

Retailer of Last Resort Guidelines and Plan

June 2026

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Amendment record

Version	Date	Pages
RoLR Guidelines Version 1	November 2011	29
RoLR Plan Version 1	November 2011	36
RoLR Plan Version 2	June 2012	36
RoLR Plan Version 3	August 2012	36
RoLR Plan Version 4	July 2015	25
RoLR Guidelines and Plan Version 1	June 2026	51

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About this document

Energy is an essential service and energy consumers should be protected from loss of supply when their retailer fails. The National Energy Retail Law (Retail Law) sets out what happens when an electricity and/or gas retailer can no longer operate. It explains the requirements for smoothly transferring customers to a new retailer, so their supply continues without interruption. This process is known as the Retailer of Last Resort (RoLR) scheme.

Under the RoLR scheme, the Australian Energy Regulator (AER) must publish the RoLR guidelines and plan, appoint and register default RoLRs, maintain and publish a register of RoLRs, appoint designated RoLRs following a RoLR event, and make RoLR cost recovery scheme determinations.¹

The *Retailer of Last Resort Guidelines and Plan* set out these arrangements in more detail, including how key aspects of the scheme are to operate in practice.

The *Retailer of Last Resort Guidelines and Plan* is formed of 2 components:

- part A constitutes the guidelines (as required by section 135 of the Retail Law)
- part B constitutes the plan (as required by section 162 of the Retail Law).

The guidelines are for energy retailers and other market participants, and explains what their roles and responsibilities are under the RoLR scheme, helping them to understand:

- different RoLR types and the registration process (Part A, section 1)
- when the AER may appoint more than one designated RoLR for a RoLR event (section 2)
- how the AER will allocate customers to designated RoLRs (section 2)
- how to comply with the requirements of a designated contract (section 3)
- the RoLR cost recovery scheme application process and the types of costs that RoLRs can claim (section 4).

The plan sets out the procedures for participants before, during and after a RoLR event. This includes:

- obligations on RoLR plan participants, including relating to information flows and direct communication with the customers of the failed retailer (Part B, sections 1 and 2)
- the scope and circumstances under which RoLR plan participants will be required to carry out RoLR scheme test exercises (Part B, section 3).

If you have questions about the guidelines, plan or the RoLR framework more generally, please contact us. You can email us at AERRoLR@aer.gov.au, or phone the AER

¹ s 135(1), s 125, s 127(1), s 132(1)(b) and s 166(1) of the National Energy Retail Law (Retail Law).

Information line on 1300 585 165. We can assist with general queries about the RoLR framework, how to register as a RoLR, your obligations in the event of a retailer failure, and the process for claiming under the cost recovery scheme.

You may also wish to obtain legal advice on your specific circumstances. The AER cannot provide such advice.

You should also familiarise yourself with any relevant State and Territory obligations. Where State or Territory laws conflict with the conditions in this guideline, those State or Territory laws take precedence over the guidelines' conditions.

Confidentiality

The AER's obligations regarding confidentiality and disclosure of information provided to it by a regulated entity are governed by the National Energy Retail Law (Retail Law), National Electricity Law (Electricity Law), National Gas Law (Gas Law) and the *Competition and Consumer Act 2010* (Cth). For further information refer to the ACCC/AER Information policy, as updated or replaced from time to time.²

Where information is obtained by the AER under the Retail Law, the AER may use the information for a purpose connected with the performance or exercise of its functions or powers under the Electricity Law, National Electricity Rules (Electricity Rules), Gas Law and National Gas Rules (Gas Rules).³ In addition, s. 131 of the Retail Law contains confidentiality provisions that apply under the RoLR scheme, including in relation to the performance of the AER's functions and exercise of its powers under the scheme.

Information may be shared between the AER and ACCC under ss. 44AAF and 157A of the *Competition and Consumer Act 2010* (Cth).⁴

² The ACCC/AER Information Policy can be viewed at <https://www.aer.gov.au/publications/corporate-documents/accc-aer-information-policy>.

³ s 216 of the Retail Law.

⁴ s 44AAF of the *Competition and Consumer Act 2010* (Cth) has effect for the purposes of the Retail Law, Retail Rules and National Energy Retail Regulations as if it formed part of the Retail Law: s 207 of the Retail Law.

Part A: Retailer of Last Resort Guidelines

1. RoLRs and registration as a RoLR

A Retailer of Last Resort (RoLR) is an electricity or gas retailer that is required to supply customers in a situation where the customer's current energy retailer fails.

We register RoLRs based on connection points for electricity and distribution systems for gas. Retailers can register as a default RoLR and/or an additional RoLR.

1.1. Default RoLRs

A default RoLR is the electricity or gas retailer that is registered for a specific distribution area in the Australian Capital Territory, New South Wales, Queensland, South Australia, Tasmania and Victoria in the event of an energy retailer failure. The full list of default RoLRs is available on www.aer.gov.au.

The AER ensures that there is always a default RoLR registered for each electricity connection point and each gas distribution system.⁵

In appointing a default RoLR, we consider the RoLR criteria which includes a retailer's ability to manage an increase in customers at short notice by accessing appropriate financial resources (such as to meet significantly increased prudential requirements) as well as business support and IT systems.⁶ Smaller retailers with smaller financial bases and business systems may not be suited to being a default RoLR.

In jurisdictions where there is more than one electricity connection point and/or gas distribution system, there may be multiple default RoLRs.

We have pre-approved directions to AEMO, known as standing instructions, that set out how to manage a RoLR event. Our standing instructions inform AEMO which retailers are the default RoLRs and include the electricity connection points or gas distribution systems they are responsible for.

1.1.1. Default RoLRs for electricity

We register default RoLRs by reference to electricity connection points, including primary connection points and any secondary settlement points behind those primary connection points.

For administrative purposes, connection points are grouped by:

- transmission node identifier (TNI)
- distribution area
- NEM jurisdiction.

Where there are changes to TNI arrangements, including the creation of TNIs, we will consider whether updates to the connection point grouping are required.

⁵ s 125(1) of the Retail Law.

⁶ s 123 of the Retail Law.

1.1.2. Reviewing default RoLR arrangements

The AER appoints default RoLRs on an ongoing basis. However, we will review appointments where required. This may include where there is a material change in a default RoLR's circumstances (such as to its financial viability or generation portfolio in the relevant jurisdiction), or in response to changed market conditions.⁷ A default RoLR appointment will remain in place until the AER terminates the retailer's appointment or registration as a default RoLR.⁸

1.2. Additional RoLRs

An additional RoLR is an energy retailer that has registered with the AER its non-binding commitment to take on customers if another retailer fails. The additional RoLR is not required to assist in a RoLR event.

When the AER notifies an additional RoLR that we have reason to believe that there is a risk of a RoLR event, the additional RoLR must confirm whether it is willing and able to assist, and whether there are changes to the previously agreed terms, such as customer load limits and/or the maximum number of customers the additional RoLR will take on.

1.2.1. Registration as an additional RoLR

Any authorised retailer operating in a participating jurisdiction may apply to be registered as an additional RoLR. We encourage retailers to seek registration as an additional RoLR where they meet the RoLR criteria.⁹

Retailers can put conditions or limits on their role as an additional RoLR, including:

- jurisdiction(s) for electricity or distribution system(s) for gas
- customer load limits (MWh for electricity or GJ for gas)
- maximum number of customers.

A retailer who is the default RoLR for only some customers in a jurisdiction may register to be an additional RoLR for other customers in that jurisdiction.¹⁰

Retailers can only be registered as an additional RoLR where we are satisfied they meet the RoLR criteria. We may periodically review additional RoLR registrations to ensure retailers continue to meet the RoLR criteria and any conditions of registration.

⁸ s 125(9) of the Retail Law.

⁹ The RoLR criteria are outlined in Section 1.3.1 of the RoLR guidelines.

¹⁰ s 126(6)-(7) of the Retail Law.

1.3. Expressions of interest

Retailers seeking registration as a default or additional RoLR are required to complete the relevant RoLR expression of interest (EOI) form available on the AER website www.aer.gov.au.¹¹ Retailers may submit an EOI at any time.

We can also appoint and register a retailer as a default RoLR without an EOI being lodged. We will always consult with a retailer prior to appointing and registering them as a default RoLR.¹²

1.3.1. EOI form and supporting information

The EOI forms for default RoLR and additional RoLR set out the information we require to assess whether a retailer meets the RoLR criteria.¹³

The forms include:

- application date
- retailer name
- contact officers for RoLR matters
- area of registration (default RoLR form only)
- terms and conditions of registration (additional RoLR form only)
- cost recovery arrangements
- information demonstrating the retailer meets the RoLR criteria outlined in this section.

This information may assist a retailer to demonstrate they meet the RoLR criteria. Please note that the information listed is not exhaustive and we may request additional information,¹⁴ including:

- current scale of the retailer's operations including the number and class of customers per state and territory
- an explanation of which of the retailer's retailing activities are conducted in-house and which are contracted out to third parties
- a summary of how the qualifications, skills and experience of the retailer's officers will assist the retailer meet the requirements of a designated RoLR
- a summary of how the retailer's business processes and systems will be able to meet the requirements of a designated RoLR, including:
 - accepting a bulk transfer of customers from the failed retailer

¹¹ s 124(1) of the Retail Law.

¹² s 125(3) of the Retail Law.

¹³ s 162 of the Retail Law.

¹⁴ s 124(6) of the Retail Law.

- communicating and billing customers from the failed retailer within the required timeframes under the Retail Law and RoLR regulatory instruments
- answering and resolving (where required) customer enquiries during a RoLR event
- identifying customers from the failed retailer who have life support requirements, are on a hardship policy or are affected by family violence
- details of insurance arrangements which have relevance to the retailer's ability to be a designated RoLR
- any additional information that will assist the AER in considering the retailer's organisational and technical capacity
- copies of the retailer's audited financial report for the last financial year
- evidence of long and/or short-term credit ratings from agencies such as Standard & Poors, Fitch or Moody's
- a written declaration from an independent auditor or the retailer's principal financial institution stating that they are unaware of any factor that would impede the retailer's ability to finance their designated RoLR responsibilities
- details of any hedging arrangements, and their relevance to the retailer's ability to be a designated RoLR
- in the case of gas and where there is no declared wholesale gas or short-term trading market, to what extent, if any, the retailer has either gas available by means of a distribution pipeline, or capacity available on the distribution pipeline and any relevant transmission pipeline, sufficient for it to be a designated RoLR
- details of any bank guarantees, and their relevance to the retailer's ability to be a designated RoLR
- any additional information that would assist the AER in its consideration of the retailer's financial capacity to meet the requirements of being the designated RoLR
- details of any material failure by the retailer to comply with regulatory requirements, laws or other obligations over the past three years
- any additional information that will assist the AER in its consideration of the overall suitability for the retailer to be a designated RoLR.

