provided template.
G7(b)	Are there existing risks or issues that require amendment?	<ul style="list-style-type: none"> • Yes • No 	<ul style="list-style-type: none"> • Yes – Please propose to amend an existing risk following the appropriate template (to be provided) • No – N/A 	N/A	

ID	Criteria	Response Options (Progress)	Progression Guide	Response Options (Status)	Presentation of Results
G8	<p>To prepare for WEM Reform, in which of the following areas do you anticipate undertaking significant changes and how challenging to you feel these changes will be to implement?</p> <p>A. IT – Market Interface</p> <p>B. IT- internal functionality upgrades</p> <p>C. Business operations</p> <p>D. Physical equipment and infrastructure</p> <p>E. Policy and documentation</p> <p>F. Resourcing and skills uplift</p>	<p>[Rather than “Progress”, these relate to “Confidence Level”]</p> <ul style="list-style-type: none"> • Low • Medium • High • N/A 	<ul style="list-style-type: none"> • Low – you believe your organisation will only complete a small part of this area of work by market go-live. • Medium – you believe your organisation will partially complete this area of work by market go-live. • High you believe your organisation will fully complete this area of work by market go-live. 	<p>[Rather than “Status”, these relate to “Impact of change on your organisation”]</p> <ul style="list-style-type: none"> • Low • Medium • High • N/A 	<p>If the WEM participant’s work in this area is incomplete or not functioning properly by go-live:</p> <ul style="list-style-type: none"> • Low – impact will be minimal (for instance the enterprise can still participate in the market, though may experience some disadvantage). • Medium – impact could be material (for instance the enterprise can still operate in the market but may suffer significant financial loss). • High – material impacts preventing the enterprise from participating in the market.

A1.2 Specific Criteria

Specific Readiness Criteria are being developed by AEMO, Western Power, the ERA and Market Participants in consultation with industry stakeholders. See consultation paper released 3 June 2022 here: [AEMO | Market Readiness Engagement and Reporting](#).

A full set of proposed criteria is to be finalised prior to Survey No.4, scheduled for release 29 July 2022.