

AER Draft interim Contracts and Firmness Guidelines

Stakeholder forum

17 June 2025

Housekeeping



Microphones will be on mute by default throughout this webinar.



Please submit your comments and questions via the chat function.



If your question is sensitive or confidential, we are happy to arrange further meetings to discuss.



We will be taking a transcription of today to assist us with recording your feedback.

The purpose of today



Consultation is currently open on the draft interim Contracts and Firmness Guidelines (C&F Guidelines). We are seeking stakeholder feedback on the proposed changes to the C&F Guidelines and their commencement date.



The review this year is targeted in scope. Next year, we will be reviewing and consulting on three Retailer Reliability Obligation (RRO) Guidelines.



We are happy to receive advance views on what you would like to see addressed beyond the scope of the current review now to help shape the 2026 broader review.



This forum aims to provide some background and general information, and for you to ask questions.



We are happy to answer questions you have today via Slido. Alternatively, we can also answer questions sent via email after the forum or arrange one on one meetings.

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Background

2

The current 2025 review

3

The broader 2026 review

4

Timeline and next steps

What are the interim Contracts and Firmness Guidelines?

Sets out the AER's approach to:



qualifying contracts



contract firmness methodology



Standard/non-standard qualifying contracts



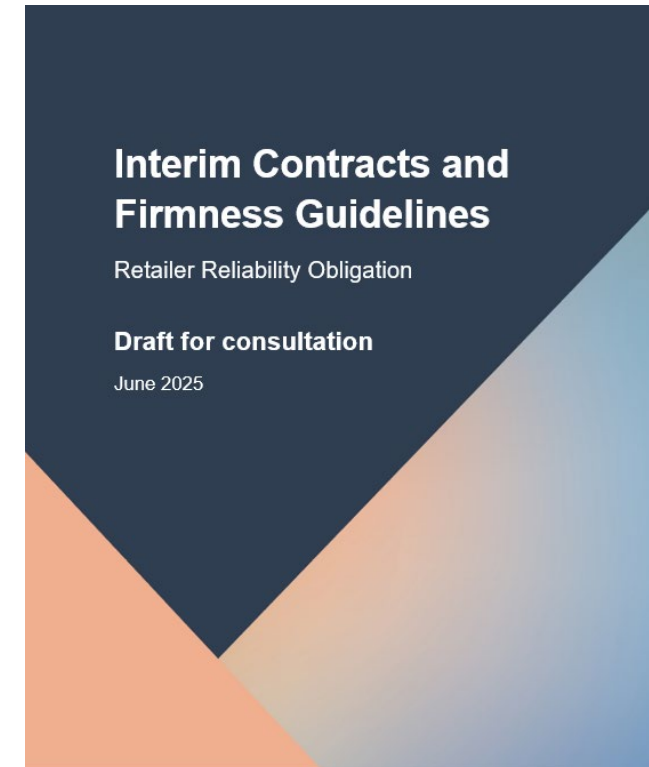
Auditors Panel

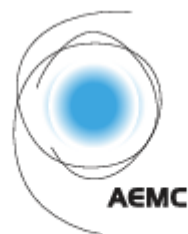


Net Contract Position (NCP) reports



Other information requirements

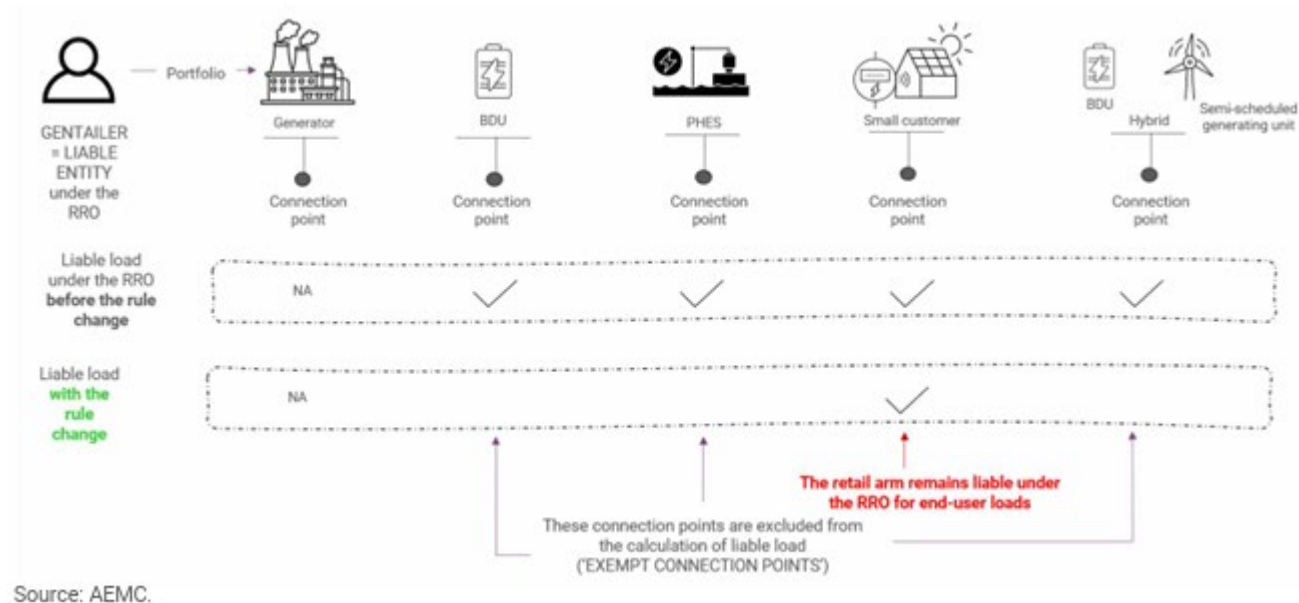




National Electricity Amendment (Retailer reliability obligation exemption for scheduled bi-directional units) Rule 2024 No. 19

‘RRO exemption for BDUs rule change’

- Commenced on **3 December 2024**
- Requires the AER to review the C&F Guidelines by **2 December 2025**
