

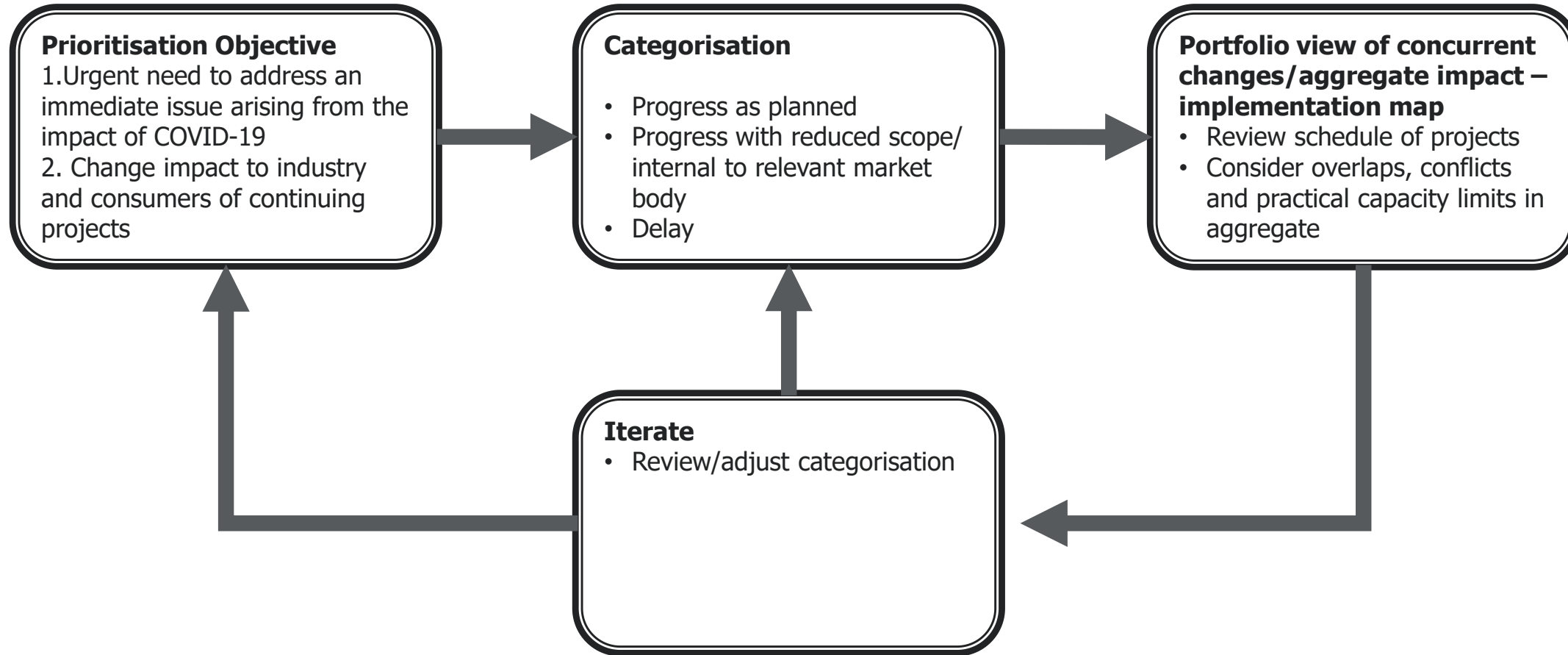
Joint market body prioritisation framework

Prioritisation Objective	Criteria
1. Urgent need to address an immediate issue arising from the impact of COVID-19	<ul style="list-style-type: none"> • there is a direct security impact needing to be addressed immediately and implemented in a 6 – 12 month period • urgent policy issues relating to the impact of COVID-19 on consumers arise, including in relation to affordability, reliability, access to energy, safety, and treatment of vulnerable customers • measures are needed to support market participant resilience given the impact of COVID-19
2. Change impact to industry and consumers of continuing projects	<ul style="list-style-type: none"> • the materiality of implementation to industry, in terms of cost and industry availability • the impact to consumers of not progressing with the change, the aggregate impact on industry of a prioritised reform agenda • impact of unnecessary delay in making decisions on implementation • prioritising work which will be necessary to support the recovery and ongoing operation of the market when the pandemic is reducing and over • the ability of stakeholders, including consumer stakeholders, to engage in consultation processes

