Consultation Paper

Significant price reporting guidelines – 2025 Review

31 October 2025

AUSTRALIAN ENERGY REGULATOR

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AER reference: #30,873,750

Amendment record

Version	Date	Pages
1	31 October 2025	6

1. Consultation: Significant price reporting guidelines

The Australian Energy Regulator (AER) is seeking stakeholder feedback on our proposed *Significant price reporting guidelines* (Guidelines) for monitoring and reporting on significant price outcomes.

Explanatory Statement

These draft guidelines are issued pursuant to the following clauses of the NER:

- 3.13.7 - Monitoring and reporting of significant price outcomes by the AER
- 3.13.7A - Significant price reporting guidelines.

The AER considers that this proposal for updating the Significant price reporting guidelines is non-material as it does not set out any requirements on participants nor effect operation or participation in the NEM. As such, the expedited rules consultation procedure (per NER clause 8.9.3) has been applied. However, if any person considers this proposal is not a non-material proposal, they may request the use of the standard rules consultation procedure (per NER clause 8.9.2) instead. This procedure change request must:

- be in writing;
- contain reasons why the person considers the proposal is not a non-material proposal, and may contain other reasons why the person considers the consulting party should use the standard rules consultation procedure; and
- be sent to the AER within 10 business days of the date of publication of this draft report.

Details of how to do this are below in “Feedback and the consultation process” section.

Purpose

The purpose of the Guidelines are to inform interested parties on our approach, criteria and procedures for significant price reporting. Reports prepared under the Guidelines explain the key drivers of significant price outcomes in the National Energy Market (NEM). This

- assists stakeholders and policymakers to assess whether the market is functioning effectively
- acts as a preliminary assessment or possible market power and compliance
- has a regulatory presence as a deterrent.

History

Prior to 2022, the rules for monitoring and reporting on significant price outcomes under clauses 3.13.7 and 3.13.7A of the National Energy Rules (NER) required the AER to undertake detailed analysis when the spot price for electricity exceeds $5,000/MWh or when the ancillary service price exceeds $5,000/MW for a sustained period. From 29 September 2022, these prescribed thresholds were replaced with a flexible, principles-based framework that allowed the AER, upon review, to determine an appropriate methodology for significant price reporting. Initially, the AER determined to maintain these price thresholds to allow for the impact of 5-minute settlement, and the legacy of winter 2022 high prices and market volatility, to be assessed.

Current Review

The AER has conducted a review of the Guidelines which concluded the current significant price criteria of $5000/MWh is no longer fit for purpose. Notably, as we move to a more weather dependent energy mix, we are observing changing interdependencies, constraints, behaviours and outcomes which requires a different criterion for significant price outcomes.

To support our review the AER sought independent external input as well as conducting its own internal analysis of a variety of options. The external review was conducted by Oakley Greenwood (consultant) and is attached. Amongst other things, the external review supported:

- a minimum number, variable price (highest priced days) approach
- continuation of the 30-minute pricing used in the current guidelines
- the concept of removing prices that are “related to an obvious cause”.

Following internal analysis and back testing of short listed options, the AER has developed the proposed significant price outcome criteria using a variation of concepts supported by the consultant. The proposal marks a departure from the fixed price threshold approach applied since the inception of Significant price reports more than 20 years ago.

Instead of a fixed price to determine a significant price outcome, the proposed Guidelines set out that such outcomes are to be determined by identifying specified days each quarter with the highest 30-minute prices of any market included in the National Energy Market (NEM), which is currently either the spot market or any of the Frequency Control Ancillary Services (FCAS) markets, across all regions. The process to determine which days are to be reported on is outlined below and includes the AER maintaining its discretion under the National Electricity Rules to include any other matter considered appropriate.

2. Proposed guidelines for significant price outcome criteria

Under the proposed Guidelines, a significant price outcome in each month of each calendar Quarter to be reported on a quarterly basis will be determined using the following criteria:

1. Initially, the AER will identify days where the maximum 30-minute price in the NEM markets across all regions is:
   - the highest priced day for each month; and
   - the next highest priced day in the calendar quarter.

   This will result in a minimum of four days being selected as significant price outcomes.

