



8 July 2025

Rebecca Holland
a/g General Manager, Compliance and Enforcement Branch
Australian Energy Regulator

Submitted online: RRO@aer.gov.au

Dear Ms Holland

Interim Contracts and Firmness (C&F) Guidelines

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Regulator's (AER) Draft *Interim Contract & Firmness Guidelines (C&F Guidelines)*.

Origin is broadly supportive of the proposed amendments, which exempt the connection points of bi-directional units (BDU) from any liability under the Retailer Reliability Obligations (RRO), consistent with the Australian Energy Market Commission's (AEMC) recent rule change.

We note that as part of this consultation process, the AER is also seeking preliminary feedback on the broader review of the RRO Guidelines to be undertaken in 2026. Two key issues that should be considered to better streamline the administration of the scheme are noted below.

1. Provision of standardised methodologies for common power purchase agreements (PPAs)

Currently, a liable entity must develop bespoke firmness methodologies utilising historical data from AEMO for all power purchase agreements (PPAs). As this historical data is publicly available, the AER could develop standardised methodologies with associated firmness factors for simple / common wind and solar PPAs, with set regional / geographic factors. This would simplify compliance for market participants by providing greater certainty around the treatment of PPAs and reduce the burden associated with Net Contract Position (NCP) reporting.

2. Third party hedging register

Large customers on market-settled (or spot exposed) products often negotiate their own hedging arrangements with third parties to manage their energy price risk and Large-scale Renewable Energy Target (LRET) commitments. Where the large customer's financially responsible market participant (FRMP) is not a party to such an agreement, it cannot be included in their NCP. This can effectively result in the liable entity having to over-hedge that customer's load to ensure compliance under the RRO. This can result in unnecessary costs for large customers with no commensurate benefit.

To address this, we recommend the AER introduces a register of qualifying contracts that allows customers to match / nominate their hedging contracts (held with a third party) to their FRMP. This would ensure those hedges can be accounted for in the liable entities NCP and help minimise scheme costs.

If you wish to discuss any aspect of this submission further, please contact Liz Robertson at [REDACTED].

Yours Sincerely,

[REDACTED]

Shaun Cole
Group Manager, Regulatory Policy