Regulatory work to which objectives have been applied		
1. Rule has been made and <ul style="list-style-type: none"> • implementation underway by AEMO/industry OR • implementation yet to commence by either AEMO/industry or is currently being scoped internally by AEMO 	2. Rule change on foot or expected (includes reviews or market design work) : <ul style="list-style-type: none"> • no implementation is on foot. Longer term coordination of implementation issues on foot • AEMO has provide advice on how likely implementation of some rule changes on foot or expected could have their implementation coordinated to allow for lower cost implementation 	3. Other (AER guideline, AEMO procedure/review) <ul style="list-style-type: none"> • where implementation is underway for an AEMO procedure • where an AER guideline will need to be implemented by industry

Potential outcomes from criteria application		
1. Progress as planned <ul style="list-style-type: none"> • market bodies will be flexible where necessary with current timeframes 	2. Progress: <ul style="list-style-type: none"> • with reduced scope • market bodies continue, industry pause • group relevant reform projects to allow for a better coordinated implementation cost and effort 	3. Delay <ul style="list-style-type: none"> • initiate rule change at a later time • for later implementation date

Application of prioritisation framework– an ongoing process



Advice provided to COAG Energy Council

On 7 April 2020 the COAG Energy Council were advised that key elements of the joint work program that were assessed as able to continue:

- Five minute settlement implementation: AEMO can progress this foundational initiative internally as currently planned. It is proposed industry be provided with a 12 month delay so they can defer the remaining expense associated with this initiative. AEMO submitted a rule change required to give effect to this change. The rule change will commence on 14 May 2020;
- Interim reliability initiatives as agreed at March COAG Energy Council meeting (out of market reserves and amended RRO trigger);
- Interim security initiatives as agreed by the March COAG Energy Council meeting: to be progressed as soon as rule changes are developed by the AER and AEMO and received by the AEMC;
- Intermediate 2025 measures to develop a two sided market, ahead market and CoGATI;
- The wholesale demand response mechanism (that is expected to be finalised in June 2020) which has been designed to be able to be implemented with minimal expense to industry
- Recently made rule changes regarding mandatory primary frequency control and systems restart service, both regarded as critical for security of the power system.

This advice remains unchanged.

Advice provided to COAG Energy Council

- Beyond these priority projects, advice was provided to the COAG Energy Council on 9 April that reflected how regulatory work will either progress on existing or extended timeframes, or be delayed.
- Comment was sought from jurisdictions, industry and consumers, to test whether the project list is achievable (from a financial and workforce perspective) or requires amendment. The nature of the feedback provided is summarised in a separate document.
- Key themes:
 - stakeholders are generally supportive of an approach that seeks to bundle implementation and consultation as far as practicable. There were different views expressed, however, about how best to bundle and sequence various initiatives.
 - delay to initiatives should be rigorously examined to ensure there are genuine resource constraints, and not unnecessarily delay reforms with consumer benefits. It was noted that careful consideration needs to be given to the costs of any proposed delay, especially where investment to implement has occurred
 - extra time for consultation should be allowed where possible

