SEC Energy Pty Ltd
Level 26, 2 Lonsdale Street
Melbourne Victoria 3000
secvictoria.com.au
ABN 31 670 408 134

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Attention: Ms Rebecca Holland
A/g General Manager, Compliance & Enforcement
Australian Energy Regulator
GPO Box 520
Melbourne, VIC, 3001

Submitted via email: aercompliance@aer.gov.au

Consultation Paper - Updates to the AER's Rebidding and Technical Parameters Guideline

SEC Energy Pty Ltd (SEC), a wholly owned subsidiary of SEC Victoria Pty Ltd, welcomes the opportunity to provide feedback to the Australian Energy Regulator (AER) regarding the proposed update to the AER's Rebidding and Technical Parameters Guideline – specifically to the questions relating to the use of auto-bidding and battery rebids.

SEC is a government-owned renewable energy company working to deliver renewable, affordable, reliable energy for all Victorians in three main ways:

- investing to deliver 4.5 gigawatts of renewable energy and storage by 2035;
- providing Victorian businesses and industry with retail and wholesale electricity solutions to help them decarbonise; and
- supporting households to go all-electric to reduce their energy bills and emissions.

As an owner and off-taker of storage assets, SEC agrees with the consultation paper's assertion that the National Electricity Rules (NER) were not designed for Batteries, Auto-bidding software, or use of Artificial Intelligence (AI), and do not clearly address how batteries and auto-bidders currently operate in the National Energy Market (NEM). SEC outlines its views below on the questions relating to the utilisation of Auto-bidding and battery rebids in AER's Consultation Papers.

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?

SEC considers additional guidance would be beneficial, particularly where it clarifies the minimum expectations for rebidding.

SEC's view is that expectations for third-party providers and clarity on the degree to which third-party providers should:

- Provide transparency of decision logic
- Support auditability of bids and rebids, including reasons.
- assist participants with interpreting NER requirements.

SEC also considers that illustrative examples of compliant versus non-compliant auto-bidding practices would materially assist interpretation.

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?

Yes, because SEC considers there would be improved interpretability of bidding behaviour. This would assist market participants and regulators to better understand whether rebid patterns are algorithm-driven versus manually determined.

Question 10: Explain whether the proposed methodology for receiving this information listed above would be effective in providing market transparency.

Yes. Including “AB” in the category code for a bid that has been made through an auto-bidder would be simple and effective.

Rebidding of batteries

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?

SEC’s view is that the volume of battery rebids could be reduced without compromising market integrity, particularly where a significant proportion of rebids do not result in materially different volume or price outcomes.

One potential approach is for the AER to provide clearer guidance on materiality thresholds for rebidding, including what constitutes a meaningful change in availability or price that warrants a rebid. Establishing such thresholds could discourage administrative or low-impact rebids while maintaining transparency and compliance with rebidding obligations.

Additionally, consideration could be given to streamlining requirements for contemporaneous rebid reasons in cases where multiple rebids occur within a single dispatch interval but reflect incremental or immaterial changes. This could reduce administrative burden without diminishing the quality of information available to the market.

Importantly, any measures introduced should not constrain the ability of batteries to accurately reflect changes in their physical capability, particularly state of charge, or to respond efficiently to dynamic price signals. Batteries play a critical role in providing fast-response flexibility, and regulatory settings should continue to support this functionality.

An alternative approach could be to remove the application of materiality thresholds for rebidding under BESS operations altogether and instead permit the use of a standardised rebid reason, such as “Autobidder Optimisation,” where bids are being dynamically adjusted by automated systems in response to changing conditions. This would better reflect the operational reality of battery dispatch while maintaining transparency through a consistent and well-understood rebid category.

Overall, reforms should aim to strike a balance between reducing unnecessary rebid volume and preserving the operational and economic signals that underpin efficient market outcomes.

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?

SEC considers there is scope to simplify contemporaneous note requirements to better reflect automated and high-frequency bidding environments. One way would be to allow a single contemporaneous note for all battery rebids to standardise the rebid reasons.

Thank you for the opportunity to share our insights on this important matter. We welcome the opportunity to brief you further in future. If you would like to discuss any aspect of SEC's submission, please contact us at [redacted]

Yours sincerely

[redacted]

Michael Wilson
Executive General Manager - Energy Markets