- introduced ‘**exempt market connection points**’; storage assets (including batteries and pumped hydro energy storage) that are effectively not liable under the RRO



Targeted review to address the RRO exemption for BDUs rule change

- 'exempt market connection points'
- minor updates and corrections

Expedited consultation process

- to enable new guidance deployed for potential T-1 reliability instruments

Non-material proposal

- changes relate to changes in the National Electricity Rules
- we are not proposing to make significant changes to any of our guidance

The proposed changes to the C&F Guidelines can be found in the **Explanatory Statement** and in the **marked-up C&F Guidelines** on the **AER website**.

Interim Contracts and Firmness Guidelines

Retail Reliability Obligation
Draft instrument - explanatory
statement

10 June 2025

The proposed changes

Changes to address the RRO exemption for BDUs rule change

Outlining the newly defined 'exempt market connection points'

Added examples that demonstrate 'exempt market connection points'

Guidance that relates to exempt market connection points

10 GWh per annum threshold should be calculated net of exports

Entities can become liable under the RRO if their circumstances change, even after contract position day

Connection points may become exempt market connection points over time (and vice versa)

Minor administrative changes

Updating out-of-date information

Updating legislative references, removing out of date references

Updating links

We invite submissions on the proposed changes

Indicative implementation timeframe



We welcome stakeholders' submissions on the proposed commencement date

If you consider the proposed changes are **not** a **non-material proposal**, you may request that we change to the standard consultation procedure within 10 business days of the draft publication.

To do so, make a written submission which contains reasons why you consider the proposal is **not** a **non-material proposal**, by 24 June. We will then consider the request.

Questions on the current 2025 review of the Contracts and Firmness Guidelines?

