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NEWSLETTER  
**NEM Reform**

Issue 12 | July 2025

## Welcome to our July Program update

The latest news from across the NEM Reform Program to help you navigate the reforms supporting the energy transition. Read on for important updates to help you understand the opportunities and implications of each reform initiative and prepare for implementation.

Since our last issue, we successfully implemented three critical reforms that are now live in the NEM. We spotlight these reforms and the numerous benefits they deliver to market participants.

Our Reform progress continues with a strong pipeline of upcoming initiatives scheduled for completion in 2027. Read on for an update on all current and future projects and find out how you can get involved.

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## In the spotlight

### Frequency Performance Payments (FPP) is live in the NEM

On Sunday 8 June 2025, AEMO's NEM Reform Program successfully implemented FPP.

As large synchronous generators retire, the NEM needs new, faster, and more distributed sources of frequency control to keep the power system stable. FPP facilitates this by introducing double-sided incentives based on how generators, batteries and large loads impact system frequency. Participants with a helpful impact are rewarded, which is recovered from those with an unhelpful impact, forming a zero-sum system.

FPP also introduces a fairer and more transparent approach to allocating Regulation Frequency Control Ancillary Services (FCAS) costs using new 5-minute contribution factors, replacing the outdated Causer Pays method.

#### The FPP reform delivers:

- Granular, real-time incentives to align plant operations with NEM needs.
- A more stable and secure NEM that can support higher levels of renewable energy.

- Supports investment in fast responding and flexible technologies, like batteries and certain loads, by valuing their role in frequency control.

This final go-live follows a period of non-financial operation (from December 2024).

For more information, visit AEMO's dedicated [FPP resource page](#).

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## SCADA Lite is live in the NEM

From 15 May 2025, eligible participants in the National Electricity Market (NEM) can register interest for SCADA Lite — a new, cost-effective solution enabling real-time data exchange with AEMO.

SCADA Lite enables smaller participants including generators, batteries, aggregators and virtual power plants, to securely exchange real-time operational data, such as telemetry and control signals directly with AEMO.

### SCADA Lite delivers:

- A secure and cost-effective alternative to traditional SCADA systems.
- The exchange of real-time operational data to support more accurate forecasting and system operations.
- Reduced barriers to entry for Non-NSP participants as a wider range of energy resources can now participate in the NEM.

For detailed information about how to connect with SCADA Lite, please visit AEMO's '[Network Connections](#)' page.

For more information, visit the dedicated [SCADA Lite project page](#).

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## Enhancing Resource Information (ERI) is live in the NEM

On Tuesday 1 July 2025, AEMO's NEM Reform Program successfully implemented ERI.

The ERI reform makes changes to improve the transparency of energy availability across the NEM. This will allow participants to make more informed decisions about their own behaviour, including when periods of tighter supply-demand balance in the wholesale electricity market are anticipated.

For more information, visit the dedicate [ERI project page](#).

## Inflight initiatives – 2025 delivery

15 May 2025 **DELIVERED** - SCADA Lite

8 Jun 2025 **DELIVERED** - Frequency Performance Payments (FPP)  
(Release with rule commencement)

- 1 Jul 2025** **DELIVERED** - Enhanced Reserve Information (ERI) and ST PASA Procedure and Recall Period (Release with rule commencement)
- 31 Jul 2025** ST PASA Procedure and Recall Period rule commencement (Rule commencement)
- 26 Oct 2025** Metering Services Review (MSR) (Release)
- 1 Dec 2025** Metering Services Review (MSR) (Rule commencement)
- 2 Dec 2025** Improving Security Frameworks (ISF) (Release with rule commencement)

## ST PASA Procedure and Recall Period – 31 July 2025

*Introducing a principles-based approach to administer ST PASA for AEMO to easily assess reliability and security conditions in the NEM.*

### Q2 achievements

- Industry Go live plan published 30 May 2025
- Industry testing was completed 20 June 2025
- ST PASA Recall bidding system changes deployed 1 July 2025

### Next steps

Participants are encouraged to review all energy bids for trading dates on, or after 31 July 2025. To assist this process, AEMO has implemented the private bid report changes to include RECALL\_PERIOD in production (refer to AEMO Helpdesk Bulletin EMMS160725). Participants are also encouraged to attend Implementation Forum and PCF meetings and refer to accompanying packs.

