AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

December Update to the 2026 National Electricity Market Electricity Statement of Opportunities

December 2026

An updated report for the National Electricity Market

Embargoed to 12.01am Tuesday 1 December 2026





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.

AEMO is proud to have launched its Innovate Reconciliation Action Plan (RAP) in June 2026. Pictured left and featuring on the cover of the Innovate RAP is Wiradjuri artist Lani Balzan's 'Journey of unity: AEMO's Reconciliation Path', a visual representation of 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.

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Important notice

Purpose

The Electricity Statement of Opportunities provides technical and market data to inform the decision-making processes of market participants, new investors and jurisdictional bodies as they assess opportunities in the National Electricity Market over a 10-year outlook period. AEMO publishes this December 2026 Update to the 2026 Electricity Statement of Opportunities in accordance with clause 3.13.3A of the National Electricity Rules and in response to material changes in information that AEMO considers may impact its reliability assessment. This publication is based on information available to AEMO as at 1 December 2026 unless otherwise indicated.

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Executive summary

New information has become available since AEMO released the 2026 *Electricity Statement of Opportunities* (ESOO) for the National Electricity Market (NEM), which AEMO considers is a material change to the supply outlook.

On 22 October 2026, Snowy Hydro advised AEMO of revised entry dates for the Snowy 2.0 pumped hydro power station, with progressive commissioning from March 2029 to September 2029, approximately one year later than prior development and commissioning advice previously applied in the 2026 NEM ESOO.

In addition to the revised commissioning date for Snowy 2.0, this ESOO Update includes other changes to project status, timing and capacity captured in the October 2026 *Generation Information*.

AEMO's analysis reassesses two reliability assessments from the 2026 ESOO for the 2028-29, 2029-30 and 2030-31 financial years[1]: a *Committed and Anticipated Developments* assessment, and a *Government Schemes and Actionable Developments* assessment.

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Key insights

The NEM has a strong pipeline of generation, storage, transmission and demand-side investment under development. Government schemes are supporting further project development to help deliver sufficient capacity ahead of scheduled coal-fired power station retirements to maintain a secure and reliable power system.

If these projects are delivered to their advised schedules, in line with the *Government Scheme and Actionable Developments* assessment, this ESOO Update forecasts expected unserved energy (USE) to remain below the NEM reliability standard, notwithstanding the announced delay to Snowy 2.0.

The observed key challenge is timely delivery. Recent experience shows that projects continue to experience various delays affecting their development. With major coal-fired power stations scheduled to retire over the coming decade, maintaining reliability will require stronger focus across governments and industry on overcoming barriers to timely project delivery.

If recent project delivery delays continue, and no projects beyond those currently assessed as committed and anticipated come online, in line with the *Committed and Anticipated Developments* assessment, reliability gaps are forecast in New South Wales and Victoria in winters 2029 and 2030. Under these assumptions, the reliability gaps emerge one year earlier than previously assessed in the 2026 NEM ESOO.

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[1] Only the *Committed and Anticipated Developments* reliability assessment has been examined for 2030-31, as this reliability assessment supports AEMO's assessment of Retailer Reliability Obligation needs regarding the potential for a T-3 reliability instrument, from the winter of 2030.

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1 Introduction

1.1 Drivers of this ESOO Update

AEMO regularly collects information on the operational status of existing generators and the development status of projects through its quarterly Generation Information releases. On 22 October, prior to AEMO's October 2026 Generation Information release, Snowy Hydro advised AEMO of revised entry dates for the six Snowy 2.0 pumped hydro generating units, with progressive commissioning from March 2029 to September 2029. Previous advice reflected a commissioning expectation of these units on or before December 2028.

Consistent with NER 3.13.3A(b), AEMO is publishing this ESOO Update as the revised information represents a material change to the supply outlook in the NEM.

In addition to the revised commissioning of the Snowy 2.0 power station, other changes to project status, timing and capacity captured in the October 2026 Generation Information release are incorporated into this NEM ESOO Update. All other inputs and assumptions remain unchanged from the 2026 NEM ESOO published in August 2026.

In this ESOO Update, AEMO has refreshed its reliability assessments for the 2028-29, 2029-30 and 2030-31 financial years, which reflects the key years affected by the period of delay.

