

12 December 2024

Mr Stephen Edwell
Chair
Economic Regulation Authority
Level 4, Albert Facey House
469 Wellington Street Perth WA 6000

Dear Mr Edwell,

Approval of amendment to the Retail Market Scheme – Procedure and AEMO Specification Pack Changes related to IN008/24 – Transport Layer Security (TLS) Certificate update and other Technical Protocol (TP) updates.

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 amendment to the Scheme as described in **Attachment A**.

Background

Electricity and Gas market participants connect to many of AEMO’s systems securely using TLS certificates supplied by AEMO.

Back in June 2023, AEMO implemented the current TLS version 1.2 certificates and the self-service certificate management tool to manage the AEMO supplied TLS certificates. Changes to the scheme documents relating to this initiative were approved by the ERA in May 2023.

AEMO will soon move to next version (1.3) of the TLS certificate which will require updating the AEMO Specification Pack documents. AEMO notes that updating the AEMO Specification Pack documents for each new release of TLS certificates is not the most efficient use of resources. AEMO is proposing to create a webpage that will contain all details about the TLS certificates required by participants to access AEMO’s systems. This will require a one-time change to the AEMO Specification Pack documents to refer to the webpage about the TLS certificates. All subsequent updates to the TLS certificates will be reflected on the webpage only.

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 initiative IN008/24, 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 4 November 2024 for IN008/24.

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 both the first and 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 IN008/24. Submissions closed on 3 December 2024, with all submissions supporting the proposed changes as described in the IIR.

AEMO has decided to submit the IN008/24 amendments to the ERA for approval as endorsed Procedure and 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 IN008/24; 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.

Feedback from Alinta suggested a minor typographic/grammatical change to couple of TP documents. AEMO has amended the TP documents to reflect Alinta’s feedback 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. Elena Mikhaltsevitch from the ERA has provided AEMO with this information, which includes advice that submissions to the ERA will close on 20 January 2025, conditional that the application to the ERA is received on 6 January 2025. ERA intends to submit the application for the Governing Body’s (GB) decision on 26 February 2025. The GB’s decision is expected around early March 2025. ERA will work to have the decision gazetted by early March 2025.

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 Procedure and AEMO Specification Pack changes related to IN008/24 then AEMO proposes to publish the amended Procedure and AEMO Specification Pack on 7 April 2025. AEMO requests that ERA consider, endorse, and publish the approval for these changes in the *Gazette* by early March 2025 with an effective date of 7 April 2025, which will enable AEMO to publish the amended Procedure and AEMO Specification Pack changes and WA Participants to implement business process changes.

Changes related to National Gas Rules (NGR) (or East Coast jurisdictions) for ERA's noting

This initiative also involves east coast jurisdictions and Attachments A to E below include description of changes specific to them. The documents covered by east coast jurisdictions are as follows:

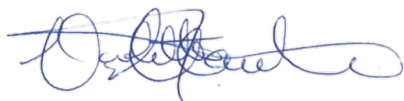
- Participant Build Pack 3 – System Specification
- Gas FRC B2B Connectivity Testing and System Certification
- Guidelines for Development of a Standard for Energy Transactions in XML (aseXML) v4.1 – this document is being withdrawn.

AEMO requests ERA to not include these changes in its assessment as they do not impact the WA Gas Retail Market.

Further information

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

Yours sincerely,



Violette Mouchaileh
Executive General Manager, Reform Delivery

Attachments:

A) Summary of Amendments

B) Rationale for Proposal IN008/24 meeting the requirement for AEMO Procedure and Specification Pack changes under the Act.

C) Consolidated feedback for IN008/274 IIR

D) IIR for IN008/24

E) Draft versions of the following Procedure and AEMO Specification Pack documents showing tracked changes between the current version and the proposed changes.

ATTACHMENT A – Summary of Amendments

IN008/24 – TLS Certificate Update and TP Updates

1. This proposed change involves the following amendments:
 - In relation to TLS certificates:
 - Amend the TP documents Participant Build Pack 3 – System Specification and FRC B2M – B2B Hub System Specifications to provide details about how a participant can determine the currently supported TLS certificate for connecting to AEMO systems.
 - Create a new sub webpage “TLS Certificate for connecting to FRC HUB” on the webpage titled “TLS Certificate Management” after the sub webpage titled “CSR Requirements”.
 - In relation to the other minor amendments:
 - Fix the text of the heading for section 5.3 in Participant Build Pack 3 – System Specification. The body text from section 5.2 accidentally became the heading for section 5.3.
 - Amend the link for the Form of AEMO Certification Checklist to the current checklist in Gas FRC B2B Connectivity Testing and Sys Certification document.
 - Amend the GIP documents for VIC, QLD and NSW/ACT to remove the reference to ‘Guidelines for Development of a Standard for Energy Transactions in XML (aseXML)’.
 - Amend the AEMO Specification Pack Usage Guide document to remove reference to ‘Connectivity Testing and Technical Certification (WA Only)’.
 - Amend the RMP WA to remove reference to the AEMO Specification Pack in the definition for fields ‘FRC Hub certification criteria’ and ‘FRC Hub certification process’ and also in clause 21A(4) since the reference to Connectivity Testing and Technical Certification (WA Only) document is proposed to be removed from the AEMO Specification Pack.
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-strikeout~~ meaning “delete” and blue underline meaning “insert”.