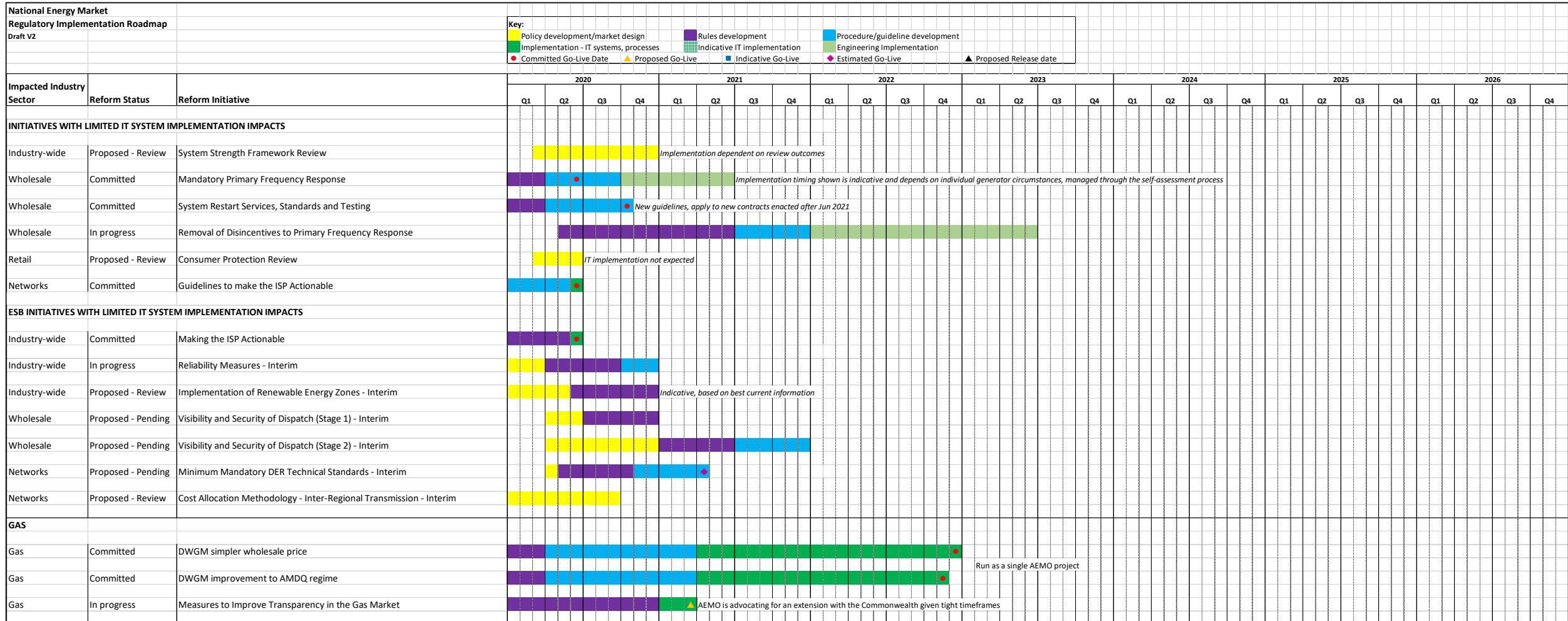
Advice provided to COAG Energy Council

- Revised advice is now provided in the following slides.
- A summary of key changes from the advice provided earlier:
 - key interdependencies identified to allow for more streamlined progression and implementation of rule changes. Implementation of related projects into relevant 'IT releases' and will be spread over 2021 -2023 to facilitate lower costs implementation for industry and consumers
 - increased level of delayed consultation or flexible project timelines for rules, review and guidelines that are on foot to take into account stakeholder views:
 - 13 AEMC projects now classified as 'progress' rather than 'progress as planned'. This reflects 5 projects with delayed commencement, 1 project with a delayed final report, 2 project where there is no external consultation burden, 5 pending rule changes where the project timelines will be subject to consultation
 - 3 AER projects now classified as 'progress' rather than 'progress as planned' reflecting extending consultation timeframes or delayed final reports
 - expected rule change requests have been treated separately to projects on foot. The aggregate impact of the work program has been considered in light of this and the various consultation milestones for the work on foot. Timing for progression of expected rule change requests will be determined on receipt

Advice: Regulatory Implementation Roadmap

National Energy Market Regulatory Implementation Roadmap Draft V2			Key:																																																
			2020							2021							2022							2023							2024							2025							2026						
Impacted Industry Sector	Reform Status	Reform Initiative	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4																	
INITIATIVES WITH IT SYSTEM IMPLEMENTATION IMPACTS																																																			
Industry-wide	Committed	Five Minute Settlement (5MS) and Global Settlement																																																	
Retail	Committed	Reducing Customer Switching Times																																																	
Industry-wide	In progress	Wholesale Demand Response Mechanism																																																	
Retail	In progress	MSATS Standing Data Review																																																	
Retail	Proposed - Review	Regulatory Arrangements for Stand Alone Power Systems (SAPS - Priority 1)																																																	
Retail	Proposed - Review	Energy Consumer Data Right																																																	
Retail	In progress	Metering Coordinator Planned Interruptions																																																	
Retail	In progress	Updating the Regulatory Frameworks for Embedded Networks																																																	
Retail	Proposed - Review	Review of Competition in Metering																																																	
Industry-wide	Proposed - Review	Economy wide and Energy Sector Cyber Security Reforms (Commonwealth)																																																	
Wholesale	Committed	Improving Transparency and Extending Duration of MT PASA																																																	
Wholesale	Proposed - Pending	Integrating Energy Storage Systems (ESS)																																																	
Wholesale	Proposed - Pending	Synchronous Services Markets																																																	
Wholesale	Proposed - Pending	Operating Reserve Market																																																	
Wholesale	Proposed - Pending	Fast Frequency Response Market																																																	
ESB INITIATIVES WITH IT SYSTEM IMPLEMENTATION IMPACTS																																																			
Industry-wide	Proposed - Review	Two-Sided Market - Intermediate																																																	
Industry-wide	Proposed - Review	Ahead Market - Intermediate																																																	
Industry-wide	Proposed - Review	System Security Services - Intermediate																																																	
Industry-wide	Proposed - Review	DER Market Design Initiatives - Intermediate																																																	
Industry-wide	Proposed - Review	Coordination of Generation and Transmission Investment - Intermediate																																																	
Industry-wide	Proposed - Review	Capacity Mechanisms - Long Term																																																	
Industry-wide	Proposed - Review	Thermal Generation Strategy - Long Term																																																	

