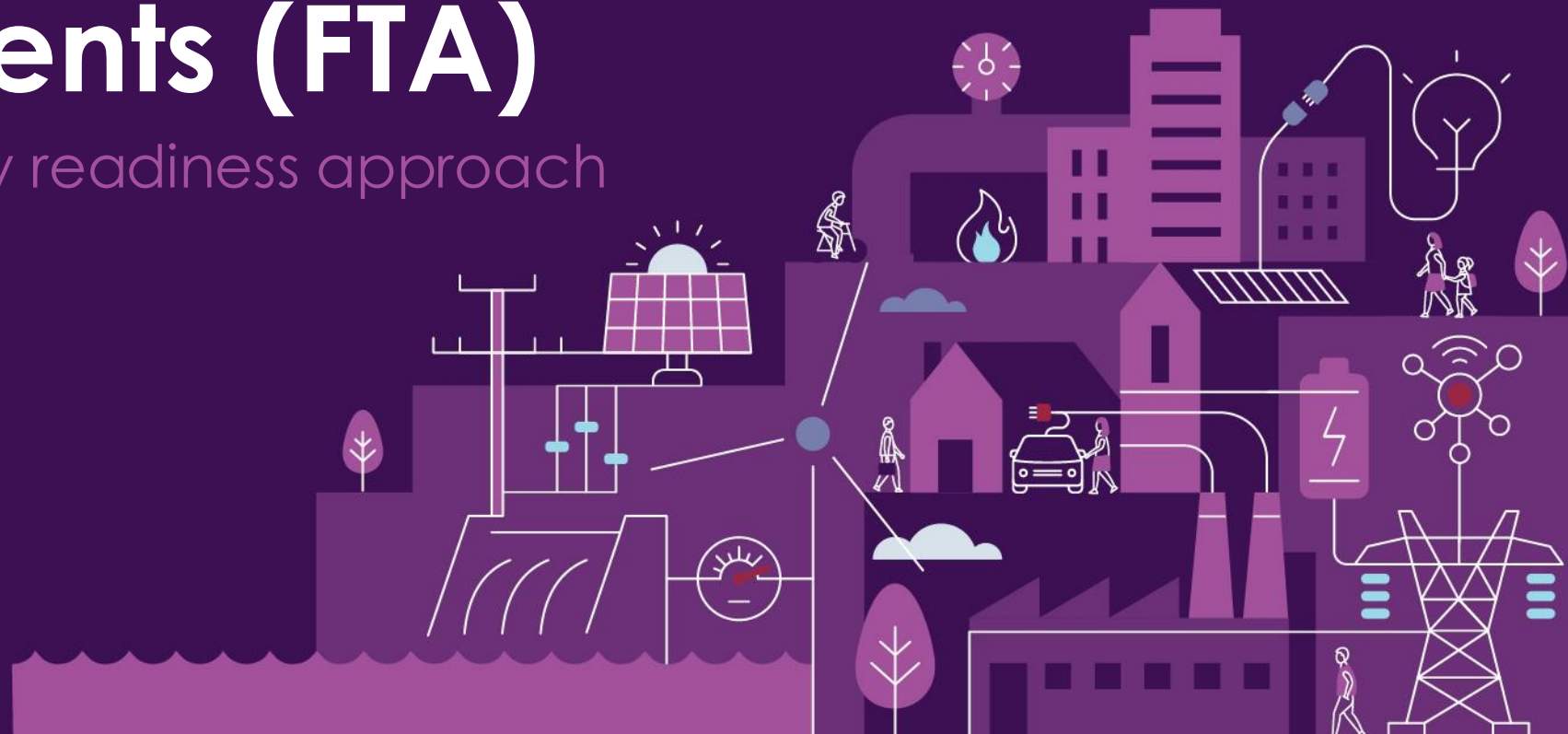


Unlocking CER Benefits through Flexible Trading Arrangements (FTA)

FTA Release 2 industry readiness approach



Context

On August 15, 2024, the Australian Energy Market Commission (AEMC) published the FTA Rule and determination regarding the "Unlocking Consumer Energy Resources (CER) benefits through flexible trading" project.

The FTA Rule introduces changes to integrate CER into the NEM, allowing consumers or their service providers to manage CER in ways that provide benefits to the customer and to the energy system. It also includes provisions for measuring energy from previously unmetered supply points, street furniture connections (e.g. streetlights, EV chargers).

To support this rule, new metering types – type 8 and type 9 – have been introduced offering cost effective metering solutions to measure secondary settlement points and street furniture connections.

There will be 2 rule effective dates for this initiative:

- 31 May 2026 for the introduction of type 9 metering arrangements.
- 1 November 2026 for the implementation of flexible trading arrangements.

