

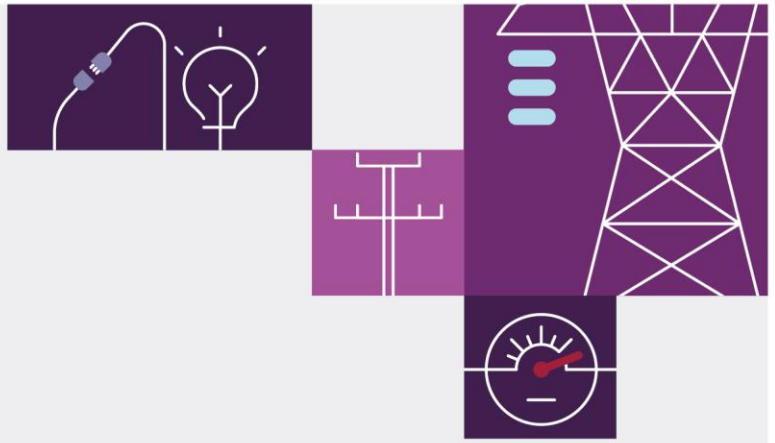
Wholesale Demand Response

June 2026

Annual Report

A report on the operation of the arrangements for the provision of wholesale demand response





Important notice

Purpose

AEMO publishes the Wholesale Demand Response Annual Report under clause 3.10.6 of the National Electricity Rules.

This publication has been prepared by AEMO using information available at 26 June 2026. Information made available after this date may have been included in this publication where practical.

Disclaimer

This document or the information in it may be subsequently updated or amended. This document does not constitute legal or business advice, and should not be relied on as a substitute for obtaining detailed advice about the National Electricity Law, the National Electricity Rules, or any other applicable laws, procedures or policies. AEMO has made every effort to ensure the quality of the information in this document but cannot guarantee its accuracy or completeness.

Version control

Version	Release date	Changes
1	29/06/2026	

Executive summary

This report provides information on wholesale demand response (WDR) operations, including on baseline methodologies, WDR performance and WDR trends, as required under the National Electricity Rules (NER) 3.10.6 for the period of 1 January 2025 to 31 December 2025.

AEMO's previous WDR Annual Reports have reported on a financial year basis, with data included up to the end of May or beginning of June for each publication. AEMO considers that more complete and meaningful insights will be achieved by transitioning to a calendar year reporting period.

To support this transition, this Annual Report includes a reporting period that overlaps with the 2025 WDR Annual Report. Unless otherwise specified, references in this report to previous reporting periods relate to the periods covered in earlier WDR Annual Reports.

The key operational statistics for WDR as of 31 December 2025 are shown in Table 1. AEMO notes that since 31 December 2025, as of publication of this report, registered capacity in WDR has increased to 343 MW.

Table 1 WDR operation – key statistics over reporting timeframe (1 January to 31 December 2025)

Key statistic	Value
Baseline methodologies available	8 (4 implemented 30 May 2025)
Baseline methodologies used by participants	3
Total number of DRSPs registered	2
Total WDRUs registered	26
Total NMIs registered	194
Regions in which NMIs are registered	NSW, VIC, SA, QLD
Total capacity registered (MW)	177.5 MW
Number of NMIs not passing compliance testing	15 NMIs (Summer), 3 NMIs (Winter)
WDR event days	30 days
WDR dispatch events	93
Regions of WDR events	NSW, VIC, SA, QLD
Total WDR dispatched (MWh)	417 MWh
Average Volume Weighted Price for WDR (\$/MWh)	\$2,611/MWh to \$5,780/MWh across the regions
Non-conformance frequency (settlement day)	17 days (11 days accidental bidding)
Non-conformance extent (settlement day)	84 MWh (76 MWh accidental bidding)

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1 Background

The WDR mechanism (WDRM)¹ commenced on 24 October 2021, implementing the AEMC's WDR Mechanism rule² of June 2020. The WDRM allows demand side (or consumer) participation in the wholesale electricity market. Demand Response Service Providers (DRSP) classify and aggregate the demand response capability of large market loads for dispatch through the NEM's standard bidding and scheduling processes. The DRSP receive payment for the dispatched response, relative to a baseline estimate of dispatch, at the electricity spot price.

1.1 Rules requirements

Under NER 3.10.6, within six months after the end of each calendar year, AEMO is required to publish an annual report including the following information on DRSP-led wholesale demand response (without disclosing any confidential information):

- the number of registered DRSPs
- the number and capacity of loads classified as wholesale demand response units
- the amount of demand response dispatched in the wholesale market under the wholesale demand response mechanism, as well as the frequency of dispatch
- analysis of the spot price levels at which wholesale demand response was dispatched
- analysis of the impact of wholesale demand response on the procurement and use of market ancillary services
- relevant trends, including year-on-year changes over time

1.2 Procedural requirements

Under clause 2.8 of AEMO's Baseline Eligibility Compliance and Metrics Policy³, AEMO has committed to undertake an annual review of the suitability of the eligibility and compliance methodology as well as the metrics thresholds (see section 2.7 of the Report).

¹ WDRM and WDR will be used interchangeably throughout this report.

² See: <https://www.aemc.gov.au/rule-changes/wholesale-demand-response-mechanism>

³ See: <https://www.aemo.com.au/-/media/files/initiatives/wdr/baselines-eligibility-compliance-and-metrics-policy.pdf>

2 Baseline methodologies reporting

Under NER 3.10.6(b) AEMO is required to report on outcomes relating to the use and accuracy of baseline methodologies, including on the following:

- Baseline methodologies available
- Baseline methodology use
- Proposals for new baseline methodologies
- Baseline methodology assessment
- Baseline non-compliance
- Improvements to WDR provision
- Timing of any improvements

2.1 Baseline methodologies available

Baselines are an estimate of the consumption at a National Metering Identifier (NMI) per trading interval (TI) during a day, based on a history of like days in the near past. Baselines are required in WDR for two main purposes:

- Demand response settlement
- To assess performance against dispatch targets

To participate in the WDRM, a load must demonstrate a level of predictability (predictability of load, PoL) against an identified baseline methodology (BM), so that a baseline can be calculated, against which demand response settlement and dispatch performance assessment will occur.

The baseline methodologies (and their associated key settings) available for use as of 31 December 2025 under the Wholesale Demand Response Guidelines⁴ are shown in Table 2 and Table 3. The baseline methodologies in Table 2 have been available since the commencement of the WDRM in October 2021. The baseline methodologies shown in Table 3 were implemented on 30 May 2025 following their approval in AEMO's consultation on baseline methodologies proposed by Enel X on 27 March 2024⁵.

The baseline methodologies in Table 2 and Table 3 are outlined in the Baseline Methodologies Register⁶, which was last updated on 23 February 2026.