15 mins

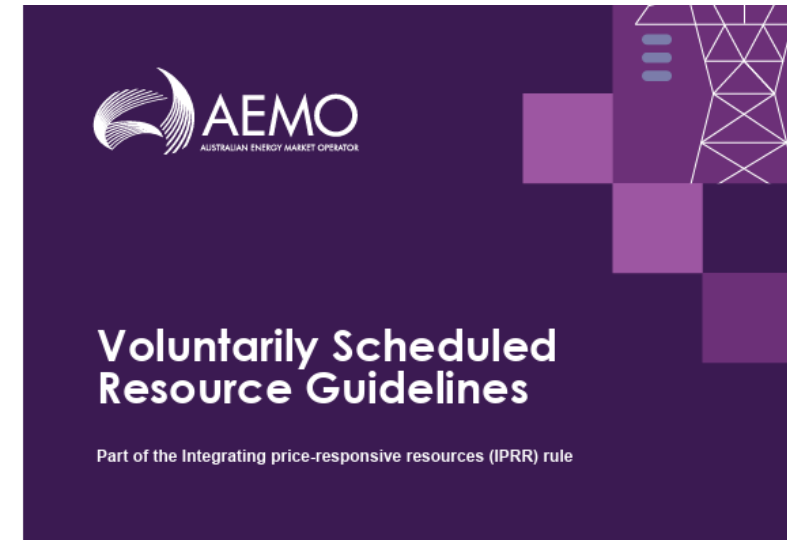




National Electricity Amendment (Integrating price-responsive resources into the NEM) Rule 2024 No. 24

'IPRR rule change'

- Commenced: **19 December 2024**
- Requires the AER to review C&F Guidelines by **30 September 2026**
- Introduced '**voluntarily scheduled resources**'; consumer energy resources that will be able to bid into the electricity market.
- Requires AEMO to develop a Voluntarily Scheduled Resources Guideline by **31 December 2025**



Draft Report – Standard consultation
for the National Electricity Market

Published: 03 June 2025

aemo.com.au

New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia
Australian Energy Market Operator Ltd ABN 94 072 010 327

The broader 2026 guideline review

The broader 2026 guideline review will look at all three interim RRO Guidelines.
It will be completed by **30 September 2026**.

Scope of the broader 2026 guideline review

- IPRR Rule Change
- Findings from the AEMC's RRO review, where appropriate
- Where matters have evolved since the RRO's implementation

Goal of the broader 2026 guideline review

Review and publish final versions of the:

- interim Contracts and Firmness Guidelines
- interim Market Liquidity Obligation Guidelines
- interim Reliability Instrument Guidelines

We want to hear from you about what to include in the broader 2026 guideline review

Why is the AER conducting a staged review?

Current Benefits

- Rapid deployment giving stakeholders early clarity
- Clear plan to finalise the RRO Guidelines
- Less stakeholder input required immediately

Future Benefits

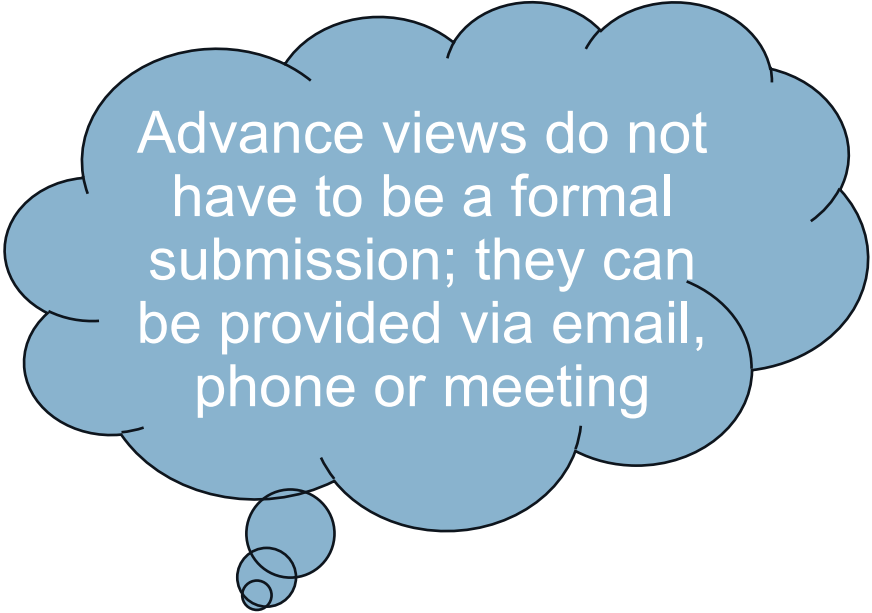
- Ability for stakeholders to shape our approach to the broader RRO Guidelines review
- More time for stakeholders to engage with the Voluntarily scheduled resources guidelines - AEMO consultation
- Reducing stakeholder burden in 2026
- Additional ways to provide input
- Consider AEMC review findings