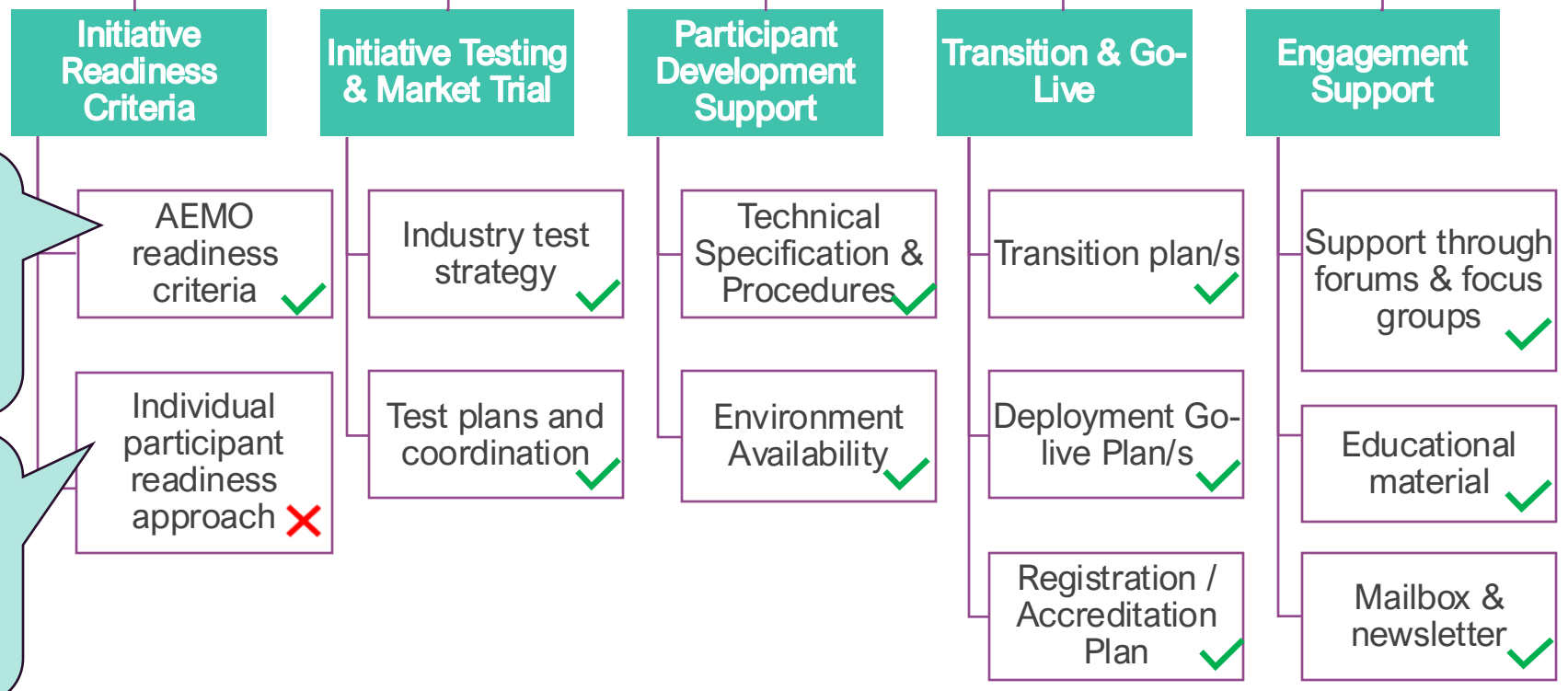
NEM Reform program industry strategy



NEM REFORM READINESS STRATEGY (ALL INITIATIVES)

FTA READINESS APPROACH

FTA readiness approach adopts the standard NEM Reform program framework



• AEMO solution needs to be updated and tested
 • AEMO business needs to be ready to operate
 • AEMO IT support needs to be in place

Individual participant (or participant category) readiness is NOT a dependency for go-live however, the initiative is dependent on participant accreditation for metering / secondary settlement services to operate