⁴ See: <https://www.aemo.com.au/-/media/files/initiatives/wdr/wdr-guidelines.pdf>

⁵ See: <https://www.aemo.com.au/consultations/current-and-closed-consultations/wdr-baseline-methodology-consultation-enelx-proposals>

⁶ See: <https://aemo.com.au/-/media/files/initiatives/wdr/baseline-methodology-register.pdf?la=en>

Table 2 Baseline methodologies 1-4 – key settings summary table

	All Days (BM1)	Business Days (BM2)	Non-Business Days (BM3)	Business + Non-Business Days Composite (BM4) ⁷
BM ID	BM1	BM2	BM3	BM4
Framework	CAISO 10 of 10	CAISO 10 of 10	CAISO 4 of 4	CAISO 10 of 10 CAISO 4 of 4
Day type	All days.	Business days only.	Non-business days only.	Business days and non-business days.
Baseline window	50 days	50 days	50 days	50 days
Selected days	Most recent 10 days (minimum 5).	Most recent 10 business days (minimum 5).	Most recent 4 non-business days (minimum 4).	Most recent 10 business days (minimum 5). Most recent 4 non-business days (minimum 4).
Unadjusted baseline energy for TI	Average metered energy for TI for selected days.	Average metered energy for TI for selected days.	Average metered energy for TI for selected days.	Average metered energy for TI for selected days.
Baseline adjustment	Multiplicative adjustment with $\pm 20\%$ cap.	Multiplicative adjustment with $\pm 20\%$ cap.	Multiplicative adjustment with $\pm 20\%$ cap.	Multiplicative adjustment with $\pm 20\%$ cap.
Baseline adjustment window (settlement)	3 hrs ending 1 hr prior to the first TI of WDR.	3 hrs ending 1 hr prior to the first TI of WDR.	3 hrs ending 1 hr prior to the first TI of WDR.	3 hrs ending 1 hr prior to the first TI of WDR.
Baseline adjustment window (PoL)	3 hrs ending 1 hr prior to TI.	3 hrs ending 1 hr prior to TI.	3 hrs ending 1 hr prior to TI.	3 hrs ending 1 hr prior to TI.
Required number of eligibility days	50	50	20	50
Eligibility TIs window	3pm to 8pm (market time)	3pm to 8pm (market time)	3pm to 8pm (market time)	3pm to 8pm (market time)
Required number of compliance days	50	50	20	50
Compliance TIs window	3pm to 8pm (market time)	3pm to 8pm (market time)	3pm to 8pm (market time)	3pm to 8pm (market time)

⁷ The Business + Non-Business Days Composite baseline methodology (BM4) will be referred to as 'Composite' in the tables in the report in the interest of brevity.

Table 3 Baseline methodologies 5-8 – key settings summary table

	All Days (20-days PoL lookback) (BM5)	Business Days (20-days PoL lookback) (BM6)	All Days (solar focus) (BM7)	Business Days (solar focus) (BM8)
BM ID	BM5	BM6	BM7	BM8
Framework	CAISO 10 of 10	CAISO 10 of 10	CAISO 10 of 10	CAISO 10 of 10
Day type	All days.	Business days only.	All days.	Business days only.
Baseline window	50 days	50 days	50 days	50 days
Selected days	Most recent 10 days (minimum 5).	Most recent 10 business days (minimum 5).	Most recent 10 days (minimum 5).	Most recent 10 business days (minimum 5).
Unadjusted baseline energy for TI	Average metered energy for TI for selected days.	Average metered energy for TI for selected days.	Average metered energy for TI for selected days.	Average metered energy for TI for selected days.
Baseline adjustment	Multiplicative adjustment with $\pm 20\%$ cap.	Multiplicative adjustment with $\pm 20\%$ cap.	Multiplicative adjustment with $\pm 20\%$ cap.	Multiplicative adjustment with $\pm 20\%$ cap.
Baseline adjustment window (settlement)	3 hrs ending 1 hr prior to the first TI of WDR.	3 hrs ending 1 hr prior to the first TI of WDR.	1 hr ending 1 hr prior to the first TI of WDR.	1 hr ending 1 hr prior to the first TI of WDR.
Baseline adjustment window (PoL)	3 hrs ending 1 hr prior to TI.	3 hrs ending 1 hr prior to TI.	1 hr ending 1 hr prior to TI.	1 hr ending 1 hr prior to TI.
Required number of eligibility days	20	20	20	20
Eligibility TIs window	3pm to 8pm (market time)	3pm to 8pm (market time)	5pm to 9pm (market time)	5pm to 9pm (market time)
Required number of compliance days	20	20	20	20
Compliance TIs window	3pm to 8pm (market time)	3pm to 8pm (market time)	5pm to 9pm (market time)	5pm to 9pm (market time)

2.2 Baseline methodology use

The number of NMIs per baseline methodology and the total capacity (MW) per baseline methodology is shown in Table 4 and Table 5. As of December 2025, the majority (61.8%) of total registered capacity was using BM1. This differs to the baseline methodology use as of June 2025, where the majority (64.3%) of total registered capacity was using BM4.

Between the end of 2024 and the end of 2025, the total number of NMIs classified increased by 137. This included six NMIs that were declassified, of which three were on BM1 and three were on BM4, and 143 new NMIs that were classified during 2025. Of the 51 NMIs that remained classified between the end of 2024 and end of 2025, no NMIs changed baseline methodology. None of the four new baseline methodologies, BM5-8, were used during 2025, noting that the baseline methodologies were only implemented on 30 May 2025.

Table 4 Number of NMIs per baseline methodology

	All Days (BM1)	Business Days (BM2)	Non-Business Days (BM3)	Composite (BM4)	Total number of NMIs
June 2022	-	2	-	23	25
June 2023	14	2	-	18	34
June 2024	5	-	-	21	26
June 2025	67	5	-	86	158
December 2025	94	7	-	93	194
	All Days (20-days PoL look back) (BM5)	Business Days (20-days PoL look back) (BM6)	All Days (solar focus) (BM7)	Business Days (solar focus) (BM8)	Total number of NMIs
December 2025	-	-	-	-	-

Table 5 Total capacity (MW) per baseline methodology

	All Days (BM1)	Business Days (BM2)	Non-Business Days (BM3)	Composite (BM4)	Total Capacity
June 2022	-	1.0	-	60.6	61.6
June 2023	9.9	1.0	-	54.4	65.3
June 2024	6.0	-	-	57.0	63.0
June 2025	26.3	0.2	0.0	47.8	74.4
December 2025	109.6	3.1	-	64.7	177.5
	All Days (20-days PoL look back) (BM5)	Business Days (20-days PoL look back) (BM6)	All Days (solar focus) (BM7)	Business Days (solar focus) (BM8)	Total Capacity
December 2025	-	-	-	-	-

2.3 New baseline methodologies

Under NER 3.10.6(b)(1)(ii) AEMO is required to outline any proposals for new baseline methodology received by AEMO and new baseline methodologies being developed.

AEMO did not receive any official submissions for new baseline methodologies during 2025.

On 30 May 2025, AEMO implemented four new baseline methodologies (BM5-8), which were approved in AEMO's consultation on the baseline methodologies proposed by Enel X on 27 March 2024⁸. There are two additional baseline methodologies that were approved during this consultation (BM9-10) which AEMO is still to implement. These are of the form CAISO High 5 of 10 (All Days and Business Days), compared to the current High 10 of 10 form of the available baseline methodologies, and are designed to better accommodate temperature-sensitive loads. AEMO will keep stakeholders informed on when these two additional baseline methodologies will become available through its NEM Reform forums.