The AER will assess a retailer's EOI form and supporting information against the RoLR criteria and decide whether to make the appointment.¹⁵

¹⁵ Required under s 125(6) and s 126(2) of the Retail Law.

1.3.2. Calls for expressions of interest

The AER will call for EOIs to be a default and/or additional RoLR as it considers appropriate.¹⁶ This will include where a current default RoLR appointment needs to be reviewed. We will seek EOIs via the AER website and notify retailers of this by email.

1.4. RoLR register

We maintain a register of RoLRs on the AER website.¹⁷ The RoLR register sets out:

- retailer name
- registration classification (default or additional)
- jurisdiction
- distribution area
- terms and conditions (as relevant).

The RoLR register is updated whenever there is a new registered RoLR or a change to a retailer's RoLR registration.

¹⁶ s 124(1) of the Retail Law.

¹⁷ s 127 of the Retail Law.

2. Designation of RoLRs

The AER appoints registered RoLRs as designated RoLRs for a RoLR event. This can be before the RoLR event or within 72 hours after the RoLR event.¹⁸ We make this appointment by giving written notice to the registered RoLR and AEMO.

In each instance we will consider the RoLR designation criteria (including the RoLR criteria outlined in section 1.3.1), the circumstances of the RoLR event, and discussions with AEMO.

We will designate **multiple RoLRs** when there are multiple default RoLRs based in a jurisdiction where the failed retailer had customers, or where the failed retailer had customers across more than one jurisdiction.

Additional RoLRs may be designated on an as-needs basis, having regard to the size of, or other circumstances surrounding, the event. For example, this may include where the failed retailer's customer base or load profile is large, or where there have been multiple RoLR events in a short period. Where applicable, the customers allocated to the additional RoLR will be determined having regard to the additional RoLR's EOI and/or registration terms. We will not appoint additional RoLRs if it is a small retailer that fails unless there are exceptional circumstances.

When considering whether to appoint additional RoLRs for a RoLR event, we will factor in:

- whether doing so would be beneficial to impacted customers
- the size and characteristics of the failed retailer's customer base
- the amount of prior notification we receive of a potential RoLR event
- the underlying wholesale market conditions
- the National Energy Retail Objective
- whether the event relates to gas or electricity
- operational and procedural feasibility, including market system capability and sequencing of required activities
- the financial viability of prospective RoLRs
- impacts on the timing and implementation of customer transfers
- risks to the market and customers associated with appointing additional RoLRs
- any other matter the AER considers necessary in the circumstances.¹⁹

It is important we manage a RoLR event as quickly as possible, to provide certainty to customers, registered RoLRs, affected market participants and AEMO.

¹⁸ s 132(1) of the Retail Law.

¹⁹ s 134(1) of the Retail Law.

The AER will designate one RoLR per distribution system for gas RoLR events due to current operational limitations faced by AEMO in implementing additional RoLRs for gas.²⁰

However, we recognise the circumstances that would warrant appointing multiple additional RoLRs to primarily be a large electricity retailer failure or the failure of multiple electricity retailers in a short period of time.²¹ In these instances, we may take up to 72 hours after a RoLR event to seek to appoint additional RoLRs²² and provide AEMO with a written notice of appointment.²³ The designated RoLR will be financially responsible for the relevant customers during this period on a retrospective basis.²⁴

The transfer of customers to additional RoLRs should work as efficiently as possible for relevant participants and be seamless for customers. The allocation of customers between RoLRs may be determined based on grid connection characteristics to provide an efficient sharing of the load and avoid cascading failure. This allocation will be determined in collaboration with AEMO and distributors (as relevant).

Electricity customers

We allocate electricity customers to designated RoLRs by the grouping of connection points to:²⁵

- transmission node identifier
- local retailer area or distribution area
- jurisdiction.

The AER may allocate subsets of customers within a distribution area by location or customer class to different RoLRs, in consultation with AEMO, in accordance with the factors set out above.

Gas customers

We allocate gas customers to designated RoLRs by distribution system(s) and in consultation with AEMO, if required.²⁶

Exceptions to standard allocations

Where AEMO advises us that a RoLR may be registered on a basis other than for a connection point (in the case of electricity) or a distribution system (in the case of gas),²⁷ we

²⁰ This approach may be updated in future iterations of these guidelines.

²¹ s 135(2)-(3) of the Retail Law.

²² s 132(1)(b) of the Retail Law.

²³ s 132(1)-(2) of the Retail Law.

²⁴ s 145(2) and s 146(2) of the Retail Law.

²⁵ This decision follows consultation with AEMO and is consistent with capabilities within current AEMO market systems for the provision of customer information and data under s 135(4) of the Retail Law.

²⁶ Ibid.

²⁷ s 129(1) of the Retail Law.

may register a RoLR on that basis. We must publish the new basis for registration on our website.²⁸

Contingency event

If we receive notice or otherwise become aware of any event, circumstance or matter that may risk or affect the continuity of the sale of energy to a retailer's customers, we may act to substantiate this risk.²⁹ This includes (without limitation) any material default by a retailer concerning its obligations under energy laws with respect to the payment of money, the provision of securities or otherwise of a financial nature.³⁰ We may request information from retailers in a RoLR contingency event to assist with our appointment decision.³¹ Retailers should respond to such requests promptly to assist us in to appointing a designated RoLR within 72 hours after the RoLR event.

²⁸ s 129(2) of the Retail Law.

²⁹ s 130(1) of the Retail Law.

³⁰ s 130(2) of the Retail Law.

³¹ s 130(4) of the Retail Law.

3. Retail contracts for transferred small customers

When a small customer transfers to a designated RoLR, they are placed on a RoLR deemed small customer arrangement.³² This arrangement must have the same terms and conditions as the designated RoLR's standard retail contract and the designated RoLR's standing offer prices apply.³³

The arrangement continues until the customer confirms another retail contract for their premises. If the customer has not sought another contract 3 months following the transfer date, this standard retail contract will become the customer's ongoing retail contract with the retailer.³⁴

The designated RoLR may instead transfer the customers of a failed retailer to a designated market retail contract (designated contract). For this to take place, the RoLR must provide the AER with written notice that it is willing to transfer customers to a market retail contract and confirm that the contract complies with the requirements set out in the Retail Law.³⁵ The notice must be provided in accordance with these guidelines.³⁶

In Victoria, the terms and conditions of the RoLR deemed small customer arrangement are those decided by the Essential Services Commission Victoria under section 35(1)(b) of the *Electricity Industry Act 2000* (Vic) or section 42(1)(b) of the *Gas Industry Act 2001* (Vic), or specified in clause 18 of the Energy Retail Code of Practice.³⁷ Additionally, the prices applicable are the tariffs fixed or determined in accordance with sections 13 and 15 of the *Electricity Industry Act 2000* (Vic), in the case of electricity, or sections 21 and 42 of the *Gas Industry Act 2001* (Vic), in the case of gas.

3.1. Requirements of designated contract

A registered RoLR's designated contract must:³⁸

- contain the same terms and conditions as a market retail contract
- ensure a small customer will not be in a worse position than they would be under the registered RoLR's standard retail contract
- ensure the prices payable by the customer are not more than the registered RoLR's standing offer prices

³² s 145(2) of the Retail Law.

³³ s 145(3)-(4) of the Retail Law.

³⁴ s 147 of the Retail Law.

³⁵ s 148A(1) of the Retail Law.

³⁶ s 148A(2) of the Retail Law.

³⁷ s 145(3)-(4) of the Retail Law as amended in Victoria by Regulation 17 of the *National Energy Retail Law (Victoria) Regulations 2024* (Vic).

³⁸ s 148A(3)(a)-(f) of the Retail Law.

- ensure the prices payable by the customer cannot be increased during the period of 3 months after the relevant transfer date (the initial period)
- ensure a customer will not be required to pay a fee for breaking the contract during the initial period
- comply with requirements of the Retail Law and Rules that apply to a market retail contract and the AER RoLR Guidelines.

The designated contract must be published on the registered RoLR's website.³⁹ This must be done ahead of providing notice of the designated contract, as the notice must confirm that all requirements of the designated contract are met.

3.2. Notice to AER of designated contract

A registered RoLR may notify the AER of the availability of a designated contract for use in a future RoLR event. A registered RoLR must provide the AER with written notice if it is willing to transfer customers to a designated contract, setting out how the contract complies with the requirements set out in section 148A(3) of the Retail Law.⁴⁰

The notice must:

- clearly identify which connection points (for electricity) or distribution systems (for gas) the contract applies to
- set out the aspects of the designated contract that the registered RoLR considers demonstrate that a small customer would not be in a worse position compared to the registered RoLR's standard retail contract, with reference to those aspects of its standard retail contract
- list the prices payable by the customer under the designated contract and the prices payable under the registered RoLR's standard contract
- include a statement confirming that the designated contract complies with the requirements set out in section 148A of the Retail Law
- attach a copy of the designated contract
- attach a copy of the registered RoLR's standard retail contract where it has changed since the previous notice or confirm that the standard retail contract remains unchanged⁴¹
- provide a URL to where the designated contract is published on the registered RoLR's website
- any other information the registered RoLR considers relevant.

If the registered RoLR varies the designated contract of its own accord, it must give written notice to the AER as soon as practicable, and no later than 10 business days after the

³⁹ s 148A(3)(g) of the Retail Law.

⁴⁰ s 148A(1) of the Retail Law.

⁴¹ s 148A(3)(a) of the Retail Law.

variation,⁴² and publish the designated contract as varied on the website of the registered RoLR.⁴³

We will determine urgency in consultation with the registered RoLR, having regard to the circumstances giving rise to the notification, including the likelihood and timing of a potential RoLR event and the risk of a non-compliant offer being made available to customers.

We require the notice of variation to a designated contract to contain the same information as a notice of designated contract, including a copy of the varied contract. A copy of the registered RoLR’s standard retail contract is only required where it has changed since the previous notice, with confirmation otherwise that it remains unchanged. Additionally, it should set out the aspects of the designated contract that have varied, with reference to the previous designated contract, as well as any other information the registered RoLR considers relevant.

The notice of designated contract or variation should be emailed to AERRoLR@aer.gov.au.

3.3. AER compliance approach

We have set out our approach to assessing compliance of a registered RoLR’s designated contract against each of the requirements of section 148A(3) in Table 1. We will assess the designated contract as soon as practicable following the registered RoLR providing notification of either a designated contract or a variation of a designated contract. Our assessment will focus on whether, taken as a whole, the designated contract results in customers not being in a worse position compared to the standard retail contract.⁴⁴ Where there is a risk of a RoLR event, we will expedite this assessment.

Table 1. AER approach to assessment of a designated contract

Section	Requirement of designated contract	AER approach to assessment
148A(3)(a)	Contain the same terms and conditions as a market retail contract	Review the designated contract to ensure it contains all required terms of a market retail contract under the Retail Law and National Energy Retail Rules (Retail Rules), and no conflicting terms.
148A(3)(b)	Ensure a small customer will not be in a worse position than they would be under the registered RoLR’s standard retail contract.	Consider the explanation provided by the registered RoLR in the notice of designated contract as to how this requirement is met. Assess whether the designated contract places customers in a worse position compared to the applicable standard retail contract.

