

# Consultation on the draft decision to update the Retailer Reliability Obligation interim Contracts and Firmness Guidelines

Stakeholder forum 17 June 2025 - Synopsis

## Introduction

The AER is currently updating the [interim Contracts and Firmness Guidelines](#) (C&F Guidelines) to reflect the [Retailer reliability obligation exemption for scheduled by-directional units rule](#) (RRO exemption for BDUs rule change). We published [draft updated C&F Guidelines and explanatory statement](#) on 10 June 2025. Consultation is open until 8 July 2025 and we invite submissions from stakeholders during this period. We expect that the review of the C&F Guidelines will be completed by 20 August 2025, when we have proposed the updated C&F Guidelines will take effect.

AER staff held a forum on 17 June 2025 to inform stakeholders about the review of the C&F Guidelines taking place this year and outline our approach to reviewing Retailer Reliability Obligation (RRO) guidelines more broadly in 2026. 12 stakeholders attended the stakeholder forum.

This document provides a summary of the issues discussed during the stakeholder forum. In this summary individual participants and their organisations are de-identified.

## Background

The [RRO](#) is designed to support reliability across the National Electricity Market (NEM) by incentivising market participants to invest in 'firm' generation or demand-response capacity to avoid predicted shortfalls ('reliability gaps'). Under the RRO, liable entities are required to enter into contracts to meet their share of demand during a forecast reliability gap and to report on their Net Contract Position (NCP).

The RRO is supported by [5 guidance documents](#). These include the C&F Guidelines, which set out the AER's approach to:

- qualifying contracts
- contract firmness methodology
- the treatment of non-qualifying contracts
- the approval process for non-standard qualifying contracts
- the establishment and maintenance of an Auditors Panel
- the submission of NCP reports
- certain information requirements of liable entities.

The RRO exemption for BDUs rule change exempts certain storage assets from being liable under the RRO. Relevantly, it also requires the AER to review and update the C&F Guidelines by 3 December 2025.<sup>1</sup> The AER is proposing targeted changes to the C&F Guidelines to address this rule change and is undertaking expedited consultation to update the C&F Guidelines this year.

We plan to complete a broader review of three RRO guidelines in 2026, incorporating further changes and finalising three RRO guidelines:

- the interim C&F Guidelines
- the [interim Reliability Instrument Guidelines](#)
- the [interim Market Liquidity Obligation Guidelines](#).

## The current review of the C&F Guidelines

At the forum we discussed the current review of the C&F Guidelines, including:

- background information on the contents C&F Guidelines
- background on the RRO exemption for BDUs rule change
- how this review will be targeted
- our use of the expedited consultation procedures
- our proposed changes to the C&F Guidelines
- the timeline for this review
- the proposed commencement date for the updated C&F Guidelines
- the next steps for this consultation.

Stakeholders did not raise any queries in relation to this content.

## The broader 2026 RRO guideline review

During the forum, we outlined our proposed approach to a broader review of RRO guidelines in 2026, including:

- the scope of the review
- the goal of the review
- the current and future benefits of taking a two-stage approach to reviewing the guidelines
- a request that stakeholders provide early views on what other aspects of the guidelines the AER may need to focus on in 2026
- how we will consider any early views raised in the present targeted review
- the expected timeline for the broader 2026 review.

A stakeholder queried whether there is any way for the AER to pause the amendments to its guidelines until the [Nelson Review into the NEM](#) and the consultation on the [SA Firm Energy Reliability Mechanism](#) are completed.

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<sup>1</sup> NER clause 11.176.2(a).

AER staff responded noting that the current C&F Guideline review and consultation is required under the RRO exemption for BDUs rule change and that the 2026 broader review is tied to a second rule change, which requires that AER to review the C&F Guidelines again by 30 September 2026.<sup>2</sup>

We noted that we are conscious that there may be T-1 instrument requests made in the coming months, hence it is important that the entities that are subject to these obligations are able to access guidance and that this guidance is clear about what these obligations are. This is why the AER is working to ensure our guidance is kept up-to-date and reflects these rule changes.

## Invitation for submissions

Interested parties are invited to make written submissions on this draft instrument by close of business on **8 July 2025**.

Submissions should be sent to: <mailto:RRO@aer.gov.au>.

Alternatively, you may mail submissions to:

Rebecca Holland  
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Australian Energy Regulator  
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<sup>2</sup> NER clauses 11.176.2(a) and 11.180.2(a).