2.4 Baseline methodology assessment

NER 3.10.6(b)(2) outlines that for each baseline methodology, an assessment against the baseline methodology metrics as measured during the wholesale demand response unit classification process and baseline compliance testing must be completed for this Report.

To participate in WDR, the DRSP must demonstrate that the baseline methodology, when applied to the load and using the proposed baseline settings and historical metering data for the load, produces a baseline that satisfies the baseline

⁸ See: <https://www.aemo.com.au/consultations/current-and-closed-consultations/wdr-baseline-methodology-consultation-enelx-proposals>

methodology metrics. The two baseline methodology metrics used to assess a baseline's eligibility for WDR (baseline eligibility assessment) and continued compliance (baseline compliance testing) are accuracy and bias:

- Accuracy is the measure of deviation between the actual load and its baseline.
- Bias is the systematic tendency of a baseline method to over- or under-predict actual loads.

Under the Baseline Eligibility Compliance and Metrics Policy⁹, the accuracy threshold is 20%, however since 31 March 2025 AEMO has been trialling an alternative accuracy threshold of 30%. This trial will run for a two-year period to determine if the higher accuracy threshold should be retained (see section 2.7.3). The bias threshold is +-4%.

Figure 1 below shows the count of NMIs that underwent baseline eligibility assessment or baseline compliance testing per baseline methodology in 2025. This NMI count is unique to the baseline methodology, with NMIs able to complete multiple baseline eligibility assessment or baseline compliance tests across the baseline methodologies to determine under which baseline methodology the NMI best performs.

Table 6-8 outlines the minimum, maximum and average accuracy and bias scores for the baseline methodologies currently in use (BM1, BM2 and BM4), both under baseline eligibility assessment and baseline compliance testing. Tables 9-10 outline the minimum, maximum and average accuracy and bias scores for two of the new baseline methodologies (BM6 and BM7) for which NMIs underwent and passed baseline eligibility assessment. Any NMIs which failed the baseline eligibility assessment or compliance testing have been excluded from the statistics in Tables 6-10.

Baseline compliance testing was conducted as outlined in the Baseline Eligibility Compliance and Metrics Policy on the 29 and 30 May 2025 and on the 1 and 2 December 2025. The compliance testing results shown below are for the 1 and 2 December 2025 compliance test, as they are the latest for the 2025 calendar year. More details about the NMIs that failed compliance testing can be found in Section 0.

Across seven of the eight baseline methodologies, 327 unique NMIs underwent baseline eligibility assessments in 2025. This compares to 342 unique NMIs that underwent baseline eligibility assessments in 2024 across the four baseline methodologies at that time (BM1-4). As Figure 1 shows, BM1 had the highest count of unique NMIs that passed or failed baseline eligibility assessment in 2025, followed by BM4 and then BM2. Of the four new baseline methodologies (BM5-8), BM6 and BM7 both had one NMI undertake baseline eligibility assessment and pass, however neither NMI proceeded to register under one of these baseline methodologies. Each of the four new baseline methodologies had one NMI complete but fail baseline eligibility assessment in 2025.

BM4 had the highest count of NMIs that underwent winter compliance testing, followed by BM1. This was reversed for summer compliance testing, where BM1 had the highest count of NMIs followed by BM4. Only NMIs for BM1 failed winter compliance testing, with NMIs across BM1, BM2, BM4, BM7, and BM8 failing summer compliance testing. For BM7 and BM8, the NMIs that underwent summer compliance testing were not previously registered under these baseline methodologies, but tested for BM7 and BM8 as a result of failing compliance testing for the baseline methodology they were using at the time. No baseline eligibility assessment or compliance testing was undertaken in 2025 for BM3.

⁹ See: <https://www.aemo.com.au/-/media/files/initiatives/wdr/baselines-eligibility-compliance-and-metrics-policy.pdf>

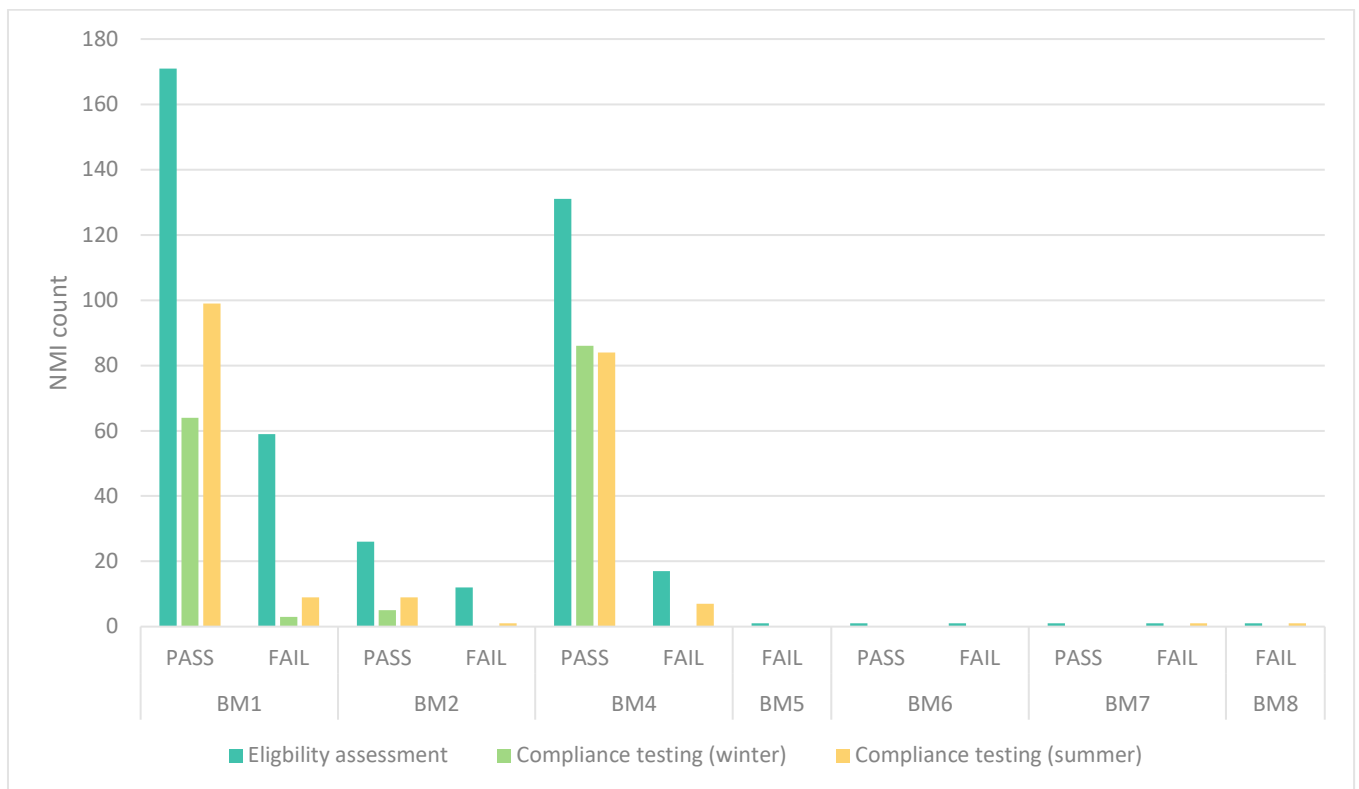


Figure 1 Count of NMIs that underwent eligibility assessments and compliance testing in 2025 per baseline methodology

In Tables 6-8, the minimum and maximum bias scores across NMIs range for each baseline methodology from 0 to between 3 and 4% for both eligibility assessment and compliance testing. BM1 and BM4 had the greatest range in accuracy scores between the minimum and maximum, and average scores below the original 20% accuracy threshold for both eligibility assessment and compliance testing. The average accuracy score for BM2 was above the 20% accuracy threshold in both eligibility assessment and compliance testing, showing that the trial 20% accuracy threshold is having the greatest impact to NMIs registered under BM2 and that NMIs on this baseline represent less predictable loads.

