

24 March 2023

Mr Stephen Edwell
Chair
Economic Regulation Authority
PO Box 8469
Perth BC WA 6849

Dear Mr Edwell,

Approval of amendment to the Retail Market Scheme – AEMO Specification Pack Changes related to Gas Retail Market Package 2 – 2023 WA (IN001/23W, IN003/22W and IN004/21W).

Under section 11ZOL of the *Energy Coordination Act 1994* (the “Act”), the members of an approved Retail Market Scheme may prepare an amendment to their Retail Market Scheme (the “Scheme”) and submit the amendment to the Economic Regulation Authority (“ERA”) for approval.

The framework for the ERA to review and approve amendments to the Scheme is provided in section 11ZOM of the Act. The Scheme is defined to include, amongst other things, the Australian Energy Market Operator (“AEMO”), Retail Market Procedures Western Australia (“RMP WA”), AEMO Specification Pack and Full Retail Competition (FRC) Hub Operational Terms and Conditions. As the formal entity for the Scheme, AEMO is applying to the ERA on behalf of the members for three amendments to the Scheme as described in **Attachment A**.

Background

At the Gas Retail Consultative Forum (GRCF) prioritisation session held in November 2022, participants supported AEMO’s proposal to include the following initiatives in a consultation Package 2 – 2023 WA.

- (i) IN001/23W - Participant Certificate Automation; and
- (ii) IN003/22W - Amend the description for Job Enquiry Code ‘Trailer Air Coupling’ (TCR); and
- (iii) IN004/21W - Include transaction certification table for WA.

The RMP WA set out the procedure change process that AEMO must follow before submitting changes to the ERA. AEMO has applied this process for the above mentioned initiatives, which assisted AEMO and relevant stakeholders in developing the amendments proposed in this application:

These amendments were finalised by AEMO on behalf of stakeholders when it published the Impact and Implementation Report (“IIR”) on 30 January 2023 for Package 2 – 2023 WA.

The consultation that underpins the procedure change process determined that the magnitude of the changes was “non-material” as these changes do not require substantial process or system changes for participants and do not materially alter consumer protection mechanisms under the RMP WA. Participants feedback that AEMO received in either the first or second round consultation stages did not oppose AEMO’s view that changes were deemed to be “non-material”.

As per clause 383(1) of the RMP WA, each participant, pipeline operator, prescribed person and interested person was invited to submit written comments to the proposed amendments for Package 2 – 2023 WA. Submissions closed on 27 February 2023, with all submissions supporting the proposed changes as described in the IIR.

AEMO has decided to submit the Package 2 - 2023 WA amendments to the ERA for approval as endorsed AEMO Specification Pack changes. Please refer to **Attachment D** for the IIR.

Amendments to the Scheme for ERA consideration

Attachment A contains a summary of each amendment and includes a description on what artefact under the Scheme is changing; the actual change (in “track change” mode) for Package 2 – 2023 WA; and any additional relevant information that is not covered in the IIR.

Section 11ZOO (1) and (2) of the Act specifies the criteria that the ERA is to consider in determining whether to approve an amendment to the Scheme. Please refer to **Attachment B** for the rationale for the proposals’ meeting scheme change requirements under the Act.

AEMO believes that no further amendments are required based on participant feedback to the IIRs as described in **Attachment C**. Further, AEMO believes that the details contained in this application satisfy the criteria under Section 11ZOO and which will enable the ERA to consider the amendments.

In accordance with clause 383(4) of the RMP WA, AEMO must provide information to stakeholders about how to make submissions to the ERA on endorsed procedure changes, including a closing date for any ERA submissions. Wei Fisher from the ERA has provided AEMO with this information, which includes advice that submissions to the ERA will close on

11 April 2023, conditional that the application to the ERA is received on 24 March 2023. The Governing Body is expected to make its decision on 10 May and ERA will work to have the decision gazetted by the end of May 2023.

Upon sending this application, AEMO will publish this material on its website and include information on how to make submissions to the ERA and the date that submissions to the ERA will close.

