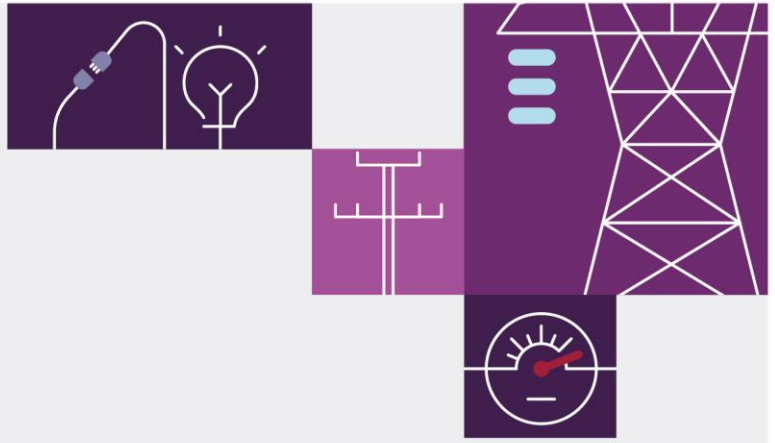


Flexible Trading Arrangements (FTA) Release 2

November 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 Flexible Trading Arrangements (FTA) initiative, Release 2, also referred to as the November 2026 release.

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Version control

Version	Release date	Changes
0.1	04/05/2026	Initial draft for Industry review
1.0	22/06/2026	Final version following industry review



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1 Introduction

The November 2026 AEMO release represents a major multi-initiative market reform milestone, combining changes across retail, metering, prudentials, and market integration.

Collectively, the release:

- Introduces flexible trading and multi-party settlement (FTA Release 2)
- Enhances market integration and data exchange: Project Energy Connect – Market Integration (PEC MI) Release 2
- Improves data visibility and transparency in the Improving Security Frameworks (ISF) Release 1.1b
- Strengthens prudential frameworks (Cash Security)

Together, these reforms materially transform how energy is traded, settled, reported, and financially secured in the NEM.

This strategy focuses on AEMO's Flexible Trading Arrangements Release 2, and sets out the purpose, scope, and approach to the development of this industry testing strategy. The remaining initiatives being delivered in the November release will be the subject of a separate Industry Test Strategy.

1.1 AEMO's Flexible Trading Arrangements (FTA) Initiative

On 15 August 2024, the Australian Energy Market Commission (AEMC) made more preferable rules relating to electricity and retail markets 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 consumer energy resources (CER) implementation plan.


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

The rules 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).

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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 millions of dollars 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.

AEMO will deliver the FTA solution over two releases:

- 31 May 2026 (FTA Release 1), the commencement of Type 9 metering arrangements
- 1 November 2026 (FTA Release 2), the commencement of FTA Release 2 and the broader FTA market and procedure changes including the introduction of Type 8 meters.

The scope of this industry testing strategy covers the FTA November 2026 release. It describes the industry testing approach to support participant readiness for the commencement of FTA Release 2 from 1 November 2026.

FTA Release 2 will be delivered into pre-production ahead of the industry testing period, with production deployment targeted for 1 November 2026 (TBC) in readiness for the relevant rule commencement date. Detailed dates are subject to confirmation through AEMO's release planning and participant communications.

1.2 Purpose of the industry testing strategy

This document provides stakeholders, specifically NEM participants affected by the November 2026 FTA Release, with a clear understanding of the industry testing approach. The strategy is intended to support planning, preparation, execution, issue identification, and collaboration across the industry test period for the FTA Release 2 changes.

This industry testing strategy will help participants understand and plan for the system, process and operational changes associated with the introduction of flexible trading arrangements from 1 November 2026.


Please note that FTA Release 2 had originally been identified as a Market Trial due to the plan to execute settlements. Following detailed planning, which is outlined in section 2.2.1 of this document, a number of constraints have been identified that will make running settlements very challenging for the November 2026 release market testing. As a result, we are proposing to remove settlements from market testing, reducing the need for direct AEMO coordination, and will instead proceed with an Industry Test for FTA Release 2.