Table 6 All Days (BM1) – Eligibility assessment and compliance testing results (NMIs that passed only)

	Eligibility Assessment		Compliance Testing	
	Accuracy (%)	Bias ¹⁰ (%)	Accuracy (%)	Bias (%)
Minimum	0	0	0.8	0
Maximum	29.6	3.9	29.4	3.3
Average	14.7	0.9	13.6	0.9

¹⁰ Minimum, maximum and average values calculated from absolute bias scores.

Table 7 All Days (BM2) – Eligibility assessment and compliance testing results (NMIs that passed only)

	Eligibility Assessment		Compliance Testing	
	Accuracy (%)	Bias ¹¹ (%)	Accuracy (%)	Bias (%)
Minimum	12.5	0	12.7	0
Maximum	29.5	3.8	29.6	3.1
Average	20.4	1.3	24.9	1.3

Table 8 Composite (BM4) – Eligibility assessment and compliance testing results (NMIs that passed only)

	Eligibility Assessment		Compliance Testing	
	Accuracy (%)	Bias ¹² (Absolute %)	Accuracy (%)	Bias (%)
Minimum	2.2	0	1.5	0
Maximum	28.4	3.9	27.6	3.2
Average	15.1	0.8	12.0	0.5

Four new baseline methodologies (BM5-8), including all days and business days only formats, were implemented on 30 May 2025. Only one NMI each for BM6 and BM7 passed the eligibility assessment during 2025, with the results from these assessments shown in Tables 9-10. More data for NMIs completing and passing baseline assessments on BM5-8 is therefore required to understand trends in scores for these new baseline methodologies.

Table 9 Business days (20-day PoL lookback) (BM6) – Eligibility assessment and compliance testing results (NMIs that passed only)

	Eligibility Assessment		Compliance Testing	
	Accuracy (%)	Bias ¹³ (%)	Accuracy (%)	Bias (%)
Minimum	22.6	3	-	-
Maximum	22.6	3	-	-
Average	22.6	3	-	-

¹¹ Minimum, maximum and average values calculated from absolute bias scores.

¹² Minimum, maximum and average values calculated from absolute bias scores.

¹³ Minimum, maximum and average values calculated from absolute bias scores.

Table 10 All days (solar focus) (BM7) – Eligibility assessment and compliance testing results (NMIs that passed only)

	Eligibility Assessment		Compliance Testing	
	Accuracy (%)	Bias ¹⁴ (%)	Accuracy (%)	Bias (%)
Minimum	28.1	3.8	-	-
Maximum	28.1	3.8	-	-
Average	28.1	3.8	-	-

2.4.1 Trends in accuracy and bias

The average accuracy and bias scores for eligibility assessment for each BM over time are shown in Table 11 and Table 12. Compared to the July 2024 to June 2025 average accuracy scores, the 2025 average scores for BM1, BM2 and BM4 increased. For BM1 and BM4, the average accuracy scores remained below the previous 20% accuracy threshold, however the average accuracy score for BM2 increased to just above it at 20.4%. The average accuracy score for BM6 and BM7 were above the previous 20% accuracy threshold, however these scores cannot be taken as indicative as only one NMI underwent baseline eligibility assessment and passed in 2025 for BM6 and BM7. The average bias scores for BM1, BM2 and BM4 remained well below the +/- 4% threshold.

Table 11 Eligibility assessment – average accuracy score over time

	All Days (BM1)	Business Days (BM2)	Non-Business Days (BM3)	Composite (BM4)
Nov 21 - Jun 2022	-	14.7%	-	8.8%
Jul 2022 – Jun 2023	9.7%	-	-	10.0%
Jul 2023 – Jun 2024	-	-	-	15.2%
Jul 2024 – Jun 2025	12.9%	19.4%	-	13.0%
Jan – Dec 2025	14.7%	20.4%	-	15.1%
	All Days (20-days PoL look back) (BM5)	Business Days (20-days PoL look back) (BM6)	All Days (solar focus) (BM7)	Business Days (solar focus) (BM8)
Jan – Dec 2025	-	22.6%	28.1%	-

¹⁴ Minimum, maximum and average values calculated from absolute bias scores.

Table 12 Eligibility assessment – average bias score over time

	All Days (BM1)	Business Days (BM2)	Non-Business Days (BM3)	Composite (BM4)
Nov 21 - Jun 2022	-	3.0%	-	0.4%
Jul 2022 – Jun 2023	0.4%	-	-	1.4%
Jul 2023 – Jun 2024	-	-	-	0.4%
Jul 2024 – Jun 2025	0.6%	1.2%	-	0.7%
Jan – Dec 2025	0.9%	1.3%	-	0.8%
	All Days (20-days PoL look back) (BM5)	Business Days (20-days PoL look back) (BM6)	All Days (solar focus) (BM7)	Business Days (solar focus) (BM8)
Jan – Dec 2025	-	3%	3.8%	-

The average accuracy and bias scores for compliance testing since June 2022 for each BM are shown in Table 13 and Table 14. These results, up to and including June 2025, are compared for winter compliance testing that is completed at the end of May or beginning of June each year. From and including in this report, compliance testing results for summer compliance testing, which occurs at the end of November or beginning of December each year, will be used. Whilst average bias scores have remained consistently low compared to the bias threshold, the accuracy scores across BM1, BM2 and BM4 have all increased year on year, with a significant jump between May and December 2025 for BM2. The increase in BM2 average accuracy scores could be due to seasonal differences associated with comparing the winter and summer compliance testing results, with BM2 found in Table 7 to contain on average the least predictable loads compared to BM1 and BM4.