Updating ST PASA rule commencement including ST PASA Procedure and associated NEM Report changes, effective rule date of 31 July 2025.

For more information, visit the dedicated [ST PASA Procedure and Recall Period](#) project page.

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## Metering Services Review – 26 October and 1 December 2025

*The national roll out of smart meters to enhance customer experience, improve data quality and remote access.*

### Q2 achievements

- Package 1 Final Report published 2 April 2025
- Package 2 Final Report published 1 July 2025

- Draft tech specs for 26 October and 1 December 2025 release published

### Next steps

- Industry testing will commence 8 September 2025

Participants are encouraged to continue their development and preparations for industry testing. They are also advised to attend the Electricity Retail Consultative Forum (ERCF), Implementation Forum and PCF meetings and refer to accompanying packs which outline consultation dates.

For more information, visit the dedicated [Metering Services Review](#) project page.

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## Improving Security Frameworks (ISF) – 2 December 2025

*Increasing transparency of system security needs and incentivising market participants to invest long term in system security provision.*

### Q2 achievements

- Final High Level Implementation Assessment published 16 April 2025.
- Consultation on the draft Security Enablement Procedure (SEP) commenced 13 June 2025.
- Market trial strategy draft published 2 May 2025, revisions published 17 June 2025.
- Draft Transition approach published 17 June 2025.
- Stakeholder Forum held 25 June 2025 - a revised delivery scope was outlined.

### Next steps

- Participants can provide written submissions on the draft SEP by 13 July 2025.
- Industry testing will commence on 28 October 2025.

Participants are encouraged to consider their development approach and preparations for industry testing. They are also advised to attend upcoming Electricity Wholesale Consultative Forums (EWCF) and ISF TNSP Working Groups.

For more information, visit the dedicated [Improving Security Frameworks](#) project page.

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## Inflight initiatives – beyond 2025

The following section highlights key initiatives with delivery schedules extending beyond 2025. These initiatives have notable engagement or consultation activity underway through the Program's 2025 delivery schedule.

**May and  
Nov 2026** Flexible Trading Arrangements (FTA)

**Jul 2026** Metering Services Review (MSR) Power Quality Data (PQD)

**Jul 2026** Project Energy Connect Market Integrations (PEC-MI)

**Aug 2026** Shortening the Settlement Cycle (SSC)

**Sep 2026 (TBC)** Market Interface Technology Enhancements (MITE)

**Nov 2026** Cash Security

**May 2027** Integrating Price Responsive Resources into the NEM (IPRR)

**TBC** Electric Vehicle Data (EVD)

## Flexible trading arrangements (FTA) – May 2026 and November 2026

*Enabling consumers to better manage their energy usage and participate in the market.*

### Q2 achievements

- Finalised pre-consultation with Industry.
- The first stage of rules consultation on B2B procedures was published on 7 July 2025.

### Next steps

Submissions are due by the end of the consultation period on 19 August 2025. Participants are encouraged to continue to engage with the ERCF, Implementation Forum and PCF for the latest information on our engagement and consultation approach.

For more information, visit the dedicated [Flexible Trading Arrangements](#) project page.

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## Metering Services Review (MSR) Power Quality Data (PQD) – July 2026

*Providing power quality information to local network service providers to better manage networks and reduce customer costs.*

A component of the Accelerating Smart Meter Deployment (ASMD) rule, Basic Power Quality Data (BPQD) is to be provided by Metering Coordinators (MCs) to local network service providers (DNSPs) from 1 July 2026.

BPQD will be the initial implementation on the IDX platform.

### Q2 achievements

- Package 3 Draft Report published 20 June 2025 for consultation.

- Commenced IEC and B2M Procedures consultation (MSR Package 3)
- Issued Draft technical specs for IDX platform support of PQD capability issued.

### Next steps

Submissions in response to Package 3 Draft Report are due 25 July 2025. IEC (B2B) and B2M procedures draft reports and procedures finalisation. AEMO to confirm implementation approach and timings.

For more information, visit the dedicated 2025 [Metering Services Review Package 3](#) webpage.

