

2026 NEM Spring Readiness

Overview of spring outlook and MSL
procedure updates

10 August 2026





We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country, and hope that our work can benefit both people and Country.

'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan

AEMO is proud to have launched its first Reconciliation Action Plan in May 2024. 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation – a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.

Read our
RAP



Disclaimer

- This document or the content in it may be subsequently updated or otherwise changed.
- AEMO has made reasonable efforts to ensure the quality of the information in this document but cannot guarantee its accuracy or completeness.
- The relevant provisions of the NER and AEMO's intervention settlement timetable prevail in the case of any inconsistency.
- This document does not constitute legal or business advice. Participants should obtain independent expert advice.



Spring outlook

Leanna Tedesco, Manager Operations Planning

Spring Outlook

Improved

Similar or unchanged

Potential to get worse

Impact		West/East	Comparison to an average spring season
	Unusually warm/dry		Warmer conditions are forecast for the majority of the country, with both maximum and minimum temperatures generally above average during spring. Drier conditions in recent years have resulted in lower inflows into water catchments in southern NEM regions (dam levels averaging 40-50%). With El Niño under way in the tropical Pacific, drier conditions are likely to persist into late spring and throughout summer and requires ongoing monitoring.
	Bushfire risk		Large parts of the country are expected to experience near to below-average soil moisture conditions. Ongoing soil moisture deficits and rainfall deficiencies across parts of QLD and NSW indicate developing dryness, which may elevate bushfire risk in these regions. While the primary fire season in southern Australia typically occurs during summer, there remains potential for isolated fire activity across southern areas, including southwest WA, SA, VIC, and TAS. The official spring fire outlook is generally released in late August.
	Minimum / maximum demands		Increased likelihood of low minimum demands in southern NEM regions with drier and warmer conditions likely to drive new records in DPV generation. However, improvements in how MSL events are managed in the mainland NEM, supported by significant addition of BESS fleet, suggests that volume of MSL declarations is unlikely to increase compared to previous season. SA followed by VIC are still likely to experience the largest volumes of forecast MSL events, with a smaller number in QLD. There is very low likelihood of forecast MSL conditions in NSW. Mainland NEM operational procedures are being updated. There is a decreasing likelihood of Minimum Demand Threshold (MDT) conditions in WA due to additional BESS support. There is a potential for early heatwaves in October and November to drive high demands in Queensland and NSW.
	Generation and storage availability		On average, synchronous generation availability is expected to be similar in most NEM regions compared to an average spring availability while Queensland has notable reduction due to increased planned maintenance. Dry conditions may impact hydro generation availability and requires monitoring. There is additional BESS capacity in the NEM regions (except for Tasmania) and the WEM.
	Network outages		There are no planned High Impact Outages (HIOs) in the WEM. In the NEM, the volume of planned HIOs is similar compared to previous seasons.
	Reliability		Loss of load probability (LOLP) is comparable to an average spring season. The study forecasts generally low LOLP across the NEM. NSW is forecast to have a few days of LOLP (10-50%) mostly during September and November. SA is forecast to have few days of LOLP (5-20%) during November. WEM supply demand balance is generally healthy with positive Reserve Margin during this period.
	Fuel supply		Coal storage levels and liquid fuels are at normal levels in the NEM and WEM. Gas storages are at higher levels for this time of the year while Victorian gas production capacity is forecast to decrease in line with forecasts. Maintenance of the production/storage facilities during October/November are expected to result in a continued draw down of Iona storage inventory and may require increased gas supply from Queensland, especially if there are unplanned events. In the WEM there is an adequate gas supply for the season. With regards to the Middle East conflict, situation has eased from earlier in the year, AEMO is continuing to actively monitor and assess fuel supply impacts in the NEM and WEM.
	Health of markets		Prudential risks and coal / gas price risks are being monitored.

