

## Meeting Agenda

<b>Meeting Title:</b>	Market Advisory Committee (MAC)			
<b>Date:</b>	Thursday 18 June 2026			
<b>Time:</b>	1:30 PM – 3:00 PM			
<b>Location:</b>	Online via TEAMS			
Item	Item	Responsibility	Type	Duration
1	Welcome and Agenda <ul style="list-style-type: none"> <li>Conflicts of interest</li> <li>Competition Law</li> </ul>	Chair	Noting	5 min
2	Meeting Apologies/Attendance	Chair	Noting	5 min
3	Minutes of Meeting 2026_05_07 <a href="#">Approved and published 11 June 2026</a>	Chair	Noting	2 min
4	Action Items	Chair	Noting	5 min
5	Update on Working Groups			
	(a) AEMO Procedure Change Working Group	AEMO	Noting	2 min
	(b) AEMO Major Projects Working Group	AEMO	Noting	5 min
	(c) Power System Security and Reliability Standards Review Working Group	Working Group Chair	Noting	10 min
	(d) Essential System Service Framework Review Working Group	Working Group Chair	Discussion	15 min
	(e) Capability Class 2 Technology Review Working Group	Working Group Chair	Discussion	15 min
6	WEM Effectiveness Review – Progress Update	Chair/Secretariat	Noting	2 min
7	Market Development Forward Work Program	Chair/Secretariat	Noting	2 min
8	Overview of Rule Change Proposals	Chair/Secretariat	Noting	2 min
9	General Business and free discussion with those attending	Chair	Discussion	20 min
	Next meeting: 30 July 2026			

Please note, this meeting will be recorded.

## Competition and Consumer Law Obligations

Members of the MAC (**Members**) note their obligations under the *Competition and Consumer Act 2010 (CCA)*.

If a Member has a concern regarding the competition law implications of any issue being discussed at any meeting, please bring the matter to the immediate attention of the Chairperson.

Part IV of the CCA (titled "Restrictive Trade Practices") contains several prohibitions (rules) targeting anti-competitive conduct. These include:

- (a) **cartel conduct**: cartel conduct is an arrangement or understanding between competitors to fix prices; restrict the supply or acquisition of goods or services by parties to the arrangement; allocate customers or territories; and or rig bids.
- (b) **concerted practices**: a concerted practice can be conceived of as involving cooperation between competitors which has the purpose, effect or likely effect of substantially lessening competition, in particular, sharing Competitively Sensitive Information with competitors such as future pricing intentions and this end:
  - a concerted practice, according to the ACCC, involves a lower threshold between parties than a contract arrangement or understanding; and accordingly; and
  - a forum like the MAC is capable being a place where such cooperation could occur.
- (c) **anti-competitive contracts, arrangements understandings**: any contract, arrangement or understanding which has the purpose, effect or likely effect of substantially lessening competition.
- (d) **anti-competitive conduct (market power)**: any conduct by a company with market power which has the purpose, effect or likely effect of substantially lessening competition.
- (e) **collective boycotts**: where a group of competitors agree not to acquire goods or services from, or not to supply goods or services to, a business with whom the group is negotiating, unless the business accepts the terms and conditions offered by the group.

A contravention of the CCA could result in a significant fine (up to \$500,000 for individuals and more than \$10 million for companies). Cartel conduct may also result in criminal sanctions, including gaol terms for individuals.

**Sensitive Information** means and includes:

- (a) commercially sensitive information belonging to a Member's organisation or business (in this document such bodies are referred to as an Industry Stakeholder); and
- (b) information which, if disclosed, would breach an Industry Stakeholder's obligations of confidence to third parties, be against laws or regulations (including competition laws), would waive legal professional privilege, or cause unreasonable prejudice to the Coordinator of Energy or the State of Western Australia).

### Guiding Principle – what not to discuss

In any circumstance in which Industry Stakeholders are or are likely to be in competition with one another a Member must not discuss or exchange with any of the other Members information that is not otherwise in the public domain about commercially sensitive matters, including without limitation the following:

- (a) the rates or prices (including any discounts or rebates) for the goods produced or the services produced by the Industry Stakeholders that are paid by or offered to third parties;
- (b) the confidential details regarding a customer or supplier of an Industry Stakeholder;
- (c) any strategies employed by an Industry Stakeholder to further any business that is or is likely to be in competition with a business of another Industry Stakeholder, (including, without limitation, any strategy related to an Industry Stakeholder's approach to bilateral contracting or bidding in the energy or ancillary/essential system services markets);
- (d) the prices paid or offered to be paid (including any aspects of a transaction) by an Industry Stakeholder to acquire goods or services from third parties; and
- (e) the confidential particulars of a third party supplier of goods or services to an Industry Stakeholder, including any circumstances in which an Industry Stakeholder has refused to or would refuse to acquire goods or services from a third party supplier or class of third party supplier.

### Compliance Procedures for Meetings

If any of the matters listed above is raised for discussion, or information is sought to be exchanged in relation to the matter, the relevant Member must object to the matter being discussed. If, despite the objection, discussion of the relevant matter continues, then the relevant Member should advise the Chairperson and cease participation in the meeting/discussion and the relevant events must be recorded in the minutes for the meeting, including the time at which the relevant Member ceased to participate.



## Agenda Item 4: MAC Action Items

Market Advisory Committee (MAC) Meeting 2026\_06\_18

Shaded	Shaded action items are actions that have been completed since the last MAC meeting. Updates from last MAC meeting provided for information in <b>RED</b> .
Unshaded	Unshaded action items are still being progressed.
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.

Item	Action	Responsibility	Meeting Arising	Status
1/2026	<p>AEMO to provide regular updates on proposals 4 and 5 from the Essential System Services (ESS) Framework Review.</p> <p><b>Proposal 4:</b></p> <p>AEMO to implement a monitoring program over a twelve-month period to track the amount of headroom and footroom available from unaccredited Facilities or non-dispatched FCESS Facilities to better quantify mandatory Primary Frequency Response (MPFR) availability to assess the level of Contingency Reserve Raise and Lower that could be provided from the inclusion of MPFR.</p>	AEMO	2026_02_11	<p><b>Open</b></p> <p>AEMO is assessing synthetic inertia under their Engineering Roadmap and Energy Policy WA (EPWA) will be reviewing the supplementary ESS mechanism to procure synthetic inertia.</p> <p>Following the publication of the ESS Information paper AEMO will provide regular updates to the MAC on proposals 4 and 5 from the ESS Framework Review.</p> <p>Proposals 4 and 5 from ESS Review will be retained in the action log for AEMO to provide regular updates.</p>

Item	Action	Responsibility	Meeting Arising	Status
	<p><b>Proposal 5:</b> AEMO to assess the suitability of Synthetic Inertia (RCS) from Battery Energy Storage Systems (BESS) in complementing synchronous Inertia from rotating machines, and consider potential barriers and suitable incentivisation for grid-forming BESS to provide such services.</p>			<p>AEMO to provide a preliminary update to the MAC on:</p> <ul style="list-style-type: none"> <li>Proposal 4 of the ESS Review at the 30 July 2026 MAC meeting and then at the first MAC meeting to be scheduled in 2027</li> <li>AEMO to provide an update on Proposal 5 under Agenda Item 5(d) at the 18 June 2026 MAC meeting.</li> </ul>
5/2026	MAC members to revisit the MAC schedule at the 18 June 2026 MAC meeting to decide whether an additional in person meeting will be held.	MAC members	2026_02_11	<b>Open</b>
7/2026	MAC members to provide any questions or concerns regarding Item 7 Attachment 1 (2026_03_19) to EPWA.	MAC members	2026_03_19	<p><b>Closed</b></p> <p>No comments were received and the item was closed at the 7 May 2026 MAC meeting.</p>
8/2026	AEMO to provide further information about why a DSP obligation period spanning two Trading Days is costly to implement.	AEMO	2026_05_07	<p><b>Closed</b></p> <p>AEMO's response to Action Item 8/2026 was provided 4 June 2026 and is below:</p>
<p><b>Summary:</b> AEMO will be required to make significant changes to its systems and processes to implement any split of the DSP Availability Hours into distinct windows. However, enabling the window to cross the Trading Day boundary breaks core assumptions built into our systems, and results in increased implementation and maintenance complexity, and – therefore – likely increased cost.</p>				

Item	Action	Responsibility	Meeting Arising	Status
<b>More detail:</b>				
<p>The Trading Day commencing at 8am and finishing at 8am the following day is a foundational assumption of the ESM Rules. This defined period is used throughout the ESM Rules with various concepts built on the assumption to avoid the need for special wording to account for edge cases that would otherwise need to be considered. For example, the Capacity Year commences at 8am and comprises only complete Trading Days. The same is true for Trading Weeks.</p>				
<p>The DSP Availability Hours window is also built on the assumption that it is contained within a Trading Day which affects the various processes that require the defined period to function (see list below). With the proposed change to split the window in two, AEMO will be required to review the impact to each of these associated functions to understand the impact of the change. This change in policy will involve considerable effort to revise the impacted systems and processes regardless of the time of the windows. However, the additional complexity of enabling the window to cross the Trading Day boundary invalidates a core assumption on which the systems have been built, and increases the effort to design, develop, and test the required validations and edge cases that ensure the WEM systems are robust and useable by AEMO and Market Participants.</p>				
<p>AEMO is still to complete its assessment of the required changes to understand the potential cost to implement. While all the same systems and processes will need to be modified to affect the policy change to enable a split window, the added complexity of cross-Trading Day windows would need to be factored in as additional.</p>				
<u>List of associated functions:</u>				
<ul style="list-style-type: none"> <li>• CRC applications</li> <li>• RCOQ</li> <li>• Relevant Level Method</li> <li>• LT PASA and ESOO modelling</li> <li>• ST and MT PASA</li> <li>• Registration (Standing Data &amp; Load Associations)</li> <li>• RC Testing</li> <li>• DSP RC Security</li> <li>• DSP Dispatch</li> <li>• Prudentials</li> <li>• Settlement</li> </ul>				

# MARKET ADVISORY COMMITTEE MEETING, 18 June 2026

FOR DISCUSSION

SUBJECT: UPDATE ON AEMO'S WEM PROCEDURES

AGENDA ITEM: 5(A)

## 1. PURPOSE

Provide a status update on the activities of the AEMO Procedure Change Working Group and AEMO Procedure Change Proposals.

## 2. AEMO PROCEDURE CHANGE WORKING GROUP (APCWG)

	Most recent meetings	Next meeting
Date	26 March 2026	July 2026
WEM Procedures for discussion at APCWG	<ul style="list-style-type: none"> <li>Reserve Capacity Security</li> <li>Certification of Reserve Capacity</li> <li>Settlements</li> </ul>	

## 3. AEMO PROCEDURE CHANGE PROPOSALS

The status of AEMO Procedure Change Proposals is described below, current as of 4 June 2026. Changes since the previous MAC meeting are in red text. A procedure change is removed from this report after its commencement has been reported, or a decision has been taken not to proceed with a potential Procedure Change Proposal.

ID	Summary of changes	Status	Next steps	Indicative Date
N/A	N/A	N/A	N/A	N/A

#### 4. INDICATIVE SCHEDULE OF AEMO PROCEDURE CHANGE PROPOSALS

AEMO has prepared an indicative schedule of its Procedure Change Proposals expected to commence shortly. Changes since the previous MAC meeting are in **red text**. Procedure Change Proposals that have commenced since the previous MAC meeting have been moved from Table 4 into Table 3 above. While every effort has been made to ensure the quality of the information contained in the indicative schedule, the content (including timeframes) may be subject to change (e.g. due to availability of staffing resources, unforeseen competing priorities etc).