⁴² s 148A(4)(a) of the Retail Law. This is a civil penalty provision.

⁴³ s 148A(4)(b) of the Retail Law.

⁴⁴ s 148A(3)(b) of the Retail Law.

Section	Requirement of designated contract	AER approach to assessment
148A(3)(c)	Ensure the prices payable by the customer are not more than the registered RoLR's standing offer prices.	Consider the pricing information and explanation provided by the registered RoLR in the notice of designated contract. Compare the prices contained in the designated contract to those under the applicable standard contract.
148A(3)(d)	Ensure the prices payable by the customer cannot be increased during the period of 3 months after the relevant transfer date.	Review the designated contract to ensure it states that prices payable by the customer will not be increased during this period.
148A(3)(e)	Not require a fee if a customer breaks the contract during the period of 3 months after the relevant transfer date.	Review the designated contract to ensure it states that the customer will not incur a fee for breaking the contract during this period.
148A(3)(f)(i)-(ii)	Comply with requirements of the Retail Law and Rules ⁴⁵ that apply to a market retail contract and the AER RoLR Guidelines.	Review the designated contract to ensure it contains all required terms of a market retail contract under the Retail Law and Retail Rules, and no conflicting terms. Review the designated contract against these guidelines to ensure relevant requirements are met.
148A(3)(g)	Be published on the website of the registered RoLR.	Verify the designated contract is published at the URL provided by the registered RoLR in the notice of designated contract.

Where we require further information to assist this assessment, we will seek it from the registered RoLR, which must respond to any such request in a timely manner. We will confirm in writing whether we are satisfied with the designated contract following our review.

If we consider that the designated contract requires review, we may direct the registered RoLR to review the contract and make variations (variation direction). In response, the registered RoLR must comply with each of these requests:⁴⁶

- vary the contract in accordance with the AER's requirements
- submit the varied contract to the AER for approval. This should be done within 10 business days of the variation direction, or a shorter period if requested by the AER

⁴⁵ In Victoria, this is a reference to requirements of the Retail Law and Retail Rules as in force under the *National Energy Retail Law (Victoria) Act 2024 (Vic)* and *National Energy Retail Law (Victoria) Regulations 2024 (Vic)*.

⁴⁶ s 148A(5)(b) of the Retail Law. This is a civil penalty provision.

- publish the varied contract on its website as soon as practicable after the varied contract is approved by the AER.

The timeframe for resubmission will start once all required feedback has been provided by the AER. We will assess the varied designated contract against the requirements of the Retail Law as soon as practicable after the RoLR provides us written notice of the variation. If it continues to not meet the requirements of the Retail Law, we will provide further direction to the registered RoLR on any variation required.

3.4. Use of a designated contract

In a RoLR event, if a designated RoLR has previously notified the AER of a designated contract, they may elect to place transferred small customers onto that contract. They must either make all transferred small customers subject to the designated contract, or none of the customers subject to it.⁴⁷ The explicit informed consent of the small customers is not required to make the customers subject to the designated contract.⁴⁸ However, we expect that customers are provided clear and timely communication about their contract (see section 3.5 of the guidelines).

Once the customer has been placed on a designated contract, it is considered to be a market retail contract for the purpose of the Retail Law and Retail Rules.⁴⁹ The designated contract must continue to meet the requirements of the Retail Law and remains in place until terminated or replaced in accordance with the Retail Law and Retail Rules.⁵⁰

The designated RoLR must not impose a fee on a transferred customer for breaking the contract during the period of 3 months after the relevant transfer date, or at any time after that period unless the designated RoLR has provided notice to the transferred customer of the fee.⁵¹ The transferred customer is taken to have been given notice of the fee if either they acknowledge receipt of the notice or if the designated RoLR has used its best endeavours to give the customer the notice.⁵²

3.5. Requirements to notify customers

The designated RoLR must clearly inform transferred customers within 15 days of the transfer occurring. The requirements for the notice are detailed in section 2.6 of the RoLR plan.

The designated RoLR should inform us of the contract used for transferred customers within 10 business days of the transfer.

⁴⁷ s 148B(2) of the Retail Law.

⁴⁸ s 148B(3) of the Retail Law.

⁴⁹ s 148B(4)(b) of the Retail Law.

⁵⁰ *Ibid.*

⁵¹ s 148B(5) of the Retail Law.

⁵² s 148B(6) of the Retail Law.

3.6. Smart meter standing offer

Where a transferred customer has a smart meter, the RoLR may apply either a flat rate standing offer or a time-of-use tariff provided the customer is informed of their options, including the ability to switch to a flat rate standing offer.

As outlined in section 2.6 of the plan, the RoLR must inform a smart meter customer if they have been placed on the smart meter plan with time-of-use tariff charges. If jurisdictional rules require retailers to offer a flat rate standing offer plan available to smart meter customers, the RoLR must provide the customer with instructions on how to change to that plan.

3.7. Notifying the AER of the offer

The designated RoLR should inform the AER of the contract used for transferred customers within 10 business days of the transfer.

4. Cost recovery scheme

A RoLR may apply to the AER seeking a RoLR cost recovery scheme determination to recover their RoLR scheme costs:

- default RoLRs may apply to recover their RoLR scheme preparation costs, and⁵³
- designated RoLRs may apply to recover their RoLR scheme event costs.⁵⁴

This section of the guidelines sets out the application process and the types of costs that can be claimed.

The RoLR cost recovery principles are:

- the registered RoLR should be provided with a reasonable opportunity to recover the reasonable costs that it incurs with respect to the RoLR scheme⁵⁵
- the recovery of costs should allow for a return commensurate with the regulatory and commercial risks with respect to the RoLR scheme⁵⁶
- costs not prudently incurred by the registered RoLR in meeting its obligations should not be recoverable.⁵⁷

We will also have regard to the National Energy Retail Objective (Retail Objective), which is to promote efficient investment in, and efficient operation and use of, energy services for the long-term interests of consumers of energy with respect to the:⁵⁸

- price, quality, safety, reliability and security of supply of energy
- achievement of targets set by a participating jurisdiction for reducing Australia's greenhouse gas emissions, or that are likely to contribute to reducing Australia's greenhouse gas emissions.

The AER will apply the principles set out in the Retail Law⁵⁹ when determining a cost recovery scheme. While the Retail Law does not give weight to the principles, the AER may give greater weight to certain factors depending on the circumstances.

In applying these principles, the AER is likely to consider that:

- limits should generally not be imposed on the magnitude or individual classes of costs as the RoLR should be provided with reasonable opportunity to recover its costs incurred.

⁵³ s 166(3)(a) of the Retail Law.

⁵⁴ s 166(3)(b) of the Retail Law.

⁵⁵ s 166(7)(a) of the Retail Law.

⁵⁶ s 166(7)(b) of the Retail Law.

⁵⁷ s 166(7)(c) of the Retail Law.

⁵⁸ s 13 of the Retail Law.

⁵⁹ ss 13 and 166(7) of the Retail Law.

- cost recovery should not result in price shocks for small customers, as this may cause payment difficulties for some customers. Accordingly, cost recovery should generally be spread across the relevant customer base for each of the affected distributors.

We may provide further guidance over time as additional applications are assessed.

4.1. Applications for a RoLR cost recovery scheme

RoLRs seeking to apply for a RoLR cost recovery scheme are required to complete and submit the cost recovery spreadsheet template available on the AER website and include the information outlined in this section. We will not assess an application until it conforms with these requirements.

The RoLR should also provide both:

- a cover letter with its application summarising the total cost recovery claim, its methodology and the supporting evidence
- a signed undertaking (if the RoLR chooses to provide one).

A RoLR's cost recovery scheme application must contain:

- The RoLR's organisation's trading name, Australian company number and date of application (see "Cover sheet" tab)
- the quantum of costs incurred in relation to the RoLR scheme for either:
 - preparing for a RoLR event for default RoLRs ("Cost recovery application summary" tab)
 - costs incurred on and after a RoLR event for designated RoLRs ("Cost recovery application summary" tab).
- a breakdown of the quantum of costs by type ("Cost recovery application summary" tab)
- total cost recovery claim, which should equal costs less benefits and any undertaking amount ("Cost recovery application summary" tab)
- reasons and supporting documentation.

The RoLR's application should make clear for each cost incurred whether it was a direct cost, an opportunity cost or a combination of these, and how any estimates have been developed. The RoLR should also provide reasons and supporting documentation as to why the costs can be considered reasonable in accordance with section 166(7) of the Retail Law. Evidence should be proportionate to the claim's size, complexity and impact, and sufficient to verify the methodology, cost attribution and prudence.

The RoLR should ensure that the cost recovery spreadsheet is filled out in accordance with the specific instructions in the relevant cost type tabs of the template.

The cost recovery spreadsheet template may be updated from time to time.

The RoLR should also provide information that assists the AER to assess any benefits received as a result of the RoLR event. This may include information about the revenue earned from customers who transferred in the RoLR event and the number of those customers who have remained with the RoLR since the event (see “Benefits” tab).

The RoLR should also provide information relevant to the distributor payment determination, including:

- the proposed amount of the distributor payment
- the timing of the proposed payment
- the distributor or distributors from which the RoLR seeks to recover its costs
- how the RoLR proposes to apportion costs between distributors, including the methodology used (where relevant).

Where the evidence provided does not adequately support the application, the AER will discuss with the applicant what additional information is needed.

If the RoLR has given an undertaking, or proposes to give an undertaking, to limit its cost recovery in accordance with section 166(4a) of the Retail Law, it should provide key financial details of this in the spreadsheet. This includes undertakings to not recover specific cost categories, to recover only a specified percentage of incurred costs, or to cap recovery at a specified amount (see “Undertaking” tab).⁶⁰

If the AER accepts or has accepted an undertaking, it will form part of the RoLR’s cost recovery scheme. In considering whether to accept an undertaking, the AER will consider whether the undertaking clearly explains how it applies to the RoLR’s cost recovery. An undertaking may be provided at any time, including before a cost recovery application is submitted. Where this occurs, the AER will consider whether the undertaking is sufficiently clear to understand how it would apply to future cost recovery applications.

4.2. Cost recovery application process

If a RoLR is considering submitting a cost recovery application, they should contact the AER early to discuss their proposed approach. This may result in a more efficient process as we can provide early feedback on the RoLR’s approach or additional information we may require for our assessment.

A default RoLR must submit an application for costs incurred in relation to preparing for RoLR events within 9 months of being appointed a default RoLR under the Retail Law.⁶¹

A designated RoLR must submit an application for costs incurred on and after a specific RoLR event within 9 months from being appointed as a designated RoLR.⁶² These RoLR scheme costs can only be recovered after the specific RoLR event occurs.⁶³

⁶⁰ s 166(4a) of the Retail Law.