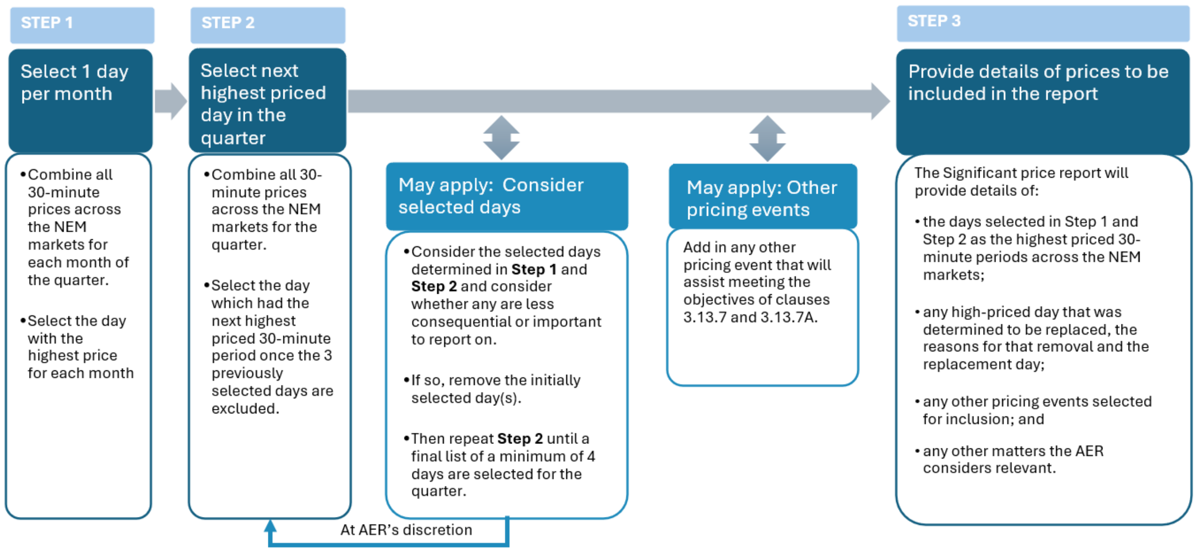
2. The AER may then apply a principles-based approach when selecting the price outcomes to report on. In doing so, the AER may consider whether a number of outcomes have been brought about by the same cause or causes or may be deemed less consequential or important than others. For example,
   - high price days where a notable decrease of available regional generation was observed immediately prior to the daily maximum price; or
   - consecutive days of high prices that can be linked to the same generation or network factors.

3. Based on the above considerations, the AER may simply note some of those outcomes rather than investigating them individually as significant price outcomes. In these circumstances, the AER will provide reasons for the price outcomes it selects and will note the next highest price day in the quarter that is determined appropriate to be investigated.

4. Additionally, any other matter or pricing event that the AER considers will assist meeting the objectives of clauses 3.13.7 and 3.13.7A, which may include pricing events in new markets, may also be deemed a significant pricing outcome.

This process is represented in Figure 1 below.

Figure 1 Process to determine Significant price outcomes



3. Feedback and the consultation process

Interested parties are invited to make written submissions on the draft Significant price reporting guidelines.

We prefer that all submissions be publicly available to facilitate an informed and transparent consultative process. Submissions will be treated as public documents unless otherwise requested.

Parties wishing to submit confidential information are requested to:

- Clearly identify the information that is subject of the confidentiality claim.
- Provide a non-confidential version of the submission in a form for publication.

All non-confidential information will be published on the AER website. For further information on submissions and our use and disclosure of the information provided to use, see the ACCC/AER Information Policy.

How to provide feedback

Procedure change request: Any party submitting a procedure change request should do so by emailing details to WholesalePerformance@aer.gov.au by close of business **Monday, 17 November 2025**.

Guidelines feedback: All interested parties are encouraged to provide written submissions related to the Guidelines to the same address WholesalePerformance@aer.gov.au by close of business **Monday, 1 December 2025**.

Should you wish to discuss this consultation paper further or arrange a meeting, please feel free to contact us through the above email address.

Potential areas for feedback

You may wish to consider the following areas in addressing feedback:

- Significant price outcome methodology
- Sensitivity factors to exclude or include reviewing a high price day
- any additional information that would be useful in the report.

Next steps

At the conclusion of the consultation process, the AER will review and incorporate feedback into the Guidelines. Once this has been finalised, we will publish the Guidelines by 20 January 2026.

Table 1 Indicative milestones

Date	Milestone
31 October 2025	AER publishes consultation paper and draft Significant price reporting guidelines
17 November 2025	Final day for any Procedure change requests
1 December 2025	Submissions to consultation paper due
20 January 2026	Publish Significant price reporting guidelines (Date of effect)

Note: Dates are subject to change.