Should the ERA approve the endorsed AEMO Specification Pack changes related to Package 2 – 2023 WA then AEMO proposes to implement the changes to take effect on 30 June 2023. AEMO requests that ERA consider, endorse, and publish the approval for these changes in the *Gazette* by end of May 2023 with an effective date of 30 June 2023, which will enable AEMO to publish the amended AEMO Specification Pack and WA Participants to implement business process changes.

Amendments to the Scheme documents for ERA’s noting

Some Scheme documents described technical requirements for WA and South Australia within the same document.

The following two Scheme documents also includes changes related to a National Gas Rules (NGR) initiative IN005/23 documents’:

- FRC B2M – B2B Hub System Architecture
- FRC B2M – B2B Hub System Specifications

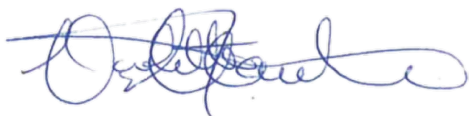
The initiative IN005/23 involves SA specific changes in order to harmonises SA requirements with rest of the East Coast jurisdictions.

AEMO notes that the Scheme documents mentioned above cover both WA and SA requirements. Changes impacting only SA follow the NGR consultation and approval process and those impacting only WA follow the RMP WA Chapter 9 consultation and approval process. AEMO requests ERA to not include these changes in its assessment as they do not impact the WA Gas Retail Market. These changes can be clearly identified as they have been tagged by marking 'IN005/23' in the comments.

Further information

If you require any further information or if you have any questions in relation to this application, please contact Nandu Datar on Nandu.datar@aemo.com.au.

Yours sincerely



Violette Mouchaileh
Executive General Manager – Reform Delivery

ATTACHMENT A – Summary of Amendments

IN001/23W – Participant Certificate Automation

1. This proposed change involves:
 - Replacing digital certificates Secured Socket Layer (SSL), Transport Layer Security (TLS)v1.0 and TLS v1.1 with TLS v1.2 and encryption from 128 to 2048 where applicable in the documents mentioned below.
 - Including a new clause in FRC HUB Operational Terms and Conditions that requires Subscribers to ensure the currency of their AEMO-issued digital certificates and request AEMO for re-issues and renewals when required.
 - Creating a new interface for the participants to self-manage their AEMO-supplied TLS certificates. Market participants will be required to ensure their own TLS certificate currency and self-manage their TLS certificates,
 - The solution will allow participants to retrieve their existing AEMO-supplied TLS certificates, create new TLS certificates, and renew, reissue or revoke existing certificates
 - The solution will send notifications to Participants prior to the expiry of the TLS certificate to remind them to replace their soon-to-expire certificate.
 - AEMO will monitor the replacement of expiring certificates to ensure participants are self-managing the replacement of their TLS certificates prior to expiry.
2. The Scheme documents requiring amendment are:
 - FRC B2M – B2B Hub System Architecture
 - FRC B2M – B2B Hub System Specifications
 - FRC HUB Operational Terms and Conditions
 - Connectivity Testing and Technical Certification (WA Only)
 - Specification Pack Usage Guide
3. AEMO has provided a track changed version of the Scheme documents (**Attachment E**) along with this application. The changes in “track change” mode with ~~red~~ meaning “delete” and blue meaning “insert”.

IN003/22W - Amend the description for Job Enquiry Code ‘Trailer Air Coupling’ (TCR)

1. This initiative is a minor documentation error that ATCO identified. This proposed change involves replacing the last word “installed” with the word “Removed” for Job Enquiry Code TCR in the Scheme document ‘B2B Service Order Specification (WA only) – Part 2’.
2. AEMO has provided a track changed version of the Scheme documents (**Attachment E**) along with this application. The changes in “track change” mode with ~~red~~ meaning “delete” and blue meaning “insert”.

IN004/21W - Include transaction certification table for WA

1. This proposed change involves including a table of required transactions for certification per role as an appendix in the Scheme document ‘Connectivity Testing and Technical Certification (WA Only)’.

2. AEMO has provided a track changed version of the Scheme document (**Attachment E**) along with this application. The changes in “track change” mode with ~~red~~ ~~strikeout~~ meaning “delete” and blue underline meaning “insert”.