⁶¹ s 135(2)(c) of the Retail Law.

⁶² Ibid.

⁶³ Ibid.

After we receive an application, we may request such additional information as we consider reasonably necessary for it to determine the application, including information relating to any relevant cost undertaking, under section 166(4a) of the Retail Law. The RoLR must comply with any such request.⁶⁴ Applications made in accordance with the guidance in this document may reduce the likelihood of additional information requests.

After we have gathered any additional information needed to consult on the application, we will communicate an expected assessment timeframe to the applicant. We will continue to engage with the applicant throughout the assessment process, including through providing updates on the assessment timeframe.

We will then publish a notice of the application on the AER's website. The notice will generally be accompanied by a consultation paper or draft determination and invite submissions on the application within a period of at least 20 business days.⁶⁵ The notice will set out the different avenues for stakeholders to provide feedback.

The AER may specify a period of less than 20 business days, or not invite submissions at all, if the AER is satisfied that all costs are clearly identifiable and quantifiable.⁶⁶

In that context, the AER is likely to exercise discretion where:

- the application involves a limited number of direct, well-documented costs
- there is a clear causal link to the RoLR event
- the value of the claim is limited relative to its complexity
- there is minimal reliance on assumptions or allocation methodologies requiring assessment.

These factors will be considered holistically in determining the appropriate consultation approach.

The AER will decide whether to grant or refuse the application and publish a copy of our decision on our website.⁶⁷ The decision will outline how the AER has assessed the request in line with the cost recovery principles, and how it has responded to any stakeholder submissions.

In limited circumstances, the AER may subsequently decide to amend a determination or scheme.⁶⁸ This may follow a request from the applicant or a distributor, or at our own initiative. An application to the AER to amend a determination should clearly demonstrate why there is a material error in the determination or scheme, or why the scheme or determination is deficient because of false or misleading information given to the AER. We must consult with the registered RoLR and any affected distributors and will otherwise follow the assessment and consultation process outlined in this section.

⁶⁴ s 166(4) of the Retail Law.

⁶⁵ s 166(5b) of the Retail Law.

⁶⁶ s 166(5c) of the Retail Law.

⁶⁷ s 166(5) of the Retail Law.

⁶⁸ s 168 of the Retail Law.

4.3. Types of costs

Cost recovery applications must include a breakdown of costs by type. Within each type of cost, there may be direct costs and/or opportunity costs. A RoLR is to be provided with an opportunity to recover any reasonable costs incurred, given the need to ensure the integrity and security of the energy market following a RoLR event.

Costs that can be recovered by the RoLR include but are not limited to:⁶⁹

- costs paid to an insolvency official of a failed retailer in respect of the RoLR's functions under the Retail Law
- costs paid to a distributor by the RoLR for service orders and not recoverable from the customers concerned or from the failed retailer
- other administration costs associated with the RoLR event
- additional energy costs in respect of customers acquired as a result of the RoLR event
- financing costs for additional credit support provided to AEMO for the acquired customers
- financing costs to cover the period between a cost being incurred by the designated RoLR and the cost being recovered under the designated RoLR's cost recovery scheme.

A RoLR may include relevant future anticipated costs resulting from the RoLR event which have not yet been incurred but have already been identified and quantified, provided it can demonstrate these costs are reasonable. Other types of costs can also be claimed, depending on the circumstances. This includes opportunity costs, which we have detailed further in section 4.3.6. Any such claims must be supported by sufficient evidence and will be subject to the AER's assessment process set out in Section 4.4.

4.3.1. Direct costs

Direct costs are the expenses that can be directly attributed traced to the RoLR event, such as any items or activities related to the RoLR event. These can usually be measured and objectively evidenced.

4.3.2. Wholesale costs

Retailers purchase electricity from the wholesale market at a spot price that is determined by supply and demand conditions. To manage the risk that spot prices may fluctuate and to provide retail contracts to customers at relatively stable prices, retailers enter into financial contracts known as hedges or derivatives. A retailer's hedging strategy will depend on its expectations of future spot price outcomes and the load profile of its customers as well as the retailer's willingness to take risks regarding the under or over contracting of its load. If a retailer failure occurs at a time of high electricity spot prices, this may increase the cost of hedging the load of the transferred customers beyond the amount that can be recovered by

⁶⁹ s 166(3)(b) of the Retail Law.

the RoLR. If a RoLR faces difficulty in obtaining hedging arrangements at reasonable prices, it may be exposed to wholesale market purchasing risks for its unhedged load which exceed the wholesale component of the relevant retail tariff.

Similarly, a RoLR may be exposed to high gas prices on short term gas trading markets where the transferred customer load exceeds the RoLR's existing commodity contracts.

4.3.3. Network costs

Network tariffs that distributors charge to retailers for their customers' use of transmission and distribution systems, comprised of distribution use of system (DUoS) and transmission use of system (TUoS) charges, as well as jurisdictional costs. We anticipate network costs are adequately provided for in retail tariffs.

4.3.4. Environmental costs

These costs will typically be derived from federal, jurisdictional or local government schemes. These schemes typically involve certificate markets that primarily require electricity retailers to buy a certain percentage of renewable energy each year. Retailers comply by purchasing and surrendering the required certificates, which are created, traded, registered and surrendered through the regulator registry clearing houses or on the open market. A RoLR may incur additional environmental costs where the size of its customer base as a result of the RoLR event is larger than expected.

4.3.5. Administration costs

RoLRs are likely to incur a range of administrative costs above normal business expenditure in establishing systems to become a RoLR or in relation to the transfer of customers from the failed retailer. This may also include costs to prepare a cost recovery application.

Administrative costs should be minimised through use of existing systems, and the approach should be as simple and practical as possible to implement.

To support an administrative cost claim, we recommend that the RoLR undertakes a comprehensive recording of time spent on each relevant administration task as well as applicable hourly rates for relevant labour costs.

4.3.6. Opportunity costs

Opportunity costs are the value of revenue forgone by a RoLR where, due to constrained resources, it must choose between mutually exclusive alternatives. In assessing opportunity costs, the AER will compare the actual (or estimated) revenue earned by the RoLR with the revenue it could reasonably have earned under an alternative course of action.

Opportunity costs may arise where actions taken by the RoLR to manage a RoLR event limit its ability to pursue other activities. For example, where a vertically integrated RoLR uses internal generation to support transferred customer load and forgoes other commercial opportunities.

Opportunity costs are inherently more difficult to evidence than direct costs, as they rely on assumptions about alternative scenarios. The approach adopted will depend on the circumstances of the RoLR event, including the nature of the costs, market conditions and

the information available to the RoLR at the time. Differences in business models of RoLRs may also result in different cost outcomes.

To support an opportunity cost claim, we recommend the RoLR provides a clear explanation of the methodology used, including the steps taken, the options considered and the basis for the approach adopted. The RoLR should provide sufficient information to enable the AER to assess whether the costs are attributable to the RoLR event and are reasonable based on the circumstances at the time of the event.

Opportunity costs can be captured where relevant in the cost recovery template, such as in the “wholesale costs” tab.

4.4. General principles for the cost recovery scheme

As outlined at the start of this section, the AER will apply the principles set out in the Retail Law⁷⁰ when determining a cost recovery scheme. While the Retail Law does not give weight to the principles, the AER may give greater weight to certain factors depending on the circumstances.

4.4.1. Assessment of reasonable costs

The AER will assess whether the actions of the designated RoLR in performing its obligations have been reasonable in the circumstances. This assessment will not be based on hindsight, but the nature of the costs, market conditions and the information available to the RoLR at the time of the event.

The RoLR should provide a clear and reasonable methodology, with supporting documents, of its decision-making processes for determining the costs claimed in the cost recovery application. For example, the RoLR may detail the options that were available at the time and the steps taken to determine its chosen course of action (or non-action), and provide contemporaneous records to support its claim.

We do not object to RoLRs making cost claims based on estimates instead of providing actual costs incurred in certain circumstances where it may be difficult to calculate actual costs. This may include where the costs incurred only partially result from, or relate to, the RoLR event. However, as above, the RoLR should provide a clear and reasonable methodology and demonstrate a clear nexus to the RoLR event.

For RoLR scheme costs incurred in preparing for a RoLR event, a RoLR must provide supporting documentation showing how such costs have been incurred due to the retailer’s responsibilities as a default RoLR.

4.4.2. Return commensurate with the regulatory and commercial risks with respect to the RoLR scheme

The recovery of costs should allow for a return commensurate with the regulatory and commercial risks with respect to the RoLR scheme. This reflects that a key objective of RoLR cost recovery is to incentivise retailers to become and remain as RoLRs, given they are

⁷⁰ ss 13 and 166(7) of the Retail Law.

providing a broader service to the market to ensure continuity of supply for customers of failed retailers.

Cost recovery applications must set out the benefits to the RoLR of the customers transferred from the failed retailer. This essentially requires quantification of the revenue expected from the transferred customers. A RoLR must provide information explaining how revenue has been quantified (including the basis on which any estimates have been made).

While there is clearly a benefit to the RoLR from acquiring customers from a RoLR event in terms of increased revenue, we recognise that this is often offset by relatively high churn rates which can make management of anticipated energy and environment costs associated with transferred customers more challenging. Transferred customers are not required to remain with a RoLR.

4.4.3. Costs not prudently incurred should not be recoverable

A designated RoLR has already demonstrated its ability to meet the criteria under section 123(1) of the Retail Law, including organisational, financial and technical criteria. This includes details of hedging arrangements. The AER expects the designated RoLR will use these systems, processes and arrangements to plan how it can efficiently accommodate customers of a failed retailer and what costs might be involved. This is a relevant consideration in relation to whether one or more costs have not been prudently incurred.

There is no strict requirement for a RoLR to prove that it minimised costs. We will assess decisions based on the information available to the RoLR at the time the relevant decisions were made, including the need to maintain continuity of supply for customers. Our assessment will be based on the circumstances at the time of the event, including but not limited to:

- the nature of the costs
- market conditions
- options available to and taken up, or not taken up, by the RoLR.

Depending on the circumstances of the RoLR event, it may not be imprudent for the RoLR to have chosen a course of action that, in hindsight, was not the most efficient one.

4.4.4. Allocation of costs between distributors

The AER will decide which electricity distributors need to contribute to the costs of the RoLR scheme. This decision is known as a distributor payment determination.

When a distributor is required to pay RoLR costs for electricity, its existing regulatory arrangements are effectively updated so those payments are treated as normal pass-through costs.⁷¹ This means distributors can recover these costs from retailers through their network charges.

⁷¹ s 167(4)(a) of the Retail Law and Rule 6.6 of the National Electricity Rules.

The AER will decide how RoLR costs are shared between distributors on a case-by-case basis. In doing so, the AER will consider the Retail Objective, the RoLR scheme objectives and the financial impact on distributors.