Table 13 Compliance assessment – average accuracy score over time

	All Days (BM1)	Business Days (BM2)	Non-Business Days (BM3)	Composite (BM4)
June 2022	-	14.7%	-	8.9%
May 2023	10.8%	16.1%	-	6.9%
May 2024	11.0%	-	-	8.0%
May 2025	12.8%	16.9%	-	12.7%
Dec 2025	13.6%	24.9%	-	12.0%
	All Days (20-days PoL look back) (BM5)	Business Days (20-days PoL look back) (BM6)	All Days (solar focus) (BM7)	Business Days (solar focus) (BM8)
Dec 2025	-	-	-	-

Table 14 Compliance assessment – average bias score over time

	All Days (BM1)	Business Days (BM2)	Non-Business Days (BM3)	Composite (BM4)
June 2022	-	0.9%	-	0.3%
May 2023	0.4%	1.3%	-	0.2%
May 2024	0.2%	-	-	0.7%
May 2025	0.9%	1.1%	-	0.6%
Dec 2025	0.9%	1.3%	-	0.5%
	All Days (20-days PoL look back) (BM5)	Business Days (20-days PoL look back) (BM6)	All Days (solar focus) (BM7)	Business Days (solar focus) (BM8)
Dec 2025	-	-	-	-

2.5 Baseline non-compliance

When AEMO conducted baseline compliance testing before winter and summer (May 2025 and December 2025), a number of NMIs (see Table 15 and Table 16) failed to pass the baseline compliance test. This means that the baselines of these NMIs no longer meet the required accuracy and/or bias thresholds. This can occur for several reasons, such as a significant change in plant operations or business model or a seasonal characteristic of the particular load. Such NMIs are set as non-compliant in AEMO's systems and are unable to partake in WDR until they pass baseline compliance testing at a future date. The DRSP is also informed by email if one or more of their NMIs fail compliance testing and has been set as non-compliant. The DRSP may then re-submit an amended application for compliance testing if appropriate, using 'exclusion days' to remove any abnormal loads from the baseline compliance testing calculation.

All NMIs that were found to be baseline non-compliant have provided an available capacity of zero for the WDRU. There have been no periods in which a baseline non-compliant WDRU has bid in or was dispatched.

For winter compliance testing, three NMIs failed the compliance testing, with one failing to meet both the accuracy and bias thresholds. All three of these NMIs were on BM1.

Table 15 2025 winter compliance testing – completed 29 and 30 May 2025

	All Days (BM1)	Business Days (BM2)	Non-Business Days (BM3)	Composite (BM4)	Total
Total number of NMI	67	5	0	86	158
Number of NMIs that failed compliance testing	3	0	0	0	3
% of NMIs failing compliance testing	4%	0%	-	0%	2%

For summer compliance testing, there were 15 NMIs that failed the compliance test, nine of which were BM1, seven of which were BM4, and one each for BM2, BM7 and BM8. Two of these NMIs were also already set to non-compliant. Of these, 13 NMIs became compliant after summer compliance testing, and the two NMIs that had already been set to non-compliant were later declassified.

Table 16 2025 summer compliance testing – completed 1 and 2 December 2025

	All Days (BM1)	Business Days (BM2)	Non-Business Days (BM3)	Composite (BM4)	All Days (solar focus) (BM7)	Business Days (solar focus) (BM8)	Total
Total number of NMIs	108	10	-	91	1	1	211
Number of NMIs that failed compliance testing	9	1	-	7	1	1	15
% of NMIs failing compliance testing	8%	10%	-	8%	100%	100%	9%

Figure 2 below compares the above percentages of NMIs failing compliance testing with trends over time since June 2022. As can be seen, there has been a year-on-year decline in the failure rate of NMIs for winter compliance testing, with the failure rate in 2025 significantly lower compared to winter compliance testing that occurred in May 2024. Before 2025, the failure rate of NMIs during summer compliance testing was increasing year-on-year, however 2025 summer compliance testing saw a decline to below 2022 failure rates. For winter and summer testing in 2025, AEMO was trialling a higher accuracy threshold of 30%. With the 20% accuracy threshold, the failure rate of NMIs in winter and summer 2025 would have only increased each by one percentage point, to 3% and 10% respectively. The decline in compliance testing failure rates can be attributed to the greater number of NMIs, including those with more predictable loads, participating in WDR as of 2025 compared with previous years.

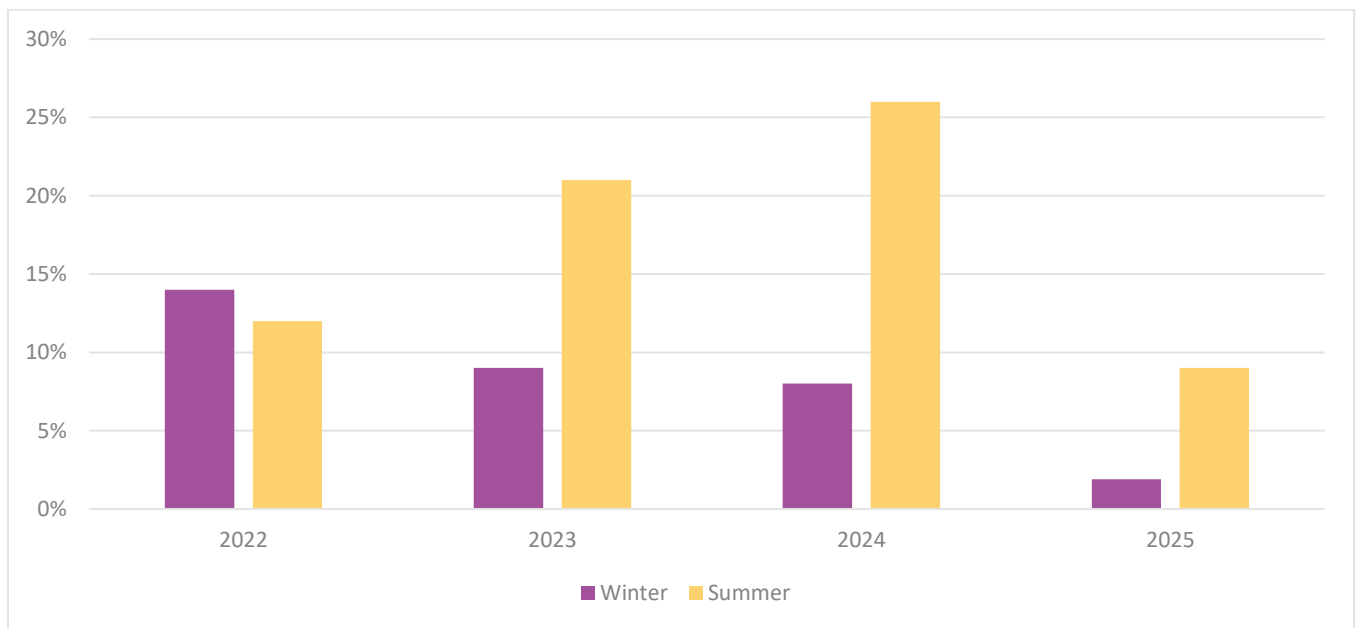


Figure 2 Percentage of NEMs that failed compliance testing per season and over time

2.6 Improvements to WDR provision

Under NER 3.10.6(b)(4)-(5) any potential improvements to the provision of WDR under the Rules, together with the associated timing and process for making any improvements needs to be included in this Report.

Changes to the WDR Guidelines or the Rules

AEMO will be reviewing two existing WDR Mechanism processes with the objective of improving efficiency in AEMO's processes and considering if there are additional barriers for participation in the WDR Mechanism that can be removed. These two processes are:

- (i) The Distribution Network Service Provider (DNSP) endorsement process
- (ii) The baseline methodology proposal and assessment process

Review of these processes is in response to industry feedback AEMO received during its consultation on Enel X's proposed baseline methodologies that was completed in 2024. AEMO's review of these two processes has been delayed in its commencement due to competing priorities within AEMO's broader prioritisation and implementation process. Progression of this review will be detailed in the CY 2026 WDR Annual Report.

