

Market 2.0: Resilient, affordable electricity for the future

Market Development Advisory Group quarterly implementation update January to April 2026

MDAG's final report split its 31 recommendations into four themes: *Accurate and efficient pricing*, *Tools and incentives to manage risk*, *Sufficient competition*, and *Public trust and confidence*.

Twenty six of the 31 initiatives are part of the Authority's completed or current work programme. The recommendation in Tranche 3 will be considered for future action.

The loading bars indicate progress made by the Authority. The solid bars show progress in previous quarters and the dashed bar shows any progress in the most recent quarter.

Accurate and efficient pricing

With a much greater range of players and more physical resources to coordinate, it is even more important for price signals to be accurate and clear.

Tools and incentives to manage risk

Market participants need access to better tools to efficiently manage their risks and to provide signals to guide longer term decisions – especially investment in generation, storage, and demand-side capability.

Sufficient competition

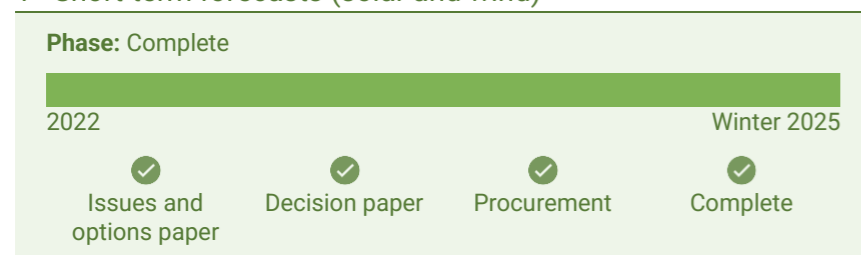
Effective competition puts downward pressure on costs and prices, particularly by promoting continuous improvement and innovation.

Public trust and confidence

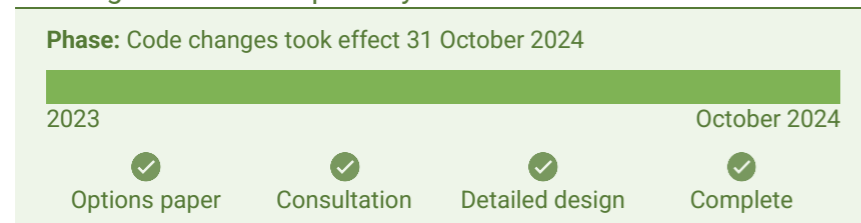
Confidence in our electricity system is key in enabling the innovation and investment that will deliver reliable and clean supply at least cost for consumers.

Completed recommendations (13 of 31)

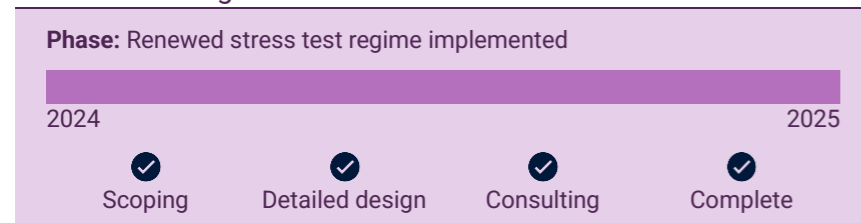
1 Short-term forecasts (solar and wind)