Generally, we consider RoLR costs should be spread equally across the relevant customer base for each affected distribution network, rather than limiting cost recovery to the transferred customers. Where multiple jurisdictions are affected, spreading costs more broadly is likely to reduce short-term financial impacts and aligns with the principle that costs should be recovered from the largest appropriate customer base.

This must be compatible with the development and application of consumer protections for small customers, including protections for hardship customers.⁷² As a result, cost-recovery arrangements should avoid creating sudden or significant price increases for customers.

In some cases, it may be appropriate for one distributor to bear most or all the RoLR costs. We may use this approach where it does not place an unreasonable financial burden on the distributor or its customers. Spreading small cost amounts across multiple distributors may not be appropriate where it adds administrative complexity. We have not set a specific threshold and will assess on a case-by-case basis.

⁷² s 205 of the Retail Law.

Part B: Retailer of Last Resort plan

1. Introduction

1.1. Purpose

The RoLR plan sets out the procedures to be followed by participants in a RoLR event, including direct communication with the customers of the failed retailer (section 2).⁷³

The RoLR plan also establishes the scope and circumstances under which RoLR plan participants will be required to carry out RoLR scheme test exercises (section 3).⁷⁴ These exercises are designed to test the systems and processes of RoLR plan participants for managing a RoLR event.

1.2. Development and maintenance of the plan

The RoLR plan is developed and maintained by the AER in consultation with Ministers of participating jurisdictions and the Australian Energy Market Operator (AEMO).

We will review and update the RoLR plan at such times we consider appropriate.⁷⁵ The AER will consult on any amendments and implement them as soon as practicable.

The Ministers of participating jurisdictions, AEMO and the RoLR plan participants may also propose amendments to the RoLR plan to the AER.⁷⁶ The AER will consult with the Ministers of participating jurisdictions and AEMO on any such proposals.

1.3. RoLR plan participants

The RoLR plan participants as specified in the National Energy Retail Law (Retail Law) are:⁷⁷

- the AER
- AEMO
- the registered RoLR or registered RoLRs nominated by the AER⁷⁸
- the distributor or distributors nominated by the AER.

Other RoLR plan participants nominated by the AER include:⁷⁹

- the Essential Services Commission Victoria (ESCV)

⁷³ s 162(2)(a) of the Retail Law.

⁷⁴ s 162(2)(b) of the Retail Law.

⁷⁵ s 162(8) of the Retail Law.

⁷⁶ s 162(1) of the Retail Law.

⁷⁷ s 162(4)(a)-(d) of the Retail Law.

⁷⁸ Has the meaning given by s. 122 of the Retail Law.

⁷⁹ s 162(4)(e) of the Retail Law.

- energy departments of participating jurisdictions⁸⁰
- retailers, including failed retailers⁸¹
- ombudsman schemes.

1.4. Consistency with RoLR procedures

Where AEMO makes RoLR procedures pursuant to the National Electricity Law (Electricity Law) or National Gas Law (Gas Law), it may include matters relating to the operation or implementation of the RoLR scheme.⁸² This may include, but is not limited to, the transfer of customers from failed retailers to designated RoLRs, the acceleration or cancellation of open transactions, and audits and reviews.

The RoLR plan must not be inconsistent with AEMO's RoLR procedures.⁸³ Where there is an inconsistency between the RoLR plan and the RoLR procedures, the RoLR procedures take precedence.

1.5. Enforceability

RoLR plan participants must use their best endeavours to comply with the RoLR plan, assist in the development and maintenance of the plan and participate in regular exercises as provided in the plan.⁸⁴

The AER will monitor and enforce the RoLR plan. Our approach to monitoring and enforcement is set out in the *Compliance procedures and guidelines*⁸⁵ and *Compliance and enforcement policy*.⁸⁶

1.6. References to days and time

Any reference to a business day in this RoLR plan means a day that is not a Saturday or Sunday; or observed as a public holiday on the same day in each of the participating jurisdictions (except the Commonwealth).⁸⁷

Any time referred to in the RoLR plan is Australian Eastern Standard Time.

⁸⁰ Means the department or agency nominated by the Minister of the participating jurisdiction to participate in the RoLR plan.

⁸¹ Communication and obligations to the failed retailer can also apply to an insolvency official of the failed retailer.

⁸² s 144(1) of the Retail Law.

⁸³ s 162(3) of the Retail Law.

⁸⁴ s 162(6) of the Retail Law.

⁸⁵ <https://www.aer.gov.au/industry/registers/resources/guidelines/compliance-procedures-and-guidelines>.

⁸⁶ <https://www.aer.gov.au/publications/reports/corporate/aer-compliance-enforcement-policy>.

⁸⁷ s 2 of the Retail Law.

1.7. Contact details

The AER's contact details for all RoLR matters are:

email: AERRoLR@aer.gov.au

phone: Executive Director, Compliance, through the AER Contact Centre
1300 585 165.

- Ministers and energy departments of participating jurisdictions, AEMO, retailers, distributors and ombudsman schemes are to provide the AER with 2 nominated contacts for
- communication regarding the RoLR scheme. Retailers and distributors must also provide RoLR contacts to AEMO through their Retail operations contact list. These parties should notify the AER and AEMO (as relevant) within 5 business days if a nominated contact changes.⁸⁸

The contact information provided should include an email address, business hours telephone number and mobile telephone number.⁸⁹ Supplementary contacts may be provided, particularly where there is a risk the 2 nominated contacts may not be available.

The AER may disseminate retailers' and distributors' RoLR contact information to relevant RoLR plan participants before or during a RoLR event if we consider it necessary.

⁸⁸ s 162(2) of the Retail Law.

⁸⁹ s 162(2) of the Retail Law.

2. Obligations on RoLR plan participants

2.1. Australian Energy Regulator

2.1.1. Information flows prior to the RoLR event

2.1.1.1. General

The AER will, without delay and within 1 business day, of forming the belief, notify AEMO, the ESCV, energy ministers and energy departments of participating jurisdictions, of any event, circumstance or matter of which the AER is aware that it believes it either:⁹⁰

might affect, is affecting, or may in future affect, or put at risk, a retailer's ability to maintain continuity of the sale of energy to its customers

- may give rise to a RoLR event.
- Where appropriate, the AER may also advise other RoLR plan participants.

2.1.1.2. Wholesale market

AEMO will notify the AER when:

- a retailer has failed to meet the requirements of a margin call
- a retailer has been issued with a default notice
- a retailer has satisfied the requirements of a default notice
- a retailer has failed to adequately respond to a default notice.

Following this notification, the AER will advise Ministers and energy departments of participating jurisdictions as soon as possible of this event, following receipt of the AEMO advice.⁹¹

The AER may also advise registered RoLRs, distributors, and ombudsman schemes that it has received notification of this event, but we will not disclose the name of the retailer (unless disclosure has occurred under the Gas Rules).

2.1.1.3. Additional RoLR appointment

The AER may request information from any retailer in accordance with our contingency event powers,⁹² to assist us in determining the designated RoLRs.

⁹⁰ s 130(5)(b) of the Retail Law and reg 20 of *the National Energy Retail Law (Victoria) Regulations 2024* (Vic).

⁹¹ s 162(2) of the Retail Law.

⁹² s 130 of the Retail Law.

The information requested may vary depending on the circumstances of the failure. Information that may be requested could include but is not limited to:

- company structure, contractual arrangements and financial position⁹³
 - information on the current ownership structure of the business
 - a copy of the retailer's standard contracts
- - a description of the financial position of the business as at the date of response, with reference to the ability of the business to continue in the immediate future without triggering one or more of the circumstances that are considered to be a RoLR event²⁴
 - current financial position, including the most recent financial statements
 - any parent company guarantees details
 - cash flow details
 - amounts owing to distributors and any other debtors
 - any legal claims which have been made which may affect the business' ability to satisfy the RoLR event criteria in the future
- customer information
 - number of customers in each jurisdiction, split between large and small customers
 - customer load for a specified period split between large and small customers
- gas arrangements
 - details of any businesses (including shippers) the retailer has contractual arrangements with for the shipping of gas.

Appointment of additional RoLRs

The AER may, by notice in writing, appoint an additional RoLR as a designated RoLR in respect of a RoLR event before the event occurs or within 72 hours after the RoLR event.⁹⁴

When the AER decides to appoint an additional RoLR, including where the decision is made within 72 hours of a RoLR event, we will notify AEMO if an additional RoLR will be appointed as the designated RoLR as soon as is practicable following the decision to appoint, and prior to issuing a RoLR notice. Where practicable, we will seek to provide advance notice of a RoLR event. However, advance notice may not be possible in all circumstances.

⁹³ s 131(2) of the Retail Law; *Competition and Consumer Act 2010* (Cth) s44AAF.

⁹⁴ s 132(1)(b) of the Retail Law.

The AER will also notify the following parties, as relevant, as soon as practicable where an additional RoLR has been appointed as a designated RoLR for a RoLR event:

ministers and energy departments of participating jurisdictions

default RoLRs

distributors

- ombudsman schemes.

• **2.1.1.4. RoLR regulatory information notice**

- The AER may serve a RoLR regulatory information notice on a retailer (or former retailer) if it considers it reasonably necessary to do so in connection with a RoLR event that has occurred or the AER's contingency powers, whether or not a RoLR event has occurred.⁹⁵

2.1.2. Information flows after the RoLR event

2.1.2.1. RoLR notice

If the AER has designated only default RoLRs for the event, the AER will issue a RoLR notice as soon as practicable after a RoLR event occurs to:⁹⁶

- the failed retailer at its registered office and (if different) its principal place of business
- any insolvency official of the failed retailer
- AEMO
- the designated RoLR(s)
- affected distributors, and
- ministers of participating jurisdictions.
- If the AER has designated only default RoLRs for the event, the AER may also issue a RoLR notice as soon as practicable after a RoLR event occurs to:⁹⁷
- energy departments of participating jurisdictions
- the ESCV (if the failed retailer operates in Victoria
- any service provider for a gas transmission pipeline, gas producer, blend processing service provider or other person subject to directions for gas previously available to the failed retailer;⁹⁸ and

⁹⁵ s 152(1)(b) of the Retail Law.

⁹⁶ s 138(1)(a) of the Retail Law.

⁹⁷ s 138(1)(b) of the Retail Law.

⁹⁸ s 137(1)(a)-(d) of the Retail Law.

relevant ombudsman schemes.

The AER will give the RoLR notice to all recipients via email (telephone or text message or other communication means may also be used as appropriate to alert parties to the provision of the RoLR notice).