ATTACHMENT B – Rationale for Proposal IN008/24 meeting the requirement for AEMO Procedure and Specification Pack changes under the Act

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’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 IN008/24 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 IN008/24 proposes creating a webpage that will contain all details about the TLS certificates required by participants to access AEMO’s systems. This will require a one-time change to the TP documents to refer to the webpage about the TLS certificates. All subsequent updates to the TLS certificates will be reflected on the webpage only. This will remove the ongoing need to conduct a formal GRCF consultation for each new version of the TLS certificate introduced and hence result in most efficient use of valuable resources.</p> <p>Making efficient use of the resources is expected to reduce administrative costs. The reduced administrative costs could result in benefit to the consumer.</p> <p>A reference to the ‘Connectivity Testing and Technical Certification (WA Only)’ document is included in the AEMO Specification Pack for WA. The equivalent document for east coast jurisdictions ‘Gas FRC B2B Connectivity Testing and System Certification’ is not referenced in the Gas Interface Protocols (GIPs) for east coast jurisdictions. To harmonise WA with other jurisdictions, AEMO proposes removing the WA document from the AEMO Specification Pack. This will provide further clarity to the participants.</p> <p>It will not materially impact on the Scheme or its suitability for the purposes of section 11ZOB of the Act.</p>

Section	Requirement	AEMO Comment
	(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 course of consultation to provide reasons for not agreeing, and any reasons so provided have been considered.</p>	<p>The proposed amendment to the Scheme has been consulted in accordance with Procedure change process of the RMP WA. AEMO commenced consultation for IN008/24 by publishing the Proposed Procedure Change (PPC) and inviting registered participants and interested stakeholders to make submissions. AEMO received submissions from AGL, AGN¹ and Alinta supporting the proposal. AGL's feedback noted the need for including the notification of upcoming TLS certificate version change in the Procedures. AEMO considers that this requirement is already included in the TP documents which have the head of power same as the Procedures and that AEMO continues to support the previous version of the certificate which should provide sufficient time for the participant to upgrade to the new version. AEMO subsequently published the Impact and Implementation Report (IIR) requesting further submissions. AEMO received submissions from AGL, Alinta and Red/Lumo² supporting the proposal and requesting no further changes.</p> <p>At the GRCF November 2024 meeting AEMO noted the progress of IN008/24. 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 IN008/24 and that each person required to be consulted with has agreed to the amendment.</p>

¹ AGN is not a Retail Gas Market participant in Western Australia

² Red/Lumo is not a Retail Gas Market participant in Western Australia

ATTACHMENT C – CONSOLIDATED FEEDBACK FOR IN008/24 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?

Ref #	Company	Response	AEMO Response
1	AGL	AGL supports AEMO’s assessment.	AEMO notes AGL’s support for the changes.
2	Alinta Energy	Alinta Energy supports the proposal to (i) create a webpage that will contain all details about Transport Layer Security (TLS) certificates required by participants to access AEMO’s systems and (ii) amend the Technical Protocol (TP) documents so they are agnostic to the TLS certificate version. We agree with AEMO’s assessment that implementation costs for participants and AEMO will be negligible, and that the proposal will result in improved efficiencies from removing the requirement for formal consultation for future TLS certificate updates.	AEMO notes Alinta Energy’s support for the changes.
3	Red/Lumo	Red Energy and Lumo Energy (Red and Lumo) support AEMO’s assessment of the proposal.	AEMO notes Red/Lumo’s support for the changes.

Sections 10 and 11 of the IIR sets out recommendation and timeframes.

Does your organisation support AEMO’s recommendation and timeframe?

Ref #	Company	Response	AEMO Response
4	AGL	AGL supports AEMO’s proposed recommendation and timeline.	AEMO notes AGL’s support for the changes.
5	Alinta Energy	We agree with AEMO’s proposed recommendations and timeframes, with one minor amendment proposed in Section 2 below to improve clarity (note that we made this proposal in our PPC response template, however it does not appear to have been reviewed by AEMO).	AEMO notes Alinta’s support for the changes. AEMO has incorporated the change suggested by Alinta as it adds further clarity.
6	Red/Lumo	Red and Lumo support AEMO’s timeframe.	AEMO notes Red/Lumo’s support for the timeframe.

Section 2 – Feedback on documentation changes

Retail Market Procedures (Western Australia)					
Ref #	Clause #	Organisation	Issue / Comment	Proposed text Red-strikeout means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)
7	1.1.1	AGL	No comment		
FRC B2M – B2B Hub System Specifications					
Ref #	Clause #	Organisation	Issue / Comment	Proposed text Red-strikeout means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)
8		AGL	No comment		
9	5.3	Alinta Energy	Amend opening sentence of this clause for clarity.	In order to solve the “many to many” problem with regard to certificate distribution and revocation, <u>for</u> participants in the FBS, the hub will provide security services.	AEMO agrees with Alinta’s suggestion and has made the change as it provides further clarity.
Specification Pack Usage Guide					
Ref #	Clause #	Organisation	Issue / Comment	Proposed text Red-strikeout means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)
10		AGL	No comment		
Digital Certificate Webpage					
Ref #	Clause #	Organisation	Issue / Comment	Proposed text Red-strikeout means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)
11		AGL	No comment		

ATTACHMENT D – IIR for IN008/24

Enclosed with this application.

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

- Retail Market Procedures – Western Australia
- FRC B2M – B2B Hub System Specifications (WA Only)
- Specification Pack Usage Guide
- Digital Certificate Webpage³

Enclosed with this application.

³ For the avoidance of doubt the Digital Certificate Webpage is included for contextual purposes only. Future changes to this web page will not be subject to the consultation process described in chapter 9 of the WA Retail Market Procedures