We consider the RRO Guidelines are fit for purpose for any reliability instruments that are issued ahead of the broader consultation in 2026

Future plan for the 2026 review

We welcome advance views for the 2026 broader review

- We want to know what areas of the three interim RRO Guidelines (Contracts and Firmness, Reliability Instrument and Market Liquidity Obligation) stakeholders would like updated and why.
- Advance views we receive will help us plan and tailor our approach to the 2026 review.

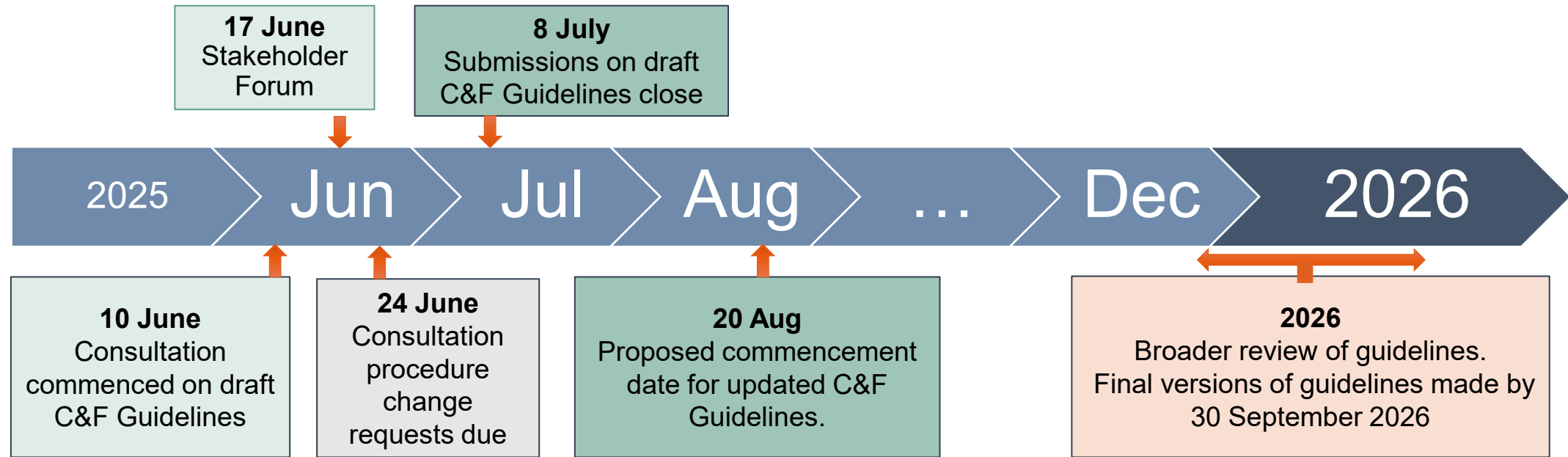


Advance views do not have to be a formal submission; they can be provided via email, phone or meeting

We do not plan to action any issues raised by stakeholders about the scope of the broader RRO guidelines review in the current review of the Contracts and Firmness Guidelines

Questions on the 2026 review?

15 mins



Next Steps

We welcome stakeholder submissions sent to RRO@aer.gov.au or sent via mail by **8 July 2025** on the following:

The proposed changes that have been made to account for the RRO exemption for BDUs rule change, including guidance about matters of liability related to exempt market connection points, and updating outdated information

20 August 2025 being the proposed commencement date of the revised interim C&F Guidelines

We also invite early views from stakeholders on what aspects of the 3 RRO guidelines they consider the AER may need to review (including the reasons why) in the broader RRO guideline review in 2026.

Please contact us via RRO@aer.gov.au if you would like to arrange a one-on-one meeting

Thank you for attending today

Please send in your submissions by **8 July** to either:
RRO@aer.gov.au

Or

Rebecca Holland
a/g General Manager, Compliance and Enforcement Branch
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

If you have any other questions, please contact us at:
RRO@aer.gov.au