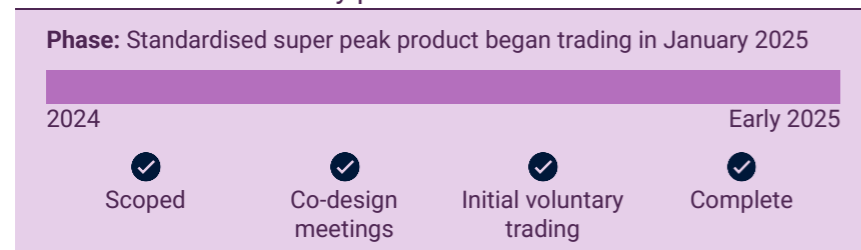
2 Hedge market transparency



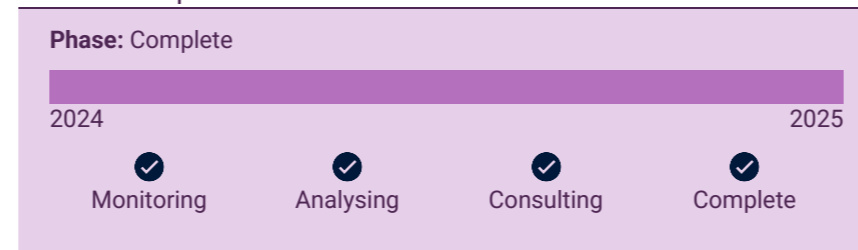
7 Stress testing enhancements



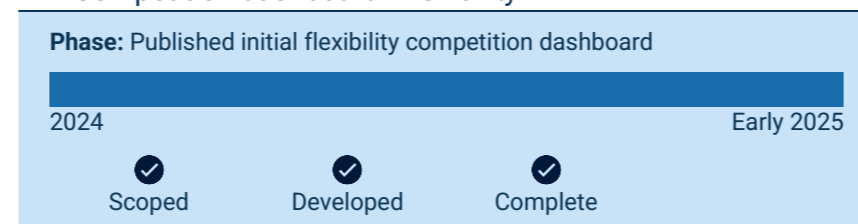
8 Standardised flexibility products



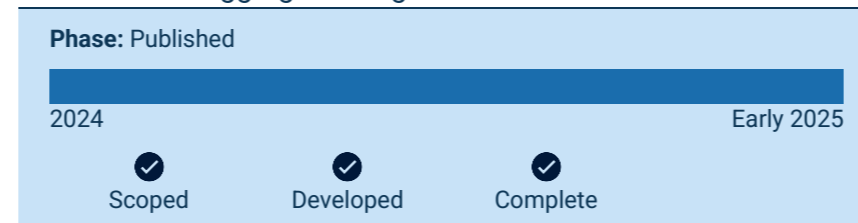
9 Contract process disclosure rules



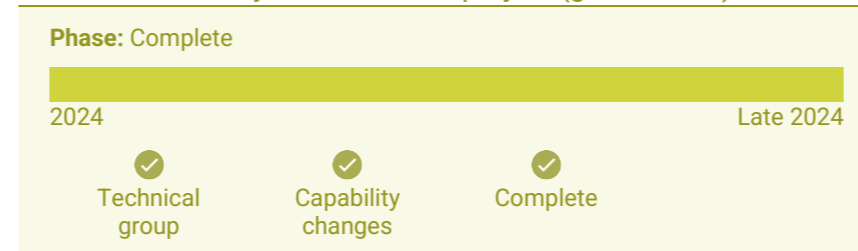
12 Competition dashboard - flexibility



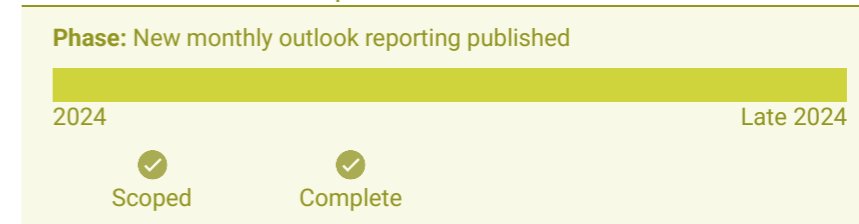
13 Virtual disaggregation high-level outline



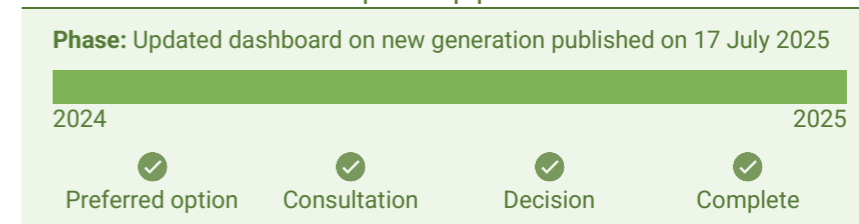
14 Future security and resilience project (governance)