<b>WEM Procedure</b>	<b>Summary of changes</b>	<b>Status</b>	<b>Next steps</b>	<b>Indicative date of next step</b>
WEM Procedure: Facility Registration Processes	AEMO will be initiating this Procedure Change Proposal to accommodate changes resulting from WEM Reform and the Wholesale Electricity Market Amendment (Miscellaneous Amendments No. 3) Rules 2024.	Drafting in progress	Consultation	TBD
WEM Procedure: MT PASA	AEMO will be initiating this Procedure Change Proposal to update the WEM Procedure arising from WEM Reform. This WEM Procedure outlines the information AEMO requires and the process it will follow in conducting the Medium-Term Projected Assessment of System Adequacy.	Delayed	Consultation	TBD
WEM Procedure: Forecast Unscheduled Operational Demand	AEMO will be initiating this Procedure Change Proposal to accommodate the amendments to the ESM Rules from WEM Reform. This new WEM Procedure documents how AEMO will prepare the Forecast Unscheduled Operational Demand.	Drafting in progress	Consultation	Jun 2026
WEM Procedure: Rule Participant Registration Processes	AEMO will be initiating this Procedure Change Proposal to update the WEM Procedure based on operational changes and to provide additional clarity on the process.	Drafting in progress	Consultation	<b>Aug 2026</b>
<b>WEM Procedure: Dispatch Algorithm Formulation</b>	<b>AEMO will be initiating this Procedure Change Proposal to update the WEM Procedure to reflect urgent changes undertaken by AEMO in late 2025 under clause 7.2.3 and to make further improvements based on operational experience and identified areas of uplift.</b>	<b>Drafting in progress</b>	<b>Consultation</b>	<b>Jun 2026</b>

WEM Procedure: Consumption Deviation Applications	AEMO will be initiating this Procedure Change Proposal to accommodate the amendments to the ESM (Tranche 9) Rules 2025, Schedule 3. This WEM Procedure specifies the process Market Participants must follow for submitting Consumption Deviation Applications, and the process AEMO must follow for assessing Consumption Deviation Applications.	Drafting in progress	Consultation	June 2026
WEM Procedure: Dispatch of Demand Side Programmes	AEMO will be initiating this Procedure Change Proposal to accommodate the amendments to the ESM Rules from the RCM Review. This WEM Procedure provides an overview of how AEMO will determine the dispatch of Demand Side Programmes.	Drafting in progress	Consultation	Jul 2026
WEM Procedure: Capacity Credit Allocations	AEMO will be initiating this Procedure Change Proposal to accommodate the amendments to the ESM Rules stemming from the RCM Review. This WEM Procedure provides an overview of the Capacity Credit Allocation process for AEMO and Market Participants.	Drafting in progress	Consultation	Jul 2026
WEM Procedure: Network Access Quantity Model	AEMO will be initiating this Procedure Change Proposal to resolve a potential issue that could arise under the NAQ methodology, in some edge cases.	Drafting in progress	Consultation	Jul 2026
WEM Procedure: Reserve Capacity Testing	AEMO will be initiating this Procedure Change Proposal to accommodate amendments to the ESM Rules from the RCM Review and Tranche 9 changes. Updates will be made to the process for DSP testing and re-testing, and it will clarify the consequences on a DSP or NGIS for failing a test or re-test (respectively).	Drafting in progress	Consultation	Jul 2026
WEM Procedure: Reserve Capacity Security	AEMO will be initiating this Procedure Change Proposal to accommodate the amendments to the ESM Rules from the RCM Review and Tranche 9 changes. Updates will be made to reflect the changes to DSP testing and to clarify the arrangements for drawing on RC security and assessment for Commercial Operation.	Drafting in progress	Consultation	Jul 2026

WEM Procedure: Dispatch Compliance	AEMO will be initiating this Procedure Change Proposal to accommodate changes to sub-clauses 2.13.7(b) and 4.11.1(c)(v), which commence on 1 October 2026. The changes require AEMO to monitor Market Participant compliance with clause 7.10.6B and document how it intends to do so in a WEM Procedure. Where a Market Participant does not comply with clause 7.10.6B, from 1 October 2026, changes to sub-clause 4.11.1(c)(v) prohibits AEMO from assigning Certified Reserve Capacity to the relevant Facility.	Drafting in progress	Consultation	July 2026
WEM Procedure: WEM Submissions	AEMO will be initiating this Procedure Change Proposal to clarify process explanations and to reflect the removal of 'Withdrawal' from DSP Profile Submissions in line with changes resulting from the Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025, Schedule 3.	Drafting in progress	Consultation	September 2026



## Agenda Item 5(b): Update on AEMO Major Projects Working Group

Market Advisory Committee (MAC) Meeting 2026\_06\_18

Responsibility	Type	Duration
AEMO	Noting	5 min

### 1. Purpose

This report to the Market Advisory Committee (MAC) sets out the latest activities of the AEMO Major Projects Working Group (MPWG) as required by 6.2 of the Terms of Reference for the MPWG.

### 2. Recommendation

That the MAC notes the latest activities of the MPWG:

- A MPWG meeting was hosted by AEMO on 22 May 2026. Topics presented and discussed at this meeting included updates to the WEM Implementation Roadmap, three Implementation Assessments and a process discussion outlining AEMO's materiality test for determining the need to produce Implementation Assessments.
- The Implementation Assessments presented were for the following AEMO projects:
  - WEM Public Data Uplift.
  - WEM Forecasting Improvements.
  - ST PASA.
- Highlights from the MPWG meeting included:
  - Kirsten Rose, AEMO's EGM WA and Strategy and the MPWG chair, introduced meeting four of the MPWG. Kirsten mentioned the MPWG forum continues to support programme optimisation, visibility and implementation, with both AEMO and stakeholders finding value in the additional transparency and feedback.
  - Andrew Smith (Program Director – WA Reform Program, AEMO WA) presented the third revised WEM Implementation Roadmap which is a full refresh to June 2029. Andrew mentioned regulatory milestones are expected to be met and expenditure tracking is very close to the approved \$35 million budget. Version 2 of the Roadmap is available on AEMO's [website](#), with Version 3 to be published soon.
  - Feedback and questions from members included:
    - A request for clarification of the changes to the Public Data on the currently published on AEMO's website. AEMO mentioned that the WEM

Public Data Uplift will result in additional CSV data being added to the Public Data website, and the data that is currently published will not be changed.

- Another member mentioned it would be useful from a Market Participant's perspective to have a Technical Guide available to provide a clearer description of what the published data is. AEMO thanked the member for feedback and mentioned this is something AEMO can take away for future releases on their public data site, and also mentioned the relevant Electricity System and Market Rule clause is listed against each published dataset.
  - A member asked if a supply and demand balance map might be published on AEMO's website to support public engagement. AEMO proposed that requests for additional information which might be valuable to add to the public data dashboard, could be considered by AEMO for future updates.
  - Another member asked if additional fields and displays, including Outages, would be displayed on the WEM dashboard. AEMO confirmed additional fields and displays, including Outages will be displayed on the WEM dashboard.
  - Another question was whether Project Jupiter was the only project that wasn't subject to an Implementation Assessment. AEMO responded that there are other recurrent projects that aren't appropriate for Implementation Assessments. These projects include collections of minor works to be undertaken.
- Draft Minutes from the May MPWG meeting will be emailed to MPWG Members near or on 5 June 2026.
  - Final Minutes and Meeting Papers will be published on AEMO's website near or on 12 June 2026.
  - The Final Implementation Assessments for the WEM Public Data Uplift and WEM Forecasting Improvements will be published on AEMO's website in the coming weeks.

### 3. Background

- The MPWG was established by MAC under clause 2.3.17 of the Electricity System and Market (ESM) Rules and section 9 of the MAC Constitution.
- The objectives of the MPWG as set out in the MPWG final Terms of Reference, which were accepted by MAC on 1 May 2025, are to:
  - provide increased visibility, transparency and accountability for AEMO's Major Projects
  - encourage greater engagement between AEMO, government and industry, and
  - seek advice on the WEM implementation roadmap.
- Major Projects refer to projects of relative significance that deliver changes to AEMO's processes and systems.

### 4. Next Steps

- The next MPWG meeting is scheduled to take place in August 2026.



## **Agenda Item 5(c): Update on the Power System Security and Reliability Standards Review**

Market Advisory Committee (MAC) Meeting 2026\_06\_18

### **1. Purpose**

The MAC Secretariat to provide an update on the Power System Security and Reliability (PSSR) Standards Review (the Review).

### **2. Recommendation**

That the MAC notes the update on the Review.

### **3. Background**

The Department of Energy and Economic Diversification (DEED), in consultation with the Australian Energy Market Operator (AEMO) and Western Power, has been progressing reforms through the Review.

The purpose of the Review is to implement the Energy Transformation Taskforce's recommendation to develop a consistent, single end-to-end PSSR standard for the South West Interconnected System (SWIS) with a centralised governance framework under the Electricity System and Market (ESM) Rules.

The MAC established the PSSR Standards Working Group to support the Review in November 2023. The Terms of Reference, papers and minutes for the PSSR Standards Working Group meetings are available on the relevant [webpage](#). Further information on the Review, including the Scope of Work are available on the Review [webpage](#).

A Technical Working Group consisting of DEED, AEMO and Western Power was also established to provide technical input to the Review.

### **4. Review process and outcomes**

As part of the review process, DEED published a Consultation Paper in [June 2025](#), followed by a Western Power Consultation Paper in [December 2025](#). Together, these papers included proposed reforms intended to:

- reduce barriers to connection for emerging technologies by clarifying grid-forming (GFM) inverter technical requirements and refining performance standards to better recognise the capabilities and operational characteristics of modern inverter-based-resources (IBRs) (proposals 6-11); and
- establish a coordinated system strength framework for the SWIS, including clearer roles, responsibilities and processes for identifying and addressing current and forecast system strength shortfalls (proposals 12-16).

Between February and April 2026, DEED conducted a series of workshops with AEMO and Western Power to assess stakeholder feedback on the Western Power Consultation Paper. These workshops considered the merits, implementation considerations and system security implications associated with stakeholder submissions.

In parallel, DEED also considered stakeholder submissions relating to the proposed SWIS System Strength framework.

## 5. Next Steps

### Information Paper and Exposure Draft to implement the Review outcomes

DEED, in consultation with AEMO and Western Power is currently preparing an Information Paper outlining the final Review outcomes and an Exposure Draft to implement the proposed reforms consistent with the proposals in the June and December 2025 Consultation Papers.

Key outcomes include:

#### Technical requirements for Grid-following (GFL) and GFM IBRs

- revised short-circuit ratio withstand capability requirements;
- clarified voltage phase-angle jump response requirements, including thresholds and expected responses;
- clarified active and reactive current behaviour during and after contingencies;
- disturbance ride-through requirements for multiple disturbances occurring in quick succession;
- commencement time requirements for reactive current injection;
- requirements relating to damping of power system oscillations; and
- an instability detection mechanism to support the detection and management of inverter-based instability within agreed performance standards.

#### SWIS System Strength framework

- a revised System Strength definition to better capture locational considerations, and the need to reflect both steady state operation and disturbance conditions;
- establishing the roles and responsibilities of AEMO, Western Power and the Coordinator of Energy (Coordinator) in maintaining system strength, including forecasting system strength shortfalls and procuring services to address these;
  - a Forecast and Planning Coordination Group (the Group) to improve consistency of forecasting input assumptions across the Coordinator, Western Power and AEMO;
  - requiring the Group to develop a methodology for determining a 10-year fleet capacity outlook annually;
  - assigning responsibility for determining the fault level requirements at Transmission Nodes, using a published methodology and publishing any forecast shortfalls in system strength requirements; and
  - a centralised planning and investment function for system strength.

### Additional work required

In parallel to the above work, DEED will continue progressing the remaining proposals outlined in the June 2025 Consultation Paper, as well as additional targeted measures intended to complement and build on the broader policy outcomes of the Review.



## **Agenda Item 5(d): Update on the Essential System Services Framework Review**

Market Advisory Committee (MAC) Meeting 2026\_06\_18

### **1. Purpose**

The Chair of the Essential System Services (ESS) Framework Review Working Group (the Working Group) to provide an update on the ESS Framework Review (the Review).

### **2. Recommendation**

That the MAC notes:

- that the Information Paper on the outcomes of the Review is in the process of being finalised;
- AEMO's update on Action Item 1/2026 – Proposal 5 from the Review (Attachment 1); and
- EPWA's proposal to commence a review of the SESSM (Attachment 2).

