

Improving Security Frameworks (ISF) for the energy transition



Transitional Services Guideline webinar

22 August 2024



Agenda

#	Time	Topic	Presenters
1	11:00-11:10am	Overview <ul style="list-style-type: none">• Introduction to the Improving Security Frameworks Initiative• An overview of the Transitional Services Guideline consultation paper	Carla Ziser (AEMO)
2	11:10-11:25am	Q&A	Ulrika Lindholm (AEMO)
3	11:25-11:30am	Next steps & close	Carla Ziser (AEMO)



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Purpose of the session

✓ In scope

- Q&A about the [Transitional Services Guideline Consultation](#)
- AEMO will publish this meeting pack and minutes, in summary form, of this session.

✗ Out of scope

- Capture feedback for consideration in the consultation process
- Discuss plans for procurement of Transitional Services.

RECAP: How to interact today

www.sli.do
#AEMO

- Please ask questions using Slido www.sli.do #AEMO
- Enter with your name, no need to log in.
- We will also have a Live Poll in Slido following the webinar for feedback.

AEMO Competition Law - Meeting Protocol

AEMO is committed to complying with all applicable laws, including the Competition and Consumer Act 2010 (CCA). In any dealings with AEMO, all participants agree to adhere to the CCA at all times and to comply with appropriate protocols where required to do so.

AEMO has developed meeting protocols to support compliance with the CCA in working groups and other forums with energy stakeholders. Before attending, participants should confirm the application of the appropriate meeting protocol.

To access the full protocol at AEMO's website, please visit: <https://aemo.com.au/en/consultations/industry-forums-and-working-groups>

2. Overview

Carla Ziser, AEMO

Improving Security Frameworks (ISF) for the energy transition

Overview

- AEMO is implementing the AEMC's [Improving security frameworks for the energy transition](#) rule change, made on 28 March 2024.
- The final rule builds on existing tools and frameworks within the power system to enhance system security procurement frameworks.
- It addresses system security challenges during the transition by reducing reliance on directions and providing better incentives for participants to invest in providing system security in the longer-term.
- It also increases transparency on system security needs and understanding, and how AEMO plans to manage system security as we transition to a secure net-zero emissions power system.

Want to find out more?



- [NEM Reform Program](#)
- [AEMC Rule change](#)
- [Contact the NEM Reform Team](#)

Key dates

Timing

- **3 June 2024** - Transitional services framework to commence (AEMO only able to procure transitional services subject to the publication of the transitional services guideline – which must be published by 1 December 2024).
- **4 July 2024** - Changes to Directions reporting to commence.
- **1 December 2024** - New inertia framework to commence, Revisions to TNSP cost recovery for non-network system security costs will commence, AEMO to publish first transition plan report for system security.
- **31 August 2025** - AEMO to publish full security enablement procedures.
- **2 December 2025** - Full enablement obligations go-live



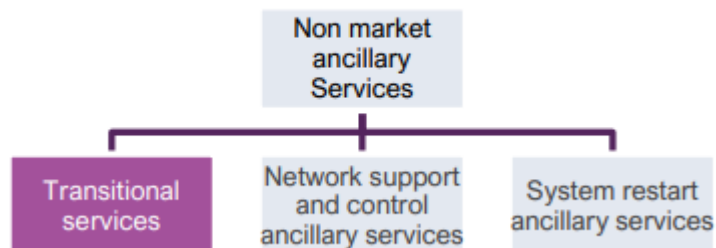
Transitional Services Guideline

- The ISF Rule creates a new transitional non-market ancillary services (NMAS) framework for AEMO to procure security services that fall outside the scope of the existing services available under the NER for power system security.
- These services are referred to in the Rule as ‘transitional services’, and the new provisions in the NER dealing with the procurement and enablement of these services are referred to as the ‘transitional services framework’.

Two types of Transitional Services are introduced by the ISF Rule

Type 1 Services	Type 2 Services
Services required for power system security that cannot otherwise be provided by an inertia network service, a system strength service, a market ancillary service or a NMAS.	Services acquired for the purpose of trialling new technologies, or a new application of existing technologies, for the management of power system security in a low- or zero-emissions power system where the particular application of the technology employed through the transitional services has not been used to provide services to manage power system security prior to 28 March 2024.

Overview of non-market ancillary services



Transitional Services Guideline

- AEMO commenced consultation on the [Transitional Services Guideline](#) on 31 July 2024. This guideline will outline the process for which AEMO will procure transitional services.
- AEMO proposes content for the Transitional Services Guideline, considering both:
 - alignment with existing non-market ancillary services (NMAS) Guidelines; and
 - the need for flexibility in the procurement process, due to the potential varying nature of the transitional services AEMO may need to procure.

Transitional Services Procurement Objective:

AEMO must use reasonable endeavours to acquire transitional services to:

- (1) contribute to achieving emissions reductions targets;*
- (2) achieve and maintain power system security;*
- (3) minimise the costs of transitional services to end users.*

The Transitional Services Guideline must include:

- *factors that AEMO must take into account when making a decision to follow a particular type of procurement process to acquire transitional services*
- *guidance on how AEMO will achieve the Transitional Services Procurement Objective;*
- *a process for AEMO to follow to negotiate the provision of transitional services without a competitive tender process;*
- *a process for a potential Transitional Services Provider to contact AEMO to offer the provision of transitional services without a competitive tender process*
- *any requirements for a Transitional Services Provider to demonstrate the relevant plant or equipment's capability to provide the transitional services.*

3. Q&A

Ulrika Lindholm, AEMO

4. Next steps & close

Carla Ziser, AEMO

What's next

Expected consultation timeline

-  Consultation paper published
31 July 2024
-  Submissions due
29 August 2024
-  Draft Report & Guideline
published
Expected 26 September 2024
-  Submissions due
Expected 25 October 2024
-  Final Report & Guideline
published
Expected 22 November 2024

ISF Contact details and information



ISF project information

aemo.com.au/initiatives/major-programs/nem-reform-program/nem-reform-program-initiatives/improving-security-frameworks-for-the-energy-transition


Transitional Services Guideline consultation

aemo.com.au/consultations/current-and-closed-consultations/transitional-services-guideline-consultation

ISF queries

NEMReform@aemo.com.au

NEM Reform Program Engagement

Forums	Forum focus 	Cadence	Approach
Executive Forum	Program overview and status update	3 per Year	Nomination
Reform Delivery Committee (RDC)	Long term implementation planning perspective	Quarterly	Nomination
Program Consultative Forum (PCF)	Inflight initiatives status & co-ordination	Monthly	Open
Implementation Forum	Implementation of reforms	Monthly	Open
Electricity Wholesale (EWCF) & Electricity Retail (ERCF) Consultative Forums	Procedures working groups	Monthly	Open
Industry Testing Working Group	Testing	Monthly	Open
Working Groups	Inflight	As appropriate	As appropriate



To learn more, please visit:

- [AEMO | NEM Reform Program Forums](#)
- [AEMO | NEM Reform Program Initiatives](#)
- [AEMO | Industry Meetings Calendar](#)
- or contact the program at NEMReform@aemo.com.au.

Subscribe to the NEM Reform Newsletter [here](#)

Focus / working groups for inflight initiatives include:

- Initiative working groups
- Market Integration Technology Enhancement WG (IDX/IDAM/PC)
- Industry Testing Working Group (ITWG) – IT technical implementations



For more information visit

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