Advice: Regulatory Implementation Roadmap



Advice: rules completed and awaiting law changes

- A summary of rule packages that are complete but are awaiting law changes are set out in the table below. The market bodies will continue to co-ordinate with one another and relevant jurisdictions to prepare a project timetable which also includes timing for these projects with national law changes.

Project category	Project title	Status	Reflected in regulatory roadmap?
Networks	Updating the regulatory frameworks for distributor-led stand-alone power systems	On 20 May 2020 the AEMC will publish a final report that will contain rules to allow local distribution network service providers (DNSPs) to use stand-alone power systems. This follows an earlier report published in 2019 that contained a detailed design and drafting instructions for law changes. Following the enactment of the package of law and rule changes, jurisdictions may also need to make amendments to jurisdictional instruments, and AEMO and the AER will require a transitional period to consult on and update relevant procedures and guidelines. The full framework could go-live in mid- to late-2021	Yes
Networks	Updating the regulatory frameworks for embedded networks	In June 2019, the AEMC published a final report that proposes a package of law and rule changes to update the regulatory frameworks for embedded networks. Once implemented, the proposed framework will result in better protections and access to more competitive retail offers for consumers in embedded networks.	Yes
Retail/ consumer outcomes	Regulatory sandboxing	In March 2020, the AEMC published further advice to the COAG Energy Council on rules to implement regulatory sandbox arrangements in the national electricity and gas market, including advice as to relevant law changes necessary to implement the rules drafted	No as there are no immediate IT implementation issues arising
Retail/ consumer outcomes	Consumer data right (CDR)	Treasury inquiry on CDR is seeking public submissions by 21 May. No energy rule or law changes, or implementation expected until Q3 2021.	Yes

Advice: rule changes and reviews on foot

- The projects on the following slides are rule change requests or reviews which have been submitted to the AEMC and are on foot or work is in train to commence them.
- Applying criteria relevant to Objective 2, the AEMC has made an assessment of whether the project should be delayed or progressed. Further clarity is provided on those rule changes that:
 - are delayed in their commencement to take account of stakeholder feedback; or
 - on commencement the project timeline will be subject to consultation; or
 - involve work which is internal to the AEMC and so don't pose a consultation burden
- The *Delayed implementation of SMS & GSM* rule change request meets Objective 1 and will be progressed. The rule change request will commence on 14 May 2020.
- In addition:
 - interdependencies have been identified between projects. Interdependencies have influenced project timelines, or rule changes have been grouped to streamline consultation
 - expected rule change requests have been treated separately to projects on foot. The aggregate impact of the work program has been considered in light of this and the various consultation milestones for the work on foot. Timing for progression of expected rule change requests will be determined on receipt
 - work identified as progress is considered necessary to support the recovery and ongoing operation of the market when the pandemic is reducing and over
 - further ways of providing flexibility for participants where required will continue to be investigated, including extending statutory timeframes where necessary

