AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

# Flexible Trading Arrangements (FTA) Release 1

May 2026

Industry Test Strategy

# Important notice

## Purpose

The industry testing strategy sets out the high-level approach and principles associated with the National Electricity Market (NEM) testing activities that will support the NEM Reform May 2026 release for Flexible Trading Arrangements (FTA) initiative, Release 1.

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### Version control

| Version | Release date | Changes |
|---|---|---|
| 0.1 | 24/10/2025 | Initial draft for internal discussion |
| 0.2 | 03/12/2025 | Draft for Participant review |
| 1.0 | 19/12/2025 | Final version following Participant Review |

AEMO acknowledges the Traditional Owners of country throughout Australia and recognises their continuing connection to land, waters, and culture. We pay respect to Elders past and present.

# Contents



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# 1 Introduction

This chapter provides background information on AEMO's Flexible Trading Arrangements May 2026 release, and sets out the purpose, scope, and approach to the development of this Industry testing strategy.

## 1.1 AEMO's Flexible Trading Arrangements (FTA) Initiative

On 15 August 2024, the Australian Energy Market Commission (AEMC) made more preferable electricity and retail rules in response to a rule change request submitted by the Australian Energy Market Operator (AEMO). This rule change request was developed as part of the Energy Security Board's (ESB) consumer energy resources (CER) implementation plan.

The final rules make a series of changes that, alongside other reforms, will unlock substantial benefits from CER for consumers and the system as a whole.

The rules will enable three key arrangements:

- Large customers will be able to engage multiple energy service providers at their premises more easily- to manage and obtain more value from their CER.
- Energy service providers for small and large customers will be able to separate and manage 'flexible' CER from 'passive' loads in the energy market - leading to innovative products and services for consumers.
- Market participants will be able to use in-built measurement capability in technology such as electric vehicle (EV) chargers and smart streetlights - to enable the delivery of innovative and essential products and services at lower cost.

These arrangements will make it easier for energy service providers to offer products and services to households, businesses, and the public sector, to unlock the value of flexible CER. The arrangements will also provide a strong foundation for CER to be delivered to and integrated into the National Electricity Market (NEM).

The new in-built metering arrangements will also make it easier for market participants to deploy public EV chargers and smart streetlights, which could deliver up to $100m in benefits over 20 years as a result of reduced metering installation costs, reduced maintenance costs, reduced wholesale costs, and emissions reductions.

These arrangements will be voluntary, so that energy service providers and consumers can take up these arrangements when and how they see fit.

* Unlocking CER benefits through flexible trading | AEMC

AEMO will deliver the FTA solution over 2 releases,

- May 2026 release (FTA release 1), the commencement of Type 9 metering installations and
- November 2026 (FTA Release 2), the commencement of flexible trading arrangements

The scope of this Industry Test Strategy covers the May 2026 release. A separate Market Trial Test Strategy will be produced to support the November 2026 release.

The May release will be delivered into pre-production in late April 2026 (date TBC) and will be deployed to Production on 31 May 2026 in readiness for the rule commencement date of 31 May 2026.

## 1.2 Purpose of the industry testing strategy

This document offers stakeholders, specifically NEM participants, who will be affected by the changes, a clear understanding of the industry testing for the May 2026 FTA release. This will be an unstructured Test and AEMO will not be monitoring Participant execution of any test scenarios. Market participants will be requested to test the in-scope items and report defects, if any found, back to AEMO during their testing through the NEM Reform email NEMReform@aemo.com.au or via the twice weekly Q&A sessions.

This Industry test strategy document will help participants understand and plan for system, process and operational changes that will commence when the Type 9 metering installation rule effect on 31 May 2026.

## 1.3 Reference documents

The related documents mentioned in Table 1 are relevant to the industry testing strategy.

**Table 1 FTA reference documents and web sites**

| # | Document name |
|---|---|
| 1 | 2025 Flexible Trading Arrangements Consultation |
| 2 | AEMO \| Flexible Trading Arrangements initiative site |
| 3 | AEMO FTA High Level Implementation Assessment (HLIA) final |
| 4 | MSATS Technical Specification May 2026 |

## 1.4 Audience

This Industry testing strategy is primarily intended for all NEM participants affected by the FTA Release 1 initiative, particularly their respective:

- Test managers
- Test leads
- Test analysts (system integration, UAT, industry testing)
- Project managers
- Developers and business and functional SMEs
- Market Participants

Secondary audiences within these businesses including:

- Development managers

- IT operations teams
- Change controllers
- Operations teams

# 2 Industry testing Framework

This section describes the framework that underpins the FTA industry testing strategy. It explains the industry test strategy's objective, scope, assumptions, communications, data refresh requirements, test environment and indicative timeline for the May 2026 release.