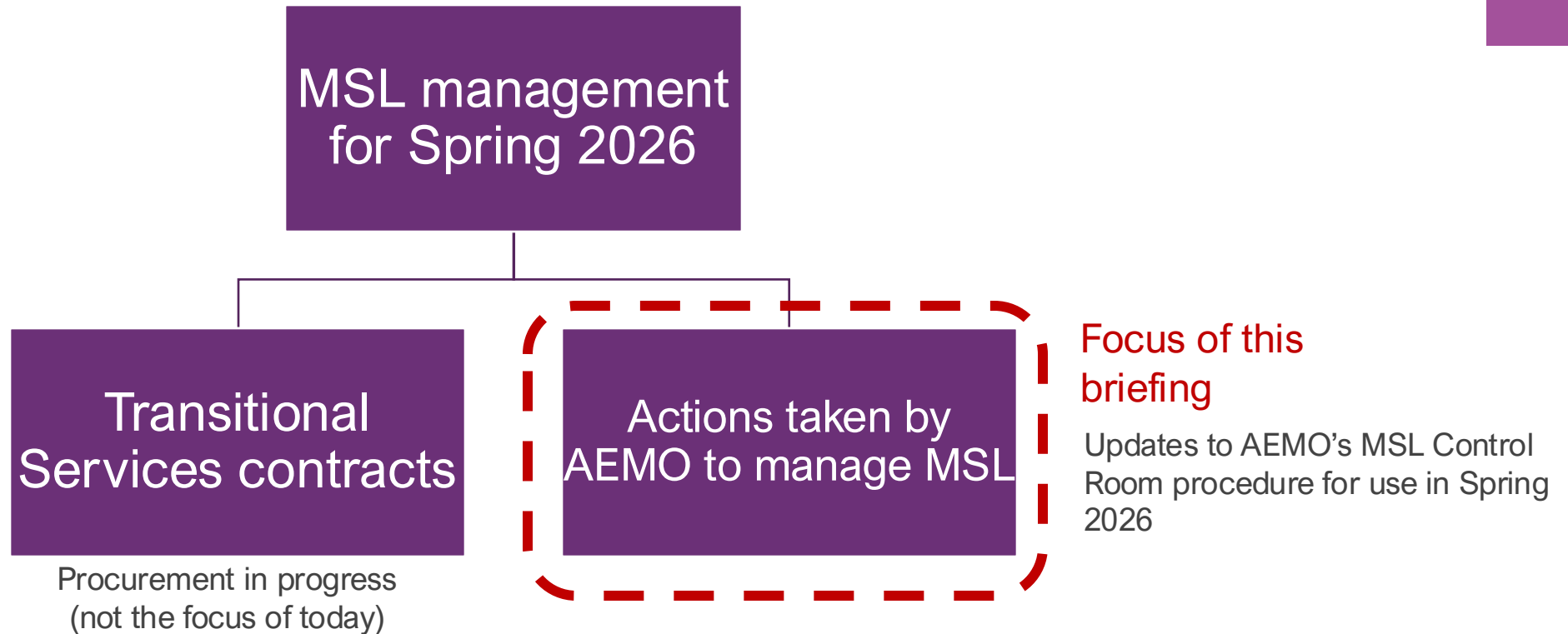
Notes: Spring is defined as the period from 1 September to 30 November 2026. **It should be noted that climate model accuracy improves closer to the start of the season.** Information on scheduled generation availability and planned transmission outages are subject to change. Comparison to an “average” spring is based on the past 3 spring seasons. For gas supply/demand adequacy assessment “southern regions” or “southern demand” means New South Wales (and Australian Capital Territory), South Australia, Tasmania and Victoria gas system supply/demand.

Overview of MSL procedure & updates

Jenny Riesz, Manager Operational DER Management

John Breslin, Manager Market Operations & Analytics

Overview



Updates in incoming procedure

Mainland NEM MSL Procedure

Single mainland-wide procedure for managing System Normal MSL events.

Driven by continuing increase in distributed PV.

Updates to BESS approach

Since spring 2025, large increase in BESS capacity.

Procedure aims to reflect typical BESS market behaviour in MSL thresholds.

Introducing monitoring of aggregate SoC headroom in each region to ensure system security while delaying intervention.

Co-incident low demand

MSL thresholds calculated for each region considering demand of every mainland NEM region.

Better reflects real power system conditions, given continuing growth in distributed PV.

Battery capacity by region



- More accurate thresholds
- Aim to minimise directions

Minimum System Load framework (unchanged)

MSL framework is similar to the Lack of Reserve (LOR) framework.

- LOR framework manages sufficient supply to meet demand.
- MSL framework manages sufficient demand to support the minimum loading of units providing essential system services.