1.3 Reference documents

The related documents mentioned in Table 1 are relevant to the industry testing strategy for FTA Release 2.

Table 1 FTA reference documents and web sites

#	Document name
1	2025 Flexible Trading Arrangements Consultation



#	Document name
2	Unlocking CER benefits through flexible trading AEMC
3	AEMO Flexible Trading Arrangements initiative site
4	AEMO FTA High Level Implementation Assessment (HLIA) final
5	MSATS SSPs Technical Specification Nov 2026
6	AEMO aseXML Schemas

1.4 Audience

This industry testing strategy is primarily intended for all NEM participants affected by the FTA Release 2 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 include:

- 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 testing objective, scope, assumptions, communications, data refresh requirements, test environment and indicative timeline for FTA Release 2.

2.1 Industry testing objective

Industry testing provides market participants with the opportunity to test their updated systems and processes against AEMO's updated systems for the November 2026 FTA release.

In relation to FTA Release 2, the overall objective of industry testing is: *To support industry readiness and confirm AEMO's and participants' preparedness for the FTA Release 2 go-live date.*

2.2 Industry testing scope

The scope of this industry test is to enable participants to verify the impact of the FTA Release 2 changes on AEMO's retail market systems, interfaces, standing data, procedures and participant processes relevant to flexible trading arrangements. This functionality will be deployed into the pre-production environment for participants to integrate with their relevant systems.

The Technical Specification documentation for FTA Release 2 [MSATS SSPs Technical Specification Nov 2026](#) combined with the respective Procedures should be considered as the source of truth and should be referred to for the detailed scope of Release 2.

2.2.1 November Release approach to settlements


Initially, AEMO planned to run settlements for the November Release Market Tests. Under normal circumstances, Settlements is run on retrospective billing weeks and we typically refresh pre-production and then run Settlements for settlement weeks prior to the refresh. This ensures that meter data and dispatch data is available for Settlements.

For the November release, each of the initiatives require settlements to be run prospectively, specifically for FTA, creation of Type 8 NMI / SSPs can't be done retrospectively.

In addition to the various project constraints, AEMO will need to perform another refresh of pre-production in the last week of August to accommodate settlement runs for the November Release Market Tests which will also presents conflicts to other initiatives, particularly PEC-MI Release 2.

Two options have been considered to resolve these constraints:

1. Run settlements prospectively for the November release:
 - o This will necessitate the creation of a process to copy meter reads for 12.5 million NMIs from Production to pre-production for each of the settlement runs. This would be a new approach in pre-production and would present risk to project timelines and to the Market tests themselves.

- 
- A process will need to be devised to create meaningful dispatch data for PEC-MI Release 2.
 - A pre-production refresh will be required in late August for this option which clashes with preparations for the PEC-MI Industry Test.
2. Don't run Settlements in pre-production for the November release but provide Participants with artefacts from testing in lower environments that demonstrate the impact of the respective changes.

AEMO has concluded that option 2 (not running Settlements) is the only viable option as AEMO believe the risks and complexity associated with running prospective settlements outweigh the risks associated with not running settlements in pre-production for the November release. As a result, Industry Testing for Release 2 will focus on the market, standing data, interface and process changes needed to support flexible trading arrangements.

AEMO is seeking feedback from Participants on this approach either through the Implementation Forum, the Industry Test Working Group (ITWG), or directly via the NEMReform mailbox NEMReform@aemo.com.au.

2.2.2 FTA Release 2 scope inclusions

The following retail market changes are expected to be in scope for FTA Release 2 industry testing:

MSATS and standing data

- **Secondary settlement point / Type 8 meter support** for FTA Release 2, including standing data updates and relationships required to establish and maintain flexible trading arrangements.
- **New Participant Role / Role Categories** to support Release 2 processes, including the PNSP (Premises Network Service Provider) role and the NMISP (National Metering Identifier Service Provider) role category used for the establishment and management of secondary settlement point arrangements.
- **Reporting enhancements** including changes to market reports and data quality outputs required to support Release 2 standing data, SSP relationships and monitoring activities, in particular updates to the RM29 report.
- **Change requests in scope** including the creation, maintenance and update of relevant Type 8 NMI, datastreams, participant roles and standing data required for flexible trading arrangements.
- **Participant interactions** across the Release 2 process set, including market role assignments, standing data maintenance and cross-participant transaction flows relevant to flexible trading arrangements.