## 2.1 Industry testing objective

Industry testing provides market participants the opportunity to test their updated systems and processes against AEMO's updated systems.

In relation to the May 2026 release, the overall objective of industry testing is: *To support industry readiness and confirm AEMO's and Participants' preparedness for the respective FTA Release 1 go-live dates.*

## 2.2 Industry testing scope

The scope of this Coordinated Industry Test will be to enable participants to verify the impact of the FTA Release 1 changes on AEMO's Retail Systems. This functionality will be deployed into the pre-production environment for participants to integrate with their relevant systems.

The Technical Specification document MSATS Technical Specification May 2026 should be considered as the source of truth and should be referred to for the scope of the May 2026 release.

### 2.2.1 FTA Release 1 scope inclusions

The following Retail Systems changes will be in scope for the FTA Release 1:

**MSATS**

- **New meter installation type codes (MITC)** for COMMS9, COMMS9CM meter types. Type 9 is for standalone installations and 9 CMS for those using a central management system.
- **Manufacturers and Models** For initial testing and go-live, default manufacturers and models (i.e. Type 9) will be registered in MSATS. Participants can later request rapid changes to register actual manufacturers and models as needed.
- **Registration and Validation** the new codes are attributes assigned to metering installations in MSATS, with validations ensuring correct assignment.
- **SDD Reporting Enhancements/Scheduled reports** introduction of new reporting groups for Type 9 installations, the scheduling of regular reports, and the procedures for testing and validating data quality and quantity. Note: There will be changes to the RM30 report (Monthly performance monitoring report), which will include the new MITC Codes, however the RM30 is not currently available in the preprod environment.

- **Change requests in scope** – for Release One, the CR process and B2B service orders remain unchanged, with only the selection of new values (e.g. meter type) differing. Most changes are in the options available within existing processes.
- **Participants** – There are no changes to participants roles in FTA Release 1.

**CDR/CDP**

- There are no changes to CDR, CDP and PMS reporting for COMMS 9 for Release 1. However, Type 9 data will be returned in CDR output.

**eMDM**

- MDM will aggregate data using the new MITC codes for Type 9 meters. MDM uses MITC codes for grouping and aggregation in UFE reports, but the calculation and settlement processes remain unchanged.
- New metering types and codes are passed from MSATS to MDM as part of the standard ETL process.
- Changes to RM28 (MDP Settlement performance Snapshot report), which includes new MITC Codes and report groups.

**Settlements**

- There are no changes to settlement calculations for Release 1. AEMO is not planning on running settlements in this Industry Test.

**aseXML**

- FTA Release 1 includes changes to the following enumerations files for r46:
    - ElectricityEnumerations.xsd: New enumerations for simple types ReasonForNotice and CustomerType.
    - Enumerations.xsd: Corrected enumerations for simple type AustralianFoorOrLevelType. There is no schema transition since they are a non-versioned files
- There is no schema transition since they are a non-versioned files.

### 2.2.2 Scope exclusions

Industry testing scope exclusions:

- No settlement runs will be executed for this industry test.
- Testing of any functionality not mentioned in the respective scope sections of this document should be considered out of scope.
- Changes to NEM participants' supporting business systems that do not directly interact with AEMO's market systems (i.e. back-end systems). These are addressed by participants own test strategies.
- Downstream business procedures for each industry participant.
- Accreditation: while accreditation is required for MPs and MDPs for each new metering installation type, this will be managed By AEMO's Metering Team and is outside of the scope of the Industry Test.

Each NEM participant is responsible for their own preparedness in respect of the above matters and should account for such items within their respective organisational testing programs.

## 2.3 Approach

The FTA Release 1 Industry Test will be conducted as follows:

- AEMO will deploy the new configuration and reporting changes prior to Industry Test.
- AEMO will conduct Business Verification Testing (BVT) to validate the deployment.
- Participants can create Type 9 Meters via the respective CRs.
- MDPs can load meter data for the new Type 9 Meters.
- Participants can test churn of type 9 meters, subject to bilateral agreement.
- AEMO will schedule the required batch jobs to ingest meter data and to produce the required RM reports on a regular basis.