### **3. Background**

- In accordance with Section 3.15 of the Electricity System and Market (ESM) Rules, the Review is assessing whether the existing ESS framework is effective to ensure power system security and reliability can be maintained at the lowest cost to consumers as the energy transition continues.
- The MAC established the Working Group to support the Review. The Terms of Reference, papers and minutes for the Working Group meetings are available on the Working Group [webpage](#). Further information on the Review, including the Scope of Works are available on the Review [webpage](#).
- On 10 November 2025, the Department of Energy and Economic Diversification (DEED) – published a Consultation Paper that outlined the 5 proposed Review Outcomes to ensure that the framework for Frequency Co-optimised Essential System Services (FCESS) is operating efficiently to ensure power system security and reliability can be maintained at the lowest cost to consumers.
- Of the 5 Review Outcomes, only Proposal 1 required ESM Amending Rules. The rule change to relax the Rate of Change of Frequency (RoCoF) Safe Limit, to reduce unnecessary market intervention by AEMO and the resulting energy uplift payments, was included in the ESM Amendment (Tranche 9) Rules 2025 and commenced on 26 February 2026.
- Proposals 2 and 3 require AEMO to update and publish the technical and operational guidelines relating to FCESS quantification and dispatch processes (Proposed Outcome 2) and to review the inputs, parameters and assumptions for the Dynamic Frequency Control Mode (Proposed Outcome 3).
- Under Proposed Outcomes 4 and 5 AEMO is to:

- implement a monitoring program to track the amount of headroom and footroom available from unaccredited Facilities or non-dispatched FCESS Facilities to better quantify mandatory Primary Frequency Response (Proposed Outcome 4); and
  - further investigate the suitability of synthetic inertia from Electric Storage Resources (ESR) in complementing synchronous inertia from rotating machines (Proposed Outcome 5).
- At the MAC meeting on the 11 February 2026, AEMO took an action to provide regular updates on the Proposed Outcomes 4 and 5. AEMO's update on Action Item 1/2026 is outlined below:

#### **4. AEMO Update for Proposed Outcome 5**

- AEMO has concluded an initial phase of assessment and considers that application of synthetic inertia is suitable to complement synchronous inertia and could provide benefit to the Wholesale Electricity Market by:
  - directly enabling participation of ESR with grid-forming inverter (GFM) capability in the RoCoF Control Service market; and
  - strategically positioning the South West Interconnected System (SWIS) to benefit from ongoing and emerging developments in grid-forming capability.
- AEMO has also determined that there are no further learnings to be gained through power system simulation, isolated trials and speculative analysis. Further development through to commercial application requires online deployment and the accumulation of experience with GFM capability under real power system conditions (Phase 2).
- AEMO, therefore, proposes to undertake a Pre-Operational Deployment of synthetic inertia in the SWIS over the next 18 months to gain experience in managing synthetic inertia in a real-world operational context.
  - Attachment 1 provides more information on the status of the assessment and proposed steps under Phase 2.
- Following the MAC meeting, AEMO will provide a more detailed update to the ESS Review Working Group and seek feedback ahead of progressing to the industry consultation phase of any prospective deployment.

#### **5. Review outcome regarding the Supplementary ESS Mechanism**

- The Review noted that areas of the SESSM framework required further investigation following development and publication of relevant SESSM processes and specifications in a Procedure required under clause 3.15A.46 of the ESM Rules. AEMO published this procedure on 28 January 2026.
- Following AEMO's assessment that synthetic inertia is suitable to complement synchronous inertia, further work is required to consider potential barriers in the inertia market and whether the existing Supplementary ESS Mechanism is suitable for use.

#### **6. Next Steps**

A meeting of the ESS Framework Working Group will be scheduled at a date to be confirmed.

## **Attachment**

- (1) Agenda Item 5(d) – Attachment 1 – Assessment of synthetic inertia suitability for the SWIS – AEMO presentation slides
- (2) Agenda Item 5(d) – Attachment 2 – SESSM Review – DEED presentation slides

# AEMO assessment of synthetic inertia suitability for the SWIS

Phase 1 report to the Market  
Advisory Committee

June 2026





# Context and Purpose

- AEMO has completed an initial phase of assessment following the Proposal 5 recommendation in the ESS Framework Review to:

***“Assess the suitability of synthetic inertia (RoCoF Control Service) from Battery Energy Storage Systems (BESS) in complementing synchronous Inertia from rotating machines, and consider potential barriers and suitable incentives for grid-forming BESS to provide such services.”***

# Phase 1 outcomes

The first phase of assessment concludes:

- Application of synthetic inertia is suitable and beneficial to the WEM, for both:
  - direct benefit in enabling contributions of inertia-equivalent quantities to the RoCoF Control Service market; and
  - strategic benefit in positioning the SWIS for ongoing and emerging developments in grid-forming (GFM) capability.
- However, AEMO has determined:
  - Further progress through power system simulation, isolated trials, and speculative analysis is exhausted.
  - Further development to commercial application requires online deployment and accumulation of experience with GFM capability under real power system conditions.

# Phase 2 Proposal

AEMO is seeking to undertake a Pre-Operational Deployment of **Synthetic Inertia in the SWIS (Deployment)** over the next 18 months to:

1. Gain operational experience in managing Synthetic Inertia in a real-world context; and
2. Support EPWA in determining whether a review of the SESSM Framework is required.

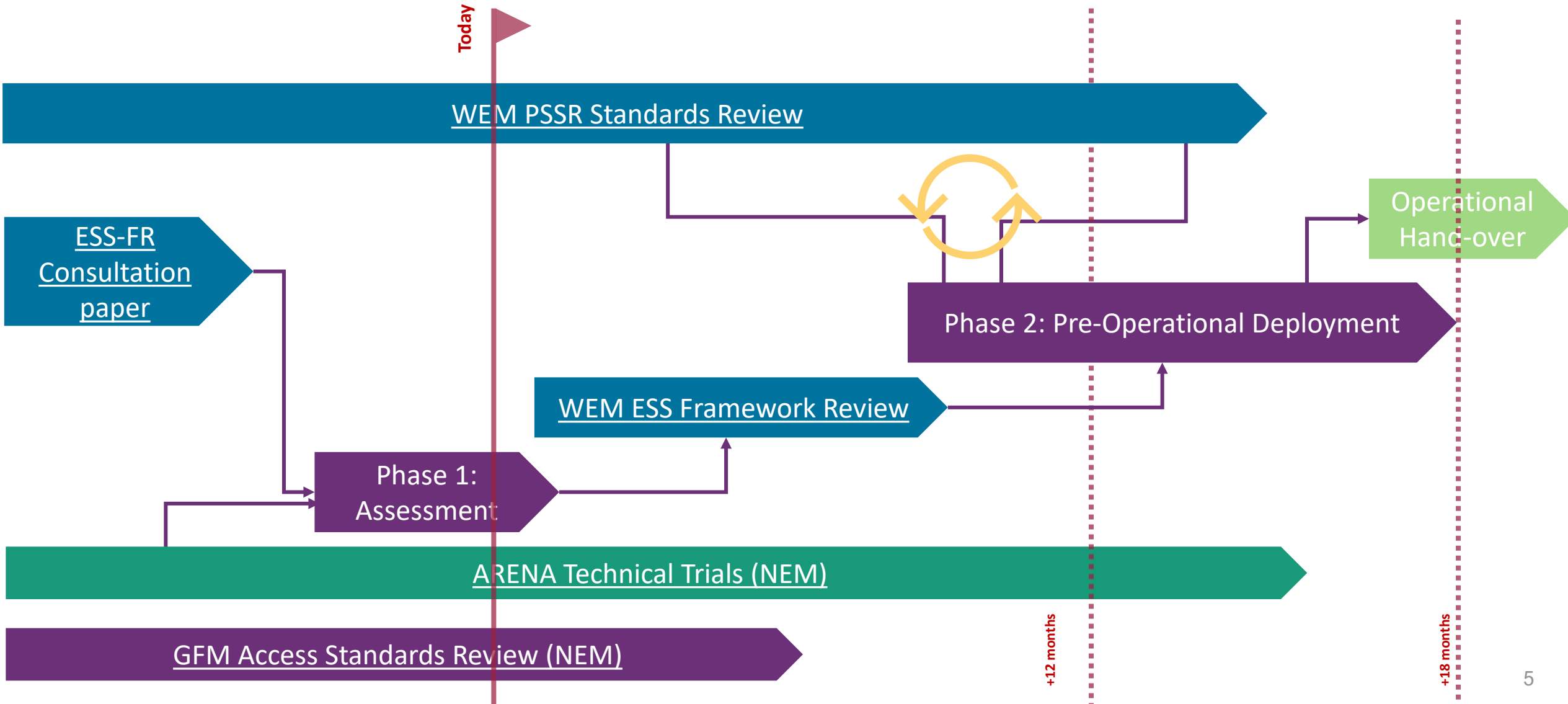
The Deployment would:

- Fulfil the requirements of Proposal 5 from the ESS Framework Review.
- Require industry consultation and support to connect GFM facility (or facilities).
- Support and align with the outcomes of the PSSR Standards Review currently underway.
- Be guided by the input of the ESS Review Working Group and MAC.

Full details of the Phase 1 outcomes and Phase 2 proposal to be submitted to the ESS Framework Review Working group for consultation

# Context and timeline

## Proposed Deployment concept



# Deployment Overview

This initiative seeks to operationally deploy **Synthetic Inertia** at a small number (1-3) of Facilities across the SWIS. If successful, the activity would become an enabling activity in facilitating Synthetic Inertia services in the SWIS/WEM.

Over an 18-month period, the critical sequence of activities are:

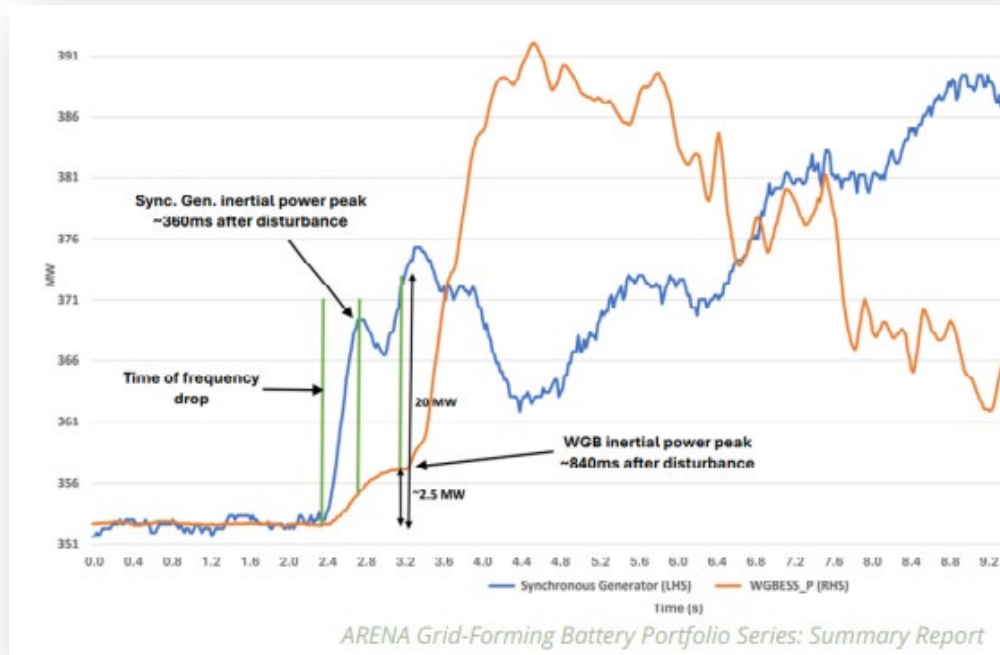
1. Consult with EPWA and industry to confirm support for the proposed approach, including:
  - Options for participation in the deployment, and align longer-term outlook for market development;
  - Clear regulatory positioning and scope under SWIS connection requirements;
  - Specific logistics to satisfy SWIS operational security requirements and overall risk controls.
2. Selection and operational agreement with Facility participants
3. Progressive online deployment and staged testing of capabilities
4. Delivery of final technical report and, if successful, recommendations for Facility accreditation and market integration.

