To: AER

Date: 31st Mar 2026

Submitted via email to AERCompliance@aer.gov.au

Subject: AER consults on Rebidding and Technical Parameters Guideline

Iberdrola welcomes this opportunity to respond on key themes emerging within the NEM and how they may be framed within the AER's Rebidding and Technical Parameters Guideline. Responses to a selection of questions posed within the AER's consultation paper are provided below.

Ramp rate rebidding and the minimum safe operating level (MSOL)

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?

Iberdrola's view is that the description of MSOL set out within the Guideline is clear and reasonable. We would support the need for substantiation of MSOL through a technical or engineering report when a facility is bid below its minimum ramp rate.

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?

Times of network constraint are periods where natural unit dispatch below MSOL is likely to occur. The AER may seek to provide specific guidance on their expectations on bidding ramp rates below minimum ramp rate during times of network constraint, noting that the Guideline is already explicit on the expectations around timing of submitting and revising a zero ramp rate bid.

We note that the current Guideline potentially encourages unit inflexibility by allowing units with a high MSOL to dispatch outside of the merit order to a disproportionate degree.

Information in relation to ST PASA Recall Period

Question 7: What guidance (outside of reference to the ST PASA Procedures) would be beneficial in relation to the ST PASA Recall Period?

Helpful direction within the Guideline would be around:

- Providing explicit expectations on bidding recall period as the end of an outage is approached, or where recallability changes once an outage is commenced.
- Giving direction on the expectation of BESS in bidding recall period in relation to changing charge/discharge capability as their state of charge varies during normal operation.

Utilisation of Auto-bidding

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?

Iberdrola supports greater transparency and guidance around expectations when utilising Auto-bidding software. With consideration of the questions later posed in this consultation around AI, we consider it prudent that any third party provider of Auto-bidding software would be able to provide evidence of arrangements (ring-fencing) in place to ensure that unintended collusive behaviour between participants/assets bid on their behalf is appropriately managed, particularly when overarching AI is relied on to optimise performance. This should also cover scenarios of service outage where an independent operator may need to take manual action to bid and dispatch a fleet of competitive assets.

Similarly, we would support an explicit expectation that third parties/Market Participants have adequate oversight of Auto-bidding platforms, as well as appropriate levels of technical capability and support to be able to intervene with Auto-bidding software as may be required.

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?

Iberdrola has no issues with this approach, given that Auto-bidding platforms are presently reasonably transparent in their bid submission routines/syntax. This has the appearance of a low-effort change for improving transparency given the volume of bids submitted by Auto-bidding software. It would be prudent to distinguish whether this expectation would exist if the bid was automatically generated by an Auto-bidding algorithm, or whether a bid is 'pushed' by an operator via an Auto-bidding interface.

Rebidding of batteries/BESS

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?

There is benefit to BESS being able to revise their capability with a bid close to gate-closure within a dispatch interval if there is a significant or unexpected change in state of charge utilisation throughout an interval (e.g. due to an automatic frequency response). This can realistically modify a BESS' capability to participate within the prompt dispatch interval, so there is value in this revision from a power system operation and transparency perspective, as well as in terms of providing compliant, accurate offers (e.g. FCAS capacity). Furthermore, reflection of routine or unplanned changes in physical/technical parameters generally is a valuable function that Auto-bidding software can provide, for all technology types.

Nonetheless we are sympathetic to the technical challenge of accommodating the growing volume of rebids being submitted each dispatch interval. A possible consideration for reducing the number of bids being submitted by every dispatch interval may be to limit the number of rebids submitted per DUID to a maximum of two per dispatch interval for all registered markets (Energy and FCAS). It should be noted that there will be a trade-off between imposing a limit on the number of rebids able to be submitted, and the accuracy of rebids submitted as a whole. Further guidance may be to implement logic which prevents a rebid being submitted if there is no change in allocation from the most recently acknowledged rebid.

While batteries contribute a significant volume of bids within each dispatch interval, all technology types (especially when bid automatically) are contributing to this bid submission volume. As such we would expect that any requirements are applied to all technologies.

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?

Given that contemporaneous rebid logs are often managed by third-party providers, specific guidance from the AER may be useful in terms of defining contemporaneous log expectations, and how they may or may not differ from logs for rebids submitted via other means.

AI utilisation in the NEM

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?

As outlined in the response to Question 8, a potential harm identified is the potential for collusive behaviour where an uninhibited AI agent is optimising an otherwise disconnected fleet of assets.

Question 14: How can the AER ensure sufficient transparency and accountability of technology being utilised for bidding and rebidding?

The AER may consider requiring that a Market Participant or third party utilising such AI systems is at all times able to articulate an understanding of the objectives of the AI model and its subsequent actions. This intent should be defensible from the point of view of the Market Participant within the context of the Guideline. Furthermore, the AER may consider the value of requiring that human is available at all times to supervise and potentially override the AI model. These recommendations may be contemplated as possible amendments to the NER as proposed in Question 15 of this consultation.

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?

The language proposed on Market Participants being required to ensure that they do not engage in conduct that is false, misleading, or manipulative within a market or across markets reads as an appropriate expectation.

Contact Information

If you would like to discuss this submission, please contact Lewis Wand via [redacted].

Regards

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About Iberdrola Australia

Iberdrola Australia delivers reliable energy to customers through a portfolio of wind and solar capacity across the NEM. Iberdrola Australia also owns and operates a portfolio of firming capacity, including open cycle gas turbines, dual fuel peaking capacity, and battery storage. Our development pipeline has projects at differing stages of development covering wind, solar and energy storage. This broad portfolio of assets has allowed us to retail electricity to over 400 metered sites to some of Australia's most iconic large energy users.

Iberdrola Australia is part of the global Iberdrola group. With more than 120 years of history, Iberdrola is a global energy leader, the world's number one producer of wind power, an operator of large-scale transmission and distribution assets in three continents making it one of the world's biggest electricity utilities by market capitalisation.