## 2.4 Assumptions

There are several key assumptions underpinning the industry testing strategy:

1. The FTA release 1 rule is voluntary, therefor participation in the Industry Test will also be voluntary.
2. AEMO will provide and maintain the single Pre-Production environment which will be used for industry testing phases.
3. Any change that is linked to or deployed to support a procedural or technical specification change will ensure the procedure(s) or technical specification(s) are documented and approved prior to the commencement of industry testing.
4. As part of any changes to Pre-Production, AEMO will give notice to participants of outages or code changes and provide release notes for the changes.
5. The next refresh of Pre-Production environments is scheduled for early April 2026. The refresh will be sourced from production snapshots taken on the following dates:
    - Wholesale System Production snapshot date is to be confirmed (if required).
    - Retail System Production snapshot date is also to be confirmed. This refresh will contain 6 months of meter data.
6. AEMO will perform all internal functional testing prior to the release of any changes into pre-production for all the May 2026 release operation changes that AEMO is coordinating.
7. Participants will perform testing on any internal application changes prior to connecting to the AEMO pre-production environment.
8. Participants will have appropriately skilled resource capability for execution and support requirements during industry testing.

9. AEMO will provide support to investigate and resolve defects identified during industry test. All participants engaging in industry testing will report any defects to AEMO by sending an email to NEM Reform inbox: NEMReform@aemo.com.au
10. Results from industry testing may be used by participants for their own assessment of go-live criteria.
11. AEMO will support participants to resolve any connectivity issues within the pre-production environment.

## 2.5 Communication and Q&A session approach

Commencement of Q&A sessions will be aligned with the test execution for industry testing. These Q&A sessions will be in the form of meetings with below details:

- Scheduled twice weekly for 30 minutes in duration for Participants who seek clarifications or discussions related to industry testing for the duration of the industry test.
- Meetings will be recorded for action taking purposes.
- Questions not answered during the meeting will be taken away and answered following the meeting.
- Ad hoc meetings can be organised between 09:00 and 17:00 Hrs (AEST) on business days, for any defects which needs prioritized attention.
- Latest defect updates, if any, will be sent out after the sessions as part of defect reporting.

Table 2 describes how the progress of industry testing will be monitored and reported. Communications and defect reporting will involve both AEMO and participants.

**Table 2 Communications and Q&A session approach**

| Frequency | Type | Responsible |
|---|---|---|
| **Twice weekly** | • FTA Release 1 Q&A sessions – April 2026 to May 2025 (dates TBC)<br>• Defect reporting via email | AEMO and Participants |
| **Ad hoc** | • Defect related meetings will be organised for the defects which needs prioritized attention<br>• Issues in accessing Pre-Production environment | AEMO and Participants |

## 2.6 Data refresh

At the time of publishing, AEMO's refresh strategy for the 2026 program had not been finalised. We are planning refreshes of Pre-Production retail and possibly wholesale environments in early April 2026. If required, the wholesale data will be taken from a copy of Production in March 2026 (TBC). The Retail data will be taken from a copy of Production with 6 month's meter data.

## 2.7 Test environment: AEMO pre-production

AEMO will prepare and maintain the single pre-production environment prior to the commencement of Industry testing. Any testing related support for the May 2026 Release in the pre-production environment will be provided between 09:00 and 17:00 Hrs (AEST) on business days. Support will be provided through the NEM Reform inbox: NEMReform@aemo.com.au and via the scheduled Q&A sessions. Pre-production environment and access issues can be raised directly via the AEMO support hub.

## 2.8 Timeline

The Timelines for the industry testing of the FTA Release 1 project are shown in Figure 1. Key milestones for the projects are shown on Table 3, below.

