



Cyber security roles and responsibilities consultation paper information sheet

The Commission is seeking stakeholder feedback on a proposal to confirm and clarify AEMO's cyber security roles and responsibilities

The Commission has released a consultation paper that seeks stakeholder feedback on whether clarifying and confirming AEMO's cyber security roles and responsibilities in the NER, including specific functions, would be beneficial to the industry.

In early 2024, the Commission received a rule change request from The Honourable Chris Bowen, Minister for Climate Change and Energy. The rule change proponent considers there is merit in clarifying and confirming identified cyber security roles and responsibilities to be performed by the Australian Energy Market Operator's (AEMO) to assist cyber security preparedness across the energy industry.

The proponent is seeking to confirm and clarify AEMO's role and responsibilities to ensure there is:

1. funding certainty for AEMO to fulfil the additional identified functions required to assist in maintaining and improving power system cyber security
2. clarity in the rules and clear guidance, leadership and accountability with respect to additional identified functions in the rules required to improve cyber security.

The proponent proposes to achieve this by:

- explicitly referencing cyber security in the NER as they relate to power system security
- including four additional cyber security functions in the rules to ensure a strategic and coordinated approach to cyber security.

Clarifying these specific cyber security functions within AEMO's existing role to maintain power system security would enable AEMO to recover costs for these preparedness services and confirm AEMO's immunity from liability for the delivery of these services.

AEMO can use its existing powers to respond to an actual cyber security incident, for example by issuing directions. The additional functions proposed for inclusion in the NER are focused on assisting to prevent cyber incidents and preparing the industry to respond if an incident does occur. The proposed additional functions in the rules would be facilitative and flexible. AEMO would not be able to impose new obligations on market participants as a result of those functions being included in the rules. NEM participants would retain sole responsibility and agency for ensuring their own cyber security needs are met.

The four proposed additional cyber security preparedness functions for the rules are:

1. **Cyber security incident coordinator** that would enable AEMO to plan and coordinate the NEM-wide response to a cyber incident affecting the energy sector.
2. **Supporting cyber preparedness and uplift** through ongoing stewardship of the Australian Energy Sector Cyber Security Framework, organisation testing and training exercises, and provision of guidance and advice to industry.
3. **Examining risks and providing advice to government and industry** that would see AEMO providing cyber security research and advice to governments on request, drawing on AEMO's unique energy expertise in their position as system operator.
4. **Facilitating the distribution of critical cyber security information to market participants** by acting as a distributor of cyber security information to the energy industry.

The rule change request notes that the estimated cost increase to do all four specific

functions set out above would be less than \$10 million per year, which is an increase of two per cent of AEMO's total participant fees. This would be on an ongoing basis, but the proponent considers that this is an estimate and the ongoing cost may change depending on the evolving cyber threat landscape and the resources required by AEMO to manage new and emerging threats accordingly over time.

We are interested in stakeholder views on the issues raised in the rule change request and the proposed solution.

Next steps

The AEMC requests submissions to the consultation paper by 18 July 2024. We will publish a draft determination for the rule change on 26 September 2024.

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