

AEMO: A MARKET VISIBILITY FRAMEWORK FOR PRICE RESPONSIVE RESOURCES - CONSULTATION PAPER

9 OCTOBER 2026

INTRODUCTION

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our members are the engine room of the Australian economy, producing many of the products that households and business use every day including bricks, glass, steel, aluminium, cement, paper, web services, food and beverages. Combined, our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

EUAA members are focussed on making products that meet their own customers' requirements where energy is just one input to the process albeit a critical one. Their expectation is that the energy industry continues to provide energy services that are fit for purpose and consistent with the National Electricity Objectives (NEO) so that our members can continue to provide a fit for purpose product for their customers.

Thank you for the opportunity to make a submission under the *AEMO: A Market Visibility Framework for Price Responsive Resources - Consultation Paper* consultation.

We recognise the importance of accurate forecasting, efficient dispatch and system security. We also acknowledge the growing role of flexible demand in supporting market efficiency. However, the draft framework introduces significant obligations, costs and risks for large C&I users and datacentres that are not yet justified by evidence and are not proportionate to the actual visibility challenge.

The consultation paper states that unscheduled price responsive behaviour can "increase forecast error, weaken pre dispatch signals and dispatch outcomes, raise costs for essential system services or reserves." We agree that visibility is important. Our concern is that the proposed framework imposes mandatory obligations on a narrow set of large loads while overlooking the broader distribution of flexibility across the market. The result is a framework that is likely to be burdensome, costly and misaligned with the operational realities of C&I and datacentre facilities.

DISCUSSION

THE PROPOSED THRESHOLDS DO NOT ALIGN WITH ACTUAL C&I AND DATACENTRE FLEXIBILITY

AEMO proposes that predictive visibility obligations apply to resources or portfolios "coordinated and material (>30 MW)" and that operational visibility obligations apply where resources are "sufficiently large (>100 MW)."

These thresholds do not reflect the real distribution of flexible load in the C&I and datacentre sectors.

Most C&I sites have flexible capability between 5 and 20 MW. Only a small number of very large industrial facilities exceed 30 MW of dynamic flexibility. Datacentres vary widely. Many Tier 3 and Tier 4 datacentres operate between 10 and 40 MW. Only hyperscale datacentres exceed 100 MW.

The proposed thresholds therefore capture only a handful of facilities. They do not capture the majority of flexible behaviour that AEMO is concerned about. This creates a disproportionate regulatory burden on a small number of large users while leaving the broader visibility challenge unresolved.

If the intent is to capture material behaviour, thresholds should be reconsidered. If the intent is to target only the largest loads, AEMO should be explicit that the framework is not intended to address the majority of flexible demand in the market.

THE FRAMEWORK IMPOSES SIGNIFICANT NEW COSTS AND PROCESSES ON C&I AND DATACENTRES

The draft framework introduces mandatory forward-looking intent information for loads above 30 MW. This includes quantities, availability, price responsive quantities or baseline relative quantities. It also introduces accuracy monitoring and potential compliance escalation.

For C&I and datacentres, this creates several categories of cost.

- System integration costs to build interfaces to AEMO's portals, APIs or file servers.
- Operational forecasting costs to generate forward-looking intent information.
- Compliance costs to maintain accuracy, respond to AEMO queries and manage audits.
- Contractual costs where retailers or aggregators coordinate load.
- Telemetry costs for facilities that may be captured under Mode 3.

Datacentres face additional complexity. Their load profile is driven by digital demand patterns that are not always predictable. The paper notes that datacentre loads can increase when physical shops close and batch processes run overnight. This means datacentres may struggle to provide accurate forward-looking intent information. Building telemetry capability for real-time visibility would require substantial investment.

These costs are material and ongoing. AEMO has not provided evidence that the benefits outweigh the costs.

THE FRAMEWORK RISKS REDUCING FLEXIBILITY AND EXPOSING COMMERCIALLY SENSITIVE INFORMATION

The paper acknowledges that C&I loads are "generally statically responsive, facing barriers to participating in central dispatch or meeting compliance obligations." If obligations become more onerous over time, C&I operators may lose the ability to respond opportunistically to price spikes. This reduces consumer value and undermines the purpose of demand flexibility.

There is also a risk that visibility obligations expose commercially sensitive information. For C&I users, this includes production schedules, outage plans and operational strategies. For datacentres, this includes digital workload patterns, customer behaviour and commercial arrangements. The paper does not provide sufficient detail on how AEMO will protect this information.

THE FRAMEWORK PLACES DISPROPORTIONATE BURDEN ON A SMALL NUMBER OF LARGE USERS

The visibility challenge described in the paper is driven by aggregate behaviour across many resource types. The proposed framework, however, applies mandatory obligations only to loads above 30 MW or 100 MW. This means that a small number of large industrial users and hyperscale datacentres will bear the cost of a framework intended to address system-wide behaviour.

This is not equitable. It is also unlikely to materially improve visibility if the majority of flexible behaviour occurs below the thresholds. Even if this framework trigger for mandatory participation was reduced to 1 MW, the outcome would still only capture a small amount of the system-wide behaviour AEMO is targeting.

THE STAGED IMPLEMENTATION PATHWAY IS APPROPRIATE, BUT OBLIGATIONS SHOULD NOT BE ACTIVATED UNTIL EVIDENCE IS CLEAR

We support AEMO's proposal to build evidence before activating obligations. The paper states that Phase 1 will test "whether information can be validated, and whether it can be translated into forecast accuracy improvements and consumer value."

This is essential. We strongly recommend that:

- No mandatory obligations be activated until AEMO demonstrates measurable improvements in forecast accuracy.
- No mandatory obligations be activated until AEMO demonstrates that benefits exceed costs for affected users.
- AEMO publish detailed modelling of the expected consumer benefits and the expected compliance costs.
- AEMO consult further on thresholds, coordination definitions and responsible parties.

OPPORTUNITIES FOR C&I AND DATACENTRES

There are potential benefits. Improved visibility may reduce volatility, improve pre-dispatch signals and reduce FCAS or reserve costs. The paper notes that poor visibility can lead to "additional FCAS, (and) larger than necessary RERT costs." If AEMO can better anticipate demand response, market conditions may become more stable.

There is also an opportunity for C&I and datacentres to demonstrate their flexibility and participate in future market mechanisms.

However, these benefits are indirect and depend heavily on AEMO's ability to integrate the information.

RECOMMENDATIONS

The EUAA strongly recommends that AEMO address the following before the next round of consultation.

- Provide detailed cost benefit analysis before activating any obligations.
- Ensure that obligations do not reduce flexibility or expose commercially sensitive information.
- Ensure that obligations are proportionate and equitable across all resource classes.
- Ensure that datacentres are explicitly considered in the design of visibility modes and thresholds.
- Ensure that Phase 1 trials include C&I and datacentre facilities to test practicality and accuracy.
- Ensure that any future telemetry requirements are justified by clear evidence of operational need.

We look forward to continued engagement as the framework is refined.

CONCLUDING REMARKS

C&I users and datacentres support improved visibility where it is practical, proportionate and evidence based provided it is clearly demonstrated that this leads to less volatility and lower overall costs for consumers. The draft framework introduces significant obligations and costs for a small number of large users without demonstrating that these obligations will materially improve visibility or deliver net consumer benefits. We urge AEMO to refine the framework to ensure that it is equitable, targeted and aligned with the operational realities of C&I and datacentre facilities.

The EUAA welcomes further discussion with AEMO on the issues raised in this submission.

Do not hesitate to be in contact with EUAA Policy Manager Dr Leigh Clemow, should you have any questions.



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