ST PASA Replacement Industry Impact Assessment & Readiness Approach

31 August 2026

Context

Short-Term Projected Assessment of System Adequacy (ST PASA) Replacement forms part of AEMO's broader strategy to strengthen operational capabilities and ensure reliability tools evolve alongside the changing energy landscape, supporting both operational needs and market readiness for the future. AEMO commenced the ST PASA Replacement project in 2019 in response to an increasingly complex power system and regulatory changes, to modernise the systems and processes supporting ST PASA for the National Electricity Market (NEM).

Changes required include updates to procedures and systems. The first round of procedure consultation concluded in October 2025, and a second round finalised in July 2026. AEMO has incorporated the remaining scope into the NEM Reform Program to carry out the system changes and to support industry readiness for the changes.

The implementation is planned across three phases:

- **Phase 1:** An internal AEMO production release on 31 August 2026
- **Phase 2:** Industry testing and a parallel run currently targeted from November 2026
- **Phase 3:** Commencement of new procedures, targeting from 31 March 2027.

These staged milestones allow participants to validate outputs and prepare for the transition.

To learn more, visit:

- AEMO | ST PASA Replacement
- AEMO | NEM Reform Program
- AEMC | Rule Updating Short Term PASA

Purpose of Impact Assessment and Industry Readiness Approach

- To assist market participants with their own planning and delivery activities to be ready for the introduction of this new ST PASA system as it is operationalised.
- To define the criteria against which go-live decisions will be made.
- Aligns to and supports the phased implementation approach for ST PASA Replacement, including commencement of new procedures and systems with a target date of 31 March 2027.

Summary of changes introduced

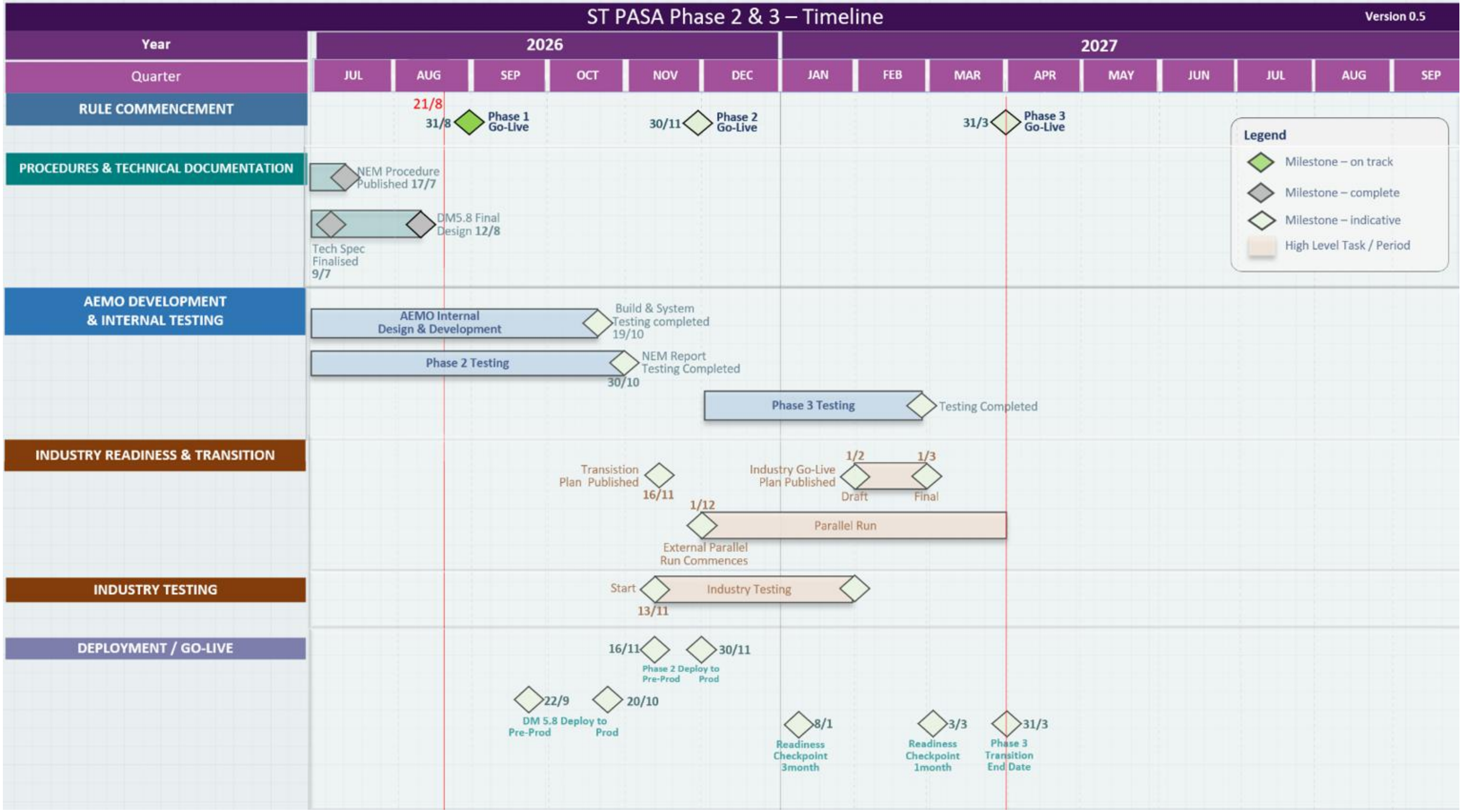
The initiative introduces changes with impact to existing users of ST PASA outputs, reporting and supporting procedures including:

- **Enhanced reliability forecasting:** The ST PASA Replacement introduces a probabilistic framework that moves uncertainty from post-processing reserve outcomes to adjusting supply and demand inputs within the PASA engine, improving visibility of reliability risks across different forecast conditions.
- **More detailed visibility of network conditions:** The current PASA system will be replaced. The new system will move from a primarily regional view of reliability risks to a zonal view of network conditions. This is expected to improve visibility of emerging reliability issues and support more informed operational and market decision-making.
- **Updated outputs, reports and data model:** New outputs, reports and supporting datasets are being introduced. Participants may need to review any systems, processes or reporting that ingest or use PASA information to ensure compatibility with the new arrangements.
- **Changes to procedures:** AEMO will implement updated procedures to support the new ST PASA framework.
- **Transition through staged implementation**: The transition will occur through phased implementation, including parallel operation, participant visibility and readiness preparation prior to commencement.

Impacts on different participants

Participant type	Level of impact	Indicative impacts
Existing users of ST PASA outputs, reporting and supporting procedures	**Moderate**	Stakeholders who consume ST PASA information may need to review any systems, interfaces, processes or reporting that ingest or use PASA information to ensure compatibility with the new arrangements.
Scheduled Participants (Generators, Loads, BDUs)	Moderate	The way participants submit inputs and bids is not expected to change. New ST PASA outputs will be available, with reliability signals moving to a probabilistic framework while retaining existing LOR concepts.
Network Service Providers (NSPs)	Moderate	NSPs may see operational impacts from changes to how LOR outcomes are declared and interpreted. They should review the new operational outputs and supporting guidance material, particularly where these inform outage, maintenance or reliability-related decisions. While there is a potential for operational impacts due to adjustments in AEMO's approval processes, the current level of engagement with these changes is low.
Retailers	Minor	Retailers are not expected to have material direct operational impacts. Retailers that use ST PASA information in systems, reporting or business processes should review compatibility with the new data model and updated NEM reports. AEMO intervention triggers will be modified, but such changes are most likely to occur during extreme system conditions rather than in routine operations.
Jurisdictions and Public Stakeholders	Minor	The expected impact on jurisdictions and the public is minimal. Jurisdictions should be aware of the new terminology, reporting outputs and reliability signals, particularly for communications during significant operational events.

Indicative timeline



Public

ST PASA Replacement: Industry Readiness Approach

NEM REFORM READINESS STRATEGY (ALL INITIATIVES)

ST PASA REPLACEMENT READINESS APPROACH

This readiness approach adopts the standard NEM Reform program framework

Initiative Readiness Criteria
- Individual participant readiness approach ✗
- AEMO readiness criteria ✓

Individual participant (or participant category) readiness is **NOT** a dependency for go-live.

- AEMO solution needs to be updated and tested
- AEMO business needs to be ready to operate
- AEMO IT support needs to be in place

Initiative Testing & Market Trial
- Industry test strategy ✓
- Test plans and coordination ✗

Participant Development Support
- Tech Specification & Procedures ✓
- Environment Availability ✓

Transition & Go-Live
- Transition plan/s ✓
- Deployment Go-live Plan/s ✓
- Registration / Accreditation Plan ✗

Engagement Support
- Support through forums & focus groups ✓
- Educational material ✓
- Mailbox & newsletter ✓