MSL1 
2 credible contingencies from MSL3

MSL2 
1 credible contingency from MSL3

MSL3 
Security violations anticipated

Management actions during MSL conditions (unchanged)

KEY ACTIONS:

Based on National Electricity Rules (NER) security framework, and SO_OP_3715 Power System Security Guidelines

MSL1 
2 credible contingencies from MSL3

Monitor, issue market notice

1. Participants may take actions in response to MSL1 market notice ([link](#))

MSL2 
1 credible contingency from MSL3

Clear MSL2 if possible, and take actions necessary to land satisfactory and return to secure within 30min following a credible contingency:

1. Recall network outages
2. Enable providers of MSL Type 1 Transitional Services
3. Directions to participants (including non-scheduled generators, pumps, inflexible generators, BESS)

MSL3 
Security violations anticipated

Actions to manage MSL3:

1. Any residual MSL2 management actions available
2. Instruction to NSPs to maintain demand at MSL3
3. If real time security violations are observed, instruct NSPs to increase demand to MSL3, including shedding of reverse flow feeders.

Information on MSL

- Real-time information on MSL:

- AEMO releases market notices of MSL1, 2 and 3 conditions up to 7 days ahead.
- These notices include the MSL thresholds based on the latest information available.
- When **MSL2/MSL3** is forecast, AEMO takes actions to clear the condition. The impact these actions have on **MSL2/MSL3** conditions will be communicated through updated MNs.

- Reporting on MSL:

- AEMO publishes [quarterly reports](#) that include information on MSL events
- Incident reports may be published with further analysis if an event is of significance to the power system
- The [Transition Plan for System Security](#) includes regional assessments of MSL adequacy

MSL incidence for FY26-27

These estimates are based on typical system normal (interconnected) conditions.

- Do not account for unplanned outages or onerous conditions.
- Extended region separations, or risk of separation, could lead to significantly more MSL events.
- Weather conditions could mean a range of potential MSL outcomes.



	MSL1 events*	MSL2 events		MSL3 events	
		Forecast	Post-action	Forecast	Post-action
SA	5 – 60	0 – 45	0 – 45	0	0
VIC	0 – 35	0 – 3	0	0	0
NSW	0	0	0	0	0
QLD	0 – 10	0	0	0	0

Estimates based on 2026 ESOO forecasts (15 weather reference years)

* Includes MSL2/MSL3 events

MSL incidence implications

- Further analysis to come in the 2026 Transition Plan for System Security (TPSS)
- Capabilities to increase demand (including DER curtailment / emergency backstop) remain necessary as a prudent security measure to support system security

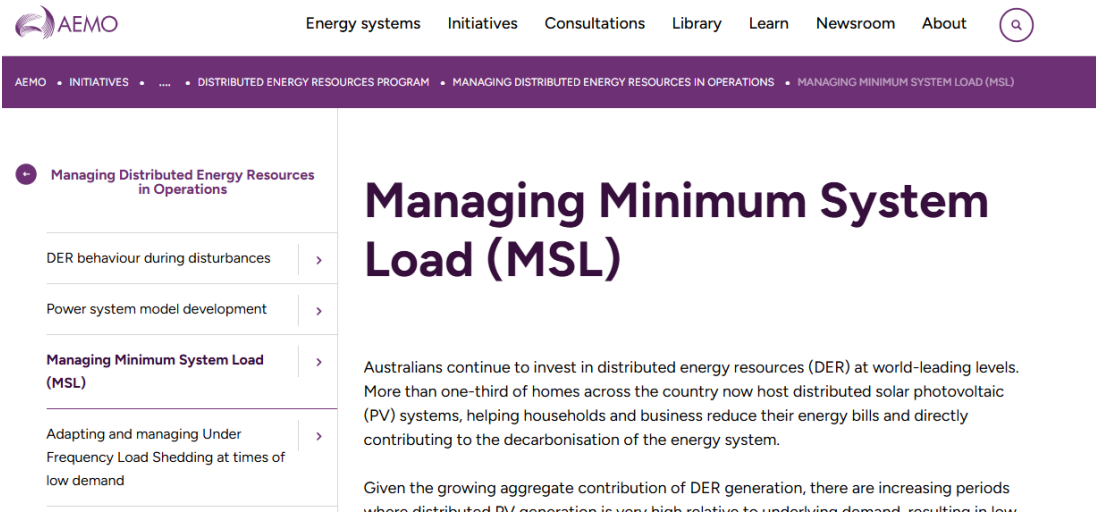
Directions compensation

- AEMO determines under NER 3.15.7A whether an *other compensable service* has been provided under a direction
- Refer to Intervention Settlement Timetable (“Timetable – Other direction” tab) for timelines (as per NER 3.15.7A)
- AEMC improving compensation frameworks consultation is currently open
 - Draft determination published 9 July, submissions close 3 September