**Figure 1 FTA project timeline**

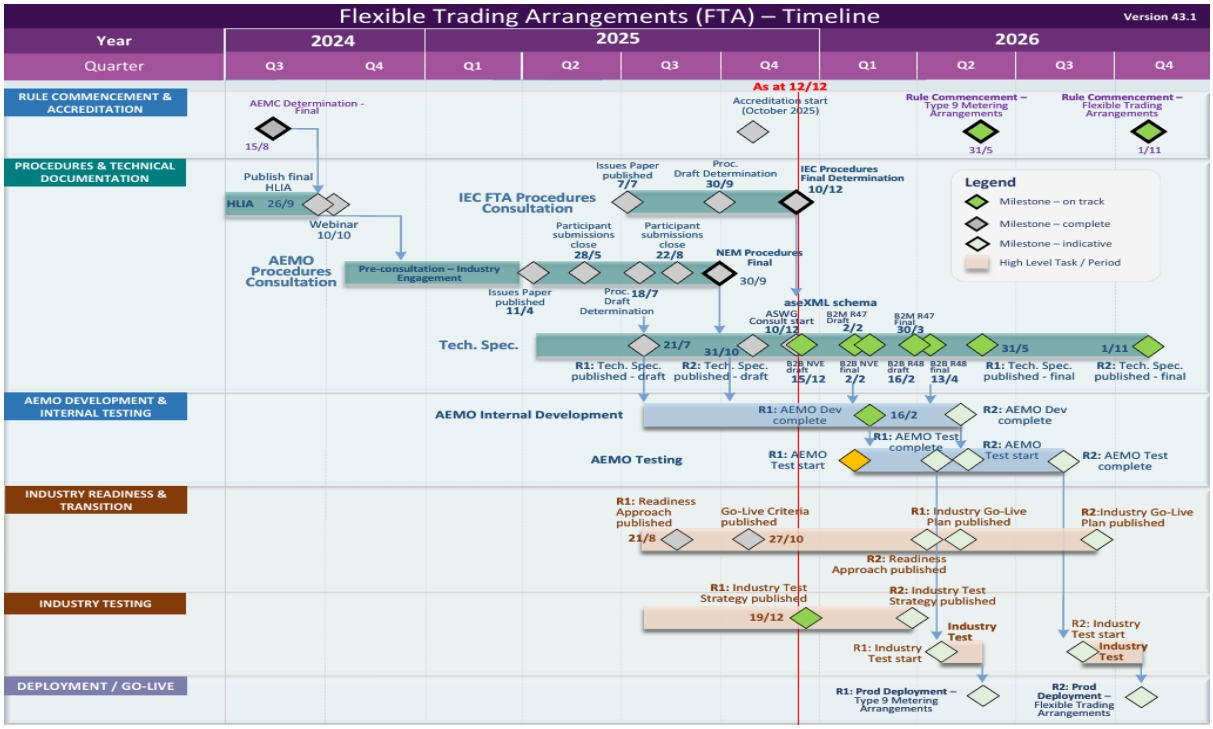



**Table 3 FTA project milestones**

| Milestone | Date |
|---|---|
| FTA Release 1 Industry Test Strategy published (Final) | 19-Dec-2025 |
| Industry Go-Live Plan published (FTA Release 1) | 27-Feb-2026 |
| FTA Release 1 Pre-Production Deployment | 28-April-2026 |
| Industry Test start | 30-April-2026 |
| Industry Test finish | 29-May-2026 |

| Milestone | Date |
|---|---|
| FTA Release 1 Production Deployment | 31-May-2026 |
| Rule Commencement - Type 9 Metering Arrangements | 31-May-2026 |

# 3 Defect management

Industry testing defect management will be a collaborative effort, principally involving AEMO's and participants' testing teams, development teams and business analysis teams.

The objective of defect management is to resolve all defects within the project lifecycle. However, this objective must be balanced against other project objectives, such as achieving the schedule and the system impact and priority of the defect.

Participants can report the defects to AEMO by sending an email to NEM Reform inbox NEMReform@aemo.com.au and AEMO will manage all the defects that were identified during test execution. Ad hoc meetings can be organised between 09:00 and 17:00 Hrs (AEST) on business days, for any defects which need prioritized attention for resolution. Defects identified by Participants that are not a result of the July 2025 Release changes will be raised with the relevant AEMO BAU support team for prioritisation and action. Where it is determined that it is not an AEMO defect, AEMO will coordinate with market participants to obtain the status of the defect.

## 3.1 Defect management approach

### 3.1.1 Raising defects

Defects reported by participants during industry testing will be captured by AEMO's test team in Jira, with the following information:

- Description of defect
- Who detected it and the date it was detected
- Defect owner (entered after gaining agreement as to who owns the defect)
- Target fix date (entered by defect owner)
- Defect severity
- Defect priority
- Defect status
- Defect root cause (entered by defect owner).