Advice: rule changes and reviews on foot

Project category	Project title	Proponent (where rule change)	Status	Progress or delay	Implementation date (as reflected in regulatory road map or related advice)	Next consultation milestone
Gas	2020 biennial review into liquidity in wholesale and gas pipeline trading markets		In progress	Progress	No major reform proposed, possible minor changes for further action in 2020/21	Submissions on draft report due 14 May 2020
Governance	ESB review of the NER		In progress	Progress	This is work the AEMC is progressing internally and implementation will be discussed with GPT	
Networks	Action to implement priority renewable energy zones		In progress	Progress	TBC	Consultation on likely rules mid-June 2020
Networks	Electricity network economic regulatory framework review 2020		In progress	Progress	N/A	Now delayed from Q2 – 2020 to Q3
Networks	Fair cost allocation methodology for inter-regional transmission		In progress	Progress	TBC	Provision of modelling to the COAG EC End-May 2020
Networks	Connection to dedicated connection assets	AEMO	In progress	Progress	TBC, subject to rule being made	Draft determination to be delayed from mid June to end July

Advice: rule changes and reviews on foot

Project category	Project title	Proponent (where rule change)	Status	Progress or delay	Implementation date (as reflected in regulatory road map or related advice)	Next consultation milestone	
Networks	Introduction of metering coordinator planned interruptions	Chair of the Competition Metering Industry Group (CMIG), a sub-branch of Master Electricians Australia	In progress	Progress	Q4 2021	Final determination due for publication May 2020.	
Networks	Distributor liability under deemed standard connection contracts	Mr Stephen Kraus	Pending	Progress	TBC, subject to rule being made	Consultation paper now Q3-Q4 2020	
Networks	Review of competitive metering arrangements		Pending	Progress	2023, subject to rule being made and extent of IT changes	Consultation paper Q3-2020	
Networks	Governance of DER national technical standards	AEMO	Pending	Progress	Subject to rule being made, Q4-2020	TBC	Interdependent
Networks	P2025 - DER integration		In progress	Progress	TBC	TBC	

Advice: rule changes and reviews on foot

Project category	Project title	Proponent (where rule change)	Status	Progress or delay	Implementation date (as reflected in regulatory road map or related advice)	Next consultation milestone
Retail/consumer outcomes	NEM data strategy		In progress	Progress	Implementation to be aligned with AEMO regulatory map	TBC, and subject to ESB approval consultation paper. To be delayed until July/August
Retail/consumer outcomes	Residential Price Trends		In progress	Progress	N/A	Draft by late August, final by December 2020, as per terms of reference <i>This project does not require industry consultation</i>
Retail/consumer outcomes	Retail Competition review 2020		In progress	Progress	N/A	Final report due to be published June 2020, as per terms of reference
Retail/consumer outcomes	Bill contents and billing requirements	Commonwealth	Pending	Progress	TBC, subject to rule being made	Consultation paper Q1 2020-21
Retail/consumer outcomes	Long term standing offer notice	Commonwealth	Pending	Delay	N/A	N/A

Advice: rule changes and reviews on foot

PROJECTS							
Project category	Project title	Proponent (where rule change)	Project number	Status	Progress or delay	Implementation date (as reflected in regulatory road map or related advice)	Next consultation milestone
Retail/consumer outcomes	Retail market transparency	Energy Consumers Australia	RRC0033	Pending	Progress	TBC, subject to rule being made	Consultation paper now delayed to September 2020
Reliability	Interim reliability measures - out of market capacity reserve; amend the trigger for RRO			In progress	Progress	Q3 2020	May 2020 for 0.0006% draft rules; Q3 2020 for RRO
Reliability	Transparency of unserved energy calculation	Reliability Panel	ERC0279	Pending	Delay	Q1 2021	Q3 2020
Reliability	P2025 - resource adequacy mechanisms			In progress	Progress	N/A	Q3 2020 Discussion paper
Security	Review of the system restart standard			Pending	Progress	Q1 2021	Q2 2020 Consultation paper
Security	Maximum reactive current during a fault	Renewable Energy Revolution	ERC0272	Pending	Delay	N/A	N/A