1.2 Scope of the reassessment

The updated analysis reassesses two reliability assessments conducted in the 2026 NEM ESOO for the 2028-29, 2029-30 and 2030-31 financial years: a *Committed and Anticipated Developments* assessment, and a *Government Schemes and Actionable Developments* assessment. Both assessments continue to apply the demand and consumption forecasts used in the 2026 NEM ESOO without any edits or changes. The Update reflects solely a revision of the generation capacity across the NEM with the introduction of new information.

For 2030-31, only the *Committed and Anticipated Developments* reliability assessment has been examined, as this is the reliability assessment applied for RRO purposes when considering the need for any potential retailer reliability instruments. the *Government Schemes and Actionable Developments* assessment remains similar to the August 2026 ESOO outcomes.

How to interpret the two assessments

The two assessments are not competing forecasts. They provide different views of reliability based on the development pipeline assumed to be available:

- The *Committed and Anticipated Developments* assessment included generation, storage and transmission projects that are classified as 'in commissioning', 'committed' and 'anticipated' commitment status for generation, storage and transmission developments. Consistent with the ESOO methodology, a six-month delay was applied to the full commercial use date (FCUD) of committed generation and transmission developments, and a 12-month delay to anticipated generation and transmission developments.
- The *Government Schemes and Actionable* Developments assessment built on the *Committed and Anticipated Developments* assessment by including additional developments supported through government policies, schemes,

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and targets, together with actionable transmission investments, forecast coordination of CER and flexible demand resources. It used commissioning schedules provided by project proponents without the delays assumed in the *Committed and Anticipated Developments* assessment.

Together, the assessments illustrate how project progression and delivery timing affect the reliability outlook as the NEM transitions to replace ageing coal generators.

The *Committed and Anticipated Developments* reliability assessment is used to assess reliability gaps for the purposes of assessing the Retailer Reliability Obligation (RRO) framework.

1.3 Updated generation developments

The December Update to the 2026 NEM ESOO is based on new information available since the release of the 2026 NEM ESOO that was published within the October *Generation Information* release[2]. This information included:

- an updated schedule for the commissioning of Snowy 2.0 units, advised by Snowy Hydro, and
- broader updates to the commitment status of other new generation and storage developments across the NEM.

In accordance with the *ESOO and Reliability Forecasting Methodology*[3], a six-month delay has been applied to each Snowy 2.0 generating unit in the *Committed and Anticipated Developments* assessment as it is a committed project. **Table 1** compares the Snowy 2.0 commissioning and availability assumptions, applied to the originally-released 2026 NEM ESOO alongside the assumptions applied to this Update.

Table 1 Snowy 2.0 commissioning and availability assumptions: 2026 NEM ESOO and December ESOO Update

	NEM ESOO 2026		December ESOO Update	
	Proponent supplied commissioning date [A]	***Committed and Anticipated Developments* assessment**	**Proponent supplied commissioning date** [A]	**Committed and Anticipated Developments assessment**
Unit 1	31 Dec 2028	30 Jun 2029	30 Sep 2029	30 Mar 2030
Unit 2	31 Dec 2028	30 Jun 2029	19 Aug 2029	19 Feb 2030
Unit 3	31 Dec 2028	30 Jun 2029	2 Aug 2029	2 Feb 2030
Unit 4	31 Dec 2028	30 Jun 2029	4 Jun 2029	4 Dec 2029
Unit 5	Winter 2028	31 Dec 2028 [B]	5 May 2029	5 Nov 2029
Unit 6	Winter 2028	31 Dec 2028 [B]	25 Mar 2029	25 Sep 2029

Note A: For the *Government Schemes and Actionable Developments* assessment, each unit was assumed available as per the proponent supplied commissioning date.
Note B: In the July *Generation Information*, Snowy Hydro supplied identical FCUDs for all six generating units. However, for two generating units the supplied seasonal profiles indicated availability in the winter of 2028, prior to the aggregate station FCUD. The 2026 NEM ESOO applied a six-month delay from winter to summer 2028 (represented as 31 December 2028) to two of the generating units.

For other projects included in the October 2026 release of the Generation Information dataset, **Table 2** represents the aggregated summary of newly identified committed and anticipated developments for the key seasons across 2028-29 to 2030-31 since the publication of the 2026 NEM ESOO. The list of government-supported projects in the *Government*

[2] See the October 2026 release at https://www.aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-planning-data/generation-information.