The specific application of synthetic RoCoF Control is only a medium-priority driver; the primary objective is **strategic positioning** of SWIS for investigation and potential deployment of more advanced GFM capabilities (AEMO-led or otherwise)



# Background and Motivation

# “Synthetic” Inertia



2023 trial observation of online delivery of synthetic inertia from the Wallgrove (50 MW / 75 MWh) project in NSW.

Images from the [ARENA knowledge share report](#).

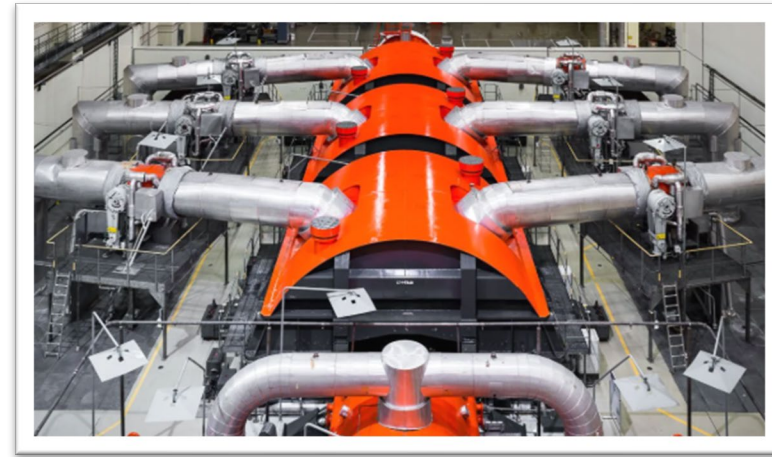
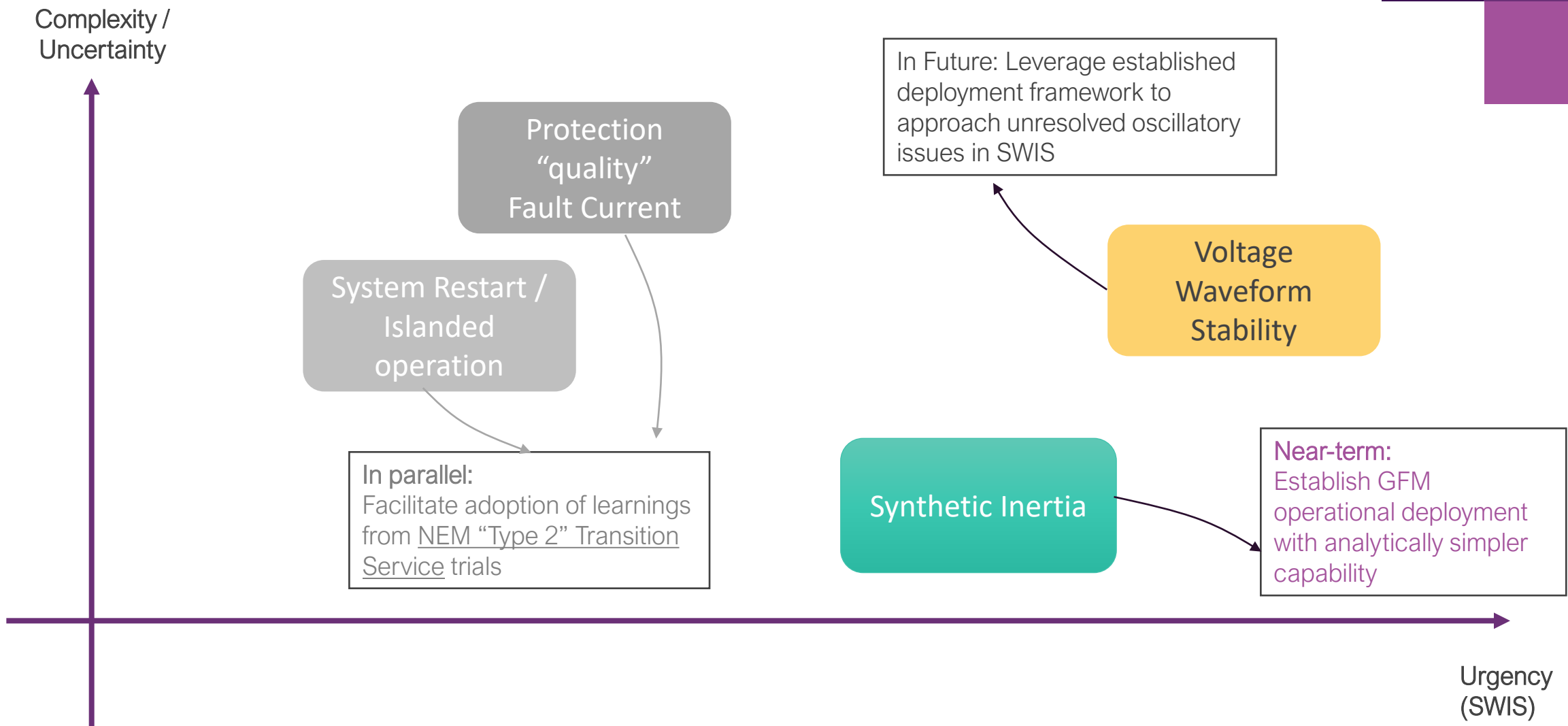
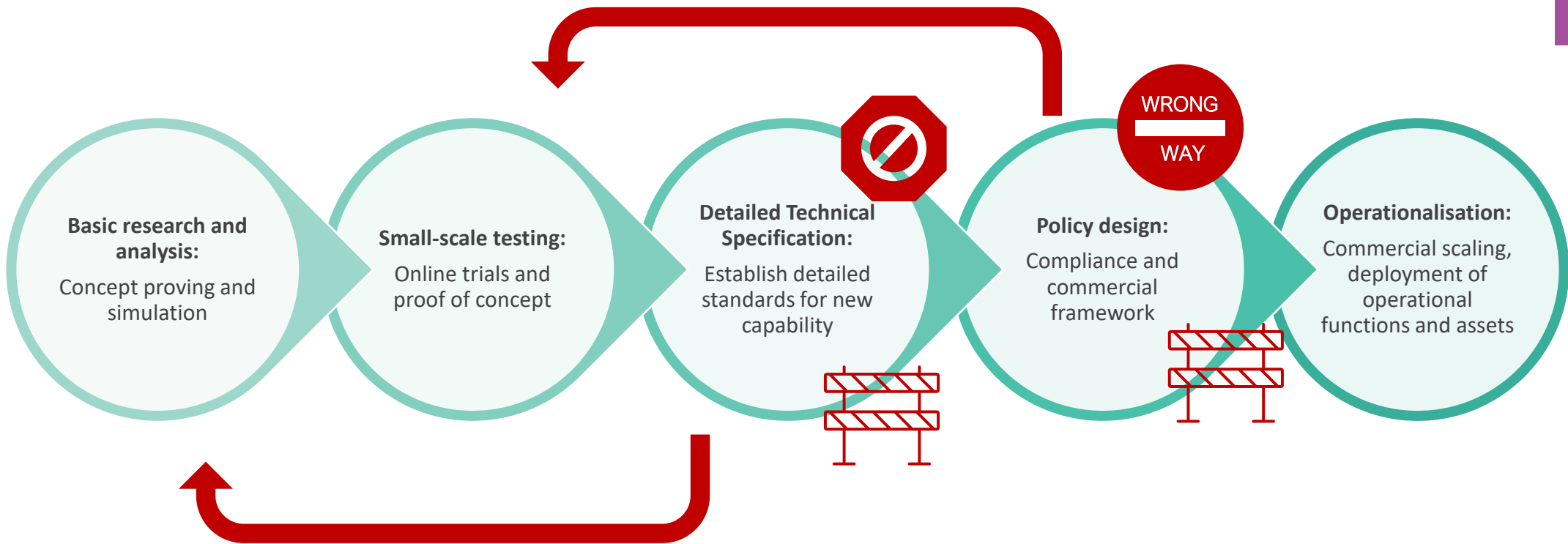


Photo 1 – Wallgrove BESS looking towards Sydney West 330/132kV Substation

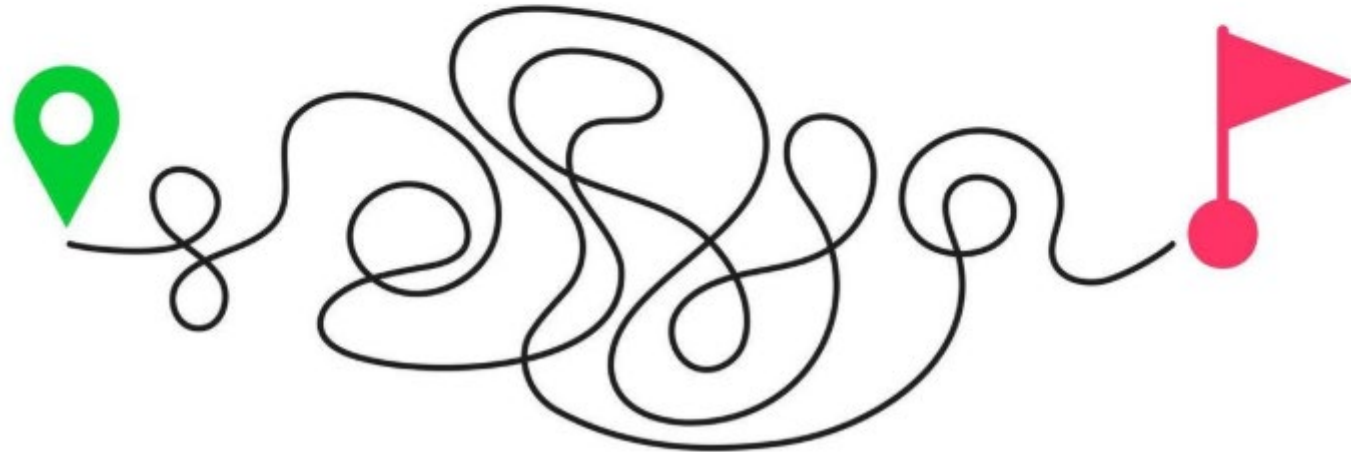
# Simplified GFM capability taxonomy



# Simplified straw-person process: Idealised introduction of new technology



In practice, the path is only simple and direct in *hindsight*.  
(or we wouldn't be here)



In practice, the path is only simple and direct in *hindsight*.  
(or we wouldn't be here)

# Engineering Uncertainty: The effect

## Dilemma in planning for Grid Forming Capability

### System and transmission operators:

Cannot rely on experimental technology when system security is at stake, must rely on proven approach (e.g. Synchronous condenser)

**(100's \$M, 3-5+ years lead time)**



### Grid Forming operators / advocates:

System operators are risk-adverse and conservative; innovative technology can resolve issues far more cheaply.

**(Not liable for system security consequences)**

# Energy Transition: Strategic Options Summary (AEMO Viewpoint)

Option	AEMO Risk Exposure	AEMO capability and obligation	SWIS impact to energy transition	SWIS cost impact and/or delivery risk
Do Nothing	5	1	4	1
Operational constraint and intervention	3	1	3	1
Prevent or delay synchronous closure	3	3	4	2
GFM Reliance	3	3	3	2
Synchronous Investment	2	4	1	5
Synthetic inertia deployment	1	1	3	1

**1 = BEST**  
**5 = WORST**

# Reference Case: Queensland System Strength

Powerlink: Queensland [System Strength Project Draft Assessment Report \(December 2025\)](#)

- 11 GW System (WEM 4.5 GW)

“...A key issue for Powerlink (and the industry more broadly) is the extent to which grid-forming BESS can be relied on to contribute to minimum fault level requirements. A minimum level of system strength is required to support a number of critical system services, including (but not limited to) maintaining the stability of IBR, satisfactory operation of protection systems, and stable switching of voltage control devices. **Powerlink does not have sufficient knowledge or experience of how the power system would behave if grid-forming BESS replace the existing synchronous generators to meet minimum system strength requirements in the near term.** As a result, Powerlink does not consider them to be technically feasible for this application at this time...”

