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Australian Energy Regulator

Submitted via email: [AERCompliance@aer.gov.au](mailto:AERCompliance@aer.gov.au)

## **Updates to the AER's Rebidding and Technical Parameters Guideline – Consultation Paper**

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Regulator's (AER) Updates to the Rebidding and Technical Parameters Guideline ('Guideline') Consultation Paper.

We understand the AER's rationale in undertaking a broad review of the Guideline, given the scale of market developments and technological changes that have occurred and are emerging. Our comments on the key topics discussed in the Consultation Paper are provided below.

### **1. Standard amendments to give effect to the Integrating Price Responsive Resources (IPRR) Final Rule**

The proposal to update the Guideline provisions relating to ramp rates and late rebids to capture Voluntarily Scheduled Resources (VSRs) seems sensible and would be consistent with the intent of the Final Rule, namely that VSRs operating in central dispatch should face similar requirements to scheduled units.<sup>1</sup>

### **2. Ramp rate rebidding and the minimum safe operating level (MSOL)**

To improve the consistency of the Guideline the AER should align MSOL terminology in the Guideline with the generator performance standards in the National Electricity Rules (NER) which refer to a unit's "minimum operating level".<sup>2</sup>

Origin also considers the Guideline should be amended to clarify that the MSOL for an aggregated unit is the sum of the MSOL of all in-service units. Providing this guidance would support consistent interpretation of MSOL requirements and help to minimise any potential confusion.

Beyond these two changes, we do not consider any additional guidance is required in relation to either ramp rate rebidding or MSOL.

### **3. Utilisation of Auto-bidding**

Origin supports the distinction made by the AER between algorithmic auto-bidding and generative, machine-learning artificial intelligence (AI) systems.<sup>3</sup> Accordingly, we consider this distinction should also be reflected in a different level of regulatory treatment between the two, with a greater level of scrutiny afforded to AI systems given their inherent unpredictability, and a more measured approach applied to algorithmic auto-bidding.

The AER is considering updating the Guideline to convey its expectations around the use of auto-bidding services and proposes that *"Market Participants would need to ensure they have appropriate risk mitigation and management processes in place to ensure any utilisation of Auto-bidding is compliant"*

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<sup>1</sup> AEMC, *IPRR Final Determination*, 2024, p. 50.

<sup>2</sup> NER S5.2.5.11(a)

<sup>3</sup> AER, *Updates to the AER's Rebidding and Technical Parameters Guideline, Consultation Paper*, 2026, p. 11

with all legislative obligations”.<sup>4</sup> Whilst we support the need for risk mitigation and management in relation to auto-bidding, the reference to “all legislative obligations” appears to fall outside the NER-defined scope of the Guideline which is produced to assist participants in understanding how the AER will exercise its specific functions in relation to rebidding and technical parameters.<sup>5</sup>

We agree it could be beneficial for the market / AER / AEMO to have greater visibility of whether a rebid was submitted by an auto-bidder. The AER’s suggestion that “AB” is added to a rebid reason to denote an auto-bidder rebid would likely be an effective and simple solution. More broadly, we support an approach which builds on existing requirements rather than the creation of a separate, duplicative framework for auto-bidding which could create additional compliance burden relative to non-auto-bidders, leading to an inequitable regulatory environment.

#### 4. Battery Rebidding Behaviour

Batteries need to manage their state of charge to optimise their operations across multiple markets and different timeframes. While this requires batteries to make more rebids than conventional generating units, we do not consider this increase in rebids to be a concern for the market in and of itself.

Notwithstanding this, the volume of rebids could be most effectively reduced if AEMO could estimate batteries’ *Max Availability* for the next dispatch interval and 5 minute pre-dispatch based on the state of charge SCADA data it receives. This would help to decrease participants’ reliance on rebids to manage state of charge availability.

Relatedly, existing NER rebid record keeping obligations are based on human actions rather than automated processes. As such, it would be beneficial and timely for the Guideline to include guidance (including examples) on the recording of contemporaneous notes for automated battery rebids, noting the limitations of automated logic in providing detailed context for a late rebid.

#### 5. Utilisation of AI

The Consultation Paper references the risk that “AI algorithms may lead to the implementation of pricing strategies that closely resemble collusion, resulting in higher prices for consumers”.<sup>6</sup> We acknowledge this concern and reiterate that a higher level of scrutiny should be afforded to AI systems (relative to algorithmic auto-bidders) as they can generate an unpredictable result / output.

Given the emerging nature of such risks, the NEM Wholesale Market Settings Review recommended that “market bodies and the ACCC should develop a broader understanding of the risks and opportunities created by algorithmic bidding to inform regulatory responses”.<sup>7</sup> We understand the AEMC will be leading this work program and consider that it is premature for the AER to attempt to include comprehensive guidance in the Guideline in relation to AI until the AEMC’s broader examination of algorithmic bidding is completed.<sup>8</sup>

If you wish to discuss any aspect of this submission further, please contact Thomas Lozanov at

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Yours Sincerely,

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<sup>4</sup> AER, *Updates to the AER’s Rebidding and Technical Parameters Guideline, Consultation Paper*, 2026, p. 12

<sup>5</sup> NER cl. 3.8.3A(g), 3.8.19(b)(2) and 3.8.22(f).

<sup>6</sup> AER, *Updates to the AER’s Rebidding and Technical Parameters Guideline, Consultation Paper*, 2026, p. 14-15

<sup>7</sup> *NEM Wholesale Market Settings Review, Final report*, 2025, pp. 115.

<sup>8</sup> *NEM Wholesale Market Settings Review Recommendations – Implementation Pathways*, 2026 p. 3