RISK & CONTINGENCY MANAGEMENT ✓

INITIATIVE READINESS REPORTING ✓ **& GO-LIVE CRITERIA MANAGEMENT** ✓

✓ Required

✗ Not required

READINESS AREA		INDUSTRY READINESS APPROACH
Initiative readiness criteria	Individual participant readiness approach	• Readiness will be assessed at an initiative level, with a focus on AEMO's ability to demonstrate capability and operation in line with new ST PASA Procedures and guidelines and demonstrate acceptable level of operational performance during a parallel run. • Individual participant readiness will *not* be a dependency for go-live. • Participants may need to consider impacts on downstream processes/systems.
	AEMO readiness criteria	By the target commencement date of 31 March 2027, AEMO needs to: • Demonstrate capability and operation in line with new ST PASA Procedures and guidelines • Demonstrate acceptable level of operational performance during parallel run • Ensure AEMO business is ready to support go-live through established support arrangements • Ensure AEMO IT support processes are in place.
Industry Testing	Test Strategy	• A period of industry testing is proposed to support participant readiness ahead of the parallel run. This testing will enable participants to validate the technical population of data outputs and confirm successful ingestion into their systems. Validation of functional outcomes will be a key focus of the parallel run. • A non-coordinated industry testing approach is considered appropriate, given the nature of the changes and the concurrent commencement of multiple reform initiatives. The proposed testing approach, objectives and indicative timeframes are expected to be outlined in the Industry Test Strategy, planned for publication in September 2026. Testing scope and planning will be developed in consultation with industry and aligned to the project delivery schedule. • Preparation and deployment to the pre-production environment is currently targeted for November 2026. Participation during this testing period will be voluntary, and participants will not be required to make system changes to validate the outputs.
	Test plans and coordination	• A test plan is not anticipated to be required.

READINESS AREA		INDUSTRY READINESS APPROACH (CONT.)
Participant development support	Documentation	• AEMO must update the following procedures and guidelines to implement the ST PASA Replacement: o Reliability Standard Implementation Guidelines **(RSIG)** o SO_OP_3703 Short Term Reserve Management o Spot Market Operations Timetable o ST PASA Procedure o Reserve Level Declaration Guidelines **(RLDG)** • Consultation on these changes and their outcomes has been completed. • AEMO is aiming to publish a forecasting methodology document targeting from November 2026. This document is not expected to require formal consultation. • Engagement has occurred through the NEM Reform Electricity Wholesale Consultative Forum (EWCF) and dedicated sessions with outcomes published through the consultations are outlined below: o **Consultation 2:** Consultation on ST PASA Replacement Reserve Level Declaration Guidelines – completed **July 2026** o **Consultation 1:** Consultation on ST PASA Replacement Project Procedures – completed **October 2025** o **Consultation on ST PASA Procedure and related documents** – focused on Generator Recall, completed **July 2025**
	Technical specifications	• Participant data model technical specifications are published on the AEMO Technical Specification Portal. o **MMS Data Model v5.7** – Completed and in production o **MMS Data Model v5.8** ▪ Initial draft published: **1 May 2026** ▪ Pre-production deployment: **22 September 2026** ▪ Production deployment: **20 October 2026**
	Engagement support	• AEMO will provide monthly industry updates through NEM Reform forums and targeted information sessions. Direct engagement will be arranged with affected participants where needed to resolve implementation issues. • During the parallel run, AEMO will hold Q&A sessions to review outcomes and address participant queries. • AEMO will publish educational and readiness materials on the initiative webpage. Participants must submit queries to NEMReform@aemo.com.au.

READINESS AREA		INDUSTRY READINESS APPROACH (CONT.)
Transition and Go-live	Transition plans	• New ST PASA processes will run in parallel with legacy processes to support participant and AEMO validation of updated processes. • Legacy procedures remain in force. • Parallel Run period targeted for 1 December 2026 to 31 March 2027. • AEMO will publish a transition plan to outline validation approach – targeted for mid-November 2026. • Commencement of new procedures (Phase 3) subject to successful completion of parallel run. • Checkpoints scheduled to support stakeholder input.
	Go-live plan	• AEMO will publish the draft Industry Go-Live Plan on 1 February 2027 for participant review and feedback. The final plan will be published on 1 March 2027 on the dedicated ST PASA Replacement webpage. • The plan will define the participant actions, operational readiness activities and key milestones required for coordinated go-live.
	Registration or accreditation plans	• AEMO does not anticipate to introduce any changes to existing participant registration or accreditation frameworks as part of the ST PASA Replacement initiative.

Risk & contingency management		• The key risks AEMO is managing include the tight timeframe for completing development and testing within a congested program delivery schedule, infrastructure dependencies affecting delivery timeframe, and the need to ensure acceptable operational performance. Contingency approaches would be developed in consultation with industry and may include:
		  • Proceed with minimum viable changes for November where necessary to minimise impact to participants.
		  • Maintain existing arrangements if March commencement criteria are not met.

Initiative readiness reporting & go-live criteria management		• AEMO will publish Go-Live Criteria ahead of participant testing and operational readiness activities.
		• AEMO will provide ongoing readiness reporting to industry through established NEM Reform forums and channels tracking progress against the confirmed industry readiness milestones for the initiative.
		• To provide assurance of implementation preparedness, AEMO will conduct formal readiness checkpoints against the confirmed go-live criteria in advance of industry testing and go-live, allowing sufficient time to address any residual issues.
		  • Targeted Readiness checkpoints are:
		    ❖ 3-month Checkpoint – 8 January 2027
		    ❖ 1-month Checkpoint – 3 March 2027
		• Formalised Participant readiness reporting is not required as there are no participant preparatory activities, that if not completed, would impact overall market or technical readiness.