CDR/CDP and reporting outputs


- Participants should validate the expected treatment of Release 2 standing data and output data in downstream reporting and data exchange outputs where applicable. In particular, SSP NMIs will be excluded from the CDR/CDP output results for Premises Connection Points (PCPs).

Registrations

PCPs with SSPs will not be eligible to provide Wholesale Demand Response (WDR).

Settlements

- Settlement processing is not in scope of the FTA Release 2 changes. However, AEMO will provide participants with sample customer statements demonstrating the implementation of subtractive metering



in the context of Type 8 meters. AEMO requests that participants provide any specific settlement scenarios that they would like to see covered by the sample statements.

MDM and settlements-related processing

- New or updated standing data and participant relationships introduced through Release 2 are expected to flow through standard downstream processing and should be validated during industry testing.
- Participants can validate the handling of FTA Release 2 metering, standing data and aggregation impacts in MDM and related reporting where applicable. Noting that the only reports available will be those that are not dependent on the settlements process, e.g.
 - RM9 – Actual vs Estimate
 - RM11 – Missing Data
 - RM26 – MDP Substitution & Estimation
 - RM37 – High Priority Missing Data
- The new RM53 Substituted Zero Settlement Report, which identifies SSP trading intervals where settlement values have been substituted to zero, will not be run in this Industry test as this is dependent on the PAE/Settlements process. However, AEMO will provide participants with anonymised copies of the RM53 from AEMO tests in lower environments so that participants can confirm the format and content of this report.

aseXML and schema changes

- FTA Release 2 includes aseXML schema changes to support FTA Release 2 market and B2B/B2M transaction updates.
 - Participants should move to aseXML schema version B2M r47 for the new attributes IsPCP and PremisesNMI fields, if they haven't already done so to accommodate the August 2026 release (Shortening the Settlement Cycle).
 - Participants can validate the applicable B2B schema version uplift from r46 to r48, new fields, enumerations and transforms required for Release 2 transactions and standing data.
 - Relevant B2B procedures, technical delivery specifications and related payload changes effective from 1 November 2026 should be considered in Participant test execution.
 - Where appropriate, install and test the corresponding version of the B2B Validation Module (EVM).

Participants should use the applicable Release 2 technical specifications and procedure versions published by AEMO as the basis for interface and transaction validation.

2.2.3 Scope exclusions

FTA Release 2 Industry testing scope exclusions include:

- AEMO will not run PAE and Settlements in this Industry Test. Participants will only be able to test against the RM reports outlined in section 2.2.2.

- Testing of any functionality not specifically associated with the FTA Release 2 changes, specifically PEC-MI Release 2, ISF Release 1.1b and Cash Security. These initiatives will be Industry tested from early October 2026 in the pre-production environment however they will be executed as separate tests and will be documented in a separate Industry Test Strategy.
- 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. These are addressed by participants' own test strategies.
- Participant-specific downstream business procedures and internal operating model changes.
- Accreditation activities required for participants intending to perform metering or secondary settlement services. These remain a dependency for operation of the arrangements but are managed through the relevant AEMO accreditation processes rather than through this 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 2 industry test will be conducted as follows:

- AEMO will deploy the FTA Release 2 market, standing data, interface and reporting changes prior to the industry test window.
- AEMO will conduct verification activities to validate the deployment before participant execution commences.
- Participants will execute their own testing of the relevant Release 2 transactions, standing data updates and participant role category interactions against pre-production.
- Participants should validate end-to-end data exchange, process handling, schema compliance and reporting outcomes relevant to their implementation scope.
- Cross-participant testing may be undertaken where bilateral coordination is required to validate FTA Release 2 process flows.
- AEMO will support participant testing through scheduled communications, issue management and regular reporting during the industry test period.

