

# OUR VISION

ENERGY SECURITY FOR ALL AUSTRALIANS



# OUR VALUES

STAKEHOLDER-FOCUSED	ACCOUNTABLE
ONE TEAM	PRIDE AND PASSION

# AEMO 2017 FOCUS AREAS



## NETWORKS

The rapid integration of intermittent inverter based generation is challenging the resilience and reliability of the current electricity power system. Adding to the complexities of this transition to a decarbonised future, gas and electricity markets can no longer be viewed in isolation. It requires holistic planning across the entire supply chain to enable investment decisions to be made in the long-term interests of consumers.

### Resilience of the national electricity grid

- Implement the new 'protected events' framework to assess risks in the power grid by June 2017. Implementation of mitigation measures for priority risks by end 2017.
- Upgrade the management of intermittent generation by improving the accuracy of our operational energy forecasting.
  - Via a rule change, replace the current 'low reserve condition' levels with new triggers that reflect the uncertainty in actual outcomes.
- Identify any possible/imminent supply shortfalls by end of April 2017 and pursue all options available to AEMO to remedy if necessary.
- Evolve our medium and long term system adequacy assessment to reflect the changing environment:
  - Redevelopment of MT PASA reliability assessment by end 2017.

### Continually enhance our planning and forecasting information

- Publish planning and forecasting insights on security and reliability issues.
  - Enhance engagement with electricity and gas customers and industry stakeholders on network and market developments.



## MARKETS

The overall convergence of energy markets in Australia demands a single energy view from a national perspective.

### Close collaboration with the Australian Energy Market Commission (AEMC)

- Collaborate with the AEMC to design new market and regulatory arrangements required to facilitate development of new services needed to support this transition. Design options are to be developed in response to the AEMC directions paper by end April 2017.

### Review of ancillary services markets

- Review the fitness of all ancillary service specifications to run in parallel with AEMC work on new markets.
  - The revised specification to allow for service unbundling due by end June.

### Review current market design

- Analyse whether the current market design can drive the investment required to ensure reliable energy supply.
  - Consider the need for improved 'fall back' mechanisms while the market is in transition as well as potential alternative market designs. A decision on the need for a new transitional mechanism to be delivered by end June 2017.

### Facilitate electricity retail competition and consumer choice

- Implement the new B2B electricity framework by December 2017.
- Implement Metering Competition and Embedded Networks by December 2017.



## STAKEHOLDERS

Collaboration with industry parties is crucial to support the introduction of new technologies into the NEM and WEM.

- AEMO to agree with ARENA on future collaboration projects by end April 2017, with a portfolio of projects in progress by end June 2017.
- New strategy focused on consumer engagement, education and information by June 2017.
- Western Australia (WA) wholesale electricity market – complete integration of Systems Management into AEMO by 1 October 2017. Throughout 2017, collaborate with stakeholders to assist the Public Utilities Office in determining market reform, in line with the new government energy policy, to facilitate the WA energy industry transition.