

PEC-MI Industry Q&A

Update on defects and upcoming release dates

21 August 2026





We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan

AEMO Group is proud to have delivered its first Reconciliation Action Plan in May 2024. 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation - a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.

Read our
RAP





Housekeeping

1. This meeting will be recorded for minute taking purposes
2. Please mute your microphone, this helps with audio quality as background noises distract from the conversation.
3. Use the 'Raise hand' function should you wish to speak to an item.
4. Use the 'Chat' function for any other questions or comments you may have.
5. In attending this meeting, you are expected to:
 - Not only represent your organisation's interests but also the interests of Industry and its customers
 - Have an open mindset
 - Contribute constructively
 - Be respectful, both on the call and in the chat
6. Participants are asked to familiarise themselves with [AEMO's Competition Law Meeting Protocol](#) as outlined in **Appendix A**.



1. Welcome

Ulrika Lindholm



Agenda



#	Topic	Presenter
1	Welcome	Ulrika Lindholm
2	Timeline and FAQs page	Rando Yam / Project team
3	Open defects	Rando Yam / Project team
4	Questions	All participants
5	Next steps and close	Ulrika Lindholm

“Please note that this meeting will be recorded by AEMO and may be accessed and used by AEMO for the purpose of compiling minutes. By attending the meeting, you consent to AEMO recording the meeting and using the record for this purpose. No other recording of the meeting is permitted”

2. Timeline & FAQs page

Rando Yam / Project team





Timeline & FAQs page

Timeline

Release 1.1a (13 Aug 2026)

- Registration of PEC interconnector and inclusion in Settlement Residue Auction (SRA) [DONE]

Release 1.1b (14-30 Sep 2026)

- Production D deployments in Market Systems, incl. Dispatch and Negative Residue Management

Release 1.2 (1 Oct 2026)

- Planned commencement of Loop operations in AEMO Market Systems

Release 2 (1 Nov 2026)

- Planned Final release to production of Settlements changes (rule commencement date).

FAQ's page for participants

[AEMO | Frequently asked questions](#)

3. Open defects

Rando Yam / Project team



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	Preprod ETA fix dates (indicative)
NRQ-1604 ¹	Loop constraints incorrectly included in interconnector limit reporting	2 (High)	AEMO	Open	PASA solution loader to <i>exclude</i> 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).	TBC
NRQ-1605 ¹	Constraint Ramping Service not excluding PEC related Loop 'L' constraints	2 (High)	AEMO	Closed	Constraint Ramping Service need to <i>exclude</i> 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	Open	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	Open	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 NEM Report defects

Issue	Summary	Severity* (1-4)	Raised by	Status	Notes	Preprod ETA fix dates (indicative)
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	Open	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.	14 Sept
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.	Nov 2026 (TBC)

Key dates for PEC-MI implementation - Production

Deployment / Go-live dates	Inclusions	Exclusions	Notes
Thursday 13 August [DONE]	- 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	PROD deployments in AEMO Market Systems, including: - Constraints (16 September) - Updates to Dispatch - Negative Residue Management		- 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	- 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	Planned commencement of settlement arrangements		Aligned with the start of the settlement week (Sundays).

4. Questions

All participants



5. Next Steps and close

Ulrika Lindholm



Next steps

- AEMO will share this presentation with attendees after the meeting.
- Heightened support during industry testing has commenced.
- Participants can view the FAQs page [here](#)
- AEMO will schedule another Q&A sessions next Friday at 10am for 30 minutes to communicate updates and progress on defect resolution and pre-production deployments. Participants are encouraged to raise issues or concerns at this time.
- Participants are encouraged to continue providing feedback and observations to AEMO via NEMReform@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](#)