Table 3: NPV of the portfolio options (2023 dollars, millions)

Portfolio	Description	Costs		Gross economic benefits			Net economic benefit	Rank
		Capex	Opex	Wholesale Market Benefits + emissions	Avoided USE*	Syncon Losses**		
1	Balanced Technology	-\$2,047	-\$363	\$917	\$3,090	-\$66	\$1,532	2
1A	Balanced Technology (BESS in Min.)	-\$2,712	-\$445	\$1,508	\$3,090	-\$60	\$1,381	3
2	Synchronous Condensers	-\$1,720	-\$282	\$636	\$3,090	-\$65	\$1,660	1
3	Clutched Gas Turbines	-\$2,336	-\$433	\$1,089	\$3,090	-\$64	\$1,347	4
4	Pumped Hydro Energy Storage	-\$5,149	-\$530	\$3,111	\$3,090	-\$50	\$473	5

Indicative WEM cost: **\$670M / 130M**  
(40% benchmark)  
At planning proposal

# SWIS Deployment: No Regrets

The Deployment is insufficient to carry the energy transition, but:

- Low-cost and low-risk
- Readily achievable within current framework
- Will strategically improve a GFM reliance option

The deployment activities must occur irrespective of the pathway to the first GFM facilities in the SWIS

The SWIS fundamentally cannot progress to tackling system strength issues without first resolving deployment risks



Synergy 200 MW / 800 MWh Kwinana BESS 2, connected in 2024 as Grid Following under present SWIS regime.



For more information visit  
[demo.com.au](https://demo.com.au)



Department of  
**Energy and Economic  
Diversification**

# SESSM Review

18 June 2026

# Recap of Proposed Outcome 5

## AEMO to progress an assessment of synthetic inertia

“Assess the suitability of synthetic inertia (RoCoF Control Service) from Battery Energy Storage Systems (BESS) in complementing synchronous Inertia from rotating machines, and **consider potential barriers and suitable incentives for grid-forming BESS to provide such services.**”

AEMO has determined that the application of synthetic inertia is suitable and beneficial to the WEM, and is seeking to undertake a Pre-Operational Deployment (POD) of synthetic inertia in the SWIS

# SESSM Review

## The ESS Review's Scope of Work included a review of the SESSM which did not go ahead

- The SESSM Review was initially in the scope of the ESS Framework Review. It was subsequently deferred to allow time for the development and publication of relevant SESSM processes and specifications in a Procedure (clause 3.15A.46).
  - AEMO published this procedure on 28 January 2026
- Next steps should include investigation of:
  - Barriers to participation, such as changes to the definition of inertia to include non-synchronous inertia.
  - If the SESSM framework can be used and/or amended to bring in synthetic inertia, as an additional RoCoF service, once required.

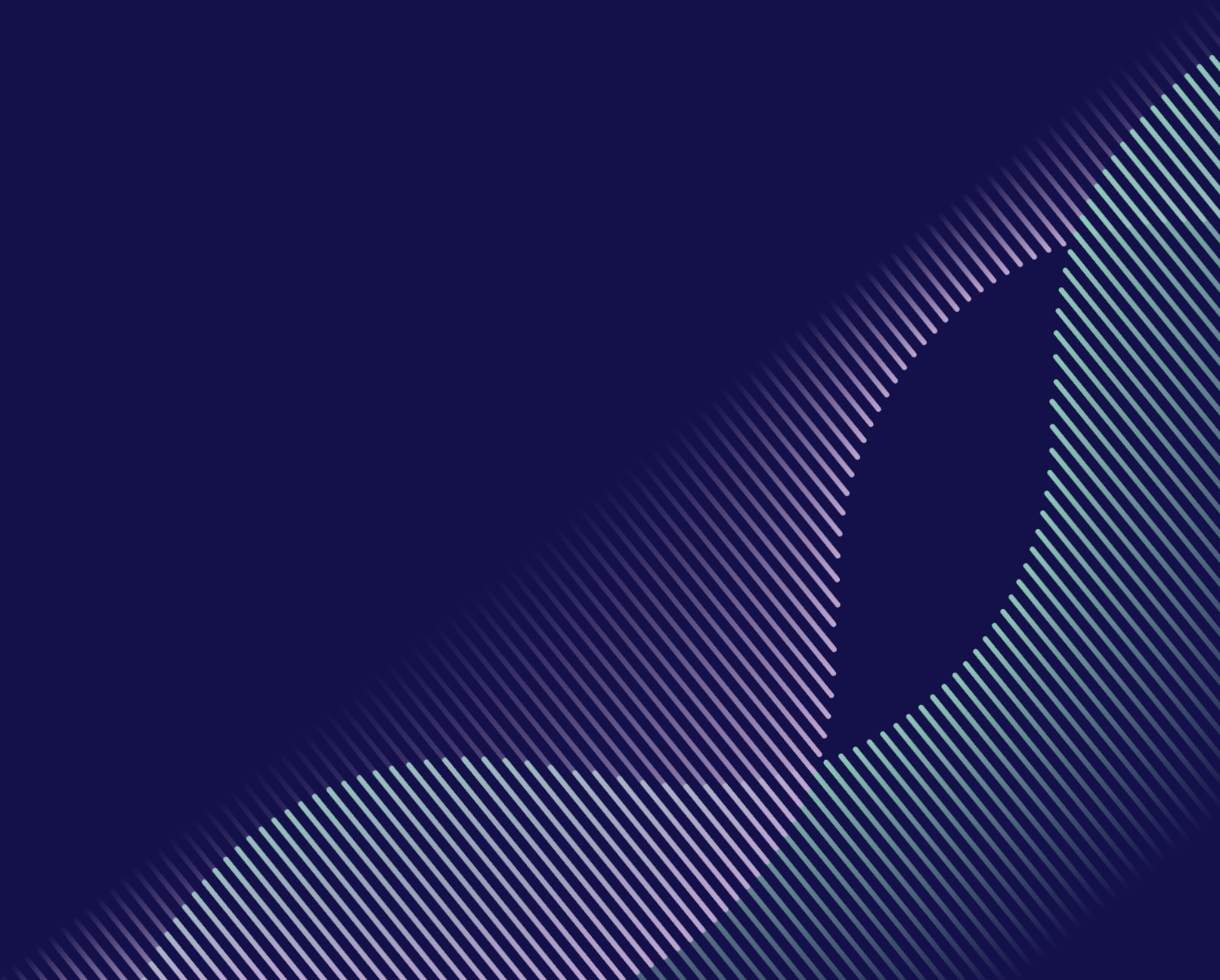
### Discussion question:

Should EPWA move forward with a review of the SESSM?

Pros	Cons
<ul style="list-style-type: none"> <li>• Would confirm whether the SESSM is fit for purpose to procure synthetic inertia, including whether the associated triggers, procurement specifications and processes are appropriate, and, if not, what amendments are required to accommodate it.</li> </ul>	<ul style="list-style-type: none"> <li>• Resourcing and effort.</li> <li>• Optimal timing – whether the result of the POD should be made available first; unclear when the synthetic inertia service will be required.</li> </ul>



Department of  
**Energy and Economic  
Diversification**





## **Agenda Item 5(e): Update on the Capability Class 2 Technologies Review**

Market Advisory Committee (MAC) Meeting 2026\_06\_18

### **1. Purpose**

The Chair of the Capability Class 2 Technologies Review Working Group (the Working Group) to provide an update on the Capability Class 2 Technologies Review (the Review).

### **2. Recommendation**

That the MAC notes the:

- update provided in the paper; and
- draft minutes from the 23 April 2026 Working Group meeting.

### **3. Background**

The Coordinator of Energy (Coordinator) must review several Electricity System and Market (ESM) Rules provisions related to energy and availability limited resources in accordance with section 4.13B of the ESM Rules. Under clause 4.13B.2 of the ESM Rules, the first review must be completed by 1 October 2026.

The MAC established a Working Group at the 24 July 2025 MAC meeting to support the Review. The Terms of Reference, papers and minutes for the Working Group meetings are available on the relevant [webpage](#).

Further information on the Review, including the Scope of Works are available on the Review [webpage](#).

### **4. Addressing MAC Feedback**

The last Working Group meeting was held on 23 April 2026.

The MAC discussed the outcomes of the Working Group meeting at its 7 May meeting.

The following changes to the proposals have been made to address the feedback provided by the MAC.

#### **AEMO directing Electric Storage Resources (ESR) charging**

- Some MAC members raised concerns that if AEMO is responsible for directing ESR charging it is possible for an ESR to be insufficiently charged through no fault of its own and still face penalties.
- In response to these concerns, it is no longer proposed to specifically enable AEMO to issue charging directions during declared Lack of Reserve-State of Charge (LOR-SOC) mandates.
- The time cut offs for the LOR declarations should provide sufficient time for ESRs to reach the required charge levels.

### **Demand Side Programme Obligation Duration**

- Some MAC members questioned whether the proposed 8:00 am to 12:00 pm window is early enough to meet system needs.
- In response to these concerns, the Consultation Paper will seek stakeholder feedback on the following options for this window:
  - 8:00am to 12:00pm window on all Business Days; or
  - 4:00am to 8:00am window on all Business Days.
- An option that spans two Trading Days is not included due to the higher implementation costs associated with that approach indicated by AEMO.
- A three-window option (8:00 am to 10:00 am, 2:00 pm to 10:00 pm, and 6:00 am to 8:00 am) on a single Trading Day creates greater dispatch and notice period complexity, so it is not being considered.

### **New Charge Shortfall Refund**

- An additional refund mechanism is proposed for ESR to apply only during an LOR-SOC mandate, avoiding unnecessary adverse impacts on other technology types.
- A refund mechanism that minimises implementation costs was discussed with AEMO.
- To simplify the implementation effort, under the proposed refund mechanism during a SOC mandate the standard refund rate will be doubled for ESR.

### **Bidding changes**

- Concerns have been raised by the MAC and the Working Group about how ESR participants can structure their offers to comply with the LOR-SOC mandate.
- In response to these concerns, it is proposed that when LOR-SOC declarations apply, ESR can submit zero-quantity injection offers / withdrawal bids for energy outside of their ESR Obligation Intervals.

## **5. Next Steps**

DEED is currently drafting a Consultation Paper to seek stakeholder feedback on the proposed Review Outcomes. A draft of the paper will be provided to the MAC for comments prior to its publication.

## **Attachment**

- (1) Agenda Item 5(e) – Attachment 1 – 23 April 2026 Capability Class 2 Technologies Review Working Group - Draft Minutes



## Capability Class 2 Technologies (CC2T) Review Working Group - Minutes

<b>Date:</b>	23 April 2026
<b>Time:</b>	11:00 AM – 12:35 PM
<b>Location:</b>	Microsoft Teams online

Attendees	Representing	Comment
Dora Guzeleva	Chair	
Rebecca Pedlow-Collins	Australian Energy Market Operator (AEMO)	
Natalia Kostecki	AEMO	
Oscar Carlberg	Alinta	
Francis Ip	BLT Energy	
Siam Bhuiyan	Enel X	
Richard Cheng	Economic Regulation Authority (ERA)	
Noel Schubert	Expert Consumer Panel	
Warren King	Frontier Energy	
Max Collins	Neoen	
Bobby Ditric	NewGen Power Kwinana	
Patrick Peake	Perth Energy	
Darren Gladman	SMA	
Sumeet Kaur	Shell	
Rhiannon Bedola	Synergy	
Mark Mckinnon	Western Power	Proxy for Paul Jones
Other attendees	From	Comment
Richard Bowmaker	Robinson Bowmaker and Paul (RBP)	Consultant appointed to assist with this review
Sue Paul	RBP	
Eija Samson	RBP	
Jeremy Claudius	AEMO	Subject Matter Expert
Sean McAvoy	Energy Policy WA (EPWA)	Secretariat
Luke Commins	EPWA	Secretariat



## Apologies

Paul Jones	Western Power	
Peter Huxtable	Water Corporation	
Kaavya Jha	Tesla Motors	
Dale Waterson	Merredin Energy	
Clement Ng	IGO	
Jake Flynn	Collgar Renewables	

### 1. WELCOME

The Chair opened the meeting with an Acknowledgement of Country.

The Chair noted the Competition and Consumer Law Obligations of the Working Group members.

The Chair advised members that:

- it was expected that this would be the last meeting of the Working Group before the consultation paper is drafted and released for public consultation; and
- the issues discussed in this meeting will be presented at the Market Advisory Committee meeting on 7 May 2026.

