

Guidelines on fuel sufficiency requirements for the 2025 Certified Reserve Capacity process

June 2025

A document for the Wholesale
Electricity Market





We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan

AEMO Group is proud to have launched its first [Reconciliation Action Plan](#) in May 2024. 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation - a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.

Important notice

Purpose

AEMO undertakes the Certified Reserve Capacity (CRC) process in accordance with sections 4.10 and 4.11 of the Electricity System and Market Rules (ESM Rules) and the WEM Procedure: Certification of Reserve Capacity.

This document provides guidance to support Market Participants in understanding AEMO's approach towards assessing fuel sufficiency requirements under sections 4.10 and 4.11 of the ESM Rules.

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1 Overview

As part of the annual Certified Reserve Capacity (CRC) process, Market Participants are required to comply with section 4.10 of the ESM Rules and the WEM Procedure: Certification of Reserve Capacity when submitting a CRC application for their Facilities to AEMO.

Section 4.11 of the ESM Rules outlines the principles AEMO follows when assessing and assigning CRC quantities to Facilities.

In light of ongoing fuel challenges in the Wholesale Electricity Market (WEM), AEMO has prepared general guiding principles to support Market Participants in understanding AEMO's approach in assessing fuel sufficiency requirements for the 2025 Reserve Capacity Cycle (for the 2027-28 Capacity Year) under sections 4.10 and 4.11 of the ESM Rules.

2 Relevant documents

The following documents contain relevant information on the CRC process that Market Participants must comply with to ensure their CRC applications are valid.

- Sections 4.10 and 4.11 of the [ESM Rules](#)
- [WEM Procedure: Certification of Reserve Capacity](#) (**CRC WEM Procedure**)

3 Fuel sufficiency – guiding principles

3.1 CRC application assessment considerations

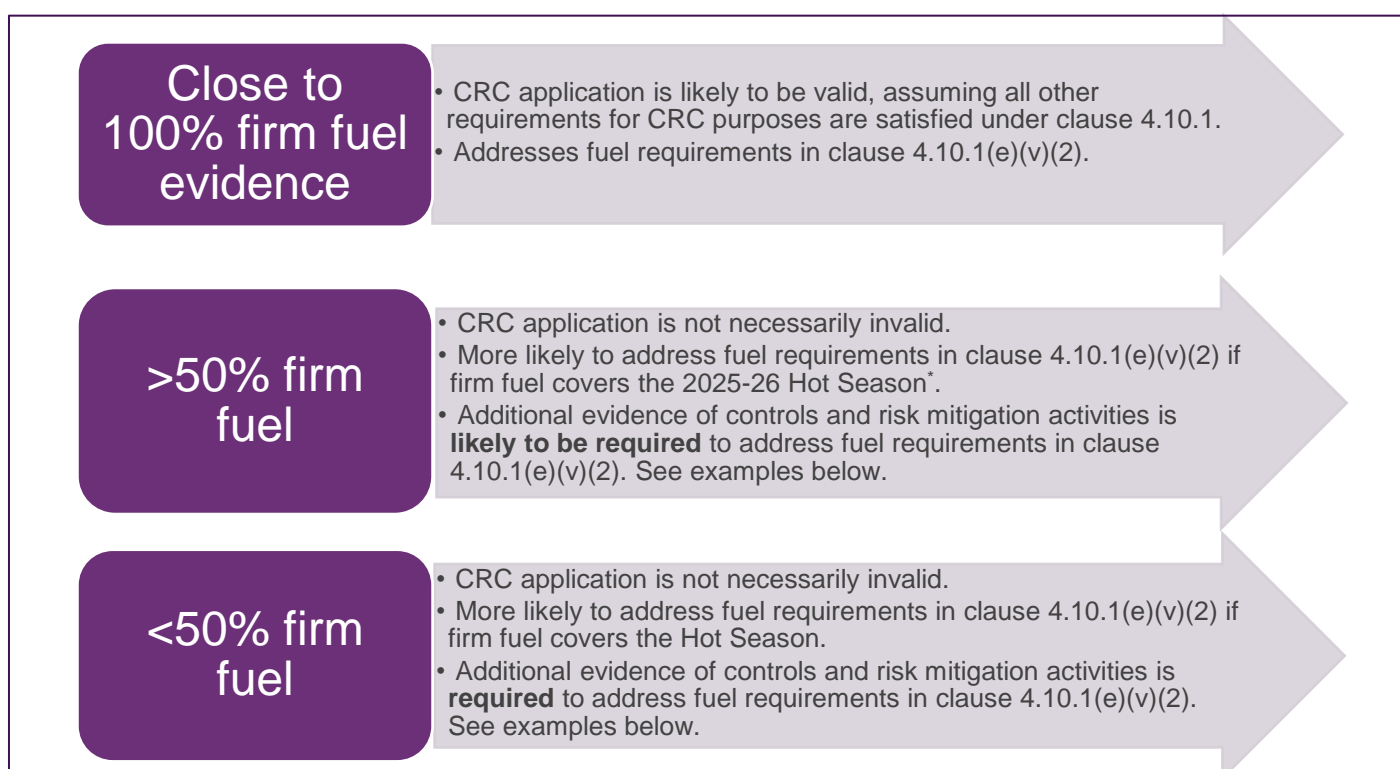
When applying for CRC for the 2025 Reserve Capacity Cycle under section 4.10 of the ESM Rules, Market Participants are encouraged to make note of the guiding principles below that AEMO will consider in assessing the validity of the fuel sufficiency of the CRC application under section 4.10 of the ESM Rules.