2.4 Assumptions

There are several key assumptions underpinning the industry testing strategy:

1. The FTA 2 rule remains voluntary and participation in the Release 2 industry test is therefore expected to be voluntary.

- 
2. AEMO will provide and maintain the pre-production environment used for FTA Release 2 industry testing phases.
 3. Any change linked to a procedural or technical specification change will be documented and published prior to the commencement of industry testing.
 4. As part of any changes to pre-production, AEMO will notify participants of outages or code changes and provide release information for those changes.
 5. A refresh of pre-production environments may be undertaken before Release 2 industry testing, with final scope and timing to be confirmed by AEMO.
 - Any relevant production snapshot dates and refresh content will be confirmed in participant communications.
 - Participants should plan on the basis that refreshed retail data may be used to support realistic execution of Release 2 test scenarios.
 6. AEMO will perform internal functional testing prior to releasing changes into pre-production for FTA Release 2.
 7. Participants will perform appropriate internal testing of their application changes prior to connecting to AEMO's pre-production environment.
 8. Participants will have appropriately skilled resources available for execution and support during industry testing.
 9. AEMO will provide support to investigate and resolve defects identified during industry testing, and participants engaging in testing will report defects to AEMO via the NEM Reform inbox NEMReform@aemo.com.au.
 10. Results from industry testing may be used by participants for their own assessment of operational readiness and go-live planning.
 11. AEMO will support participants to resolve connectivity issues within the pre-production environment.

2.5 Communication and Q&A session approach

Commencement of Q&A sessions will be aligned with industry test execution. These sessions will be used to support participant queries, clarify scope and timing, and discuss defects or execution issues.

- Scheduled Q&A sessions will be held regularly during the execution period for participants who seek clarification or discussion related to Release 2 Industry Testing.
- Meetings may be recorded for action tracking and follow-up purposes.
- Questions not answered during a session will be taken away and addressed through subsequent communications.
- Ad hoc meetings may be organised during business hours for issues that require prioritised attention.
- Latest defect updates, if any, will be communicated as part of AEMO's issue management and reporting approach.

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
2 to 3 times / week	<ul style="list-style-type: none"> FTA Release 2 Q&A sessions – September 2026 to October 2026 (dates TBC) Defect reporting via email & Q&A sessions 	AEMO and Participants
Ad hoc	<ul style="list-style-type: none"> Defect related meetings will be organised for the defects which need prioritisation Issues in accessing pre-production environment 	AEMO and Participants

2.6 Data refresh

At the time of publishing, AEMO is not planning on performing a pre-production refresh for the November release because AEMO is not planning on running settlements. If there is a requirement to run settlements in pre-production for the November release then a refresh will be required and AEMO will advise participants of the production source data timing, and implications for test execution through the usual participant communications.

2.7 Test environment: AEMO pre-production

AEMO will prepare and maintain the pre-production environment prior to the commencement of industry testing. Any testing-related support for FTA Release 2 in the pre-production environment will be provided during business hours. Support will be provided through the NEM Reform inbox and via scheduled Q&A sessions. Pre-production environment and access issues can also be raised through the relevant AEMO support channels.

2.8 Timeline

The timeline for FTA Release 2 industry testing will be confirmed through AEMO's release planning. Key milestones for FTA Release 2 are shown in Table 3 below.