RISK & CONTINGENCY MANAGEMENT ✓

INITIATIVE READINESS REPORTING ✓ & GO-LIVE CRITERIA MANAGEMENT ✓

FTA industry readiness approach

READINESS AREA	INITIAL VIEW OF INDUSTRY READINESS APPROACH	
Initiative readiness criteria	Individual participant readiness approach	<ul style="list-style-type: none"> Individual participant (or participant category) readiness is not a dependency for go-live because FTA participation is voluntary for both FTA Release 1 (Type 9 metering arrangements) and FTA Release 2 (Flexible Trading Arrangements). However, Participants intending to provide metering or secondary settlement services must be accredited prior to performing those functions.
	AEMO readiness criteria	By the respective FTA commencement dates, AEMO's: <ul style="list-style-type: none"> Solution needs to be updated and tested. Business needs to be ready to operate. IT support needs to be in place.
Initiative testing and market trial	Industry test / market trial strategy	<ul style="list-style-type: none"> An Industry test strategy has been developed in collaboration with industry for FTA Release 1 and a market trial strategy will be delivered for Release 2 in April 2026. Industry testing (release 1) and a market trial (release 2) will enable: <ul style="list-style-type: none"> MPs, MCs, MDPs, NMISPs and FRMPs, to test new meter types and secondary settlement point functionality Participants to test the B2M and B2B (TBC) schema changes MPs, MCs, MDPs, NMI NSPs and FRMPs to validate end to end process AEMO will allow a minimum of 4 weeks to conduct the industry testing and 8 weeks to conduct the market trial prior to the respective FTA commencement dates. During this period, pre-production will be available for self-testing of the respective FTA functionality and bilateral testing of B2B changes.
	Test plans and coordination	<ul style="list-style-type: none"> Will be developed in consultation with industry and in alignment with the industry test strategies.
Participant development support	Procedures	<ul style="list-style-type: none"> The FTA rule change has required updates to the following procedures: Registration, Retail and Metering Procedures, and B2B Procedures. Consultation and subsequent changes to existing procedures were finalised by 10 December 2025. A Separate version of impacted procedures were developed for the May and November releases.
	Technical specifications	<ul style="list-style-type: none"> EMMS data model technical specification: The FTA changes do not impact the EMMS Data Model. MSATS technical specification: Both FTA releases will have an impact on MSATS. These changes will be reflected via iterative MSATS technical specification releases. Technical Specs for both releases and aseXML schema changes for FTA Release 2 are available.
	Environment availability	<ul style="list-style-type: none"> AEMO's pre-production will be available to support industry testing and market trial 1 month and 8 weeks prior to the respective rule commencement dates.
	IT development support	<ul style="list-style-type: none"> A Participant development support environment is not needed as the FTA changes to AEMO's systems are only incremental change to the existing systems. It is therefore expected that development support can be managed in the pre-production environment.

FTA industry readiness approach

READINESS AREA	INITIAL VIEW OF INDUSTRY READINESS APPROACH	
Transition and go-live	<p>Transition plans</p> <p>Go-live plan</p> <p>Registration or accreditation plans</p>	<ul style="list-style-type: none"> • A transition plan will be developed with Participants to manage the timing of respective r48 aseXML schema migrations. • Individual Go-Live Plans will be developed in consultation with industry for FTA Release 1 and FTA Release 2. • New accreditation requirements will be needed for MPs and MDPs for each new metering installation type and for the NMISP role that establishes Secondary Settlement points. Changes will be made to MC registration however existing MCs will not be required to re-register. Guidelines for accreditation and registration changes have been published as part of the updates to the procedures. • The Preproduction environment will be used to support accreditation activities.
Engagement support	Forums and Focus groups	<ul style="list-style-type: none"> • The NEM Reform Program will support affected market participants in each reform phase from implementation design, procedures development, solution delivery and through to coordinated industry testing. • Support will be provided as required via NEM Reform forums, information sessions, working groups, 1:1s and twice weekly Q&A sessions. • Engagement has commenced on major new FTA deliverables. Affected participants may wish to attend the following sessions: <ul style="list-style-type: none"> • Implementation Forum • Industry Test Working Group (ITWG) • Market Systems User Group (MSUG) for assistance with MSATS Technical Specifications.
	Educational material	<ul style="list-style-type: none"> • AEMO will make available educational material to support awareness, assessment and preparation for affected participants. Made available through the project's dedicated webpage AEMO Flexible Trading Arrangements, this may include, but is not limited to, guides and factsheets, FAQs and industry presentations.
	Mailbox and newsletter	<ul style="list-style-type: none"> • Participants support provided via monitored mailbox. • Regular communications around project milestones.
Risk & contingency management	<ul style="list-style-type: none"> • Will be developed in consultation with industry. 	
Initiative readiness reporting & go-live criteria management	<ul style="list-style-type: none"> • AEMO will report to industry, progress against confirmed L1/L2 industry readiness milestones on a regular basis through NEM Reform forums • AEMO will also provide formal checkpoints against go-live criteria to provide assurance of implementation preparations three months and one month ahead of the • Formalised participant readiness reporting is not required on the basis that there are no mandatory participant transition or preparation activities that if not performed will impact technical readiness for market or other participants 	