- Non-Intermittent Generating Systems (NIGS) are required to submit evidence of their fuel sufficiency under clause 4.10.1(e)(v)(2) of the ESM Rules. Further details on the assessment of fuel supply are provided in the **CRC WEM Procedure**.
- AEMO considers the electricity and gas market outlook when assessing the details of primary and alternative fuels. In the case where gas is the primary fuel, AEMO will use the latest Gas Statement of Opportunities (GSOO) as a source to assess the gas market outlook, unless new and materially relevant information has emerged since the latest GSOO¹ has either been published that supports a material change in gas market outlook or verifiable information provided by the Market Participant for the purposes of CRC assessments.

¹ 2024 WA GSOO can be found [here](#).

- The definition of “firm” fuel has been defined in the **CRC WEM Procedure**, which is where a party has a legally enforceable right to be supplied with or receive delivery of a quantity of fuel. Evidence of firm fuel supply and transport arrangements must reference the period of the 2027-28 Capacity Year for assessment in the 2025 Reserve Capacity Cycle. Storage is considered as a control or risk mitigation activity with respect to non-firm fuel supply, but is not considered as a firm fuel source in its own right.
- When receiving a CRC application for a NIGS, AEMO will initially assess the proportion of firm fuel to non-firm fuel, as presented in Figure 1.

Figure 1 Initial proportionality assessment



* The period commencing at the start of the Trading Day beginning on 1 December and ending at the end of the Trading Day finishing on the following 1 April.

Examples of controls and risk mitigation activities may include:

- A track record of successful procurement of non-firm gas contracts (where available) in gas market conditions comparable to the gas market outlook.
- Evidence of back-up fuel supplies by an alternative fuel supply (i.e. diesel for gas operators).
- Evidence of storage and access of storage facilities including rights of access.

More extensive evidence will be required as the percentage of non-firm fuel increases. This may mean evidence of multiple controls and/or risk mitigation activities with respect to non-firm fuel supply.



3.2 CRC assignment considerations

Each CRC application will be assessed on a case-by-case basis.

The outcome of a CRC application with respect to fuel supply sufficiency will depend on the level of firm and non-firm fuel provided, and the extent of the supporting evidence provided. Subject to the evidence provided, AEMO may apply the principles specified in section 4.11 of the ESM Rules, including clauses 4.11.1(a) and 4.11.2C, to assign a reduced CRC quantity to a Facility.

In addition, AEMO may be required to assign a reduced CRC quantity to a Facility under section 4.11 for reasons other than fuel sufficiency.

4 Reminders

- The window for the CRC process for the 2025 Reserve Capacity Cycle closes on 8 July 2025 in line with the [2025 Reserve Capacity Cycle timetable](#).
- All information in support of the 2025 CRC application must be submitted via WEMS (in the RCM portal) by 8 July 2025.
- Market Participants are encouraged to submit their 2025 CRC applications as soon as possible (and at the latest by 24 June 2025) to take advantage of the preliminary review process of CRC applications, undertaken by AEMO as a courtesy.



Abbreviations

Abbreviation	Meaning
CRC	Certified Reserve Capacity
NIGS	Non-Intermittent Generating System
RCM	Reserve Capacity Mechanism
WEM	Wholesale Electricity Market
WEMS	Wholesale Electricity Market System