INFORMATION

2026 Reliability Standard and Settings Review

The Reliability Panel has published an Issues Paper for the 2026 RSSR

On 19 June 2025, the Reliability Panel (the Panel) initiated the 2026 Reliability Standard and Settings Review (RSSR), publishing an Issues Paper. This paper outlines the Panel's assessment approach to considering each of the reliability standard and settings, as well as the Panel's proposed modelling methodology. The paper seeks stakeholder feedback on the key issues the Panel should consider with respect to each of the market settings. We welcome stakeholder submissions by 17 July 2025.

The Panel will consider whether the current level of the reliability standard remains fit for purpose for FY2028 - 2032

The Panel will consider the optimal level of the reliability standard. This is the level that best balances the costs of achieving higher levels of reliability with the value customers place on it, called the Value of Customer Reliability (VCR). The AER calculates and publishes VCR results every five years, with the most recent publication in 2024.

The current reliability standard is expressed as the maximum expected amount of energy demand that can be unmet in each NEM region in a year. It is expressed as a proportion of the total energy demanded in a region in a financial year, and is currently set at 0.002% USE.

The market price settings define the price envelope that promotes efficient investment

This review will consider whether the market price settings are at the level required to achieve the reliability standard. The role and key considerations for each of the price settings in this review are:

- The Market Price Cap (MPC) sets the maximum price in the wholesale market for energy and FCAS. This provides the financial incentive required to achieve the reliability standard.
- The Market Floor Price (MFP) sets the minimum price that can be reached in any interval. The MFP should allow the market to clear while preserving stability.
- The Cumulative Price Threshold (CPT) sets the maximum cumulative price that can be achieved over a rolling seven day period. This works with the MPC to provide financial incentives for investment needed to meet the reliability standard.
- The Administered Price Cap (APC) sets the maximum price that can be reached once the CPT has been triggered. This should retain incentives to generate while protecting participants from excess financial risk.

Modelling will inform our decision

Modelling provides a quantitative basis for the Panel to identify efficient levels of the standard and market price settings. This will include:

- detailed time sequential modelling of price and dispatch outcomes in energy and FCAS markets
- assessing the standard and settings on the basis of the cheapest available new entrant technologies, including gas-fired generation and storage
- consideration of the value of emissions reduction in line with the revised NEO
- consideration of the lead time for new entrant projects

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- scenarios that will be developed to address the range of possible reliability outcomes and risks
- sensitivity analysis applied to key assumptions and variables.

The Panel will publish more detailed modelling methodology through the course of the review.

Submissions to the issues paper are due by 17 July 2025

Context for the review

The National Electricity Rules require the Panel to review the reliability standard and market settings every four years. This 2026 RSSR will determine if the current reliability standard and settings remain fit for purpose for the period 1 July 2028 to 30 June 2032.

There is a continuing and rapid transformation of the large-scale generation mix through the exit of thermal generators, and the entry of renewable generators, peaking plants and storage. There is also ongoing uptake of customer energy resources and increasing levels of responsive demand. These changes are altering market dynamics and price distributions, with increasing intraday price variability and more frequent periods of high and low wholesale prices.

Historically, reliability issues have almost entirely arisen only on very hot days. More recently, however, reliability issues have also begun to emerge during seasonal 'shoulder' and 'winter' periods. The Panel will consider the level of the standard and settings in light of a transitioning NEM and these emerging reliability pressures.

The Panel's assessment approach is guided by the NER, the NEO and the RSS guidelines

To recommend changes to the reliability standard and settings, the Panel needs to be satisfied that such changes will, or are likely to, contribute to the achievement of the National Electricity Objective (NEO) and meet the requirements in the 2021 guidelines and the NER. If the Panel recommends a change, this would be progressed through an AEMC rule change. In accordance with updates to the NEO, this is the first RSSR that will explicitly consider emissions reduction in determining the optimal reliability standard and settings.

Indicative key dates

Table 1: Indicative key dates

Issues paper published	19 June 2025
Stakeholder submissions on issues paper due	17 July 2025
Stakeholder engagement on the issues paper	July-November 2025
Draft report published	27 November 2025
Stakeholder submissions on draft report due	8 January 2026
Final report published	By 30 March 2026

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19 June 2025