Portfolio Management System (PMS)

AEMO is currently undertaking a PMS Uplift project with the primary objective to improve the system's performance and scalability. The project has completed and rolled out two of the three planned releases, with the final release scheduled for the end of August 2026.

During the first release a set of performance and scalability improvements were rolled out to PMS, and during the second release a set of changes were deployed in AEMO's Market Settlement and Transfer Solutions (MSATS), which will be the

engine for the remaining performance and scalability improvements being delivered in the final release. These performance improvements will be available to WDR functionality within PMS, including:

- Faster processing: screens will load and validate NMIs more quickly when creating new WDR applications.
- Improved responsiveness: screens displaying existing WDR NMIs will perform more efficiently.
- Enhanced usability: data will be presented in pages (20 NMIs per page), rather than loading all NMIs at once, reducing timeouts and improving overall system stability.

2.7 Suitability of eligibility and compliance methodology

Under clause 2.8 of AEMO's WDRM Baseline Eligibility, Metrics and Compliance Policy¹⁵, AEMO committed to undertaking an annual review of the suitability of the eligibility and compliance methodology as well as the metrics thresholds.

2.7.1 Eligibility assessment

Since the commencement of WDR, there has been 1,574 MWh of dispatched WDR capacity, and 120 WDR event days. This allows AEMO to draw conclusions regarding the long-term efficacy of eligibility and compliance methodology and the accuracy and bias thresholds.

As shown in Section 2.4, the NMIs registered for WDR, when tested for eligibility, have a wide variety of accuracy and bias characteristics, with average accuracy and bias values well below the new 30% threshold and $\pm 4\%$ threshold respectively. This wide variety highlights the varying and unique characteristics of different loads participating in WDR across various technology types.

As the four new baseline methodologies (BM5-8) were only implemented at the end of May 2025, data on the use and average scores under these baseline methodologies remains limited. It is expected that the CY 2026 WDR Annual Report will have available a greater breadth of data for baseline eligibility assessments against these new baseline methodologies that can be analysed to consider their suitability.

2.7.2 Compliance testing

With regards to the compliance testing methodology, the seventh and eighth bi-annual compliance test for all NMIs were undertaken at the end of May 2025 and beginning of December 2025 respectively. Most NMIs tested during the winter testing had very similar accuracy and bias statistics in the compliance test as seen in the eligibility assessment, suggesting that their loads are largely predictable in a way suitable to participation in WDR. A higher proportion of the NMIs that underwent summer compliance testing failed, which suggests seasonal variation, particularly the impact of warmer temperatures and greater solar PV availability, may be impacting the predictability of loads and their consumption patterns. This matter was raised during AEMO's Enel X baseline methodology proposals consultation in 2024 and was the motivation behind the fifth and sixth baseline methodology that AEMO approved (BM9-10). These baseline methodologies will be of the form CAISO High 5 of 10 and is expected to better accommodate seasonal variation in loads once implemented.

¹⁵ https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2020/wdrm-becm-policy/first-round/baselines-eligibility-compliance-and-metrics-policy.pdf?la=en

2.7.3 Accuracy and bias thresholds

AEMO has been trialling a higher accuracy threshold of 30% for eligibility and compliance as an additional measure to address stakeholder concerns around the restrictiveness of the WDR Mechanism's eligibility requirements. This is currently available to participants and is subject to trial over a two-year duration. Final outcomes of the trial, including whether to retain the higher threshold, will be reviewed in alignment with preparation of the CY 2026 WDR Annual Report in 2027. Preliminary findings of the trial are summarised in Table 17.

Table 17 Preliminary findings of trial of higher accuracy threshold against evaluation criteria (CY 2025)

Criteria	CY 2025 Preliminary Findings
Reliability of response to dispatch instructions	As outlined in section 3.3, 2025 saw the highest extent of dispatch non-conformance to date, however a significant proportion of this dispatch non-conformance was due to accidental bidding.
Change in volume of participation (number of participants and WDRUs entering the mechanism)	Figure 3 shows the difference in NMIs that passed eligibility assessment in 2025 under the trial 30% accuracy threshold compared to the original 20% threshold. There has been no change in the number of participants in WDRM, which remains at two, however there has been an increase in the number of WDRUs registering.
Degree of change in baseline accuracy (average and volume weighted)	<p>As outlined in section 2.4.1, there has been a slight increase in baseline eligibility assessment accuracy, but average bias scores have remained steady. More data is required to assess how the combination of the trial accuracy threshold and four new baseline methodologies impacts accuracy scores for NMIs across all eight of the current baseline methodologies.</p> <p>Figure 4 compares the average and volume weighted accuracy scores for eligibility assessments and compliance testing in 2025, with accuracy scores for BM1 most significantly reducing when using the volume weighted over average scores. This can be attributed to BM1 having the highest registered MW capacity. Using the volume weighted scores, it can be seen that NMIs registered under BM1 particularly are well below the 20% and 30% accuracy thresholds.</p>
Changes in number of exclusion days	Figure 5 compares the average exclusion days used in baseline eligibility assessment and compliance testing between 2023, 2024 and 2025. As can be seen, no significant changes to the average number of exclusion days across the baseline methodologies has occurred over the years and since the trial 30% accuracy threshold.

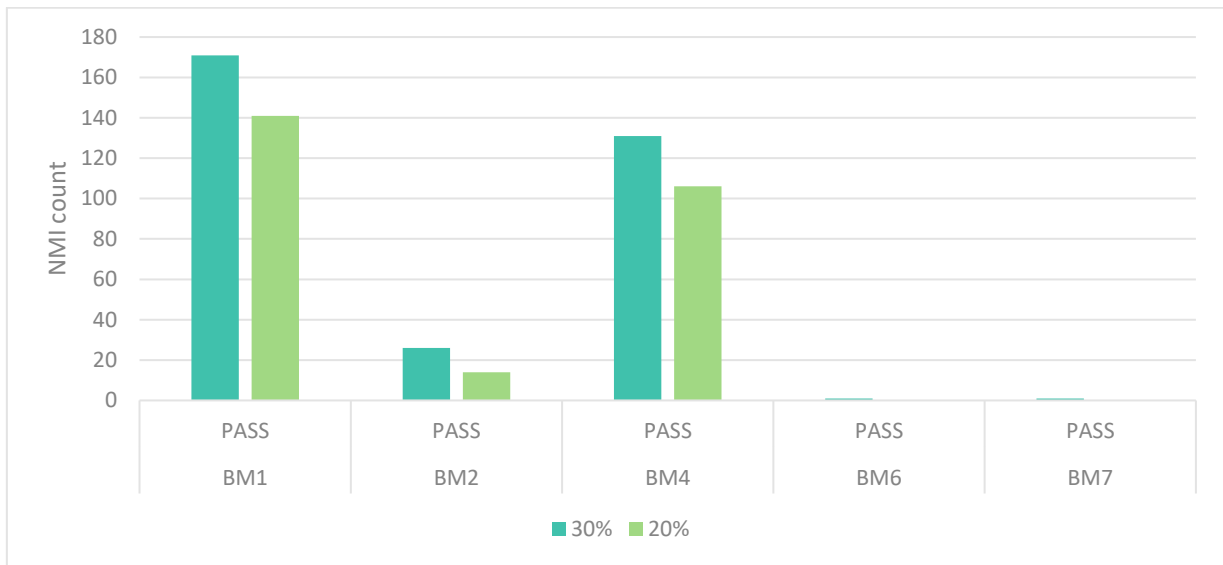


Figure 3 Comparison of NMIs that would have passed eligibility assessment with the trial 30% accuracy threshold versus the 20% accuracy threshold in 2025