ATTACHMENT B – Rationale for Proposals IN001/23W, IN003/22W and IN004/21W meeting the requirement for AEMO Specification Pack changes under the Act

IN001/23W - Participant Certificate Automation

Section	Requirement	AEMO Comment
11ZOO(1)	The Authority may approve an amendment to the Scheme if it is satisfied that:	
	(a) if the amendment is made, the provisions of the Scheme:	
	(i) will comply with the Act; and	The Scheme, in its initial form, was approved by the Minister for Energy; and all amendments to the Scheme since its initial approval have been approved by the Authority, in accordance with the Act. As a result, the Scheme, in its current form, clearly complies with the Act. AEMO's assessment in the IIR was that the changes do not contravene any applicable laws (including the Act), and no participant disputed this assessment in their feedback to the IIR. AEMO is therefore of the view that the Rules will continue to comply with the Act if the procedure change proposal IN001/23W is approved.
	(ii) be suitable for the purposes of section 11ZOB;	Section 11ZOB indicates that the purpose of the Scheme is to ensure that the retail gas market is regulated and is operated in a manner that is: (a) open and competitive; (b) efficient; and (c) fair to gas market participants and their customers. Procedure change proposal IN001/23W proposes self-servicing of new digital certificates used in accessing AEMO systems, which will improve efficiency of certificate management. Following implementation of the new solution, AEMO will assist participants that require it thereby not disadvantaging them in using the new solution. Efficient management of the digital certificate is expected to reduce administrative costs. The reduced administrative costs could result in benefit to the consumer. It will not materially impact on the Scheme or its suitability for the purposes of section 11ZOB of the Act.
	(b) any other principle, criterion, or requirement that is prescribed for the purposes of this paragraph has been met.	AEMO is not aware of any regulations under section 11ZOO(b), so this section of the Act is not applicable.
11ZOO(2)	The Authority may approve an amendment to the Scheme under section 11ZOM only if it is satisfied	The proposed amendment to the Scheme has been consulted in accordance with Procedure change process of the RMP WA.

Section	Requirement	AEMO Comment
	<p>that the consultation required by section 11ZOL(3) has taken place and:</p> <p>(a) each person required to be consulted has agreed to the amendment; or</p> <p>(b) if any person required to be consulted has not so agreed, that person has been given a reasonable opportunity in the course of consultation to provide reasons for not agreeing, and any reasons so provided have been considered.</p>	<p>AEMO commenced consultation for IN001/23W by publishing the Proposed Procedure Change (PPC) and inviting registered participants and interested stakeholders to make submissions. AEMO received submissions from AGL, Alinta and Origin Energy supporting the proposal and requesting very minor typographic changes. AEMO subsequently published the Impact and Implementation Report (IIR) requesting further submissions. AEMO received submissions from AGL and Alinta supporting the proposal and requesting no further changes.</p> <p>The old technology SSL certificates are being phased out and being replaced by the new TLS certificates. Before commencement of the formal consultation, representatives from AEMO digital team presented the 'Introduction to Certificate Management Solution' (Attachment F) during the October 2022 GRCF meeting. GRCF participants were requested to circulate the presentation with appropriate technical teams in their organisations. Following the presentation, participants raised various questions which were addressed. AEMO noted that the nominated IT contacts from participant organisations will be kept up to date. The participants were provided with an email address to contact AEMO with any further questions about the new solution. Before closing of the formal consultation, an update to the 'Certificate Management Solution' (Attachment G) was presented at the February 2023 GRCF meeting. None of the participants had any further questions.</p> <p>Concurrently with this initiative, AEMO is also consulting with East Coast participants to implement the new digital certificate technology. All participants that responded to the IIR supported the proposal.</p> <p>As a result, AEMO submits that it has met all consultation requirements for the amendments proposed in IN001/23W and that each person required to be consulted with has agreed to the amendment.</p>

IN003/22W - Amend the description for Job Enquiry Code 'Trailer Air Coupling' (TCR)