### 2. MEETING APOLOGIES AND ATTENDANCE

The Chair noted the attendance as listed above.

### 3. MINUTES OF MEETING 2026\_03\_26

The Chair noted that the minutes had been approved out of session and published online.

### 4. MINUTES OF MEETING 2026\_04\_02

The Chair invited comments on the draft minutes, and no concerns were raised by members.

The Chair noted that the approved minutes will be published on the [website](#).

### 5. ACTION ITEMS

The paper was taken as read.

### 6. POLICY POSITIONS

Ms Paul presented slides 4 to 11.

- Mr Collins noted that in systems with high solar capacity, solar output can drop rapidly before the Electric Storage Resource (ESR) Obligation Intervals (ESROIs). In such conditions, fast-responding Facilities are needed to maintain system stability. He asked whether the analysis had considered whether thermal generation can respond quickly enough to prevent ESRs from discharging prematurely and losing full charge.

In response to Ms Paul's question about Facilities certified for Flexible Capacity providing the response, Mr Collins noted that ESRs would likely also be certified for Flexible Capacity.



- In response to Mr Collins, Mr Claudius explained that:
  - 100% SOC would only happen if the system was severely under stress and it is likely that a SOC mandate of less than 100% will be issued; and
  - AEMO has observed that, during periods of system stress, the load is already relatively high, meaning the load is not ramping rapidly. As a result, the increase from the trough to peak is relatively modest, and significant ramping challenges are unlikely.

The Chair explained that:

- the proposed State of Charge (SOC) mandate is expected to occur infrequently and only when AEMO requires a certain SOC to meet the peak demand;
- there is no default SOC level, but it should not be assumed that it is always 100%; and
- it is proposed to allow an exception when an ESR is directed to discharge by AEMO.
- Mr Collins asked whether:
  - enough time would be provided to allow ESRs to charge beforehand;
  - the direction would require an ESR to bid at the Energy Offer Price Ceiling to ensure it is not discharged prematurely; and
  - the Electricity System and Market (ESM) Rules already provide this ability to AEMO.
- Mr Claudius stated that AEMO aims to provide as much notice as possible for ESR to achieve the required SOC, but this is dependent on system stress conditions.

The Chair responded that:

- the declaration applies only to an ESR's upcoming ESROIs;
- it is proposed that AEMO must provide the declaration by 8:00am on the Trading Day;
- bidding issues are for the ERA to consider; and
- in her view, the current ESM Rules do not provide AEMO with explicit power to direct. She noted that AEMO encountered some pushback during the recent hot season when intervening to maintain an appropriate ESR SOC. Consequently, the proposal seeks to formalise AEMO's ability to issue SOC mandates and provide greater transparency for Market Participants.
- Mr Collins noted that the event described in Action Item 2/2026 caused the Neoen ESR to suffer a loss, and these events and further ESM Rule changes increase the risk of operating in the WEM, which already has a higher risk relative to the National Electricity Market (NEM).

The Chair stated that previous analysis undertaken showed that an ESR can recover all of its fixed costs in the Reserve Capacity Mechanism (RCM). However, she acknowledged that this may not happen if the Reserve Capacity Price is lower due to capacity oversupply.

- Mr Schubert agreed that the SOC mandate should apply in Lack of Reserve (LOR) circumstances, but noted that with coal retiring, growing ESR capacity and gas limited by pipeline constraints, regular system stress is likely. This increases reliance on the ESR fleet, to the point where a fleet-level SOC may be needed just to support normal operations. Therefore:



- ESR certification may need to be based on deliverable energy, i.e., megawatt-hours, rather than duration; and
- operationally AEMO requires flexibility to dispatch ESR as there may be periods outside of the ESR Obligation Intervals (ESROIs) when ESR is required for system reliability;
- Ms Pedlow-Collins responded that there are two limbs of the linear derating method for certifying ESR capacity, which looks at the maximum charge capability divided by the applicable duration.

The Chair noted that:

- the RCM is based on the one-in-ten peak event, and changing that is not under discussion;
- AEMO reviews the ESR Duration Requirement yearly to determine what is required to achieve the Reserve Capacity Target;
- in the event of forecasted shortfall, AEMO can manually intervene, but the aim is to avoid frequent manual interventions; and
- significant flexible gas capacity exists within the WEM that is available when coal retires.

In response to Mr Collins, the Chair stated that the Significant Incident Report for the 25 August 2025 event has yet to be published. However, when pipeline line pack is consumed unexpectedly it cannot be replaced quickly. So, there is a physical constraint for the pipeline to keep line pack at an adequate level in a system stress event without sufficient pre-warning.

Ms Paul presented slides 12 to 19 and noted that:

- the analysis on slide 12 used Monte Carlo simulation. With nine reference years and 20 iterations, each trading interval is simulated 180 times. As a result, when the charts show light blue, it reflects only a very small number of occurrences and cannot be used to infer a credible trend; and
- on slide 13, after 2030 the model assumes capacity stays flat while demand keeps rising, which artificially creates large amounts of unserved energy. It is likely that the RCM would drive new capacity, so this outcome is not realistic.

The Chair clarified that the obligation on slide 19 is for Business Days and the question is about whether the Demand Side Programme (DSP) must nominate all the loads it plans to use on all days, or whether it can nominate different loads for different days.

- Ms Pedlow-Collins explained that AEMO raised this question to better understand the potential implementation costs, as it is difficult to estimate these without first knowing what AEMO would be required to deliver.
- Mrs Bedola noted that to nominate different loads for different days likely adds complexity and, with the requirement that a DSP is behind the same Transmission Node Identifier (TNI), it likely restricts load flexibility.

The Chair noted that it is better to align the proposal with the current ESM Rules, where a DSP can nominate all the loads, and if it wants to change the associated loads, it can make another submission up to the proposed deadline.

Ms Paul presented slide 20.



In response to Mrs Bedola, the Chair clarified that:

- this proposal only applies to loads that have been through the certification process, and it is not proposed to extend this to an aggregated DSP certified under clause 4.10.1B of the ESM Rules;
  - if a DSP aggregator under clause 4.10.1B cannot fulfil its obligation, this imposes a need to replace that capacity; and
  - the ESM Rules can be drafted to require evidence of a genuine load exit from the system.
- Mr Bhuiyan questioned why a load less than five megawatts that has gone through the Certified Reserve Capacity (CRC) process (and is not under clause 4.10.1B) is not included within the proposal.
  - Ms Pedlow-Collins responded that if smaller loads in aggregation were considered, then it would likely be administratively costly for AEMO.

The Chair explained that:

- the threshold was chosen to reflect a material impact on system demand;
  - threshold changes can be considered when drafting the ESM Rules; and
  - applicants can choose to include a single TNI in the certification process rather than seek an exemption under clause 4.10.1B. However, the applicant will not receive capacity credits if that TNI is constrained in the Network Access Quantity (NAQ) model. Constrained TNIs are only relevant in the applicable capacity year for DSP aggregations certified under clause 4.10.1B.
- Mr Carlberg noted that the proposal:
    - undermines the purpose of the security and he saw no reason why DSPs should be treated differently to other capacity when managing external risk factors; and
    - may impact capacity investment signals, as DSPs may go through the certification process with loads only to then exit in the Capacity Year.

The Chair explained that:

- the exit of supply capacity impacts the market differently than the exit of demand. When a certified supplier exits the market, AEMO uses the security deposit to procure Supplementary Capacity (SC) to replace the lost supply to service market demand. Conversely, when a load exits the market, that demand ceases to exist and no longer needs to be served; and
  - the certification process is based on what a load was withdrawing in the previous summer, providing visibility.
- Mrs Bedola noted that:
    - the proposal should only apply to existing loads and not prospective loads; and
    - if a load exits the market after the Reserve Capacity Target has already been set, the remaining consumers will face higher costs to cover the shortfall.



The Chair noted that barriers exist for loads participating in a DSP and that further feedback can be provided after the publication of the consultation paper.

Ms Paul assumed that the remaining slides had been read and asked for comments on the proposed SOC obligation.

- Mrs Bedola noted that Market Participants require clarity across the ESM Rules, WEM Procedures and ERA guidelines to comply with the new requirements.
- Mr Peake queried whether the LOR-SOC would apply for periods where there are days of low renewable energy generation, which would likely impact the ability of ESRs to charge. In this scenario, there may be periods outside of the ESROIs when ESRs discharge is required to service the demand.
- Mr Schubert suggested that AEMO could have a real-time online indication of the ESR fleet SOC and provide a forecast of the SOC and the target of what it requires, drawing an analogy to what AEMO currently does with system demand.

The Chair noted that the focus of this review is on ensuring ESR capacity with capacity credits is available for its ESROIs and not for other potential energy market issues. However, the Short-Term Projected Assessment of System Adequacy (ST-PASA) covers seven days, and AEMO will likely have difficulty in accurately forecasting SOC over this entire period.

- Mr Claudius noted that:
  - AEMO's current modelling indicates there is no need for 14-hours or greater ESR duration in the short term.
  - the current proposal is to provide market transparency about AEMO's interventions regarding SOC levels.

In response to Mr Carlberg, the Chair clarified that the proposed LOR-SOC would not apply to intervals outside of the ESROIs.

## **7. GENERAL BUSINESS**

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The Chair thanked members for their contributions and stated that the Working Group may convene again following the close of the submission period for the Consultation Paper.

In response to a request for another Working Group meeting, the Chair stated that the Working Group may need to convene if there continue to be issues in preparing the Consultation Paper. However, her concern was that if a Consultation Paper is not released soon, the review will not meet its statutory deadline. The Chair noted that the consultation process will allow members to submit feedback on the proposals.

The Chair closed the meeting.

**The meeting closed at 12:35pm.**



## Agenda Item 6: WEM Operation Effectiveness Report – Progress Update

Market Advisory Committee (MAC) Meeting 2026\_06\_18

### 1. Purpose

Energy Policy WA (EPWA) to update the MAC on the progress of implementing the recommendations from the Coordinator of Energy's (Coordinator's) inaugural Wholesale Electricity Market (WEM) Operation Effectiveness Report.

### 2. Recommendation

That the MAC notes:

- the update on the progress of implementing the recommendations from the first WEM Operation Effectiveness Report since the previous MAC meeting, which are shown in **red** in the Tables below.

### 3. Background

Under clause 2.16.13D of the Electricity System and Market (ESM) Rules, the Coordinator must provide the Minister of Energy (Minister) with a report dealing with the matters identified through its market monitoring activities at least once every three years, with the first such report due by 1 July 2025.

The Coordinator provided the first WEM Operation Effectiveness Report (the Report), that covered matters outlined in clauses 2.16.13A, 2.16.13B and 2.16.13E of the ESM Rules, to the Minister on 25 June 2025.

- After consultation with the Minister, the Coordinator published a version of the Report on 8 July 2025 on the [Coordinator's website](#).
  - Any confidential and/or sensitive data was either aggregated or removed.
- The published report is to serve as a point of reference of further work required by AEMO, the ERA, EPWA and Western Power to improve market effectiveness, including through future ESM Amending Rules.

