

Ms Anna Collyer
Chair
Australian Energy Market Commission
Submission by AEMC website ref: ERC0388

10 July 2024

Dear Ms Collyer,

Subject: Cyber security roles and responsibilities consultation paper

SA Power Networks welcomes the opportunity to provide feedback in response to the above consultation paper.

SA Power Networks is strongly supportive of the increased clarity of cyber security roles and responsibilities, to underpin the management of the significant and increasing cyber threats on critical infrastructure and customer energy services. These proposed changes recognise the increased threat levels, not just to individual participants, but to the National Electricity Market (NEM) and enable capabilities that were previously informal to be formalised and resourced. We also support that the proposal reinforces that each participant is responsible for their own cyber requirements as an integrated part of the whole. We also support the rule change intent to avoid duplication of activities across the government bodies with existing cyber responsibilities.

Establishing Cyber Security in the Rules

We strongly agree with referencing cyber security, as proposed, in the National Electricity Legislation and the National Electricity Rules - reflecting the increasingly fundamental role that cyber security plays in the delivery of secure and reliable energy services on an increasingly digitised and connected NEM.

Cyber Security Functions for the Australian Energy Market Operator (AEMO)

SA Power Networks commends and appreciates the activity that AEMO has undertaken to date, particularly as the cyber security incident coordinator and as the steward of the Australian Energy Sector Cyber Security Framework (AESCSF).

We support the formalisation of the AEMO roles as proposed with some refinements.

- **More regular updates to the AESCSF:** While AESCSF version 2 was released late in 2023, there are already components of the security profiles that we believe no longer reflect an adequate maturity level for the described market role (for example, SP-3 for a high criticality Distributor). Our 2025-30 Regulatory Proposal, submitted to the Australian Energy Regulator (AER) in January 2024, included a comprehensive risk analysis and described a significantly increasing cyber risk profile over the 2025-30 period. To manage this increasing risk, we need additional funding to be approved by the AER to increase maturity levels above AESCSF in some areas, and in some cases add capabilities not currently covered by the AESCSF. We

expect that having additional AEMO resources will provide the ability to keep the framework evolving at a pace more consistently aligned to the emerging risks across the NEM.

- **Proactive rather than reactive examination of risks and provision of advice:** In the consultation paper under function 3: *Examining risk and providing advice to government and industry* this activity is described as being “on request” (p ii). This falls short of providing adequate responsibility for AEMO to proactively deal with emerging threats. It would be advantageous to have a proactive, rather than reactive, responsibility in this function given the pace of change in both cyber security and the energy sector.

[Confidential information has been omitted for the purposes of section 24 of the Australian Energy Market Commission Establishment Act 2004 (SA) and sections 31 and 48 of the National Electricity Law.]

Efficiency

We expect the proposed cyber resourcing will be assessed independently, consistent with the requirements for similar levels of transparency and justification for the other regulated participants.

We look forward to continuing to engage with the AEMC as this rule change process continues and we would welcome the opportunity to meet with the AEMC to discuss these matters in more detail. In the meantime, if the AEMC has any questions on any aspect of our response, please contact Nathan Morelli, Head of Cyber Security and IT Resilience on 0417 351 761 or Nathan.Morelli@sapowernetwork.com.au.

A handwritten signature in black ink, appearing to read 'Chris Ford', with a long horizontal line extending to the right.

Chris Ford
Chief Digital Officer