

30 March 2026

Ms Rebecca Holland
A/g General Manager, Compliance and Enforcement
Australian Energy Regulator

By email: aercompliance@aer.gov.au

Dear Ms Holland,

AEMO submission to consultation paper – Updates to the AER’s Rebidding and Technical Parameters Guideline

AEMO appreciates the opportunity to submit to the consultation paper on updates to the Australian Energy Regulator’s (AER) Rebidding and Technical Parameters Guideline.

AEMO welcomes the AER’s efforts to evolve the guideline with the transitioning National Electricity Market (NEM), particularly by contemplating the future role of Voluntary Scheduled Resources (VSR), amongst other improvements.

The guideline performs a very important role in explaining to industry the expected practices for participants in bidding and rebidding. It plays an essential role in underpinning a secure and orderly market and is key to the performance of AEMO’s market forecasts.

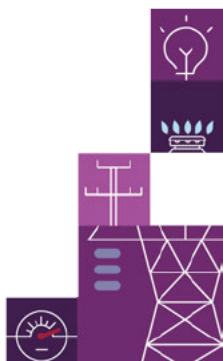
AEMO supports both the scope and broad intent of all of the considerations presented in the consultation paper. AEMO suggests investigating extending the guideline’s scope to cover wholesale demand response constraints rebidding.

The attached submission provides additional discussion in response to the listed questions.

Should you wish to discuss any aspect of our submission, please contact Hannah Heath, Group Manager, Strategic Market Reform [REDACTED].

Yours sincerely,

[REDACTED]
Violette Mouchaileh
Executive General Manager, Policy & Corporate Affairs



ATTACHMENT – Detailed submission

Question 1.

Are there any other items related to the IPRR rule change that may need to be addressed in the Guideline outside of those set out in sections 2.1.1 and 2.1.2, and if so, what are they?

Question 2.

Given the policy intent and broader benefits of the IPRR rule change, do you consider that it would be appropriate for the ‘other abnormal operating requirement’ categorisation to be used for VSRs in circumstances where the dispatch mode mechanism does not allow the accurate offering of VSR capacity during certain conditions (such as during a supply scarcity event)? Why?

Question 3.

Do you have any views on other ways in which this passive load issue could be addressed, for example, by rebidding a unit’s ramp rate down to zero if required?

AEMO Response to Q1-3

AEMO agrees with consultation paper’s consideration of VSRs and the approach presented. AEMO agrees with using fixed loading bid parameter to avoid a non-compliance arising where a VSR is dispatched into its passive load. The “other abnormal operating requirement” categorisation is a reasonable description of the issue.

AEMO prefers that a zero ramp rate is not used to resolve the passive load issue as it would complicate the provision of VSR bidding information in the predispatch timeframe.

It appears the term “dispatch mode” was used in the consultation paper to refer to what AEMO intends describes as “active mode”. AEMO interprets “dispatch mode” as an umbrella term that refers to VSR participation in central dispatch.

Question 4.

Does the Guideline need to provide greater detail in relation to establishing the MSOL of a unit, and if so, what further detail is required? What criteria should be used to evaluate a unit’s MSOL?

Question 5.

Would further specificity regarding the MSOL in specific conditions (for example, any time that a unit may need to be dispatched out of merit order to manage network constraints) be useful? If so, what specific guidance would be of use?

AEMO Response to Q4-5

AEMO welcomes the AER’s consideration of these matters, noting that it is becoming a progressively more significant issue given management of Minimum System Load (MSL) conditions. The suggestion of technical reporting appears appropriate. For example, AEMO conducted a similar activity when performing its 2025 Thermal Audit¹.

¹ See 3.5 of [2025-thermal-audit.pdf](#)

Question 6.

What additional guidance on ramp rates would be of use? Do you think the Guideline clearly explains that ramp rates should not be utilised to manage the commercial impacts of network constraints?

AEMO would support such a clarification.

Question 7.

What guidance (outside of reference to the ST PASA Procedures) would be beneficial in relation to the ST PASA Recall Period?

The consultation paper has proposed amending the guideline to be consistent with AEMO's ST PASA procedures. AEMO supports the intent but notes the procedures have a functional purpose and tone. For the purpose of a rebidding guideline, it may be better to incorporate a precis of the discussion presented in the ST PASA "Frequently Asked Questions"².

Question 8.

Do you consider additional guidance relating to the expectations for Market Participants utilising Auto-bidding software (including third party software) and for the third party-providers would be useful? If so, what guidance would be of assistance?

Question 9.

Do you consider there would be any benefit from adding additional transparency on the utilisation of Auto-bidding in a rebid reason? Why?

Question 10.

Explain whether the proposed methodology for receiving this information listed above would be effective in providing market transparency.

AEMO Response to Q8-10

Auto-bidding systems are becoming more prevalent in market operations. AEMO therefore supports AER's proposed explicit clarifications that rebidding rules continue to apply, and identification within the rebid reason when an algorithm was used.

Question 11.

How could the volume of battery rebids (particularly when we are seeing numerous rebids within the same dispatch interval) be reduced, whilst maintaining the necessary market integrity?

The NEM's bidding system architecture was developed in a different historical context of much fewer rebids. Rebids were manually entered and the need for active rebidding, e.g. to manage state of charge, was rare.

² <https://www.aemo.com.au/initiatives/major-programs/nem-reform-program/nem-reform-program-initiatives/st-pasa>

The frequent battery auto-rebids tend to only change a few, near-term, quantities in a large bid file. The legacy design however is inefficient for such rebids, as all the data in the full bidding horizon is restated with every re-bid. AEMO is concerned that as the rate of rebidding grows, it may stress and slow these systems. The appropriate responses could include:

- A limit on the number of rebids, particularly within a dispatch interval, regulated by this guideline.
- Upgrading of the bidding system architecture to the new conditions, noting this would take considerable time and industry cost.
- Incentives such as a small fee per rebid.

To form a view on the issue, AEMO suggests some initial backward-looking empirical evidence would be useful. As AER monitors rebidding, it could provide in the next stage of consultation analysis into:

- The average total number of rebids per day across the NEM over time.
- How these averages vary by technology.
- Whether there are some participants, presumably using certain auto-rebidding systems, who have notably higher rebids than otherwise similar technologies.
- Where there are multiple rebids in short succession, what is the nature and timeframe of the values that have actually changed.

Question 12.

Do you consider there are any changes to the requirements for the recording of contemporaneous notes for battery rebids that could be implemented to help to reduce regulatory burden whilst still providing necessary integrity?

Question 13.

What are your views regarding the utilisation of AI in Auto-bidding technology? What do you consider the potential benefits and harms as this technology becomes more utilised and sophisticated?

Question 14.

How can the AER ensure sufficient transparency and accountability of technology being utilised for bidding and rebidding?

Question 15.

What, if any, amendments to the NER are required to address the utilisation of AI in the bidding process?

Question 16.

Do you consider there are AI issues that are directly relevant to the Guideline which require it to be amended? If so, how?

AEMO Response to Q13-16

The risks that may arise from utilisation of AI in rebidding are difficult to predict. AEMO supports the AER's initial suggestions of model certifications and interruptibility. This is an area that AER will

need to monitor closely over time and may need to revisit the guidelines early as these risks crystallise.

AEMO also notes that the distinction posed in section 2.2.3 between algorithmic and AI auto-bidding may be difficult to make in practice. This is because learning algorithm elements have been present in many NEM systems, including some operated by AEMO, for many years. They are likely to be present to some extent in the auto-bidding systems that the consultation paper categorises as algorithmic.

It therefore may be necessary to apply the controls being considered to all auto-rebids.