Section	Requirement	AEMO Comment
11ZOO(1)	The Authority may approve an amendment to the Scheme if it is satisfied that:	
	(a) if the amendment is made, the provisions of the Scheme:	
	(i) will comply with the Act; and	<p>The Scheme, in its initial form, was approved by the Minister for Energy; and all amendments to the Scheme since its initial approval have been approved by the Authority, in accordance with the Act. As a result, the Scheme, in its current form, clearly complies with the Act.</p> <p>Noting that this change is correcting minor documentation error, AEMO's assessment in the IIR was that the changes do not contravene any applicable laws (including the Act), and no participant disputed this assessment in their feedback to the IIR. AEMO is therefore of the view that the Rules will continue to comply with the Act if the procedure change proposal IN003/20W is approved.</p>
	(ii) be suitable for the purposes of section 11ZOB;	<p>Section 11ZOB indicates that the purpose of the Scheme is to ensure that the retail gas market is regulated and is operated in a manner that is:</p> <ul style="list-style-type: none"> (a) open and competitive; (b) efficient; and (c) fair to gas market participants and their customers. <p>Procedure change proposal IN003/22W proposes minor change to provide clarity for the use of job enquiry code TCR that will improve the business process, which will lower barriers to entry and drive minor efficiencies. Lowering of barriers to entry may benefit the consumer due to increased competition.</p> <p>It will not have a material impact on the Scheme or its suitability for the purposes of section 11ZOB of the Act.</p>
(b) any other principle, criterion, or requirement that is prescribed for the purposes of this paragraph has been met.	AEMO is not aware of any regulations under section 11ZOO(b), so this section of the Act is not applicable.	
11ZOO(2)	<p>The Authority may approve an amendment to the Scheme under section 11ZOM only if it is satisfied that the consultation required by section 11ZOL(3) has taken place and:</p> <ul style="list-style-type: none"> (a) each person required to be consulted has agreed to the amendment; or 	<p>The proposed amendment to the Scheme has been consulted in accordance with Procedure change process of the RMP WA.</p> <p>AEMO commenced consultation for IN003/22W by publishing the Proposed Procedure Change (PPC) and inviting registered participants and interested stakeholders to make submissions. AEMO received submissions from AGL, Alinta and Origin Energy supporting the proposal. AEMO subsequently published the Impact and</p>

Section	Requirement	AEMO Comment
	<p>(b) if any person required to be consulted has not so agreed, that person has been given a reasonable opportunity in the course of consultation to provide reasons for not agreeing, and any reasons so provided have been considered.</p>	<p>Implementation Report (IIR) requesting further submissions. AEMO received submissions from AGL and Alinta supporting the proposal and requesting no further changes.</p> <p>At the GRCF February 2023 AEMO noted the progress of the Package 2 2023 WA initiatives. No questions were received from the participants.</p> <p>As a result, AEMO submits that it has met all consultation requirements for the amendments proposed in IN003/22W and that each person required to be consulted with has agreed to the amendment.</p>