[3] At https://www.aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/nem_esoo/2026/2026-esoo-and-reliability-forecast-methodology-document.pdf.

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Schemes and Actionable Developments assessment has not been changed since the August publication of the 2026 NEM ESOO and is available in the published 2026 NEM ESOO workbook[4].

Table 2 Additional committed and anticipated projects (in MW of capacity) between the July 2026 and October 2026 Generation Information releases, excluding Snowy 2.0, by supplied commissioning date

	Winter 2028	Summer 2028-29	Winter 2029	Summer 2029-30	Winter 2030	Summer 2030-31
Utility storage	20	1,590	1,590	1,734	1,734	1,734
Gas and liquids	-	-	-	-	-	-
Utility wind	-	274	274	274	274	474
Utility solar	-	230	330	330	330	330

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[4] See https://www.aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-reliability/nem-electricity-statement-of-opportunities-esoo.

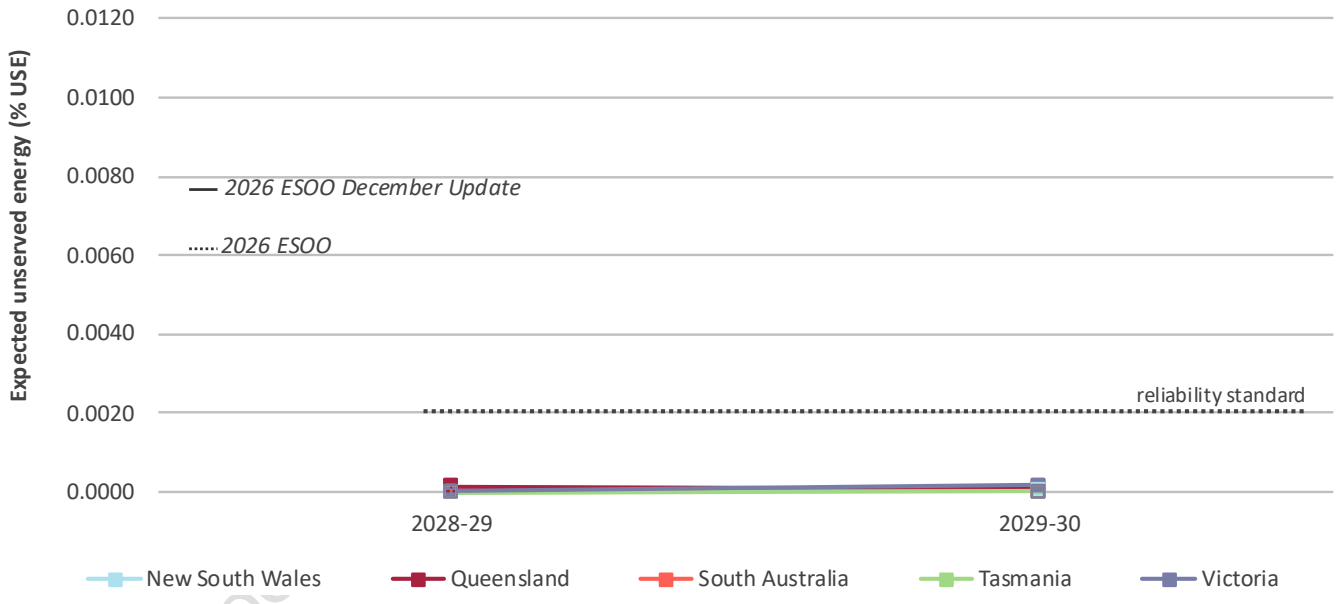
2 Updated reliability assessments

2.1 On-time project delivery is needed to maintain reliability within the reliability standard

The updated *Government Schemes and Actionable Developments* assessment forecasts no material change in expected unserved energy (USE) compared to what was forecast in the 2026 NEM ESOO in either 2028-29 or 2029-30, despite the announced Snowy 2.0 delay.

Expected USE in this assessment is forecast below the reliability standard in all NEM regions, demonstrating that if advanced generation and storage developments are delivered to the schedules planned for by their proponents (and the various government schemes where relevant), then supply scarcity risks may be effectively mitigate. **Figure 1** shows the expected USE outcomes under the *Government Schemes and Actionable Developments* assessment.