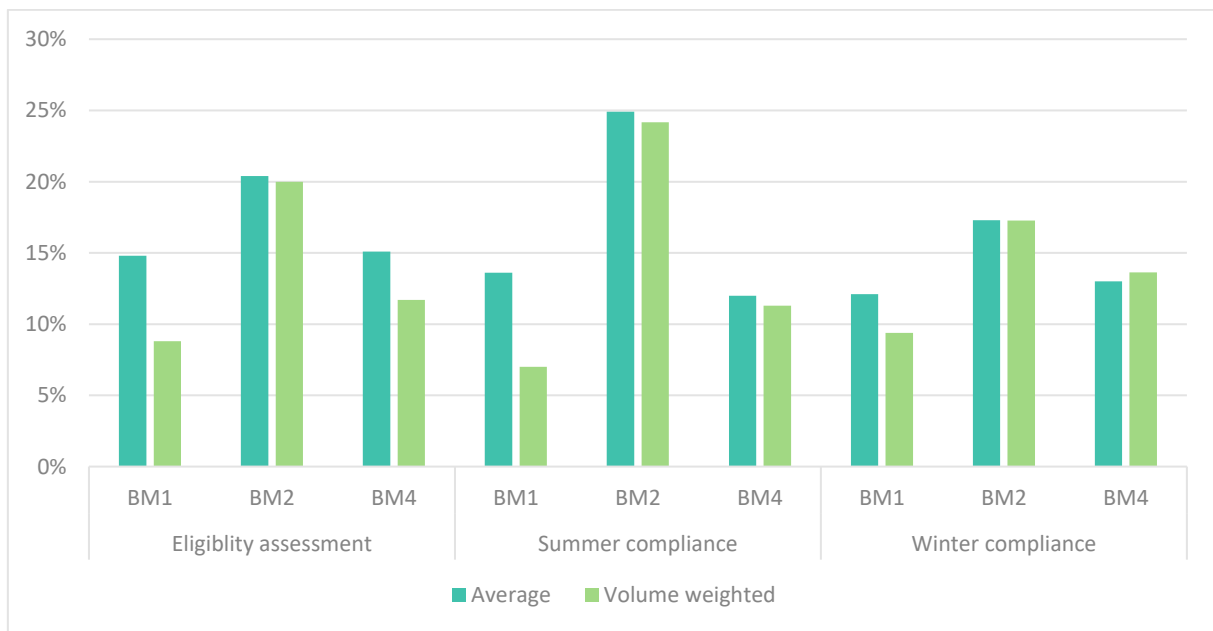


Figure 4 Average versus volume weighted accuracy scores per baseline methodology for baseline eligibility assessment and compliance testing completed in 2025



Figure 5 Comparison of average exclusion days across baseline eligibility assessments and compliance testing in 2024 and 2025 by quarter

2.7.4 Other settings

With the introduction of four new baseline methodologies and the trial of a new accuracy threshold, AEMO believes that all other baseline settings relevant to the eligibility and compliance methodology, including the baseline adjustment cap, selected days, baseline window, baseline adjustment window, required number of eligibility days and required number of compliance days are working as intended and require no further adjustment at this time.

3 WDR performance

Under NER 3.10.6(c), the Report must include, for the period under review the following:

- the number of registered DRSPs and the number and capacity of WDRUs
- the amount of dispatched WDR, the frequency of dispatch and the spot market price levels at which wholesale demand response was dispatched
- the frequency and extent of WDRU declared to be non-conforming
- analysis of the impact of dispatched WDR on the procurement and use of each market ancillary service
- analysis of trends, including year-on-year changes

3.1 DRSPs and WDRUs

The number of registered DRSPs and the number and capacity of WDRUs since the commencement of WDR is shown in Table 18 below.

Table 18 DRSPs, WDRUs and total capacity

Date	Registered DRSPs	WDRUs	Total WDRU capacity (MW)
June 2022	1	12	61.6
June 2023	1	13	65.3
June 2024	1	15	63.0
June 2025	2	20	74.4
December 2025	2	26	177.5

The breakdown of capacity by region is shown in Figure 6. As can be seen, registered WDR capacity is split largely between the NSW and VIC regions, with a small amount of capacity in the SA and QLD regions. No WDR capacity is currently registered in TAS.

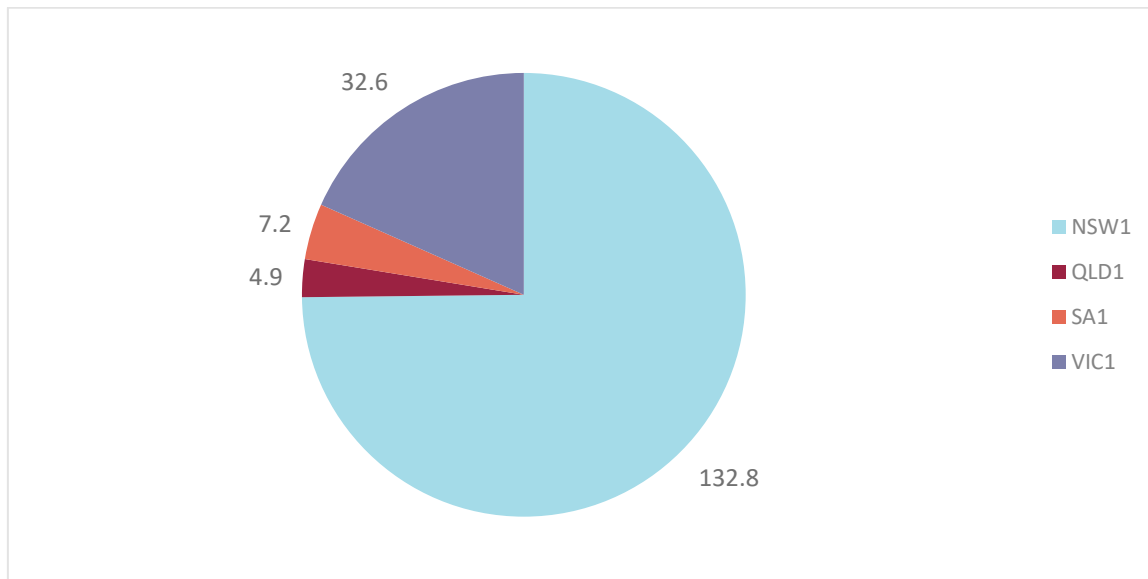


Figure 6 Capacity by region (MW) – December 2025

3.2 Wholesale demand response dispatch and pricing

In 2025, there were 93 dispatch events, representing 417 MWh of dispatched capacity across the year. Table 19 shows the spread of WDR dispatch per season for 2025, with winter having the highest amount of WDR dispatch (56%) and summer the least (3.6%). Figure 7 WDR dispatched over the last four calendar years (MWh) compares the regional WDR dispatch per calendar year since 2022.