- The AER will publish the RoLR notice on its website as soon as possible, and within one calendar day of it confirming the designated RoLR. This would be within one calendar day of becoming aware of an event, if designating a default RoLR.⁹⁹

2.1.2.2. Appointing additional RoLRs after a RoLR event

As set out in section 1 of Part A of this document (RoLR Guidelines), the AER may take up to 72 hours after a RoLR event to appoint additional RoLRs in some circumstances.¹⁰⁰

Where we take up to 72 hours to determine the RoLRs, we will not issue the RoLR notice until we have made the designation decision. As soon as practicable after the decision is made, we will issue the notice with full details, including the allocation of each designated RoLR to particular customers or classes of customers.¹⁰¹

The AER will notify AEMO, default RoLRs, potential additional RoLRs under consideration and other relevant RoLR participants where we use this timeframe. We will continue communications with these parties during the extended timeframe, including to inform our designation decision.

2.1.2.3. Essential Services Commission Victoria

The AER will, without delay, notify the ESCV of the AER's decision whether to revoke the retailer's National Energy Retail Law authorisation.¹⁰²

2.1.2.4. RoLR regulatory information notice

The AER may serve a RoLR regulatory information notice on a retailer (or former retailer) if we consider it reasonably necessary to do so in connection with a RoLR event that has occurred or in the exercise of our RoLR function (whether or not a RoLR event has occurred).¹⁰³

If a RoLR event has occurred, the AER may give any information (including confidential information or personal information within the meaning of the *Privacy Act 1988* of the Commonwealth or of any Act of a participating jurisdiction relating to privacy) received pursuant to a RoLR regulatory information notice to AEMO, the ESCV, distributors, a designated RoLR and any other person the AER considers necessary.¹⁰⁴

⁹⁹ s 139(1)(a) of the Retail Law.

¹⁰⁰ s 132(1)(b) of the Retail Law.

¹⁰¹ s 132 of the Retail Law.

¹⁰² s 49B(4) of the *Electricity Industry Act 2000* (Vic); s 51B(4) of the *Gas Industry Act 2001* (Vic).

¹⁰³ s 152(1) of the Retail Law.

¹⁰⁴ s 157 of the Retail Law; reg 23 of the *National Energy Retail Law (Victoria) Regulations 2024* (Vic); *Competition and Consumer Act* s 44AAF(2) and (3).

2.1.2.5. Media and RoLR consumer information

As soon as possible and within one business day of issuing the RoLR notice, the AER will:

publish the AER's RoLR event phone number.¹⁰⁵ This will have a recorded message regarding the RoLR event and AER staff will be available to assist customers during business hours.

publish a press release on the RoLR event

- publish a questions and answers factsheet for consumers about the RoLR event on our website
- email notification of the RoLR event to retailers and customer intermediaries.

If necessary or desirable, the AER may also place newspaper, radio or television advertisements to inform the affected community about the RoLR event.¹⁰⁶

2.1.2.6. Communication to ombudsman schemes

Where applicable, the AER will notify relevant ombudsman schemes regarding matters that have arisen from the RoLR event which may affect the ombudsman scheme's handling of a customer complaint or dispute.

2.1.2.7. RoLR event reports

In consultation with AEMO, the AER will prepare a RoLR event report. The AER will provide the RoLR event report to the Energy and Climate Change Ministerial Council (ECMC) within 80 business days of the transfer date for customers of the failed retailer, or such later time as the ECMC agrees.¹⁰⁷

The AER may disclose with the ESCV any information held for or in connection with the RoLR event, including confidential or personal information, for the purpose of preparing a RoLR event report.¹⁰⁸

2.1.2.8. Ongoing communication

- Where required, the AER will communicate with:
 - the ministers of participating jurisdictions
 - RoLR plan participants
 - such other persons as the AER considers relevant

to enable it to perform its functions under the RoLR scheme.

¹⁰⁵ s 139(2)(b) of the Retail Law.

¹⁰⁶ s 139(3) of the Retail Law.

¹⁰⁷ s 172(1) of the Retail Law.

¹⁰⁸ reg 27 of the *National Energy Retail Law (Victoria) Regulations 2024* (Vic).

2.1.3. RoLR exercises

With the assistance of AEMO, the AER will organise RoLR exercises as set out in section 3 of this RoLR plan.¹⁰⁹

The AER will share details of exercises on an as-needs basis with relevant participants and jurisdictions.

2.2. AEMO

2.2.1. Information flows prior to the RoLR event

2.2.1.1. General

AEMO must, without delay, notify the AER and the ESCV of any event, circumstance or matter that it believes:¹¹⁰

- might affect, is affecting, or may in future affect, put at risk a retailer's ability to maintain continuity of the sale of energy to its customers, or
- may give rise to a RoLR event.
- AEMO will notify the AER and the ESCV of such an event, circumstance or matter as soon as possible; and within 2 hours of becoming aware of the event, circumstance or matter, or, if after 5pm, by 11am the following calendar day.¹¹¹

2.2.1.2. Wholesale market

AEMO will notify the AER when it reasonably considers an indicator of a risk of a RoLR event:

- a retailer satisfies or does not satisfy a margin call
 - a default notice is issued to a retailer
 - a retailer satisfies or does not satisfy a default notice¹¹²
- a retailer is issued a suspension notice that prevents the retailer from acquiring energy from an energy market¹¹³

¹⁰⁹ s 162(2)(b) of the Retail Law.

¹¹⁰ s 150(1) of the Retail Law; s 19(2) of the *National Energy Retail Law (Victoria) Regulations 2024* (Vic).

¹¹¹ s 162(2)(a) of the Retail Law.

¹¹² In the gas markets, there is unlikely to be a time lag between a retailer not satisfying a default notice and a retailer being suspended from the market. These steps usually occur at the same time.

¹¹³ Includes electricity from the wholesale exchange, gas from the declared wholesale gas market or short term trading market.

a retailer's registration is revoked in relation to participating in an energy market.¹¹⁴

AEMO will provide notification to the AER for events relating to margin calls or default notices as soon as possible; and within 2 hours of the event or, if the event occurs after 5pm, by 11am the following calendar day. Notification will be provided via email and then followed by a telephone call.

- AEMO will provide notification to the AER for events relating to suspension notices or registration revocations via telephone as soon as possible and within 2 hours of the event.

AEMO will provide the AER with the pre-RoLR event (NMI) count and load report and pre-RoLR event (MIRN/DPI) count and load report in accordance with protocols as agreed and amended from time to time:

following the issue of a call notice or margin call, where AEMO has formed a belief that there is a risk of a RoLR event

- following the failure of a retailer to meet a call notice or margin call
- following the issue of a default notice in the event a call notice or margin call was not issued
- at the AER's request, where the AER has formed a belief that there is a risk of a RoLR event.

2.2.2. Information flows after the RoLR event

AEMO will notify the AER when customer transfers for the RoLR event have been initiated in its Market Settlement and Transfer Solution via email within 2 hours of the transfers commencing.

AEMO will publish a copy of the RoLR notice on its website within one calendar day of receiving the RoLR notice from the AER.

AEMO will distribute a copy of the RoLR notice to registered participants as soon as practicable.¹¹⁵

For an electricity RoLR event, AEMO will, in accordance with the RoLR procedures:

provide the *summary NMI RoLR report* to the AER and affected participants within 2 business days of the RoLR event¹¹⁶

¹¹⁴ For electricity, the retailer ceases to be a registered participant in relation to the purchase of electricity directly through the wholesale exchange as required by s 11(4) of the National Electricity Law. For gas, the retailer ceases to be a registered participant in relation to the wholesale gas market or short term trading market. Where there is no declared wholesale gas market or short term trading market, when the retailer ceases to be a registered participant in a retail gas market.

¹¹⁵ s 138(1)(d) of the Retail Law.

¹¹⁶ Section 6.1 of the NEM RoLR processes, version 2.5.

provide a 'transfers in progress' report to the AER within 2 business days of completing all transfers¹¹⁷

start producing the NMI list report within 2 business hours of delivering the *summary NMI RoLR report*, and continue until all reports have been completed by the end of the next business day.¹¹⁸ AEMO will notify the AER that it has provided the electricity NMI

- list report to affected participants.
- For a gas RoLR event, AEMO will:
 - notify the AER as soon as practicable following the provision of customer details for affected MIRNs/DPIs to the designated RoLR(s)
 - provide the AER with a summary MIRN/DPI RoLR report within two business days of the RoLR event.
- Where applicable, AEMO will notify relevant ombudsman schemes regarding matters which have arisen from the RoLR event which may affect the ombudsman scheme's handling of a customer complaint or dispute.

2.2.3. RoLR exercises

AEMO will assist the AER to organise and implement RoLR exercises in accordance with this plan.¹¹⁹

¹¹⁷ Section 10.2 of the NEM RoLR processes, version 2.5.

¹¹⁸ Section 7.2 of the NEM RoLR processes, version 2.5.

¹¹⁹ s 162(2)(b) of the Retail Law.

2.3. Essential Services Commission Victoria

2.3.1. Information flows prior to the RoLR event

2.3.1.1. Communication to the AER and AEMO

The ESCV must, without delay, notify the AER and AEMO of any event, circumstance or matter that:¹²⁰

it has reason to believe may affect a retailer's ability to maintain continuity of the sale of energy to its customers, or

may give rise to a RoLR event.

- The ESCV will notify the AER and AEMO of such an event, circumstance or matter via telephone and email as soon as possible; and within 2 hours of the event or, if the event occurs after 5pm, by 11am the following calendar day of becoming aware of the event, circumstance or matter.

2.3.1.2. Revoking a retail licence

The ESCV must consult the AER before revoking a retail licence.¹²¹

Upon revocation of a retail licence, the ESCV must notify AER and AEMO.¹²²

2.4. Retailers

2.4.1. Information flows prior to the RoLR event (general)

- A retailer must notify the AER, AEMO and the ESCV (if operating in Victoria) of any event, circumstance or matter of which the retailer is aware that it believes:¹²³
 - might affect, is affecting, or may in future affect, or put at risk, its ability to maintain continuity of the sale of energy to its customers, or
- may give rise to a RoLR event.

A retailer will notify the AER, AEMO and ESCV (as relevant) of such an event, circumstance or matter via telephone and email within 2 hours¹²⁴ of becoming aware of it.

¹²⁰ s 49C of the *Electricity Industry Act 2000* (Vic); s 51C of the *Gas Industry Act 2001* (Vic).

¹²¹ s 38AA of the *Gas Industry Act 2001*; s 29AA of the *Electricity Industry Act 2000*.

¹²² s 38AB of the *Gas Industry Act 2001*; s 29AB of the *Electricity Industry Act 2000*.

¹²³ s 150(2) of the Retail Law; s 19(3) of the *National Energy Retail Law (Victoria) Regulations 2024* (Vic).

¹²⁴ s 162(2)(a) of the Retail Law.

If the AER requests information from the retailer, through a RoLR regulatory information notice, the retailer must comply with the notice, including the date for response specified in the notice.¹²⁵

2.4.2. Information flows prior to the RoLR event (registered RoLRs)

Upon notification by the AER that it has formed the reason to believe that there is a risk of a RoLR event:

a default RoLR should notify the AER by email and phone as soon as it becomes aware that the gas supply or capacity available to it may be insufficient to service the customers of the failed retailer.