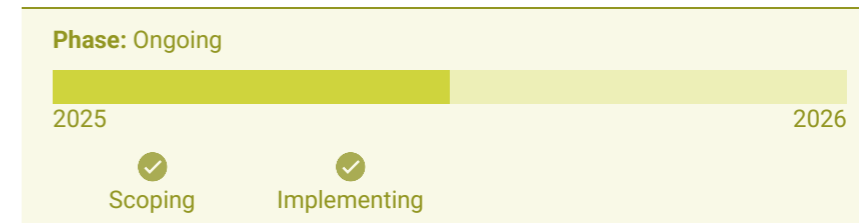
15 Seasonal outlook report



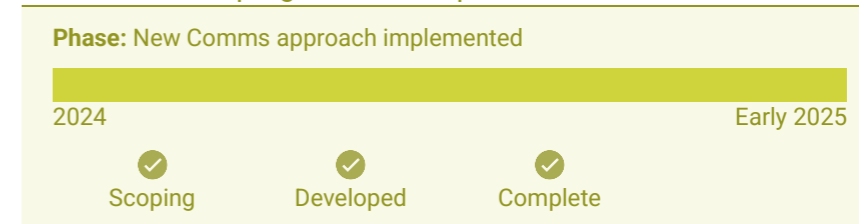
17 Information on development pipeline



20 Consumer awareness of DSF



22 Information programme for opinion-makers

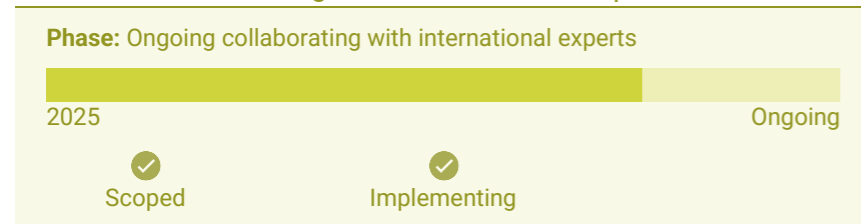


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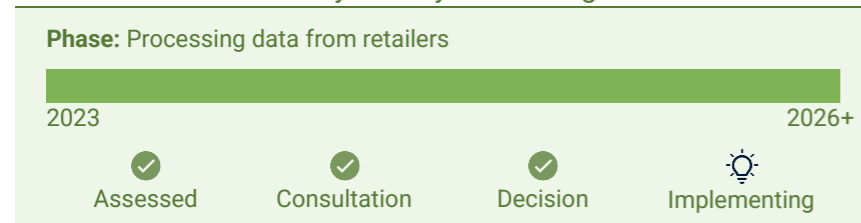
Completed recommendations (13 of 31) (continued)

23 Increase interchange with international experts



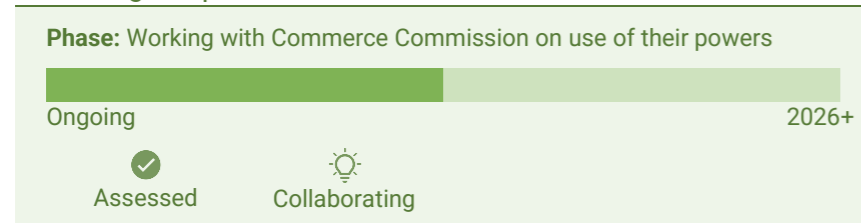
Recommendations underway (13 of 31)

3 Demand-side flexibility activity monitoring

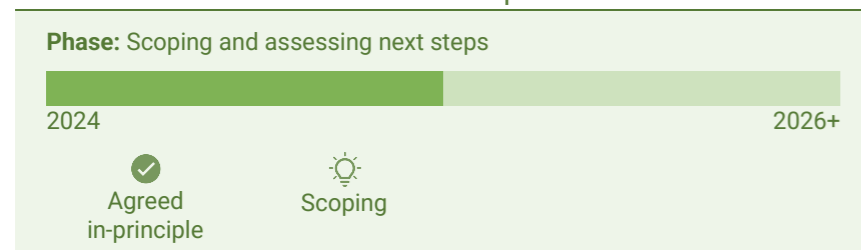


Multiple projects contribute to this recommendation and include the completed demand side flexibility survey. The status above relates to [Improving retail market monitoring](#).

