

READINESS CRITERIA

For the WA Gas Retail Markets

Criteria used to determine whether a new market participant is ready to enter the WA Gas Retail Market or when existing market participants and AEMO make significant changes to existing IT systems

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Table of Contents

1	Introduction	3
1.1	Purpose	3
1.2	Introduction	3
2	Readiness Criteria for New Participants	4
2.1	Connectivity Testing and Technical Certification by Market Operator (Readiness Testing Process)	4
2.2	Self Certification	4
2.3	Industry Testing	5
3	Obligations on a Market Participant or Market Operator making significant changes to its existing systems and processes	5

1 . Introduction

1.1 Purpose

This document sets out the criteria that will form the basis of AEMO's assessment of a new participant's readiness to join the Western Australian Gas Retail Market pursuant to the issuance of a GBO Identification in accordance with clause 21B of the *Retail Market Procedures (RMP)*.

This revised version of the Participant Readiness Criteria defines those criteria that apply to participants intending to join the live WA Gas Retail Markets. It replaces the previous version of the Readiness Criteria, which defined those criteria applicable once the WA Gas Retail Markets become operational.

This paper also addresses the scenario in which an existing market participant or AEMO makes significant changes to its existing systems and processes.

1.2 Introduction

As described in clause 21B of the *RMP*, each person who has agreed to comply with some or all of the *RMP* must participate in the Readiness Testing Process and satisfy the Readiness Criteria prior to the date that the person is required to comply with the *RMP*. This document presents the Readiness Testing Process and the Readiness Criteria that apply to a new participant joining the WA Gas Retail Market.

The Readiness Criteria defined in this document define the *minimum* requirements that a participant must satisfy in order to join the WA Gas Retail Market. In cases, for example, where a number of participants are joining a Market at the same time, or where a participant joining a Market may have a significant impact on the Market, AEMO may, following consultation with the existing market participants, request that additional testing be undertaken. In addition, new market participants may choose to organise additional testing with AEMO or the appropriate network operator.

Following this introduction, this Readiness Criteria document contains two sections:

- Readiness Criteria – for new participants
- Obligations on an existing market participant or AEMO making significant changes to its existing systems and processes

2 Readiness Criteria for New Participants

In assessing whether a participant is ready to enter the WA Gas Retail Market, AEMO will use a combination of:

1. Technical certification of the participant, undertaken by AEMO; and
2. Self-certification by the participant, supported by evidence provided by that participant.

For WA, new entrants must become parties to the Western Australian Gas Retail Market Agreement (being the agreement between gas market participants for the purposes of section 11ZOF of the Energy Coordination Act 1994 (WA)) prior to participating in the Readiness Testing Process.

2.1 Connectivity Testing and Technical Certification by the Market Operator (Readiness Testing Process)

Prior to joining the WA Gas Retail Market, a new participant must receive Technical Certification from AEMO stating that the systems to be used by the participant in the operation of the Market can:

- i. Meet the connectivity and technical certification requirements for use of the FRC Hub and the GRMS FTP gateway;
- ii. Where relevant, send/receive correctly structured and valid ebXML and aseXML messages/transactions;
- iii. Send/receive aseXML documents that conform to the transaction definitions set out in the AEMO Specification Pack;
- iv. Where relevant, send/receive correctly structured 'csv' files that meet the definitions set out in the AEMO Specification Pack.

The process for technical certification is set out in the paper entitled 'Connectivity Testing and Technical Certification' which is part of the AEMO Specification Pack.

2.2 Self Certification

Prior to joining the WA Gas Retail Market, a new market participant will be required to have furnished to AEMO a letter from the senior executive within that company who has responsibility for the business functions associated with gas FRC, certifying that:

- The systems, processes and staff that are to be used for operation in the Market have passed reasonable and prudent internal testing by the market participant. AEMO will require that the letter contains evidence of successful testing of the WA Gas Retail Market business processes defined in the *RMP* and the AEMO Specification Pack that are applicable to the participant (e.g. transfers, BAR). The evidence is to demonstrate the

breadth, quality and success of the participant's testing (e.g. list of test cases, summary of test result sheets¹, defects log);

- The market participant's test data and results are produced from its 'acceptance' test environment;
- The market participant's test environment used for the Readiness Testing Process is representative of its production environment (i.e. the test environment is effectively a mirror image of the production environment, but may not be specified to production standards);
- The resources necessary to participate in the market are available. Necessary resources should include: systems, processes, software and personnel (sufficiently trained in respect to the market processes and systems). Necessary resources also include satisfactory vendor support arrangements being in place;
- Business processes and systems are ready for normal and exception management operations in the WA gas retail markets (i.e. in addition to having in place processes/procedures/systems for compliance with IT relevant *market procedures*, a market participant has in place processes/procedures/systems to comply with non-IT relevant *market rules*);
- The participant has appropriate contractual arrangements in place for entry into the WA gas retail markets;
- The participant has a transition plan in place for data migration and other activities required to move from testing to production; and
- The participant has in place disaster recovery and business continuity planning procedures applicable to WA market activities.

AEMO will provide self-certification forms to market participants for completion.

2.3 Industry Testing

AEMO will, following consultation with the existing market participants, require that the new entrant market participant undertake a defined series of tests based on the 'Industry Testing' tests completed by market participants prior to the start of either the WA Gas Retail Market.

3 Obligations on a Market Participant or AEMO making significant changes to its existing systems and processes

If an existing market participant makes significant changes to its systems or processes, which have the potential to have an adverse impact on other market participants, then that market participant is required to inform AEMO of the potential impact on either the WA Gas Retail Market prior to those changes being made. In addition, if AEMO makes significant changes to its systems or processes, which have the potential to have an adverse impact on market

¹ AEMO is anticipating that participants will provide user acceptance testing results sheets.

participants, AEMO will inform the market participants of the potential impact on the relevant Gas Retail Market prior to those changes being made.

Such changes may, for example, include the migration from manual to automated processes or the replacement of back-end systems.

It is expected that a market participant and AEMO would meet this obligation as part of the standard impact assessment process routinely carried out in organisations planning changes of this type.

In carrying out any system configuration changes, a market participant must ensure that its AEMO certification remains valid. The obligations of a participant in relation to Technical Certification following system changes are defined in the Connectivity Testing and Technical Certification document. AEMO must also ensure its required Technical certification remains valid.

Depending on the nature and magnitude of the planned change, AEMO may, following consultation with the existing market participants, request that additional testing is carried out. This may, for example, take the form of a defined series of industry tests covering high-priority test scripts.

Of course any market participant carrying out significant changes may choose to organise additional testing with AEMO and/or the appropriate market participants.