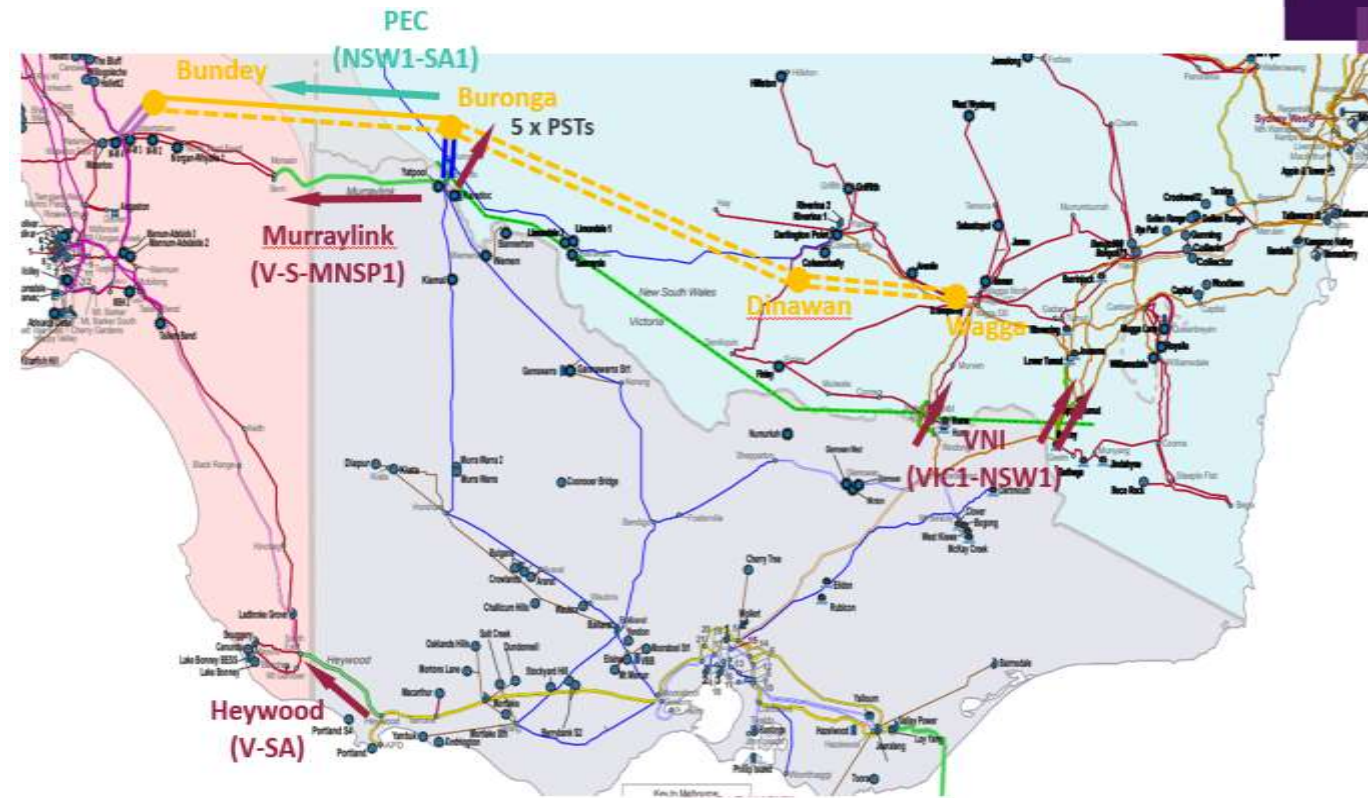
Appendix



Objectives of AEMO trial cutover testing (July-August) - recap

Trial cutover date: Thursday 30 July 2026

- AEMO trial of loop operations in Market Pre-production environment.
- Mirroring key physical and system activities planned for Production environment.
- Pre-prod trial cutover included:
 - a planned outage window,
 - execution of cutover activities by AEMO, and
 - post cutover validation and ramp up activities.
- Excluded:
 - simulated SRAs involving PEC2
 - a simulated end-to-end settlements run for the July market trial period.



PEC Geographic Overview and Interconnectors



Outcomes of trial cutover testing

1. Participants can monitor loop constraint operations in Pre-prod
2. AEMO identified the following issues during Trial Cutover testing
 - **PASA:** Loop constraints incorrectly included in certain interconnector limit reports.
 - **Ramping Constraints:** Loop flow constraints should not be ramped.
 - **NEMDE Solution:** Price scaling not being correctly applied during certain edge-case test scenarios.
3. AEMO is now targeting implementation of the above changes in **mid-September**.

Appendix A: AEMO Competition Law - Meeting Protocol

AEMO is committed to complying with all applicable laws, including the Competition and Consumer Act 2010 (CCA). In any dealings with AEMO, all participants agree to adhere to the CCA at all times and to comply with appropriate protocols where required to do so.

AEMO has developed meeting protocols to support compliance with the CCA in working groups and other forums with energy stakeholders. Before attending, participants should confirm the application of the appropriate meeting protocol.

Please visit: <https://aemo.com.au/en/consultations/industry-forums-and-working-groups>



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.