**Table 1 – Recommendations relevant to all Market Bodies**

Recommendation	Status	Update
Proactive reporting of Market Bodies on WEM design flaws and areas for improvement	Ongoing	<p>EPWA, AEMO and the ERA have established fortnightly Market Surveillance meetings to discuss WEM design flaws and areas for improvement. Updates, as appropriate, will be provided to the MAC by EPWA or the AEMO at its relevant forums.</p> <p>Additionally, AEMO and EPWA have established regular meetings at Executive level and are working together to establish a new 'Market and Systems Issues Log' that will enable improved information sharing and tracking of solutions between the two agencies.</p>
Improvement of accessibility across all market bodies' websites and published materials	Ongoing	<p>On 17 September 2025, the ERA implemented a new website design, moving to a function-based structure and restructured its WEM section.</p> <p>Western Power's webpage '<a href="#">The Wholesale Electricity Market and Market Information Management</a>' lists its WEM Procedures, Guidelines and other market information. This new page is also easily discovered by search engines.</p>

**Table 2 – Recommendations relevant to AEMO**

Recommendation	Status	Update
Provision of further detail on the cause of any direction/intervention by AEMO.	Ongoing	The ongoing Frequency Co-optimised Essential System Services (FCESS) Cost Review (Stage 2) is addressing this proposal.
Improvements in relation to operational forecasting.	Ongoing	<p>The ongoing <a href="#">Operational Forecasting Review</a> is addressing this proposal. In parallel to the Review, AEMO has progressed an internal Project to uplift AEMO's operational forecasting capabilities, which includes several initiatives aligned with EPWA's proposals.</p> <p><b>AEMO recently consulted on the draft Implementation Assessment for the uplift project through the Major Projects Working Group, which included a presentation at the 16 May 2026 meeting. The project involves upgrading AEMO's forecasting software platform, building better forecast models (using new data inputs) and improving data ingestion and establishing auditable input storage. It's currently in its execution phase and is expected to be completed around November 2026. Further information can be found on <a href="#">AEMO's website</a>.</b></p>

Recommendation	Status	Update
Completion and publication of WEM Procedures in a timely manner, including prompt updates when required.	Ongoing	<p>The WEM Procedure Content Review will address some of the issues highlighted in the Report.</p> <p>As highlighted in the Report, there were still nine WEM Procedures outstanding from the date of the new WEM commencement. AEMO has since finalised and commenced six, two have had drafts completed and are expected to be published for consultation in the coming months (with MT PASA subject to more extended delay as previously explained to industry at the July 2025 AEMO Procedure Change Working Group and notified to MAC).</p> <p>AEMO has also implemented new internal processes to support the timely development of Procedures. This includes uplifted Procedure tracking and reporting tools (that enhances oversight by Managers and the Senior Leadership Team and highlights resourcing requirements and risks early).</p>
Making complete and verified market data available through the publicly accessible web portal in easily accessed data formats.	Ongoing	<p>AEMO's Data Uplift Project is a priority initiative for FY26 and will help address the findings from the Report around the availability of data through AEMO's website.</p> <p>Phase 1 of the project is underway, with the planning and execution of WEM public data site improvements expected to be delivered by the end of FY2026. This includes the addition of new and existing data reports in new formats (incl. CSV format), consistent with user feedback. The new WEM data dashboard is expected to be completed by May 2027. Information on the progress of the project will be advised through updates to the WEM Implementation Roadmap.</p> <p>AEMO also recently consulted on the draft Implementation Assessment for the project through the Major Projects Working Group, which included a presentation at the 16 May 2026 meeting.</p>

**Table 3 – Recommendations relevant to the ERA**

Recommendation	Status	Update
Provision of clearer information to Market Participants regarding the current priorities and focus of the ERA's surveillance and compliance activities, noting that confidential information must be protected.	Ongoing	EPWA is drafting ESM Amending Rule changes to introduce an obligation for the ERA to publish annual priorities.

**Table 4 – Recommendations relevant to Western Power**

Recommendation	Status	Update
Transformation of the Transmission System Plan, in the medium term, into a broader Networks Plan that includes a complete transmission and distribution development roadmap, to provide an informed view of investment opportunities. Supporting information should include constraint data, cost-benefit analyses and improved distribution level heat maps.	Starting	To be commenced.

**Table 5 – Recommendations relevant to EPWA**

Recommendation	Status	Update
The Coordinator will work with the Market Bodies and other stakeholders on how to integrate the State Electricity Objective more broadly within the ESM Rules and will monitor this in the next WEM Operation Effectiveness Report.	Starting	To be commenced.

## **Agenda Item 7: Market Development Forward Work Program**

Market Advisory Committee (MAC) Meeting 2026\_06\_18

### **1. Purpose**

- To update the MAC on changes to the Market Development Forward Work Program since the previous MAC meeting, which are shown in **red** in the Tables below.
- Rows that are shaded **grey** are complete and will be removed for the next MAC meeting.

### **2. Recommendation**

The MAC Secretariat recommends that the MAC notes the updates in the paper.

### **3. Process**

Stakeholders may raise issues for consideration by the MAC at any time by sending an email to the MAC Secretariat at [energymarkets@deed.wa.gov.au](mailto:energymarkets@deed.wa.gov.au).

Stakeholders should submit issues for consideration by the MAC two weeks before a MAC meeting so that the MAC Secretariat can include the issue in the papers for the MAC meeting, which are circulated one week before the meeting.

**Table 1 – Current MAC Working Groups**

Working Group	Established	Status	Next steps
<b>WEM Procedures Content Review</b>	2 May 2024 MAC Meeting	Open	EPWA is currently reviewing Priority 1 WEM Procedures
<b>Capability Class 2 Technologies Review</b>	24 July 2025 MAC Meeting	Open	Drafting Consultation Paper
<b>Essential Systems Services Framework Review</b>	2 May 2024 MAC Meeting	Open	Publication of Information Paper, including metrics for AEMO to assess the performance of the FCESS against the Frequency Operating Standards
<b>AEMO Procedure Change</b>	1 May 2017 MAC Meeting	Open	Ongoing Process
<b>AEMO Major Projects</b>	1 May 2025 MAC Meeting	Open	Ongoing Process
<b>Power System Security and Reliability Standards</b>	23 November 2023 MAC Meeting	Open	Preparing an Information Paper and an Exposure Draft outlining the final Review outcomes and implementing the reforms consistent with specific proposals from the June and December 2025 Consultation Papers.
<b>Wholesale Electricity Market Investment Certainty Review</b>	20 July 2023 MAC Meeting	Open	Ongoing Process
<b>Cost Allocation Review</b>	14 December 2021 MAC Meeting	Finishing	Schedule 3 is the last schedule of the of the Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024 for which a commencement date is yet to be specified by the Minister.

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
Cost Allocation Review (CAR)	<p>A review of:</p> <ul style="list-style-type: none"> <li>• the allocation of Market Fees, including behind the meter (BTM) and Distributed Energy Resources (DER) issues;</li> <li>• cost allocation for Essential System Services; and</li> <li>• Issues 2, 16, 23 and 35 from the MAC Issues List.</li> </ul>	<ul style="list-style-type: none"> <li>• The MAC established the Cost Allocation Review Working Group (CARWG). Information on the CARWG is available at <a href="#">Cost Allocation Review Working Group</a>, including: <ul style="list-style-type: none"> <li>• the Scope of Work for the review, as approved by the Coordinator;</li> <li>• the Terms of Reference for the CARWG, as approved by the MAC;</li> <li>• the list of CARWG members;</li> <li>• meeting papers and minutes from the CARWG meetings on 9 May 2022, 7 June 2022, 30 August 2022, 27 September 2022, 25 October 2022, 29 November 2022, 21 March 2023, 2 May 2023 and 29 August 2023.</li> </ul> </li> <li>• The following papers have been released and are available on the CAR webpage at <a href="#">Cost Allocation Review</a>: <ul style="list-style-type: none"> <li>• the Consultation Paper;</li> <li>• the International Review;</li> <li>• submissions on the Consultation Paper;</li> <li>• the CAR Information Paper;</li> <li>• the Exposure Draft of the ESM Amending Rules implementing the outcomes of the CAR;</li> <li>• submissions on the CAR ESM Amending Rules Exposure Draft; and</li> <li>• response to submissions on the CAR ESM Amending Rules Exposure Draft.</li> </ul> </li> </ul>

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
		<ul style="list-style-type: none"> <li>• the Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024 available at <a href="#">Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024</a>.</li> <li>• Further changes to refine the cost allocation method for the Contingency Reserve Raise Service were presented at the <a href="#">18 June 2024 TDOWG</a> and consulted on within the <a href="#">Miscellaneous Amendments No. 3 Exposure Draft</a>.</li> <li>• The last set of changes (to Contingency Reserve Raise cost allocation) implementing the outcomes of this Review were included in the Amending Rules made by the Minister on 2 October 2024.</li> <li>• AEMO to confirm implementation dates.</li> <li>• An <a href="#">Exposure Draft</a> was released on 19 August 2025 on changes to Contingency Reserve Lower that affects Schedule 4 of the <i>Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024</i>. <ul style="list-style-type: none"> <li>• Consultation closed 2 September 2025.</li> <li>• One stakeholder submission was received, which was published on 26 September 2025.</li> </ul> </li> <li>• By gazettal on 26 September 2025, Schedules 2 and 4 of the <i>Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024</i> will commence on 30 October 2025.</li> <li>• Schedule 3 is the last schedule of the of the Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024 for which a commencement date is yet to be specified by the Minister.</li> </ul>

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
<p>Review of the Power System Security and Reliability (PSSR) Standards</p>	<p>The scope of this review is to:</p> <ul style="list-style-type: none"> <li>• review the various PSSR related provisions in the instruments governing power system security and reliability in the SWIS;</li> <li>• assess whether the combination of existing standards is effective to ensure power system security and reliability can be maintained;</li> <li>• develop proposals for a single end-to-end PSSR standard and a centralised governance framework; and</li> </ul> <p>draft amending Rules and other regulatory changes, as necessary.</p>	<ul style="list-style-type: none"> <li>• The MAC established the PSSR Standards Working Group (PSSRSWG). Information on the PSSRWG is available at <a href="#">Power System Security and Reliability (PSSR) Standards Working Group</a> including: <ul style="list-style-type: none"> <li>• the Terms of Reference for the PSSRSWG, as approved by the MAC;</li> <li>• the Scope of Work</li> <li>• the list of PSSRSWG members; and</li> <li>• meeting papers and minutes for the 14 December 2023, 1 February 2024, 29 February 2024, 18 April 2024, 25 July 2024, 10 October 2024 and 31 October 2024 PSSRSWG meetings.</li> </ul> </li> <li>• The PSSR Consultation Paper was published on 19 June 2025 on the PSSR Standards Review <a href="#">webpage</a>. <ul style="list-style-type: none"> <li>• The consultation period for the Consultation Paper closed on 7 August 2025.</li> <li>• Stakeholder submissions were published on 14 November 2025 on the PSSR Standards Review <a href="#">webpage</a>.</li> </ul> </li> <li>• The consultation period for Proposal 20 included in the PSSR Consultation Paper - Adopting Western Power September 2023 Proposed Technical Rules Amendments was extended on 30 September 2025. <ul style="list-style-type: none"> <li>• The consultation period closed on 11 November 2025.</li> </ul> </li> </ul>

**Table 2 – Market Development Forward Work Program**

Review	Issues	Status and Next Steps
		<ul style="list-style-type: none"> <li>• Stakeholder submissions were published on 13 August 2025.</li> <li>• A Western Power Consultation Paper – User Facility Standards for grid-forming and grid-following inverters was published on 22 December 2025 on the PSSR Standards Review <a href="#">webpage</a>.               <ul style="list-style-type: none"> <li>• The consultation period for the Consultation Paper closes on 6 February 2026.</li> </ul> </li> <li>• EPWA is currently progressing work on the following items, anticipated for publication in the first half of 2026:               <ul style="list-style-type: none"> <li>• assessing options to propose a System Strength incentive framework, to be issued for stakeholder consultation.</li> <li>• an Information Paper outlining the review outcomes covering interim GFM and GFL technical requirements and prescribed roles and responsibilities for system strength, together with an Exposure Draft of ESM Amending Rules.</li> </ul> </li> </ul>

**Table 2 – Market Development Forward Work Program**

Review	Issues	Status and Next Steps
WEM Procedure Content Review	<p>The scope of this review is to assess the content of selected existing WEM Procedures and their heads of power to determine, using the guiding principles, whether any matters identified require changes to improve the effectiveness of WEM Procedures, including, but not limited to:</p> <ul style="list-style-type: none"> <li>• the potential elevation of certain content to the ESM Rules; and/or</li> <li>• changes to a WEM Procedure heads of power.</li> </ul>	<ul style="list-style-type: none"> <li>• A revised Scope of Works and Terms of Reference was presented to the MAC at the 4 September 2025 Meeting to reflect the proposals from the 2025 WEM Operation Effectiveness Report.</li> <li>• On 11 September 2025, a MAC member provided EPWA with WEM Procedures that should be included in the review.</li> <li>• EPWA is currently reviewing Priority 1 WEM Procedures, as outlined in the Scope of Works.</li> </ul>