Figure 1 FTA Release 2 project timeline

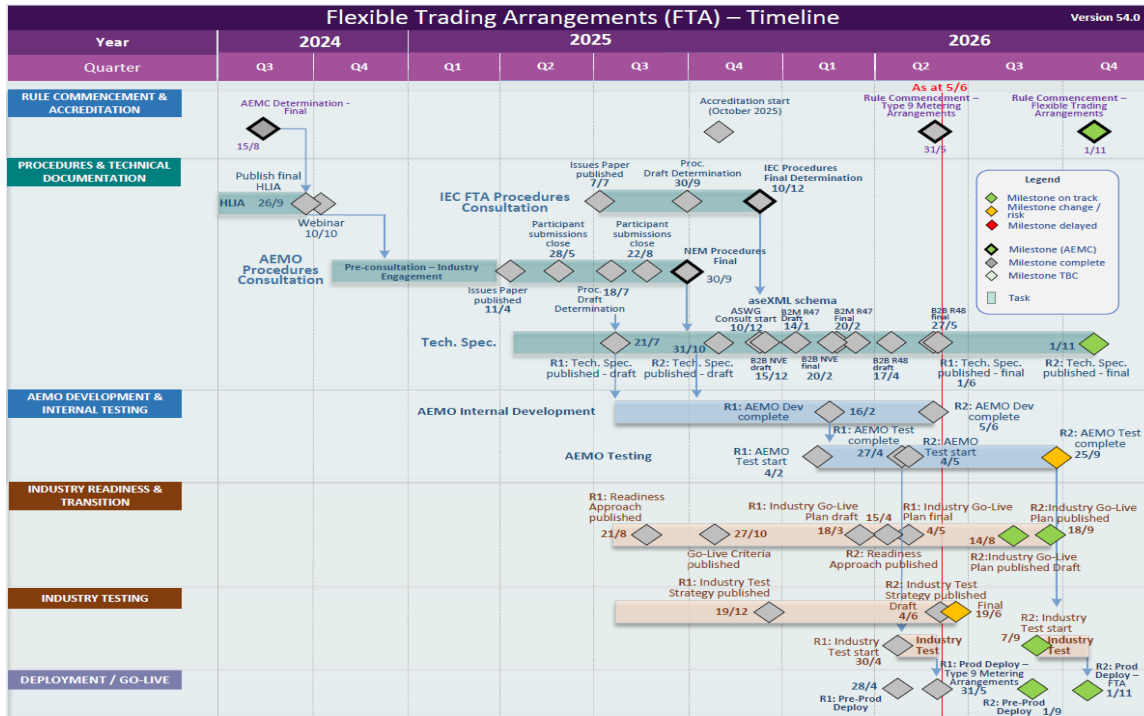


Table 3 FTA project milestones


Milestone	Date
FTA Release 2 Industry Test Strategy published (Final)	22-Jun-2026
Industry Go-Live Plan published - Draft (FTA Release 2)	14-Aug-2026
FTA Release 2 Pre-Production Deployment	1-Sep-2026 (TBC)
Industry Test start	7- Sep-2026
Industry Go-Live Plan published – Final (FTA Release 2)	18-Sep-2026
Industry Test finish	30-Oct-2026
FTA Release 2 Production Deployment	1-Nov-2026 (TBC*)
Rule commencement - Flexible Trading Arrangements	1-Nov-2026

*AEMO is considering bringing the production deployment date forward by 1 week (to Sun 25 Oct) to provide a contingency window and to avoid the November public holiday window. We are seeking industry feedback on this proposed deployment date.

3 Defect management

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

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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 defects to AEMO by sending an email to the 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 prioritised attention for resolution. Defects identified by Participants that are not a result of changes relating to this release 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. A defects report will be shared with participants following each Q&A session.

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. 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 respective Q&A presentation 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

