



Issue 14 | December 2025

Welcome to our end of 2025 edition!

The latest news from across the National Electricity Market (NEM) Reform Program to help you navigate the reforms supporting the energy transition.

Since our last issue two major initiatives have met their rule commencement dates, more than 70 stakeholder sessions took place and a General Stakeholder information session was held to present the progress of initiatives and V7 of the Reform Roadmap, which now includes three additional foundational and strategic initiatives.

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Key highlights in this edition include:

- A look back at our collective successes over 2025, and
- A look ahead at the 2026/27 initiatives and release dates.

Thank you to all our stakeholders for your ongoing commitment and collaboration with the NEM Reform Program this year.

One initiative at a time, we are strengthening the NEM for the future and advancing Australia further along the energy transition.

We wish you and your families a safe, happy and restful break over the holiday period and look forward to continuing our work together in 2026.

A reflection on 2025

As we close out our fourth year of delivering major reforms, we reflect on the projects we've delivered together.

This year, we have successfully implemented another 6 initiative releases (see image below), whilst mobilising and progressing many others for delivery in 2026 and 2027.



SCADA Lite

On 15 May 2025, service availability and registrations opened for Scada Lite – a new bi-directional connection for certain participants to exchange operational information (telemetry and control) with AEMO.

For smaller participants, such as generators, batteries, aggregators, and virtual power plants, traditional SCADA systems can be cost prohibitive. SCADA Lite offers a secure, streamlined, cost effective and direct alternative, ultimately lowering barriers to entry for smaller participants that cannot exchange operational information with AEMO via a Network Service Provider (NSP).

An AEMO Foundational and Strategic initiative, Scada Lite enables other reforms such as Integrating Price Responsive Resources (IPRR).

Participants can register their interest for this service. Find more information at [AEMO | SCADA Lite](#) or the [AEMO | Network Connections page](#).

Frequency Performance Payments (FPP)

On 8 June 2025, AEMO confirmed commencement of Frequency Performance Payments (FPP) introduced under the Primary Frequency Response Incentives (PFR) rule.

The reform introduced a new double-sided process for frequency performance payments. Electricity generators, large loads and batteries that have a helpful impact on frequency receive incentive payments which is recovered from those with an unhelpful impact, forming a zero-sum system. The new 5-minute participant contribution factors is now used to allocate the recovery of Regulation FCAS costs, replacing the Causer Pays system.

This critical reform supports the NEM's transition to a net zero future by helping maintain system frequency near 50Hz – crucial for managing a secure and reliable power system. In the longer term, it strengthens the case for technologies like batteries and fast-responding loads by placing a monetary value on their role in frequency control.

Find more information at [AEMO | Frequency Performance Payments](#)

Enhanced Reserve Information (ERI)

Forecasting net demand when looking at current operational timeframes can be challenging. There are several factors contributing to this including renewable energy sources which are variable – like wind and solar, the weather, participant availability, commitment decisions, storage levels and distributed energy resources such as solar, batteries and EV's.

The provision of additional energy availability and constraints, along with storage capacity as part of the new ERI rule introduced on 1 July 2025, allows participants to make more informed decisions particularly ahead of periods of anticipated low reserves and high wholesale prices.

Find more information at [AEMO | Enhancing Reserve Information](#)

ST PASA Procedure & Recall Period

On 31 July 2025, a new principles-based approach for AEMO to administer ST PASA and a new ST PASA procedure came into effect, providing more reliable and transparent ST PASA information in the NEM.

The flexibility introduced as part of the Updating Short Term PASA rule, allow participants to communicate their unit availability and importantly, outage conditions. It also helps AEMO to better assess reliability and security in the NEM as the market develops.

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

Metering Services Review (MSR)

Accelerating the replacement of legacy electricity meters across the NEM is a significant challenge involving coordinating multiple parties, managing data quality and ensuring readiness for large-scale deployments under tight timelines.

As part of implementing the Accelerating Smart Meter Deployment rule (ASMD), AEMO's Metering Services Review (MSR) initiative introduces a modernised metering framework through which commenced on 1 December 2025. This includes the new Legacy Meter Replacement Plan (LMRP) function in MSATS, enabling DNSPs to schedule and manage annual replacement plans for old meters. Additional enhancements improve settlement accuracy in embedded networks, automate Retailer of Last Resort (RoLR) reporting, uplift address data quality and upgrade data exchange standards via aseXML r46.

By providing clear processes and system capabilities, the reform enables participants to plan and execute meter replacements more efficiently, supporting universal smart meter installation by 2030 and laying the foundation for future reforms.

Find more information at [AEMO | Metering Services Review](#)

Improving Security Frameworks (ISF)

Managing system security in a rapidly evolving energy market is complex. Variability in renewable generation, changing demand patterns and the need for proactive stability measures all contribute to this challenge.

The Improving Security Frameworks (ISF) rule commenced on 2 December 2025 and introduces a proactive enablement framework for system security services, enabled through AEMO's new System Security Management (SSM) tool. This framework allows contracted services such as system strength and inertia to be scheduled ahead of time, reducing reliance on emergency directions and improving transparency through new daily and annual reporting.

By providing clear visibility of service availability and constraints, the reform enables industry to make more informed decisions, supporting grid stability and lowering operational risk as we transition to a renewable energy future.

For more information at [AEMO | Improving Security Frameworks](#)

Looking ahead - 2026/27 and beyond

The NEM Reform Program has a number of committed initiative releases and rule commencements in 2026 and beyond. For many of these initiatives consultation or readiness activity is already underway.

To maximise efficiency AEMO is developing a consolidated 2026 release strategy in collaboration with participants, structured across four releases.

To understand the potential level of impact to your business from these reform delivery activities in 2026 and 2027, participants can make use of the [Participant Impact Assessment Dashboard](#) that was recently updated alongside V7 of the [NEM Reform Implementation Roadmap](#).

Participants are encouraged to collaborate on implementation and industry readiness via our [regular forums](#).

Committed initiatives - 2026 and 2027

Commencement date(s)	Project
31 May and 1 Nov 2026	<u>Flexible Trading Arrangements (FTA)</u>
1 Jul 2026	<u>Metering Services Review (MSR) Release 2 - Power Quality Data (PQD)</u>
1 Aug and 1 Nov 2026	<u>Project EnergyConnect Market Integration (PEC-MI)</u>
9 Aug 2026	<u>Shortening the Settlement Cycle (SSC)</u>
1 Nov 2026	<u>Cash Security</u>
Q3 2026 (TBC)	<u>ST PASA Replacement</u>
Q4 2026 (TBC)	Inverter Dispatch
Q4 2026 (TBC)	<u>Improving Security Frameworks R1.1</u>
1 Mar 2027	<u>Identity and Access Management (IDAM)</u>
23 May 2027	<u>Integrating Price Responsive Resources into the NEM (IPRR)</u>
Q1 2027	<u>Industry Data Exchange (IDX) Foundation</u>
TBC	<u>Portal Consolidation (PC)</u>

Get involved or contact us

Please contact the team at NEMReform@aemo.com.au with any inquiries, or if you wish to participate in a forum. You can also:

- [Subscribe](#) to NEM Reform Program updates (select NEM Reform from the list of topics).
- Check our [industry calendar](#) for upcoming program engagements.

Once again thank you for your continued commitment and contributions to the delivery of these reforms. Best wishes for a safe and happy summer break and we look forward to continuing work with you in 2026 and beyond.

Regards,

NEM Reform Program team



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