IN004/21W - Include transaction certification table for WA

Section	Requirement	AEMO Comment
11ZOO(1)	The Authority may approve an amendment to the Scheme if it is satisfied that:	
	(a) if the amendment is made, the provisions of the Scheme:	
	(i) will comply with the Act; and	<p>The Scheme, in its initial form, was approved by the Minister for Energy; and all amendments to the Scheme since its initial approval have been approved by the Authority, in accordance with the Act. As a result, the Scheme, in its current form, clearly complies with the Act.</p> <p>AEMO is of the view that the Rules will continue to comply with the Act if the procedure change proposal IN004/21W is approved as it will, harmonise certification of transaction across all retail gas markets, thereby lowering barriers to entry for the WA retail gas market.</p>
	(ii) be suitable for the purposes of section 11ZOB;	<p>Section 11ZOB indicates that the purpose of the Scheme is to ensure that the retail gas market is regulated and is operated in a manner that is:</p> <p>(d) open and competitive;</p> <p>(e) efficient; and</p> <p>(f) fair to gas market participants and their customers.</p> <p>Procedure change proposal IN004/21W proposes including a list of transactions that require certification, which will ensure participants have certified all operational transactions thereby improving the business process and reduce administrative costs. The reduced administrative costs could result in benefit to the consumer.</p> <p>It will not materially impact on the Scheme or its suitability for the purposes of section 11ZOB of the Act.</p>
(b) any other principle, criterion, or requirement that is prescribed for the purposes of this paragraph has been met.	AEMO is not aware of any regulations under section 11ZOO(b), so this section of the Act is not applicable.	
11ZOO(2)	<p>The Authority may approve an amendment to the Scheme under section 11ZOM only if it is satisfied that the consultation required by section 11ZOL(3) has taken place and:</p> <p>(a) each person required to be consulted has agreed to the amendment; or</p> <p>(b) if any person required to be consulted has not so agreed, that person has been given a reasonable opportunity in the</p>	<p>The proposed amendment to the Scheme has been consulted in accordance with Procedure change process of the RMP WA.</p> <p>AEMO commenced consultation for IN004/21W by publishing the Proposed Procedure Change (PPC) and inviting registered participants and interested stakeholders to make submissions. AEMO received submissions from AGL, Alinta and Origin Energy supporting the proposal. The submissions suggested several minor typographic changes and AGL suggested removing reference to Life Support related transactions as they are not in use in WA. AEMO subsequently published the Impact and Implementation</p>

Section	Requirement	AEMO Comment
	<p>course of consultation to provide reasons for not agreeing, and any reasons so provided have been considered.</p>	<p>Report (IIR) requesting further submissions. AEMO received submissions from AGL and Alinta supporting the proposal and requesting no further changes.</p> <p>At the GRCF February 2023 AEMO noted the progress of Package 2 2023 WA initiatives. No questions were received from the participants.</p> <p>As a result, AEMO submits that it has met all consultation requirements for the amendments proposed in IN004/21W and that each person required to be consulted with has agreed to the amendment.</p>

ATTACHMENT C – CONSOLIDATED FEEDBACK FOR PACKAGE 2 – 2023 (IN001/23W, IN003/22W & IN004/21W) IIR

Section 1 - General Comments on the Impact and Implementation Report

Sections 1 to 9 of the IIR sets out details of the proposal.

Does your organisation support AEMO’s assessment of the proposal?

IN#	Ref #	Company	Response	AEMO Response
IN001/23W	1	AGL	AGL agrees with AEMO’s assessment.	AEMO notes AGL’s support for the changes.
	2	Alinta Energy	Alinta Energy supports the amendments proposed by AEMO, including the additional amendments identified during the PPC consultation phase.	AEMO notes Alinta Energy’s support for the changes.
IN003/22W	3	AGL	AGL agrees with AEMO’s assessment.	AEMO notes AGL’s support for the changes.
	4	Alinta Energy	Alinta Energy supports the amendments proposed by AEMO, including the additional amendments identified during the PPC consultation phase.	AEMO notes Alinta Energy’s support for the changes.
IN004/21W	5	AGL	AGL agrees with AEMO’s assessment.	AEMO notes AGL’s support for the changes.
	6	Alinta Energy	Alinta Energy supports the amendments proposed by AEMO, including the additional amendments identified during the PPC consultation phase.	AEMO notes Alinta Energy’s support for the changes.

Section 2 – Feedback on documentation changes

AEMO did not receive any further feedback to documentation changes.

ATTACHMENT D – IIR for Package 2 2023 WA

Enclosed with this application.

ATTACHMENT E – Draft versions of the following AEMO Specification Pack documents showing tracked changes between the current version and the proposed changes

- FRC B2M – B2B Hub System Architecture
- FRC B2M – B2B Hub System Specifications
- FRC HUB Operational Terms and Conditions
- B2B Service Order Specification (WA only) – Part 2
- Connectivity Testing and Technical Certification (WA Only)
- Specification Pack Usage Guide

Enclosed with this application.

ATTACHMENT F – Introduction to Certificate Management Solution presentation

Enclosed with this application.

ATTACHMENT G –Certificate Management Solution Update presentation

Enclosed with this application.