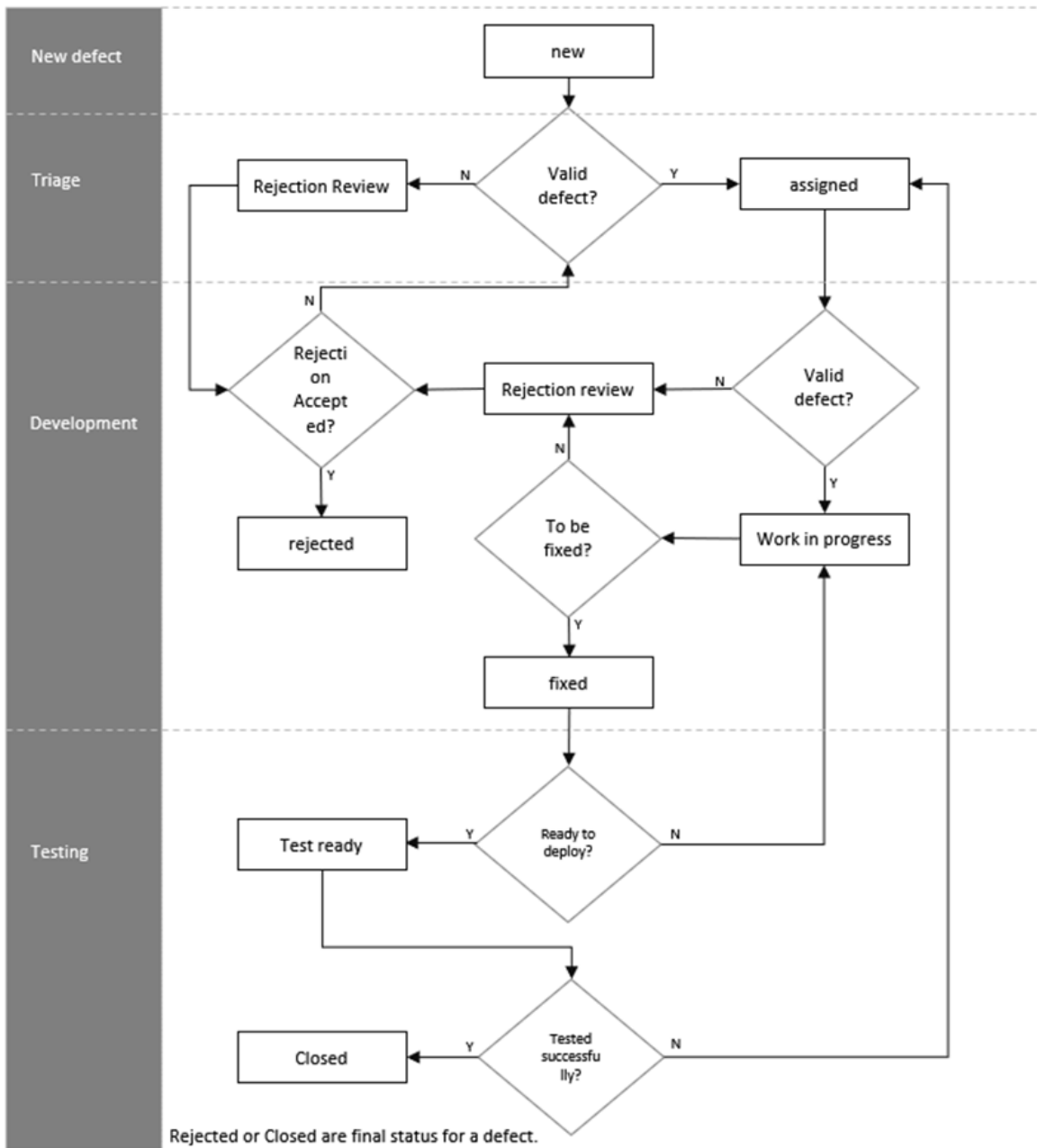
Defect Cause	Definition
Design	The design of the process does not meet the requirements specified. Defect may include examples, algorithm (incorrect calculation), error handling, creation/release of object or memory, decision logic error, loop control, procedure call, failing to validate data values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

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Figure 2 Defect management cycle



4 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
B2B	Business to Business
B2M	Business to Market
CATS	Consumer Administration and Transfer Solution
CER	Consumer Energy Resource
DNSP	Distribution Network Service Provider
EVM	Electricity Validation Module
FRMP	Financially Responsible Market Participant
FTA	Flexible Trading Arrangements
ISF	Improving Security Frameworks
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
PCP	Premises Connection Point
PEC-MI	Project Energy Connect – Market Integration
PNSP	Premises Network Service Provider
RoLR	Retailer of Last Resort
SSP	Secondary Settlement Point