### 3.1.2 Defect escalation and triage

All open defects will be discussed in the weekly meeting. If a critical/high priority defect can't be resolved within the agreed timeframes, it can be escalated in the same meeting.

Defect triage meetings will be held internally in AEMO to discuss the status of any reported defects. Defects report will be shared with participants prior to the weekly meeting.

### 3.1.3 Defect severity and prioritisation

Defects will be classified according to severity and where there are multiple within a severity, they will be address based on priority by the participant test leads in consultation with other affected participants, as described in Table 4. Priority will indicate the degree to which the defect affects both the system capability, testing execution and the overall project. Priority is determined by assessing probability of system and the business impacts, as described in Table 5.

**Table 4 Defect severity classification**

| Severity | Definition |
|---|---|
| **1- Showstopper** | Defect is considered critical to business operations and/or testing. Core business and project impact. |
| **2-Major** | Defect is considered high impact to the business operations and/or testing. However, core business processes are still able to be completed (possibly via workarounds, etc.) and some testing is still able to continue. |
| **3-Moderate** | Defect is considered moderate impact to the business operations and/or testing. Core business processes are unaffected, and workarounds available, with testing still able to continue. |
| **4-Minor** | Defect is considered low impact to the business operations and/or testing. Core business processes are unaffected, and testing is still able to continue. |

**Table 5 Defect priority classification**

| Priority | Definition |
|---|---|
| **1- Blocker** | Entire functionality is blocked, and no testing can be conducted.<br>Fix/resolution turnaround time best endeavour effort in first 4 hours or provide update on impact. |
| **2-Highest** | Defect is considered high impact to testing; multiple tests are blocked/failed due to the defect and no workaround is available |
| **3-High** | Defect is considered high impact to testing one or more tests can be linked to the defect, but workaround is available, and testing is still able to continue. |
| **4-Medium** | Defect is considered moderate impact to testing with one or more tests can be linked to the defect, but workaround is available and none of these tests are currently a priority. |
| **5-Low** | Defect is considered low impact to testing, no tests are failed or blocked due to this defect. |

Post acceptance of a defect, a resolution date will be added and published in the weekly defect report for all identified defects.

### 3.1.4 Defect cause

Defect root cause of a valid defect will be updated in Practitest by AEMO's test team once the defect cause is identified. Table 6 shows the available defect causes and their descriptions.

