

12 December 2017

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Dear Ms Cusworth

AEMO's response to ERA's 2016/17 Report to the Minister for Energy on AEMO's compliance

The Australian Energy Market Operator (**AEMO**) welcomes the opportunity to respond to the Economic Regulation Authority's (**ERA**) annual report to the Minister for Energy on AEMO's compliance for the period from 1 July 2016 to 30 June 2017 (**Annual Report**).¹

AEMO provides its response under clause 2.14.5C(b) of the Wholesale Electricity Market Rules to provide clarification on the ERA's representations in the Annual Report in relation to issues on System Management IT systems and control room risk.

System Management IT systems

System Management's IT systems are owned, supported and maintained by Western Power under a services agreement. The proposed reforms arising out of the Electricity Market Review (**EMR**) were planned to implement market design changes addressing System Management IT systems. As the EMR is currently on hold, AEMO continues to take steps to mitigate risks arising from its dependency on Western Power for System Management's IT systems. AEMO is currently:

- continuing to work with Western Power on the ongoing provision and adequacy of IT services provided by Western Power; and
- developing a strategy for those IT services provided by Western Power which require additional risk mitigations in order to maintain secure and reliable IT systems.

Control room

AEMO continues to deliver its training and accreditation program for new control room operators. While there are different control room risks during the hot season, AEMO has implemented steps above normal operating processes to mitigate those risks. AEMO will retain its coaching and mentoring resources as appropriate; and will continue the delivery of training programs.

Yours sincerely


Rachel Rundle
Acting Manager – Risk, Compliance and Audit

¹ The Annual Report has been prepared for the purposes of clause 2.14.5B of the Wholesale Electricity Market Rules and rule 174(5) of the Gas Services Information Rules.