

20 August 2026

Ben Hiron, Sebastien Henry
Australian Energy Market Commission

Re: Rule change requests for market operation during low demand conditions (ERC0439 and ERC0417)

Dear Mr Hiron and Mr Henry,

VIOTAS welcomes the opportunity to respond to the Commission's consultation on Minimum System Load governance and market arrangements.

VIOTAS' experience connecting, monitoring and controlling large energy users and distributed assets using real-time telemetry, forecasting, optimisation and automated dispatch makes us an ideal enabler of Minimum System Load services. VIOTAS supports a transparent, technology-neutral and proportionate framework that enables flexible demand and distributed assets to contribute to power system security at least cost to consumers.

VIOTAS recommends that the Commission:

- Avoid setting the regional spot price at the market floor price during MSL3 conditions;
- Improve the transparency and accessibility of existing AEMO procurement arrangements while the need for an enduring market service is assessed;
- Ensure that any future market ancillary service is technology-neutral and open to aggregators, commercial and industrial loads, storage and behind-the-meter resources; and
- Address retail and network arrangements that weaken incentives for large consumers to provide flexible demand.

Market floor price proposal

VIOTAS does not support automatically setting the regional spot price at the market floor price during MSL3 conditions. A fixed price of $-\$1,000/\text{MWh}$ would be a blunt intervention and may not deliver the volume, duration or location of response required in either direction.

Load reserve arrangements

Flexible demand is more likely to participate in Minimum System Load services where arrangements are transparent, simple and provide a dependable payment for availability. Existing spot-price signals, market notices, directions and transitional contracts do not provide a sufficient incentive system for many commercial and industrial customers.

VIOTAS supports refining the current transitional procurement process (i.e. tender for Type 2 MSL Transitional Services contracts) as the immediate priority. Features of a well-functioning process could include transparency of payment rates (capacity payments would be ideal), simple baselining and performance measurement, fast assessment and registration, and proportionate testing requirements. We acknowledge that this is the first iteration of this tender.

If evidence demonstrates an enduring and material need for load reserves, a new MSL market ancillary service may be appropriate. Any such service should:

- Allow aggregation and portfolio bidding;
- Recognise notice time, ramp rate, duration, energy capacity and post-event return to normal operations (a multi-hour MSL requirement should not simply be treated as an FCAS-style five-minute product);
- Apply proportionate metering, telemetry and baselining requirements;
- Avoid unnecessary site-level registration and testing costs; and
- Allow for procurement where it is operationally required.

The benefits of a new service should be weighed carefully against its implementation and operating costs.

Network engagement and innovation

AEMO could work with network service providers and retailers to ensure that large consumers responding to a declared MSL events are not unintentionally penalised if their MSL response sets a higher network demand charge. This would improve flexible demand participation.

As an alternative to a complete, new MSL market ancillary service, network service providers could also look at ways to target problem areas using price signals. This may be more appropriate assuming that the locational requirements for MSL services are more granular than the region-based response provided by existing market ancillary services.

VIOTAS would welcome further engagement with the Commission on the design of efficient, technology-neutral arrangements for Minimum System Load.

Sincerely,

Amelia Bennett
Market Operations Manager