**Table 6 Defect cause**

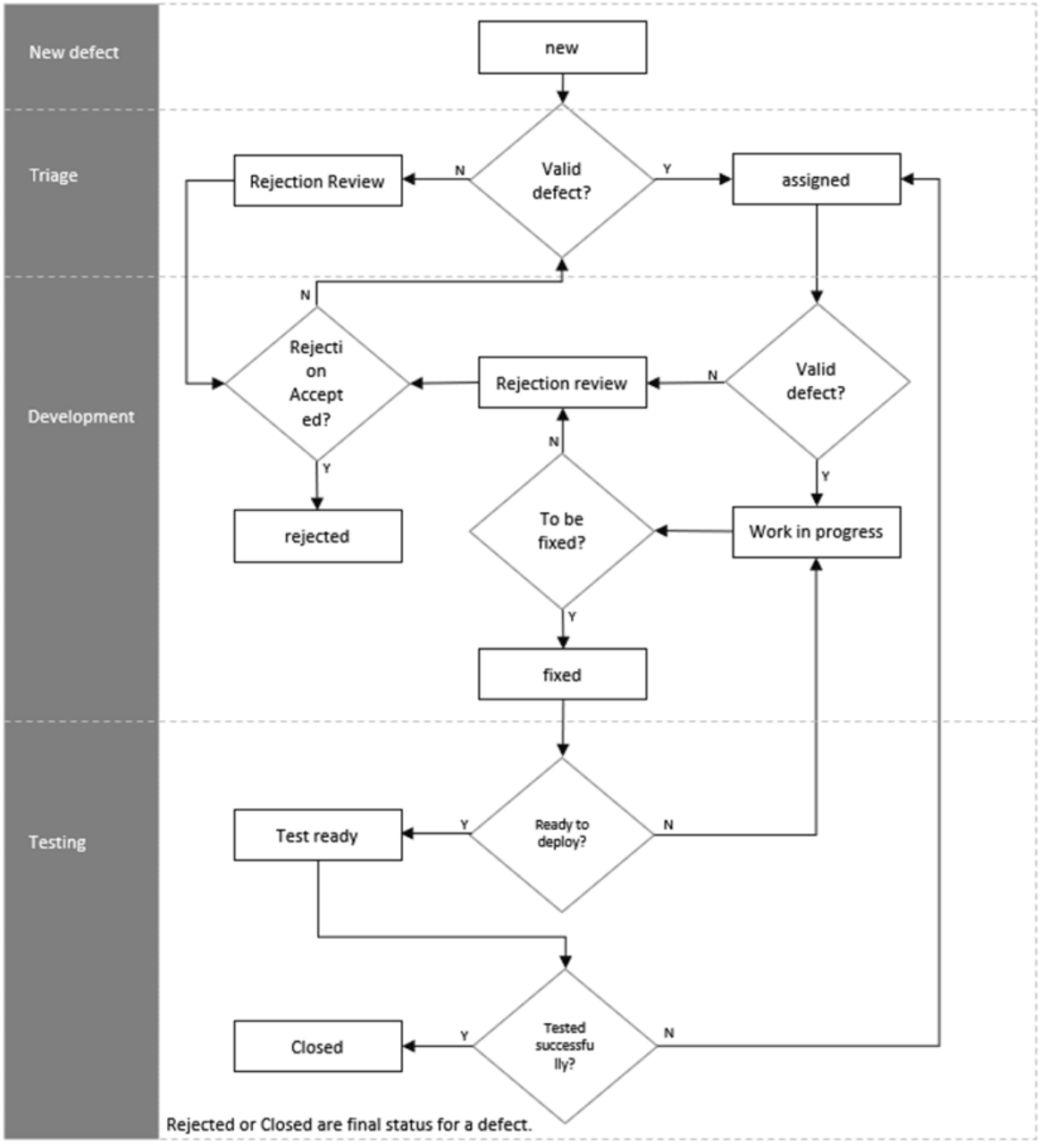
| Defect Cause | Definition |
|---|---|
| **Design** | The design of the process does not meet the requirements specified. Defect may include examples, algorithm (incorrect calculation), error handling, creation/release of object or memory, decision logic error, loop control, procedure call, failing to validate data values before being used. |
| **Configuration** | The intended outcome of the configuration is not meet. |
| **Data** | There are system data issues for the process that may prevent test completion. |
| **Requirements** | Unclear or incorrect requirement, Functional and Business specification documentation. |

| Defect Cause | Definition |
|---|---|
| **Infrastructure/Hardware** | Defect is not in the object being tested but, in the test, set up, for example the wrong configuration or version control of platform, operating system, browser, hardware or networking, system is down, or the environment is down. |

### 3.1.5 Defect process flow

Figure 2 shows the defect management process throughout the various defect management statuses of the defect lifecycle from its inception through to its closure.

**Figure 2 Defect management cycle**



# GLOSSARY

This document uses many terms that have meanings defined in the National Electricity Rules (NER). The NER meanings are adopted unless otherwise specified.

| Term | Definition |
|---|---|
| **AEMC** | Australian Energy Market Commission |
| **AEMO** | Australian Energy Market Operator |
| **AER** | Australian Energy Regulator |
| **API** | Application programming interface |
| **B2B** | Business to Business |
| **B2M** | Business to Market |
| **BCM** | Business Capability Model |
| **BVT** | Business Verification Testing |
| **CATS** | Consumer Administration and Transfer Solution |
| **CER** | Consumer Energy Resource |
| **CR** | Change Request |
| **DNSP** | Distribution Network Service Provider |
| **FRMP** | Financially Responsible Market Participant |
| **FTA** | Flexible Trading Arrangements |
| **ITWG** | Industry Test Working Group |
| **MC** | Metering Coordinator |
| **MDP** | Meter Data Provider |
| **MITC** | Metering Installation Type Code |
| **MP** | Meter Provider |
| **NEM** | National Electricity Market |
| **NER** | National Electricity Rules |
| **NMISP** | National Metering Identifier Service Provider |
| **SNOW** | Service Now |
| **SSP** | Secondary Settlement Point |
| **UFE** | Unaccounted for Energy |