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## Project EnergyConnect Market Integration (PEC-MI) – July 2026

*Improving energy security and lowering prices through the reallocation of automated inter-regional negative settlement residues.*

### Q2 achievements

- Consultation on Automated Negative Residue Management procedure closed 11 July 2025.

### Next steps

AEMC Final Determination date is 25 September 2025. AEMO will subsequently publish a final HLIA. Participants are encouraged to attend EWCF for further updates and the latest information.

For more information, visit the dedicated [Project Energy Connect Market Integration](#) page.

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## Shortening the Settlement Cycle (SSC) – August 2026

*Making participation in the NEM more competitive and providing more choice for consumers by reducing the working capital needed to cover accrued liabilities.*

### Q2 achievements

- Formal consultation on the Credit Limit Procedure (CLP) commenced 4 June 2025.

### Next steps

Formal submissions on the CLP are due by 21 July 2025. Participants are encouraged to engage with the EWCF and Program Consultative Forum (PCF) for the latest information on our engagement and consultation approach.

For more information, visit the dedicated [Shortening the Settlement Cycle](#) project page.

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## Market Interface Technology Enhancement (MITE) – September 2026 (TBC)

*Uplifting core market interfacing technologies to create a more secure, efficient and streamlined digital interface between AEMO and market participants.*

## Q2 achievements

- IDAM Solution Architecture Design required to support IDX initial release delivered May 2025. Finalisation of IDAM planning phase delayed.
- IDX detailed design and delivery is progressing and will continue through the remainder of 2025 and into 2026.
- Portal Consolidation (PC) is progressing through Planning activities. Target for completion is August 2025.

## Next steps

Participants are encouraged to continue engaging with the ongoing MITE consultation process and consider their involvement in IDX foundation implementation.

IDX, IDAM & PC are developing a combined implementation plan, for publication in September 2025.

For more information, visit the dedicated [MITE](#) project page.

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## Cash Security – November 2026

*Enabling lower risk and cost of providing credit support for small and prospective retailers in the NEM.*

## Q2 achievements

- Draft High Level Implementation Assessment published 7 May and 3 June 2025.
- Industry briefing 9 May 2025.
- AEMC Final determination published 26 June 2025.

## Next steps

AEMO to publish HLIA update to reflect scope of final rule (Aug TBC).

For more information, visit the dedicated [Cash Security](#) project page.

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## Integrating Price Responsive Resources into the NEM (IPRR) – May 2027

*A voluntary mechanism that allows integration of the growing number of unscheduled energy resources into the National Electricity Market (NEM).*

## Q2 achievements

- Draft Voluntarily Scheduled Resource Guidelines published 3 June 2025.
- Price responsive reporting guidelines published 17 June 2025.
- Voluntarily Scheduled Resource Incentive Mechanism Procedure published 11 July 2025.
- Two industry forums:
  - NSP focused Information session on draft Voluntarily scheduled resource guidelines held 1 May 2025, and

- Draft Voluntarily scheduled resource guidelines Information session held 17 June 2025.

### Next steps

Participants can provide written submissions on:

- Voluntarily Scheduled Resources Incentive Mechanism procedure by 11 August 2025, and
- Price responsive reporting guidelines by 18 August 2025.

Participants are encouraged to watch for consultation announcements via the Electricity Wholesale Consultative Forum (EWCF) and the AEMO Communications newsletter.

For more information, visit the dedicated [Integrating Price Responsive Resources](#) project page.

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## Electric Vehicle Data (EVD)

*A voluntary mechanism that allows integration of the growing number of unscheduled energy resources into the National Electricity Market (NEM).*

### Q2 achievements

- Recommendations paper published 12 May 2025, and submissions received by the closing date 23 May 2025.

### Next steps

AEMO to consider potential implementation approach and timing.

For more information, visit the dedicated [Electric Vehicle Data](#) project page.

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# Get involved in the Program

### Stay up to date

With the latest Reform Program information, including how to get involved and contacting us on our [NEM Reform](#) webpages.

### Check for upcoming forums

Visit AEMO's [Industry forums calendar](#).

### Forum participation and Program updates

[Register your interest](#) to join a forum or [subscribe to Program communications](#).

For any queries, please contact the team at [NEMReform@aemo.com.au](mailto:NEMReform@aemo.com.au).

Regards,

**NEM Reform Program team**

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