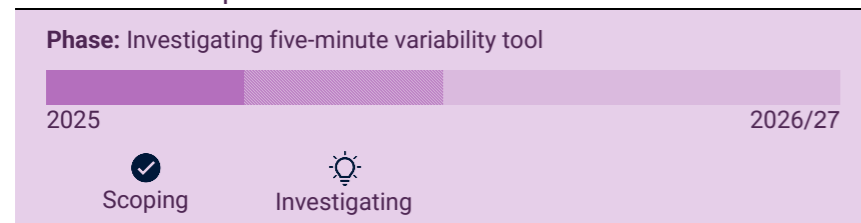
4 Pricing to optimise distribution investment



5 Price-driven secure distribution dispatch

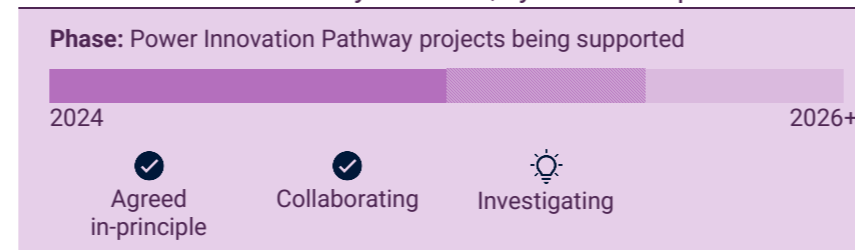


6 New reserve product

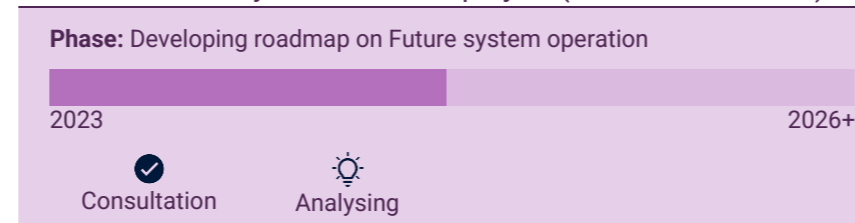


This is part of a range of initiatives designed to support security of supply during peak electricity demand. Investigation work with the System Operator began in October 2025.

10 Demand-side flexibility interface, systems and protocols

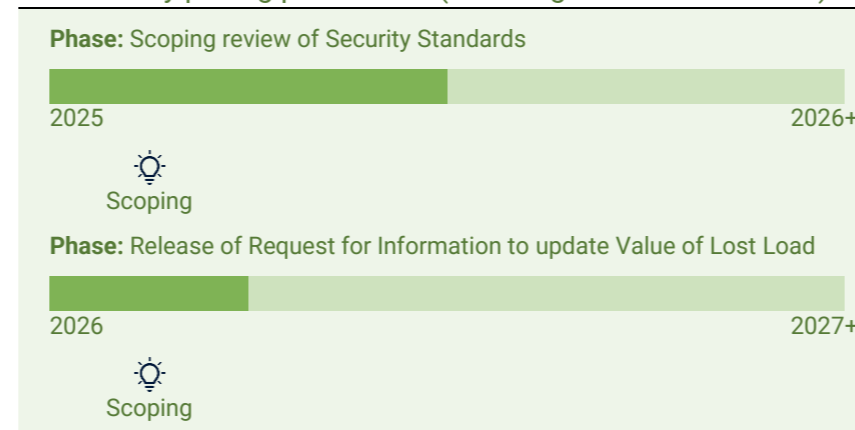


11 Future security and resilience project (as it relates to DSF)



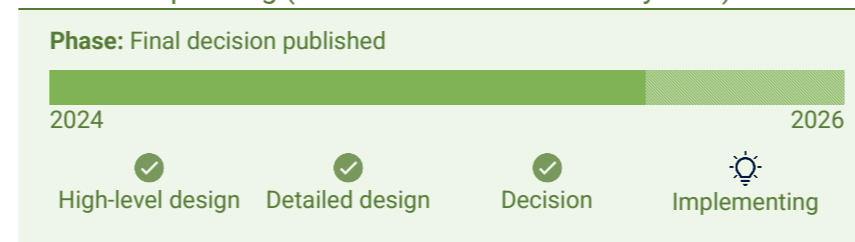
[Dispatch notification enhancements](#) were completed in February 2024. We no longer report progress on Part 6 and 8 reviews here, as further work on those projects does not relate directly to this recommendation.