- an additional RoLR, whether for electricity or gas, should confirm with the AER whether it is willing and able to assist on previously agreed terms. This should include any changes to customer load limits and/or the maximum number of customers it has previously advised to the AER.

2.4.3. Information after the RoLR event

Customer transfers to a failed retailer underway at the time of a RoLR event are cancelled in accordance with section 140(6) of the Retail Law. The incumbent retailer of a customer who was transferring to the failed retailer must communicate, in writing, details of the RoLR event to the customer they retain as a result of these cancellations (retained customer) within 3 business days of the AER issuing a RoLR notice.¹²⁶

When communicating these details to a retained customer, the incumbent retailer must set out that (subject to the RoLR procedures):¹²⁷

- the customer will remain on its previous contractual terms and conditions; and
- the customer may terminate the contract with that retailer on one month's notice, or a lesser period if allowed by the previous contractual terms and conditions.

2.4.4. RoLR exercises

Where required, a retailer will participate in RoLR exercises provided for by this plan.¹²⁸

¹²⁵ s 156(1) of the Retail Law. This is a civil penalty provision.

¹²⁶ The 3 business day requirement takes into account that the retailer (for electricity) will receive a report of cancelled transfers by the next business day after the RoLR event.

¹²⁷ s 140(6)(b)-(c) of the Retail Law.

¹²⁸ s 162(2)(b) of the Retail Law.

2.5. Failed retailer (or an insolvency official of the failed retailer)

2.5.1. Information flows after the RoLR event

2.5.1.1. Communication to the AER

A failed retailer or an insolvency official of the failed retailer will notify the AER by email and telephone within one business day of a RoLR event to confirm that it has:

provided details of its customers to the designated RoLR(s), as required by section 2.5.2 of this plan

- sent former customers of the failed retailer written information in plain English regarding the RoLR event.

• 2.5.1.2. Communication to customers

Within 3 business days of the RoLR event the failed retailer or an insolvency official of the failed retailer will:

- publish a notice of the RoLR event on its website¹²⁹ and social media channels (if applicable)
- implement a live information service or recorded message on its telephone line regarding the RoLR event.¹³⁰

The failed retailer or insolvency official of the failed retailer will send customers of the failed retailer written information in plain English regarding the RoLR event.¹³¹ Where applicable, the information provided will include:

- the steps the failed retailer has taken to cancel the customer's direct debit authorisations (including any Centrepay deductions)¹³²
 - how payments made in advance towards the customer's energy bill will be applied to the customer's account, including the treatment of any remaining balance¹³³
 - whether and how existing payment plans will continue to apply for any arrears outstanding as at the transfer date¹³⁴
- how the customer's security deposit will be refunded¹³⁵

¹²⁹ s 139(1)(c) of the Retail Law.

¹³⁰ s 139(2)(a) of the Retail Law.

¹³¹ s 139(4)(1) of the Retail Law.

¹³² See s 141(5) of the Retail Law.

¹³³ See s 141(6) of the Retail Law.

¹³⁴ See s 141(8) of the Retail Law.

¹³⁵ See s 141(9) of the Retail Law.

the implications for uncompleted service orders¹³⁶

how information relating to customers affected by family violence is handled, including how it is managed securely, with access limited to those who require it and retained only for as long as necessary

- details for the AER's website and the AER's RoLR event hotline number.¹³⁷
- The retailer will provide this information as soon as practicable and, in any event, within 15 business days of the RoLR event.¹³⁸ The failed retailer may provide this information alongside the customer's final bill.

Where a customer of the failed retailer is flagged in the failed retailer's system as being affected by family violence, the failed retailer or the insolvency official of the failed retailer *must* provide the information using *only* the customer's preferred method of communication. They should ensure that any information relating to the customer is handled securely, with access limited to those who require it, and is retained only for as long as necessary.¹³⁹

The failed retailer or the insolvency official of the failed retailer should take into account the communication needs of particular customers when drafting the communication, including customers with visual impairment, customers from culturally and linguistically diverse backgrounds and customers with low digital literacy or access.

A failed retailer or an insolvency official of the failed retailer will maintain communication channels for their customers to raise and resolve complaints or disputes arising on, before or after the transfer date of the RoLR event.¹⁴⁰

If there is a complaint or dispute between the failed retailer and a small customer in Victoria, it will be dealt under the dispute resolution process provided for in section 28 of the *Electricity Industry Act 2000* (Vic) or section 36 of the *Gas Industry Act 2001* (Vic).¹⁴¹ In all other NECF jurisdictions, complaints and disputes will be dealt under Part 4 of the Retail Law.

2.5.2. Communication to designated RoLRs

A failed retailer or an insolvency official of the failed retailer will provide details of its customers (large and small) to the designated RoLR(s), in accordance with the RoLR procedures.

¹³⁶ See s 141(7) of the Retail Law.

¹³⁷ See s 162(2)(a) of the Retail Law.

¹³⁸ The 15 business day requirement reflects that for electricity, the suspended retailer may not receive the final NMI list report from AEMO until 3 business days after the RoLR event. It will also enable the failed retailer to prepare its final bill.

¹³⁹ See r 76G of the Retail Rules for requirements regarding affected customer information.

¹⁴⁰ s 141(4) of the Retail Law.

¹⁴¹ reg 15(a)(ii) of the *National Energy Retail Law (Victoria) Regulations 2024* (Vic).

When providing details of its customers to the designated RoLR, a failed retailer or the insolvency official of the failed retailer will clearly identify:

- customers registered as requiring life support equipment
- hardship customers
- customers in receipt of any pension, health or social security payments to, rebates for or benefits or concessions of a customer
- customers who use Centrepay
- customers affected by family violence
- the preferred method of communication for each customer affected by family violence, and no other methods of communication for these customers.
- **2.5.3. Communication with ombudsman schemes**

A failed retailer or an insolvency official of the failed retailer will maintain all procedures in place, including communication channels, with ombudsman schemes for resolving customer complaints or disputes arising on, before or after the RoLR event.¹⁴²

2.6. Designated RoLRs

2.6.1. Information flows after the RoLR event

2.6.1.1. Communication to the AER

A designated RoLR will notify the AER when it has received details of the failed retailer's customers.

Notification will be provided by email and any other means requested by the AER, within one business day of receipt of the information.

For a gas RoLR event, a designated RoLR should notify the AER by email and phone as soon as it becomes aware that the gas supply or capacity available to it may be insufficient to service the customers of the failed retailer.¹⁴³ The AER will consider issuing a direction for gas and expects pipeline capacity or gas supply to be made available to the designated RoLR within 24 hours after any such direction.¹⁴⁴

¹⁴² s 163(b)(vi) of the Retail Law.

¹⁴³ s 137 of the Retail Law.

¹⁴⁴ In accordance with s 137(1a) of the Retail Law.

2.6.1.2. Communication to impacted small customers

Within 3 business days of the AER issuing a RoLR notice, a designated RoLR must:

publish a notice of the RoLR event on its website;¹⁴⁵ and

implement a live information service or recorded message on its telephone line regarding the RoLR event.¹⁴⁶

- A designated RoLR must send written communication in plain English regarding the RoLR event to the small customers of the failed retailer within 15 business days of the AER issuing a RoLR notice.¹⁴⁷ The information must include:

- the applicable pricing, tariffs, and terms and conditions of the contract that the customer will be transferred to. This includes, but is not limited to, whether the customer will be transferred to the relevant designated RoLR's standard retail contract or a designated market retail contract¹⁴⁸
- a statement that the customer can choose to transfer to another retailer or another contract with the RoLR at any time
- that no exit fees apply during the initial period of the contract (100 days)
- questions to the customer, to confirm whether the customer requires life support equipment or was on a hardship arrangement¹⁴⁹ with the failed retailer
- details of protections available to customers who are affected by family violence
- implications for contractual arrangements with the failed retailer. This includes implications for customers on hardship arrangements,¹⁵⁰ customers on life support, solar feed-in arrangements, termination of direct debits (including Centrepay), refunds of advanced payments, security deposits, credits on prepayment meter system accounts, credits on cards used with card-operated meters, uncompleted service orders, and access to interpreter services¹⁵¹

¹⁴⁵ s 139(1)(d) of the Retail Law.

¹⁴⁶ s 139(2)(c) of the Retail Law.

¹⁴⁷ s 163(b)(ii) of the Retail Law.

¹⁴⁸ s 145(3) and s 163(c)(ii) of the Retail Law.

¹⁴⁹ For Victorian customers, this includes customers who are receiving or entitled to standard assistance, which has the meaning given by clause 125 of the *Energy Retail Code of Practice*; [div 1, 125], and tailored assistance, which has the same meaning as in the *Energy Retail Code of Practice*; [div 2, 128].

¹⁵⁰ Ibid.

¹⁵¹ Note in Victoria, the required implications are substantially similar but there are differences in terminology. Regulation 24 of the *National Energy Retail Law (Victoria) Regulations 2024* refers to strategies for the designated RoLR to quickly and effectively communicate to affected small customer the effect of sections 140 and 141 of the Retail Law in relation to: a customer who is receiving standard assistance or tailored assistance or entitled to tailored assistance; life support customers; renewable energy feed-in arrangements; the termination of direct debits (including Centrepay) in accordance with clause 72 of the *Energy Retail Code of Practice*; refunds of advance payments; any security deposit within the meaning of the *Energy Retail Code of Practice*; and uncompleted service orders.

for smart meter customers, whether they have been placed on a plan with time-of-use tariff charges and, where jurisdictional rules require retailers to offer a flat rate standing offer plan for smart meter customers, how to change to that plan

the AER's website address and the AER's RoLR event hotline number.

- The designated RoLR must provide the information to customers as soon as practicable and, in any event, within 15 business days of the AER issuing a RoLR notice.¹⁵²
- Designated RoLRs must consider the communication needs of customers when drafting the communication.

If a designated RoLR has reason to believe that a customer is affected by family violence but the customer's preferred method of communication is unclear, the designated RoLR must use its best endeavours to obtain this information from the failed retailer prior to attempting contact with the customer.

2.6.1.3. Communication to large customers

A designated RoLR must use best endeavours to call large customers as soon as practicable after the AER issuing a RoLR notice informing them of how they can quickly disconnect their energy supply or switch retailers if necessary.¹⁵³

A designated RoLR must send written information to large customers of the failed retailer regarding their RoLR contractual arrangements. This must include details regarding prices for energy, alternative retailers and how they can quickly disconnect their energy supply if necessary.¹⁵⁴

A designated RoLR must send the written information to large customers of the failed retailer as soon as practicable and, in any event, within 15 business days¹⁵⁵ of the AER issuing a RoLR notice.

2.6.1.4. Communication to ombudsman schemes

A designated RoLR will notify relevant ombudsman schemes of details of the RoLR event.¹⁵⁶

¹⁵² The 15 business day requirement reflects that, for electricity, the RoLR may not receive customer details from the failed retailer and distributor until 7 business days after the RoLR event in accordance with the RoLR procedures.