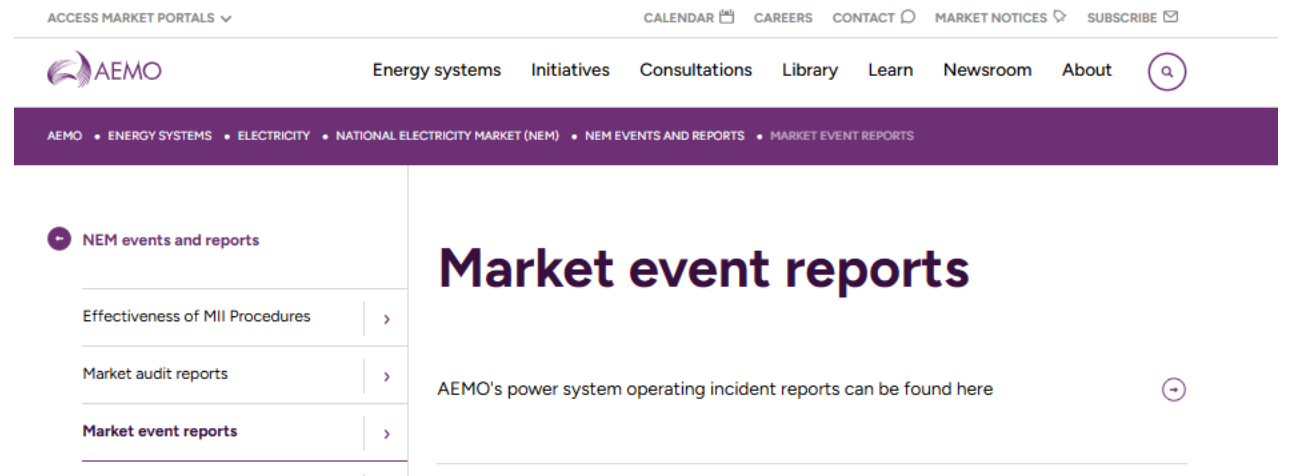
Further information

- Technology-specific briefings
 - Presentation packs published on [AEMO's website](#)
- Short fact sheets coming soon:
 - MSL framework and procedure
 - Compensation
 - Responses which support an MSL condition are outlined in [this factsheet](#).
- New procedure targeting go-live from 1 September



The screenshot shows the AEMO website navigation bar with links for Energy systems, Initiatives, Consultations, Library, Learn, Newsroom, and About. A search icon is also present. Below the navigation bar, a breadcrumb trail reads: AEMO • INITIATIVES • ... • DISTRIBUTED ENERGY RESOURCES PROGRAM • MANAGING DISTRIBUTED ENERGY RESOURCES IN OPERATIONS • MANAGING MINIMUM SYSTEM LOAD (MSL). The main content area features a sidebar with a list of topics under 'Managing Distributed Energy Resources in Operations', including 'DER behaviour during disturbances', 'Power system model development', 'Managing Minimum System Load (MSL)', and 'Adapting and managing Under Frequency Load Shedding at times of low demand'. The 'Managing Minimum System Load (MSL)' item is selected, and the main content area displays the title 'Managing Minimum System Load (MSL)' followed by two paragraphs of text. The first paragraph states that Australians continue to invest in distributed energy resources (DER) at world-leading levels, with more than one-third of homes now hosting distributed solar photovoltaic (PV) systems, helping households and business reduce their energy bills and directly contributing to the decarbonisation of the energy system. The second paragraph notes that given the growing aggregate contribution of DER generation, there are increasing periods where distributed PV generation is very high relative to underlying demand, resulting in low

<https://www.aemo.com.au/initiatives/major-programs/nem-distributed-energy-resources-der-program/managing-distributed-energy-resources-in-operations/managing-minimum-system-load>



The screenshot shows the AEMO website navigation bar with links for Energy systems, Initiatives, Consultations, Library, Learn, Newsroom, and About. A search icon is also present. Below the navigation bar, a breadcrumb trail reads: AEMO • ENERGY SYSTEMS • ELECTRICITY • NATIONAL ELECTRICITY MARKET (NEM) • NEM EVENTS AND REPORTS • MARKET EVENT REPORTS. The main content area features a sidebar with a list of topics under 'NEM events and reports', including 'Effectiveness of MII Procedures', 'Market audit reports', and 'Market event reports'. The 'Market event reports' item is selected, and the main content area displays the title 'Market event reports' followed by a paragraph of text. The paragraph states that AEMO's power system operating incident reports can be found here.

<https://www.aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-events-and-reports/market-event-reports>



For any further questions, contact the project team at
der.opsupport@aemo.com.au



For more information visit
aemo.com.au