16 Scarcity pricing parameters (including Value of Lost Load)

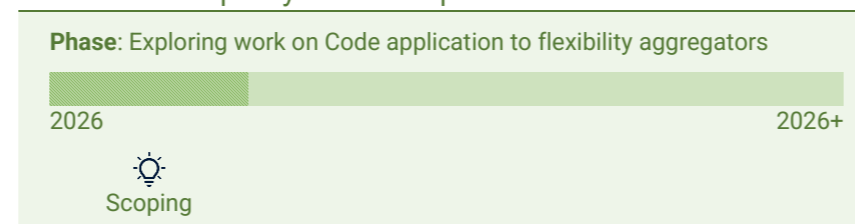


A scarcity pricing parameters update was completed in April 2025.

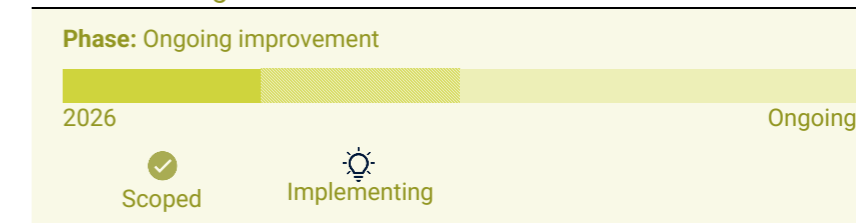
18 Sunset profiling (reconciliation on half-hourly data)



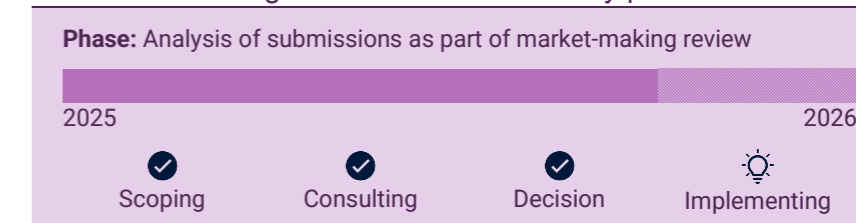
19 Network capacity in DSF dispatch



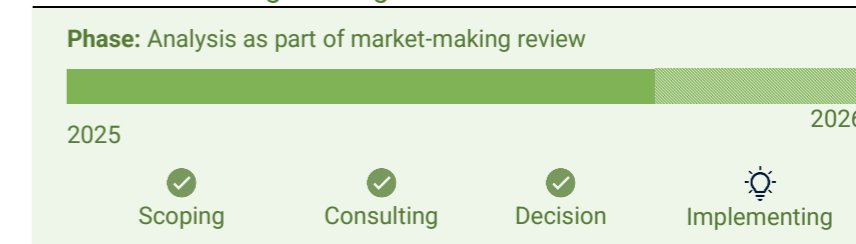
21 Monitoring and enforcement of Code



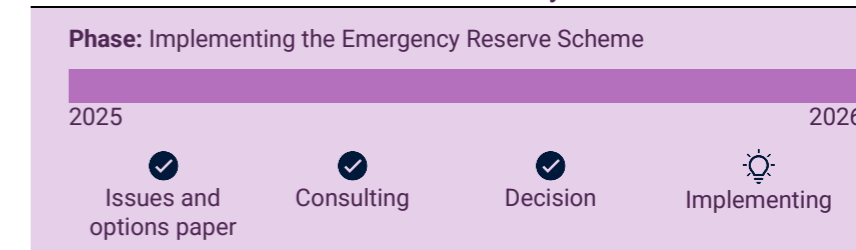
24 Market making for standardised flexibility products



28 Market making for longer dated futures



30 'Last Resort' Demand Side Flexibility Scheme



KEY:

- = progress made during most recent quarter
- = project phase not yet started
- = current project phase
- = project phase complete

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Recommendations not yet begun (5 of 31)

Tranche 3

25 WoF for regulatory agencies. Establish periodic warrant of fitness reviews for independent regulatory agencies.

Contingent measures

26 UTS over-ride. Remove undesirable trading situations over-ride of trading conduct provisions.

27 Ahead market. Investigate and develop an ahead market.

29 Negative offers/prices. Allow negative offers/prices in the wholesale market as a tool to signal oversupply.

31 Virtual disaggregation. Implement virtual disaggregation of the flexible generation base (using outline developed under recommendation 13).