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
Procedure Change Process (PCP) Review	A review of the PCP to address issues identified through Energy Policy WA's consultation on governance changes.	<ul style="list-style-type: none"> <li>• The MAC discussed a draft Scope of Work for this review at its meeting on 11 October 2022. EPWA has updated the Scope of Works to reflect the MAC discussions.</li> <li>• The Scope of Work for the review, as approved by the Coordinator is available here Wholesale Electricity Market Procedure Change Process Review (<a href="http://www.wa.gov.au">www.wa.gov.au</a>)</li> <li>• ACIL Allen has been appointed to assist with the PCP review.</li> <li>• ACIL Allen engaged with MAC members through a survey and one-on-one consultations between 12 March and 18 April 2024. There were 11 respondents to the PCP survey, out of 19 requests.</li> <li>• On 6 May 2024, the Consultation Paper was released for public consultation. Submissions closed 31 May 2024 with stakeholder submissions published on the Coordinator's website.</li> <li>• On 9 August 2024, the Coordinator finished stage 1 by publishing the ACIL Allen report and his response on the Coordinator's <a href="#">website</a>.</li> <li>• EPWA is progressing stages 2 and 3 of the review and is revising a draft consultation paper to reflect the MAC's feedback from the 5 September 2024 MAC meeting.</li> </ul>

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
<p>Review of the Essential Systems Services (ESS) Framework</p>	<p>The Coordinator of Energy (Coordinator) is conducting a review of the ESS Framework (the Review), incorporating:</p> <ul style="list-style-type: none"> <li>• a review of the ESS Process and Standards under Section 3.15 of the ESM Rules; and</li> <li>• a review of the Supplementary Essential Systems Services Procurement Mechanism (SESSM) under clause 2.2D.1(h).</li> </ul> <p>The purpose of this Review is to assess whether the FCESS framework in the ESM Rules is operating efficiently to ensure power system security and reliability can be maintained at the lowest cost to consumer.</p>	<ul style="list-style-type: none"> <li>• The MAC approved the establishment of the ESS Framework Working Group (ESSFRWG) to support the ESS Framework Review. Information on the ESSFRWG is available at <a href="#">Essential System Services Framework Review Working Group</a> including:</li> <li>• The Terms of Reference for the ESSFRWG, as approved by the MAC;</li> <li>• The list of ESSFRWG members;</li> <li>• Meeting papers and minutes for 6 November 2024, 26 February, 26 March and 24 July 2025 meetings.</li> </ul> <p>The following papers have been released and are available on the ESS Framework Review <a href="#">webpage</a>:</p> <ul style="list-style-type: none"> <li>• The Scope of Work for the Review.</li> <li>• The Essential System Services Framework Review Consultation Paper.</li> <li>• An addendum (of proposed ESM Amending Rules) to the Essential System Services Framework Review – Consultation Paper</li> <li>• Stakeholder submissions to the Essential System Services Framework Review Consultation Paper and addendum.</li> <li>• The Amending Rules to relax the RoCoF Safe Limit were included in the Electricity System and Market Amendment (Tranche 9) Rules 2025 were approved by the Minister for Energy on 19 December 2025, published in the Government Gazette on 23 December 2025 and commenced on 26 February 2026.</li> </ul>

**Table 2 – Market Development Forward Work Program**

Review	Issues	Status and Next Steps
		EPWA is finalising an Information Paper for publication.

<p>WEM Investment Certainty (WIC) Review</p>	<p>The WIC Review will consider, design and implement the following five reforms that have been announced by the Minister for Energy, which are aimed at providing further investment certainty to assist the decarbonisation of the WEM:</p> <ol style="list-style-type: none"> <li>(1) changing the Reserve Capacity Price (RCP) curve so it sends sharper signals for investment when demand for new capacity is stronger;</li> <li>(2) a 10-year RCP guarantee for new technologies, such as long-duration storage;</li> <li>(3) a wholesale energy price guarantee for renewable generators, to top up their energy revenues as WEM prices start to decline, in return for them firming up their capacity;</li> <li>(4) emission thresholds for existing and new high emission technologies in the WEM; and</li> <li>(5) a 10-year exemption from the emissions thresholds for existing flexible gas plants that qualify to provide the new flexibility service.</li> </ol>	<ul style="list-style-type: none"> <li>• The MAC established the WIC Review Working Group (WICRWG). Information on the WICRWG is available at <a href="#">Wholesale Electricity Market Investment Certainty (WIC) Review Working Group</a> including: <ul style="list-style-type: none"> <li>• the Terms of Reference for the WICRWG, as approved by the MAC;</li> <li>• the list of WICRWG members;</li> <li>• meeting papers and minutes from the 31 August 2023, 11 October, 8 November, the 6 December 2023, 24 January, the 24 April and 29 May 2024 WICRWG meeting.</li> </ul> </li> <li>• The following papers have been released and are available on the WIC Review <a href="#">webpage</a>, including: <ul style="list-style-type: none"> <li>• the Scope of Work for the review, as approved by the Coordinator;</li> <li>• the WIC Review (Initiatives 1 and 2) Consultation Paper;</li> <li>• the submissions received on the WIC Review (Initiatives 1 and 2) Consultation Paper;</li> <li>• the WIC Review (Initiatives 1 and 2) Information Paper;</li> <li>• The Exposure Draft of ESM Amending Rules to implement Initiatives 1 and 2;</li> <li>• Submissions for the Exposure Draft of WEM Investment Certainty and RCM Review Amending Rules; and</li> <li>• Response to Submissions for the Exposure Draft of WEM Investment Certainty and RCM Review Amending Rules.</li> </ul> </li> <li>• The ESM Rules implementing the Review Outcomes for Initiatives 1 and 2 of the WIC Review are in Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025. The Rules were approved by the Minister for</li> </ul>
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Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
		<p>Energy and published in the Government Gazette on 14 January 2025.</p> <ul style="list-style-type: none"> <li>• The WICRWG convened on 14 August 2025 to discuss the Coordinator’s review of the Benchmark Capacity Providers. <ul style="list-style-type: none"> <li>• meeting papers and minutes for this meeting are available at <u>Wholesale Electricity Market Investment Certainty (WIC) Review Working Group</u> page.</li> </ul> </li> <li>• The following papers for the 2025 Benchmark Capacity Provider Review have been released and are available on the <a href="#">webpage</a>: <ul style="list-style-type: none"> <li>• Scope of Work</li> <li>• Consultation Paper</li> <li>• Stakeholder submissions</li> <li>• The Coordinator’s Determination, including responses to submissions</li> </ul> </li> </ul>

Table 2 – Market Development Forward Work Program

Review	Issues	Status and Next Steps
Capability Class 2 Technologies Review (CC2TR)	<p>The Review will consider:</p> <ul style="list-style-type: none"> <li>whether market design changes are required to maintain Power System Security and Reliability (PSSR) with the growing share of Electric Storage Resource (ESR) in the South West Interconnected System (SWIS);</li> <li>whether the methodology for rating the capacity of ESR for the purposes of setting Certified Reserve Capacity remains consistent with the State Electricity Objective (SEO);</li> <li>whether the Demand Side Programme (DSP) Obligation Duration remains consistent with the SEO; and</li> <li>whether the ESR obligation intervals (ESROI), including the effectiveness of the method used by AEMO to determine the ESROI, is consistent with the SEO.</li> </ul>	<ul style="list-style-type: none"> <li>The MAC established the Capability Class 2 Technologies Review Working Group (CC2TRWG). Information on the CC2TRWG is available at <a href="#">Capability Class 2 Technologies Review Working Group</a>, including: <ul style="list-style-type: none"> <li>the Terms of Reference for the CC2TRWG, as approved by the MAC;</li> <li>the list of CC2TRWG members;</li> <li>Meeting papers and minutes for the 23 October 2025, 4 December 2025, 5 February 2026, 26 March 2026 and 2 April 2026 CC2TRWG meeting; and</li> <li>Meeting papers for the 23 April 2026 meeting.</li> </ul> </li> <li>The following papers have been released and are available on the <a href="#">CC2TR webpage</a>: <ul style="list-style-type: none"> <li>the Scope of Works.</li> </ul> </li> <li><b>EPWA is drafting a Consultation Paper for publication.</b></li> </ul>
Forecast quality	Review of Issue 9 from the MAC Issues List.	<ul style="list-style-type: none"> <li>This review has been incorporated in the Operational Forecasting Review.</li> </ul>
Network Access Quantity (NAQ) Review	Assess the performance of the NAQ regime, including policy related to replacement capacity, and address issues identified during implementation of the Energy Transformation Strategy (ETS).	<ul style="list-style-type: none"> <li>The timing for this review is to be determined.</li> </ul>

**Table 2 – Market Development Forward Work Program**

Review	Issues	Status and Next Steps
Short Term Energy Market (STEM) Review	Review the performance of the STEM to address issues identified during implementation of the ETS.	<ul style="list-style-type: none"> <li>This review has been deferred.</li> </ul>

Table 3 – Other Issues

Id	Submitter/Date	Issue	Status
9	Community Electricity November 2017	Improvement of AEMO forecasts of System Load; real-time and day-ahead.	<p>EPWA has commenced work to improve AEMO’s operational forecasting that will consider this issue.</p> <p>The following papers have been released and are available on the Operational Forecasting Review <a href="#">webpage</a>:</p> <ul style="list-style-type: none"> <li>• The Scope of Works</li> <li>• The Operation Forecasting Review Consultation Paper</li> <li>• Stakeholder submissions</li> </ul> <p>EPWA is considering stakeholder feedback on the Consultation Paper and is preparing to release an Exposure Draft on proposed Amending Rules.</p>



## Agenda Item 8: Overview of Rule Change Proposals (as of 11 June 2026)

Market Advisory Committee (MAC) Meeting 2026\_06\_18

- Changes to the report since the previous MAC meeting are shown in **red font**.
- The next steps and the timing for the next steps are provided for Rule Change Proposals that are currently being actively progressed by the Coordinator of Energy or the Minister.

### Rule Change Proposals Commenced since the Report presented at the last MAC Meeting

None

### Rule Change Proposals Awaiting Commencement

None

### Rule Change Proposals Rejected since Report presented at the last MAC Meeting

None

### Rule Change Proposals Awaiting Approval by the Minister

None

### Formally Submitted Rule Change Proposal

None

### Pre-Rule Change Proposals

None

## Rule Changes Made by the Minister since Report presented at the 7 May 2026 MAC Meeting

None

## Rule Change Made by the Minister and Awaiting Commencement

Gazette	Date	Title	Commencement
2024/66	7/06/2024	Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024	<ul style="list-style-type: none"> <li>Schedule 3 will commence at a time specified by the Minister in a notice published in the Gazette.</li> </ul>
2025/113	26/09/2025	Wholesale Electricity Market Amendment (Supplementary Capacity No. 3) Rules 2024	<ul style="list-style-type: none"> <li>Schedule 2 will commence on 1 October 2026.</li> </ul>
2025/3	14/01/2025	Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025	<ul style="list-style-type: none"> <li>Schedule 3 will commence 1 October 2026.</li> <li>Schedule 4 will commence 1 October 2027.</li> <li>Schedule 6 will commence immediately after the commencement of the Amending Rules in Schedule 5 of the Electricity System and Market Amendment (Tranche 8) Rules 2025.</li> <li>Schedule 7 will commence at a time specified by the Minister in a notice published in the Gazette.</li> </ul>
2025/64	3/06/2025	Electricity System and Market Amendment (Tranche 8) Rules 2025	<ul style="list-style-type: none"> <li>Schedule 4 will commence 1 October 2026.</li> <li>Schedule 5 will commence 1 October 2027.</li> <li>Schedule 8 will commence immediately after the</li> </ul>

			<p>commencement of the Amending Rules in Schedule 2 of the Wholesale Electricity Market Amendment (Supplementary Capacity No. 3) Rules 2024.</p> <ul style="list-style-type: none"> <li>• Schedule 9 will commence at a time specified by the Minister in a notice published in the Gazette.</li> </ul>
2025/155	23/12/2025	Electricity System and Market Amendment (Tranche 9) Rules 2025	<ul style="list-style-type: none"> <li>• Schedule 2A will commence 1 July 2026</li> <li>• Schedule 3 will commence 1 October 2026</li> <li>• Schedule 4 will commence 1 October 2027.</li> </ul>