

Wholesale Electricity Market Performance Monitoring

2022 Focus Paper

Publicis Sapient

Stakeholder Input

December 2021





*'Digital' will promote the National Electricity Objectives by increasing the **precision of market visibility, transparency of market operations, and investment opportunities** through participant risk exposure reduction.*

Publicis Sapient thanks the AER for the opportunity to contribute to the consultation process for the Wholesale electricity market performance monitoring - 2022 Focus Paper.

Publicis Sapient is a global digital transformation leader, the first consulting firm born in the internet age with over 20,000 people dedicated singularly to customer led, digital transformation.

We provide strategy, customer experience, and engineering services for stakeholders across the energy, infrastructure, utilities, and commodities industries.

The emergence in adoption of adaptive technologies and the potential to harness data through digital transformation is immense; The NEM is on the cusp of a step change on many fronts.

Publicis Sapient **supports** the areas of focus in the 2022 Wholesale Electricity Market Performance Report.

The World Economic Forum posits that digital transformation can unlock \$1.3 trillion of value for the global electricity sector¹. And with the AEMO ISP now gearing towards the step change scenario, digital will become even more important.

The Australian wholesale electricity market is currently undergoing rapid technological transformation, experiencing shifting market dynamics as a result of intermittent generation from renewable sources, and presenting novel ways to innovate bidding and transaction behavior.

In the context of the NEM, 'digital' does not necessarily mean a technology, service, or a thing, but more a way of doing things.

Based on our experience working with stakeholders across the industry, we believe the following themes merit an enhanced focus in the performance report:

Increased Precision of Market Visibility

Opportunities to use existing and emerging architectures (e.g., DSOs) to get better data, support cost management, & enhance FCAS market performance.

Increased Transparency of Market Operations

Impact of more granular transaction data (bidding and contracts) via cloud enabled platforms to encourage competition, compliance, and innovation.

Increased Investment Opportunities

Opportunities to enhance scalability of innovation by using digital platforms to experiment at scale.

Publicis Sapient welcomes the opportunity to discuss the 2022 Focus Paper with the AER, and other stakeholders as required. Equally, Publicis Sapient is happy to support the AER in helping the industry better embrace digital technologies and data to promote the NEO.

Should the AER have any questions about this submission, please contact Robert Kelly at

Robert.Kelly@publicissapient.com

The Publicis Sapient Team



Robert Kelly
Executive Client Partner,
Infrastructure & Utilities



Andrew Pendlebury
Client Partner,
Infrastructure & Utilities



David Leung
Senior Manager,
Infrastructure & Utilities



Manik Mahajan
Manager,
Infrastructure & Utilities

publicis
sapient