Table 19 WDR dispatch per season for January to December 2025

Season	Intervals with WDR Dispatch	Dispatched capacity (MW)	Dispatched capacity (MWh)
Shoulder (Mar-May, Sep-Nov)	900	2,027	169
Summer (Dec-Feb)	83	174	15
Winter (Jun-Aug)	1,808	2,803	234
Total	2,791	5,003	417

Table 20 shows the average volume weighted price for WDR per region across the last four reporting periods. NSW saw a significant decrease in the average volume weighted price across January to December 2025 compared to the last two reporting periods. This was largely due to the impact of the extended period of accidental bidding that occurred over multiple days in the second half of 2025. Excluding this period of accidental bidding, the average volume weighted price for NSW for 2025 would have been \$4,455/MWh. In QLD, the average volume weighted price decreased compared to the previous reporting period. In SA the average volume weighted price was only \$2/MWh higher than the previous reporting period where there was a dispatch event in SA.

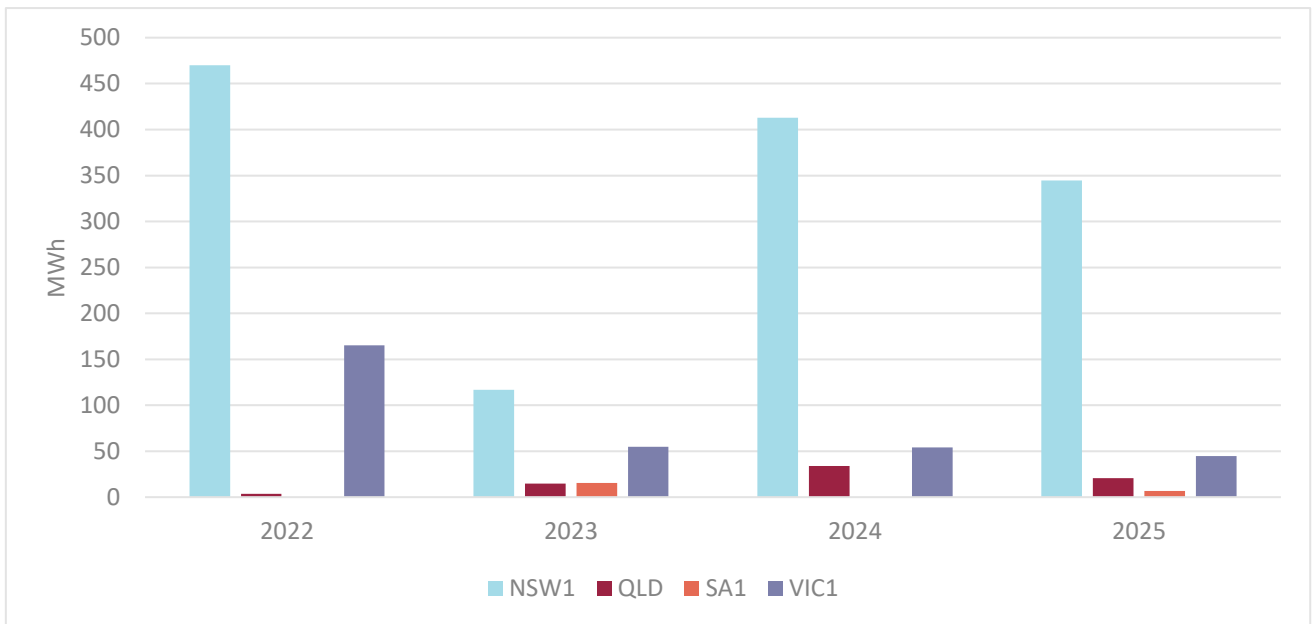


Figure 7 WDR dispatched over the last four calendar years (MWh)

Table 20 Average Volume Weighted Price (\$/MWh) for WDR per region¹⁶

	NSW	QLD	SA	VIC
Jul 22 – Jun 23	\$2,084	\$832	\$284	\$732
Jul 23 – Jun 24	\$7,162	\$1,312	\$5,778	\$7,119
Jul 24 – Jun 25	\$4,061	\$5,890	-	\$3,746
Jan – Dec 25	\$2,611	\$4,215	\$5,780	\$3,840

3.3 Non-conformance

Dispatch conformance is assessed at an interval (MW) and settlement day (MWh) level as outlined in Section 3 of the Post-Event Dispatch Conformance Policy¹⁷. Due to the small size of most WDRUs (i.e. 15 out of 25 being under 6 MW in size) and the interval MW error non-conformance threshold being +/-6 MW, the interval assessment shows no intervals have been deemed as non-conforming (i.e. demand response has remained within 6 MW of the dispatch target) across 2025.

¹⁶ The average volume weighted price is calculated based on dispatch volume and not trade volume.

¹⁷ <https://aemo.com.au/-/media/files/initiatives/wdr/2021/post-event-dispatch-conformance-policy.pdf?la=en>

From a settlement day perspective, 23 out of 93 dispatch events have been deemed non-conforming in 2025, or 17 out of 30 days in which there was a dispatch event. This represented a total of 84 MWh of non-conformance for 2025, of which 90.6% (76 MWh) of settlement day non-conformance was due to accidental bidding. Compared to the previous WDR Annual Report in June 2025, an additional 52 MWh of non-conformance occurred to the end of December 2025. This non-conformance can be attributed to additional accidental bidding that occurred between June and December 2025, including a multiple day event where demand response was erroneously bid into the market over multiple days, resulting in 66 MWh of non-conformance across that incident.

The frequency and extent of WDRUs declared to be non-conforming under NER 3.8.23(a) since the start of WDR is shown in Table 21 below.

Table 21 Non-conformance measures over time

	Non-conformance frequency – interval	Extent of non-conformance – interval (MW)	Non-conformance frequency – settlement day	Extent of non-conformance – settlement day (MWh)
Jul 22 – Jun 23	None	-	16 out of 81 dispatch events	9
Jul 23 – Jun 24	None	-	5 out of 38 dispatch events	5
Jul 24 – Jun 25	None	-	21 out of 92 dispatch events	32
Jan – Dec 2025	None	-	23 out of 93 dispatch events	84

3.4 WDR effect on market ancillary services

Due the low volume/size of WDR dispatch to date, there is no perceivable effect of WDR in the procurement and use of market ancillary services.

Glossary

This document uses many terms that have meanings defined in the National Electricity Rules (NER). The NER meanings are adopted unless otherwise specified.

Term	Definition
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator Limited
AER	Australian Energy Regulator
BL	Baseline
BM	Baseline methodology
CAISO	The California Independent System Operator. CAISO developed the standard baseline methodology, "10 of 10," to estimate what a load's energy consumption would have been if a demand response event had not occurred.
DR	Demand response
DRSP	Demand Response Service Provider
NER	National Electricity Rules
NMI	National Metering Identifier
PoL	Predictability of Load
TI	Trading interval
WDR	Wholesale Demand Response
WDRM	Wholesale Demand Response Mechanism
WDRU	Wholesale Demand Response Unit