Advice: rule changes and reviews on foot

Project category	Project title	Proponent (where rule change)	Status	Progress or delay	Implementation date (as reflected in regulatory road map or related advice)	Next consultation milestone		
Security	Investigation into system strength frameworks		In progress	Progress	Q4 2021, subject to rule being made	Q3 2020 Final report	Interdependent	
Security	Fast frequency response market ancillary service	Infigen Energy Limited	Pending	Progress	TBC, subject to rule being made	Q2 2020 : Consultation paper. Consultation paper will outline proposed project timeline to take account of current circumstances		
Reliability	Operating reserve market	Infigen Energy Limited	Pending	Progress				
Security	Synchronous services markets	Hydro Tasmania	Pending	Progress				
Security	Efficient management of system strength on the power system	Transgrid	Pending	Progress				
Security	Removal of disincentives to primary frequency response	AEMO	In progress	Progress	TBC, subject to rule being made	Q3 2020 directions paper		
Security	P2025 - Essential system services		In progress	Progress	N/A	Q3 2020 Discussion paper		
Wholesale markets	P2025 - Aging Thermal Generation Strategy		In progress	Progress	N/A	Q3 2020 Discussion paper		
Wholesale markets	P2025 - Ahead markets		In progress	Progress	TBC	Next consultation likely Q3-Q4 2020		
Wholesale markets	P2025 – COGATI		In progress	Progress	2025	Informal consultation over the course of 2020		Interdependent
Wholesale markets	P2025 - Two-sided markets		In progress	Progress	TBC – progressive implementation to 2025	Consultation on discussion paper closes on 18 May 2020 Next consultation likely Q3 2020		

Advice: rule changes and reviews on foot

Project category	Project title	Proponent (where rule change)	Status	Progress or delay	Implementation date (as reflected in regulatory road map or related advice)	Next consultation milestone	
Security	Affected participant compensation for FCAS losses	AEMO	Pending	Progress	January 2021, subject to rule being made	Q2 2020 Consultation paper	Interdependent
Security	Compensation for scheduled loads affected by interventions	AEMO	Pending	Progress			
Security	Compensation following directions for services other than energy and market ancillary services	AEMO	Pending	Progress			
Security	Removal of intervention hierarchy	AEMO	Pending	Progress	Sept 2020, subject to rule being made	Q2 2020 Draft determination	
Security	Removal of mandatory restrictions framework	AEMO	Pending	Progress			
Security	Removal of obligation to counteract during intervention	AEMO	Pending	Progress			
Security	Recovering affected participant compensation for RERT activation	AEMO	Pending	Progress			

Advice: rule changes and reviews on foot

Project category	Project title	Proponent (where rule change)	Status	Progress or delay	Implementation date (as reflected in regulatory road map or related advice)	Next consultation milestone	
Wholesale markets	Delayed implementation of 5MS & GSM	AEMO	Pending	Progress	AEMO rule change proposal to delay 5MS commencement date from 1 July 2021 to 1 July 2022 and GS from 6 Feb 22 to 5 Feb 23	Consultation paper to be released 14 May 2020	
Wholesale markets	Mechanisms for wholesale demand response	PIAC/Total Environment Centre/The Australia Institute Australian Energy Council South Australian Minister for Energy	In progress	Progress	Q3 2021 Our current assessment is that the industry costs are relatively small and the reform is an important step towards a 2SM, and therefore part of (or at least related to) the intermediate COAG EC priorities	Final determination due in June 2020	
Wholesale markets	Generator registration thresholds	Australian Energy Council	Pending	Progress	TBC, subject to rule being made	Consultation paper delayed to Q3 2020	Interdependent
Wholesale markets	Integrating energy storage systems into the NEM	AEMO	Pending	Progress	TBC, subject to rule being made	Rules development process likely to take 12 months	

Advice: expected rule changes

- The project on the following slides are rule change requests or reviews which have been foreshadowed to the AEMC as being developed. They are yet to be submitted to the AEMC.
- Applying criteria relevant to Objective 2, the AEMC has made an preliminary assessment of whether the project should be delayed or progressed.
- How the projects will be prioritised on receipt of the relevant project taking into account:
 - the advice on 7 April in which the interim security initiatives as agreed by the March COAG Energy Council meeting will be progressed as soon as rule changes are developed by the AER and AEMO and received by the AEMC
 - the balance of the collective work program and its aggregate impact
 - the circumstances of the sector at the time
 - advice from the AER and AEMO, where relevant, on implementation and interlinkages
 - other relevant criteria relevant to Objective 2
- The AEMC expects to receive an urgent rule change request from the AER regarding the extension of time for retailers to pay networks. This rule change request will meet Objective 1 and will be prioritised accordingly