¹⁵³ s 163(b)(iii) of the Retail Law.

¹⁵⁴ Ibid.

¹⁵⁵ The 15 business day requirement reflects that, for electricity, the RoLR may not receive customer details from the failed retailer and distributor until 7 business days after the RoLR event in accordance with the RoLR procedures.

¹⁵⁶ s 163(b)(vi) of the Retail Law.

2.7. Distributors

2.7.1. Information flows prior to the RoLR event (general)

A distributor may notify the AER and AEMO of any event, circumstance or matter which it has reason to believe may affect a retailer's ability to maintain continuity of the sale of energy to its customers or may give rise to a RoLR event.

A distributor may disclose to the AER or AEMO that it has required or called on credit support provided by a retailer under the credit support rules.¹⁵⁷

2.7.2. Information flows after the RoLR event

2.7.2.1. Communication to the AER

An electricity distributor will inform the AER when it has provided, in accordance with the RoLR procedures, details of the failed retailer's customers to the designated RoLR(s).

Notification will be provided by email, and any other means requested by the AER, within one business day of the details being provided to the designated RoLR(s).

2.7.2.2. Communication to ombudsman schemes

A distributor will notify relevant ombudsman schemes of any details of the RoLR event which may affect the ombudsman scheme's handling of a customer complaint or dispute.¹⁵⁸

2.7.3. RoLR exercises

Where required, a distributor will participate in RoLR exercises provided for by this plan.¹⁵⁹

2.8. Ombudsman schemes

2.8.1. Information flows after the RoLR event

Ombudsman schemes, where required, will liaise with the failed retailer, insolvency official of the failed retailer, designated RoLRs, distributors, AER, AEMO, ESCV, ministers and energy departments of participating jurisdictions regarding any matter, complaint or dispute arising from the RoLR event.

Within 60 business days of the RoLR event, ombudsman schemes may provide the AER with a summary report of customer issues arising from the RoLR event, including an analysis of open or resolved systemic issues.

¹⁵⁷ Clause 6B.B4.3(b) of the National Electricity Rules; various Victorian use of system agreements.

¹⁵⁸ s 163(b)(vi) of the Retail Law.

¹⁵⁹ s 162(2)(b) of the Retail Law.

2.8.2. RoLR exercises

Where required, ombudsman schemes will participate in RoLR exercises provided for by this plan.¹⁶⁰

¹⁶⁰ s 162(2)(b) and s 162(4)(e) of the Retail Law.

3. RoLR exercises

3.1. Purpose

RoLR exercises will be conducted by the AER and AEMO as necessary to ensure RoLR plan participants have the necessary systems and processes in place to undertake their responsibilities during a RoLR event.

3.2. Scope

Each RoLR exercise will be a desktop exercise.

The RoLR exercise will simulate a RoLR event, capturing the potential events and communication requirements leading up to and following a RoLR event. However, the scope of the RoLR exercise may be limited to specific participants, markets and aspects of a RoLR event, rather than all the requirements leading up to and following a RoLR event.

3.3. Frequency

The AER will aim to conduct a RoLR exercise where:

- a specific need is identified, subject to the occurrence of any RoLR events; or
- a RoLR event has not occurred for a period of more than 2 years; or
- there has been a material change to the RoLR framework, the RoLR procedures or RoLR plan.

The AER will use its best endeavours to give relevant RoLR plan participants one month's notice before a RoLR exercise is conducted.

3.4. Participation

RoLR plan participants may be required by the AER and AEMO to provide assistance to organise a RoLR exercise they are involved in. Assistance may include, but is not limited to, providing input into the drafting of the RoLR event scenario that will be used for the RoLR exercise.

RoLR plan participants must use best endeavours to participate in RoLR exercises where invited by the AER and AEMO.

Glossary

Term	Definition
ACCC	Australian Competition and Consumer Commission
ACCC/AER Information Policy	The collection, use and disclosure of information, available from the AER's web site.
additional RoLR	A retailer that the AER has registered as a RoLR for a connection point or distribution system in addition to the default RoLR.
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
affected customer	Has the meaning given by rule 3 of the Retail Rules and by clause 3 of the <i>Energy Retail Code of Practice</i> (Vic), being any small customer, including a former customer of a retailer, who may be affected by family violence.
affected distributor	A distributor which has customers of the failed retailer.
business day	Has the meaning given by s. 2 of the Retail Law.
call notice	Has the meaning given by Chapter 10 of the Electricity Rules. Is a notice issued by AEMO pursuant to clause 3.3.11 where the <i>outstandings</i> of a <i>Market Participant</i> exceed its <i>trading limit</i> .
customer	Has the meaning given in ss. 2 and 5(1) of the Retail Law.
customer framework	The National Energy Retail Law, National Energy Retail Rules and National Energy Retail Regulations.
default RoLR	A retailer appointed and registered as a default RoLR, as given in s 122 of the Retail Law. This retailer takes on the customers of a failed retailer during a RoLR event as the default arrangement.
default notice	Has the meaning given by Chapter 10 of the Electricity Rules. For the declared wholesale gas market, has the meaning given by rule 200 of the Gas Rules. For the short term trading market, has the meaning given by rule 364 of the Gas Rules.
delivery point identifier or DPI	The numeric identifier assigned to a Delivery Point by the Service Provider.
designated RoLR	A default or additional RoLR that the AER appoints (or is taken to be appointed) to take on customers for a particular RoLR event, as given in s 122 of the Retail Law. The AER may appoint an additional RoLR as the designated RoLR instead of, or in addition to, the default RoLRs, subject to certain criteria. The AER will specify the designated RoLR(s) for a RoLR event on its website.
designation criteria	The criteria for the appointment of a registered RoLR as a designated RoLR, as given in s 133 of the Retail Law).
distribution system	Has the meaning given in s 2(b) of the Retail Law.
distributor	Distribution Network Service Provider
distributor payment determination	The process of deciding which electricity distributors are to make payments to satisfy the full cost determined to be recoverable under the RoLR scheme as given in s 167 of the Retail Law.
declared wholesale gas market	Has the meaning given by s 2 of the Gas Law.
Electricity Law	National Electricity Law
Electricity Rules	National Electricity Rules
EoI	Expression of Interest

AER Retailer of Last Resort Guidelines and Plan

Term	Definition
Gas Law	National Gas Law
Gas Rules	National Gas Rules
GJ	gigajoule
guidelines	The RoLR Guidelines (Part A) developed by the AER under s. 135 of the National Energy Retail Law.
hardship customer	Has the meaning given by s. 2 of the Retail Law for NECF customers. A reference to “hardship customer” is also a reference to customers who are receiving or entitled to: <ul style="list-style-type: none"> • standard assistance, which has the meaning given by clause 125 of the <i>Energy Retail Code of Practice</i>; [div 1, 125] • tailored assistance, which has the same meaning as in the <i>Energy Retail Code of Practice</i>; [div 2, 128], in Victoria.
hardship policy	A customer hardship policy as given in s. 2 of the Retail Law.
large customer	Has the meaning given by s. 5(3) of the Retail Law and s. 5(3) of the <i>National Energy Retail Law (Victoria) Regulations 2024 (Vic)</i> .
margin call	For the declared wholesale gas market, an AEMO-issued notice under the National Gas Rules requiring a Market Participant to remedy a shortfall between their trading limit and AEMO's estimated exposure (NGR Rule 263). For the short-term trading market, means a request by AEMO to a Trading Participant in accordance with rule 485 to make up any anticipated shortfall between that Trading Participant's trading limit and AEMO's estimated exposure in respect of that Trading Participant.
market offer	A plan where the price and terms are governed by the retailer. Market offers may have different benefits including discounts, incentives, time-based rates and other add-ons.
MSATS	Market Settlement and Transfer Solution
MWh	Megawatt hour
MIRN	Meter Installation Registration Number
national electricity market	Has the meaning given by s. 2 of the Electricity Law.
NEM	National Electricity Market
NMI	National Metering Identifier
NMI list report	As defined by the RoLR procedures.
ombudsman schemes	Means the Energy and Water Ombudsman Queensland, Energy and Water Ombudsman NSW, ACT Civil and Administrative Tribunal, Energy and Water Ombudsman Victoria, Energy and Water Ombudsman South Australia and the Energy Ombudsman Tasmania.
registered RoLR	A retailer registered as a RoLR as given in s. 122 of the Retail Law, registered in accordance with s. 127 of the Retail Law.
regulated entity	Has the meaning given in s. 2 of the Retail Law.
retail consultation procedure	Has the meaning given in s. 173 of the Retail Rules.
Retail Law	National Energy Retail Law
Retail Regulations	National Energy Retail Regulations
Retail Rules	National Energy Retail Rules
RoLR	Retailer of Last Resort

Term	Definition
RoLR cost recovery scheme	Has the meaning given in s. 166(3) of the Retail Law.
RoLR event	Has the meaning given in s. 122 of the Retail Law; as modified In Victoria by regulation 12 of the <i>National Energy Retail Law (Victoria) Regulations 2024</i> (Vic).
RoLR plan participant	Means a party identified by s. 162(4) or nominated by the AER in accordance with s. 162(4) of the Retail Law.
RoLR procedures	Has the meaning given by s. 144 of the Retail Law. The RoLR procedures are published and maintained by AEMO. In electricity the RoLR procedures are known as the NEM RoLR processes. In gas, the RoLR procedures are located in each market's retail market procedures.
RoLR scheme	Has the meaning given in s. 122 of the Retail Law.
short term trading market	Has the meaning given by s. 2 of the Gas Law.
small customer	Has the meaning given by s. 5(2) of the Retail Law, as modified in Victoria under section 35(5) of the <i>Electricity Industry Act 2000 (Victoria)</i> or section 42(5) of the <i>Gas Industry Act 2001 (Victoria)</i> .
standing instruction	Is a notice from the AER to AEMO setting out the electricity and gas default RoLRs and the RoLRs in the event of first tier retailer failure. A notice from the AER to AEMO setting out the electricity and gas default RoLRs and the RoLRs in the event of first tier retailer failure.
standing offer	Is a type of default plan that energy retailers are legally obliged to make available to particular customers. The Victorian Direct Offer and the Default Market Offer set the maximum price energy retailers can charge electricity consumers on standing offer contracts.
summary (NMI count) RoLR report	As defined by the RoLR procedures.
suspension notice	Has the meaning given by Chapter 10 of the Electricity Rules. For the declared wholesale gas market, means a notice issued by AEMO in accordance with rule 260 . For the short term trading market, means a notice issued by AEMO under a provision of Division 10, in accordance with the requirements of rule 488 .
transfer date	Is the date on which wholesale and retail responsibility for customers of the failed retailer is transferred from the failed retailer to the designated RoLR(s).
transferred customers	Customers transferred from the failed retailer to the designated RoLR.