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PEC-MI

Final update on defects

30 October 2026



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Outcomes of trial cutover testing and Preprod indicative ETA's

Issues identified from AEMO Preprod Trial Cutover

Defect ID	Summary	Severity* (1-4)	Raised by	Status	Notes	Fix dates
NRQ-1604[1]	Loop constraints incorrectly included in interconnector limit reporting	3 (Moderate)	AEMO	Open	PASA solution loader to *exclude* Loop Equality Constraints[1] when determining which constraints set interconnector import and export limits. ➢ Need to exclude any constraint that starts with an "L" for PASA types (PD PASA, ST PASA).	**Mid-November (TBC)**
NRQ-1605[1]	Constraint Ramping Service not excluding PEC related Loop 'L' constraints	2 (High)	AEMO	Closed	Constraint Ramping Service need to *exclude* Loop Equality Constraints ("L" Constraints)[1]	**17 Aug**
NRQ-1606[2]	Price scaling not applied appropriately in certain edge-case test scenarios.	2 (High)	AEMO	Closed	Price scaling not applied to adjacent regions sending energy, when prices are negative during market suspension.	**25 Aug**
NRQ-1574	Price scaling calculations causing negative residues	2 (High)	AEMO	Closed	Price Scaling calculations are causing errors in negative residues during AEMO Pre-prod testing.	**25 Aug**

Notes:

1. **Loop Equality Constraints were introduced to facilitate energy flows between regions within the PEC transmission loop and are not intended to represent physical interconnector capability limits. PASA Solution Loader design should *exclude* these constraints from interconnector limit determination through configurable exclusion rules.**
2. **When the scaled prices are negative - for example due to negative market suspension schedule prices - the scaling is not applied to adjacent regions sending energy. Since negative prices during market suspension are more likely, we need to apply scaling for these intervals too.**

*See **Appendix B** for defect Severity Definitions

Additional issues identified post trial cutover

AEMO prioritising resolution of the following issues

Issue	Summary	Severity* (1-4)	Raised by	Status	Notes	Fix dates
NEM Report issue #1 (Incident ID 0167179)	Current reports contain an existing calculation error resulting in incorrect outputs in the following: • DISPATCH_IRSR • TRADING_IRSR	2 (High)	AEMO	Closed	AEMO is working to fix confirmed calculation defect in these reports with immediate priority. **Note: AEMO can confirm PREDISPATCH_IRSR report uses the correct calculation.**	**CLOSED**
NEM Report issue #2	Current reports do not support PEC IRSR allocation methodology required from November 2026: • DISPATCH_IRSR • PREDISPATCH_IRSR	2 (High)	AEMO	Open	Reports not designed to support loop-adjusted IRSR outcomes. AEMO to prioritise updates to ensure alignment from November with: • PEC settlement arrangements; and • New IRSR allocation methodology.	**By 12 Nov**
Negative residue reset value (Incident ID INC0169534)	NRM accumulated negative residue is being incorrectly reset to $0 in some scenarios.	4 (Low)	AEMO	Open	If the residue in the last 5-min period of a 30-min interval (e.g. for dispatch intervals ending :00 or :30) is zero or positive, then the accumulated negative residue is being incorrectly reset to $0. This is carried forward and used as the starting cumulative residue (CUMUL_NEGRESIDUE_PREV_TI) for the next 30-min interval. In these cases, the NRM Manager will under-estimate the true accumulated negative residue and potentially release NRM constraints too early.	**By end Nov (tbc)**
Zero flow PEC constraint not read by ST PASA	Participants may have seen incorrect PROD flow prediction for PEC in PASA runs from 1pm 23/9 to 11am on 24/9	3 (Medium)	AEMO	Closed	May see some discrepancies due to MT PASA issue above	**CLOSED**
Negative Residue Management issue (Incident ID 0168997)	NRM application defect from 14 Sep release (see MN145160), affecting accumulation of negative residues.	2 (High)	AEMO	Closed	Defect may have caused cumulative negative residues to be understated, preventing activation of NRM and clamping of interconnector flows. **Fix successfully deployed on 30 Sep.**	**CLOSED**

Key dates for PEC-MI implementation - Production

Deployment / Go-live dates	Inclusions	Exclusions	Notes
Thursday 13 August [COMPLETE]	• Registrations and Annual Marginal Loss Factor (MLF) updates • Settlement Residue Auction (SRA)	• Updates to Dispatch • Negative Residue Management	• Application of pending registration changes to introduce SA-NSW interconnector. • Configuration of PEC for inclusion in mid Sep SRA window (for 1 Oct start date)
Monday 14 September to Wednesday 30 September [COMPLETE]	PROD deployments in AEMO Market Systems, including: ✓ Constraints (16 September) ✓ Updates to Dispatch Price scaling ✓ Negative Residue Management update to 5 min ✓ Website & mobile app ✓ Negative Residue Management incl. PEC		• Major deployment of AEMO application updates to support PEC loop operations. • Post-deployment, there will still be defects with PD PASA and ST PASA related to loop flow equations **[ref: Defect ID NRQ-1604 on slide 9]**
Thursday 1 October [COMPLETE]	• Telemetry system model and SCADA updates. • Planned commencement of physical loop operations in AEMO Market Systems		• Loop flows visible to external participants in web app from 1 October
Sunday 1 November [Deployment commenced)	• Planned commencement of settlement IRSR arrangements		• Aligned with the start of the settlement week (Sunday 1 Nov).

Next steps

- On 1 November PEC-MI rule will commence and NEM Reform will handover to Support Hub.
- AEMO will move into hypercare with participants.
- AEMO will continue with **Industry Q&A's every Thursday morning at 11am** and encourages participants to attend.
- Participants can also contact AEMO Support Hub with queries via Support.hub@aemo.com.au

Links to key documents and web pages

FAQs page for Trial Cutover and Constraints

PEC-MI Rule Change

PEC-MI Initiative Webpage

PEC-MI High Level Implementation Assessment

PEC-MI draft Go Live Plan

EMMS DM 5.7 May 2026 Tech Spec*

*Pre-Production release of EMMS Data Model 5.8 expected 22 September 2026

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Appendix



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Appendix B: Defect Severity Definitions

Severity	Definition
1-Critical	Defect is considered critical to business operations. Core business impact.
2-High	Defect is considered high impact to the business operations. However, core business processes are still able to be completed (possibly via workarounds, etc.).
3-Medium	Defect is considered moderate impact to the business operations. Core business processes are unaffected, and workarounds available.
4-Low	Defect is considered low impact to the business operations or cosmetic only. Core business processes are unaffected.