Advice: expected rule changes

Project category	Project title	Proponent (where rule change)	Progress or delay
Gas	DWGM maintenance rule change	AEMO	Delay
Gas	Gas supply guarantee review		Progress
Networks	Distribution access and pricing reforms	DEIP	Progress
Reliability	Load shedding provisions in the NER	AER	Delay
Retail/consumer outcomes	Extension of time for retailers to pay networks	AER	Progress (will meet Objective 1)
Retail/consumer outcomes	Life support rule change - process improvements	EWON	Delay
Security	Implement a generalised power system risk review (outcome of black system event review)	SCO	Progress
Security	Introduce protected operation (outcome of black system event review)	SCO	Progress
Security	Clarify the applicability of rule arrangements during market suspension (outcome of black system event review)	SCO	Progress

Advice: expected rule changes

Project category	Project title	Proponent (where rule change)	Progress or delay
Security	Interim measures on system security - a review of compensation mechanisms following a short notice commitment or decommitment decision	AEMO	Progress
Security	Interim measures on system security - requirements on large loads to provide information on their intent to respond to spot markets	AEMO	Progress
Security	Interim measures on system security - Requirements on scheduled generators and timeframes on commitment and decommitment decisions	AEMO	Progress
Security	Interim measures on system security - requirements on semi-scheduled generators to follow dispatch targets	AER	Progress
Security	Interim measures on system security - Requirements on semi-scheduled plant to provide ongoing information on restrictions to their available capacity	AER	Progress
Security	Interim measure on system security - requirements on scheduled generators to provide information on commitment timeframes, and cost and operating information that would assist potential intervention decisions	AEMO	Progress
Wholesale markets	Reporting outcomes against forecasting re PASA and pre dispatch rule change	AER	Delay
Wholesale markets	Scheduling errors	AEMO	Delay

Advice: AER guidelines and processes

Guideline process	Timing	AER prioritisation
ISP Guidelines	Draft Guidelines - 15 May 2020 Final Guidelines - 21 August 2020	Final Guidelines originally due 31 July 2020 . Timeframe will be extended to allow additional time (6 weeks) for stakeholder consultation.
RRO opt-in Guideline	Final decision by 30 June 2020	Draft guideline published for consultation on 19 March 2020.
RRO Final Reliability Instrument Guidelines, Final Market Liquidity Obligations (MLO) Guidelines, Final Contracts & Firmness Guidelines and new AER Reliability Compliance Procedures & Guidelines	Consultation and decision by end of 2020. AER consulting with stakeholders on deferral to mid-2021	AER to consult on deferral of completion of guidelines. Subject to stakeholder input, new timetable would extend the consultation and completion process through to 1 July 2021. In the intervening period, the interim versions of the Reliability Instrument Guidelines, Market Liquidity Obligation (MLO) Guidelines and Contracts & Firmness Guidelines released by the AER in 2019 would remain in place. Deferral takes into account COVID 19 impacts and implementation of changes to the RRO trigger agreed by COAG Energy Council in March 2020
Retailer Authorisations Guideline review	Flexible	AER will continue work internally. Consultation timing to be confirmed after 1 July 2020
ARENA/AER planned joint Value of DER study (VaDER study) and DER Guideline	Input to Victorian regulatory determinations (not required by Rules)	AER will continue work
Transmission DMIA Guideline	Final guideline now by Q2 2021	AER will continue work internally. Consultation to be approached flexibly
Distribution Ring-fencing guidelines review Transmission Ring-fencing guidelines review	Flexible	AER will continue work. Consultation timing to be confirmed after 1 July 2020
Retail Pricing Information Guidelines review	Flexible	Delay

Advice: AER guidelines and processes

Other processes with stakeholder impacts		
Electricity Default Market Offer	DMO Final Determination was released on 30 April 2020	
Review on inflation	By 31 December 2020	
Interim measures on system security - requirements on semi-scheduled generators to follow dispatch targets AND requirements on semi-scheduled plant to provide ongoing information on restrictions to their available capacity	Submit by 30 June 2020	Interim security measure agreed by COAG EC
Load shedding rule change request	Submit by 30 June 2020	
Value of Customer Reliability - Widespread and long duration outages	Consultation period extended to 5 June 2020. Final report due in August 2020	AER has extended the consultation period from early May 2020 to 5 June 2020 to take account of COVID impacts on stakeholders.
CCP2 review	Flexible	AER will continue work
Consumer vulnerability strategy	Flexible	AER will continue work with reference to current work, including AER Statement of Expectations