ASL

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19 August 2026

To: Scott Haig ([redacted])

Cc: Liam Ryan ([redacted])
Michelle Wood ([redacted])

Dear Scott,

Re: Draft Contribution Determination Guideline

AusEnergy Services Limited (ASL), in its capacity as Consumer Trustee (CT) under the *Electricity Infrastructure Investment Act 2020* (NSW), welcomes the opportunity to provide feedback on the draft Contribution Determination Guideline (draft Guideline).

ASL is concerned that aspects of the draft Guideline may blur the distinction between the AER's role in determining contribution amounts and the governance arrangements for identifying, assessing and managing financial risks under the Risk Management Framework (RMF).

In particular, Section 4.5 of the draft Guideline provides that '*where appropriate, the AER will, in consultation with the Scheme Financial Vehicle, seek to manage risks associated with the unlikely high-impact events through liquidity facilities concluded as risk management contracts*', and that '*once the total funding envelope is established and submitted to the AER by the Scheme Financial Vehicle, the AER will consider other available mitigants, such as liquidity facilities or other risk management tools before setting the final minimum prudent cash balance*'. These passages could be read as suggesting that the AER has a role in selecting or determining the risk management measures to be adopted, rather than considering those measures as inputs to its assessment of the funding required for the Electricity Infrastructure Fund.

ASL recognises that, in determining the funding required for the Electricity Infrastructure Fund, including the minimum prudent cash balance, the AER may need to consider information provided by the Scheme Financial Vehicle (SFV) about relevant risks and available or proposed risk mitigants.

However, considering those matters for contribution-setting purposes should be distinguished from determining which risk management measures should be adopted. The RMF establishes governance arrangements for the identification, assessment and management of financial risks, including the development of subsidiary policies and the use of risk management contracts where appropriate. In this context, ASL and SFV have developed sophisticated stochastic modelling tools for the assessment of financial risk such that it would likely be inefficient and duplicative for AER to take a view on financial risk management approaches.

In particular, the Guideline should not imply that the AER determines whether a risk management contract or other liquidity arrangement should be adopted in preference to holding funding through the minimum prudent cash balance. Although this issue is particularly relevant to risks arising from uncertainty under Long-Term Energy Service Agreements, it is not limited to those risks. The RMF contemplates the use of risk management responses in relation to liquidity risks affecting the Electricity Infrastructure Fund more generally. The Guideline

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should therefore avoid language that could inadvertently narrow, predetermine or reallocate the risk management responsibilities contemplated by the RMF.

More generally, the Guideline should avoid suggesting that consideration of risk mitigants for contribution-setting purposes gives the AER responsibility for determining the underlying risk appetite, liquidity strategy or risk management response.

ASL does not seek to constrain the AER's ability to perform its statutory functions. Rather, ASL considers that the Guideline should clearly distinguish between:

- the AER's role in determining contribution amounts and the minimum prudent cash balance, including by considering information about relevant risks and mitigants; and
- the respective roles of the CT and the SFV in identifying, assessing and managing financial risks under the RMF.

ASL therefore recommends that section 4.5 be amended to clarify that references to liquidity facilities, risk management contracts and other risk mitigants concern information that may inform the AER's assessment of funding requirements. However, those references should not imply that the AER determines or directs the risk management measures to be adopted under the RMF, including whether a risk management contract should be used in preference to funding through the minimum prudent cash balance.

This clarification would support a coherent and consistent allocation of responsibilities across the Roadmap framework while preserving the AER's ability to determine the funding required for the Electricity Infrastructure Fund.

Yours sincerely,

[redacted]

Melanie Koerner,

General Manager, System Planning and Financial Markets

ASL