Figure 1 Expected USE outcomes for the *Government Schemes and Actionable Developments* assessment, 2028-29 and 2029-30



The NEM has a substantial pipeline of new capacity to come online. By July 2030, the pipeline is expected to include 9.2 gigawatts (GW) of committed and anticipated generation developments, 20.9 GW of committed and anticipated grid-scale storage, and a further 19.0 GW of additional government-supported developments (including 7.9 GW of utility storage and 11.2 GW of renewable energy wind and solar developments).

If delivered as planned, this pipeline is sufficient to maintain reliability in the assessment period to 2029-30, as scheduled coal-fired generation retires, even with the advised delay of Snowy 2.0, as shown in **Table 3**. The 2026 NEM ESOO indicated that under this assessment reliability would be met until 2032-33 in all regions.

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Table 3 Expected USE (%) in the *Government Schemes and Actionable Developments* assessment, 2028-29 and 2029-30

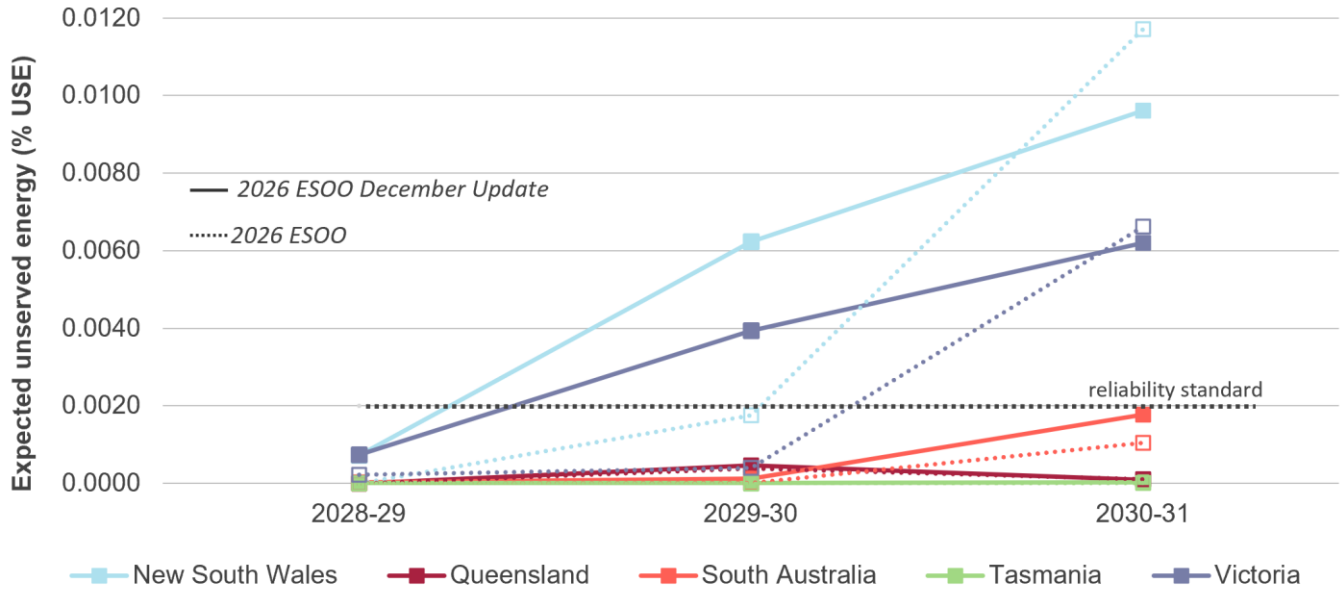
Expected USE	New South Wales	Queensland	South Australia	Tasmania	Victoria
2028-29	0	0.00012	0	0	0
2029-30	0.00016	0.00012	0	0	0.00015

2.2 Supply scarcity risks if full project delivery is not met and further government supported schemes are not delivered

The updated *Committed and Anticipated Developments* reliability assessment is shown in **Figure 2**, with the equivalent assessment in the 2026 NEM ESOO for all regions. Despite the later advised commissioning of Snowy 2.0, expected USE remains below the reliability standard in all regions in 2028–29.

However, expected USE is now forecast to exceed the reliability standard in 2029-30 in New South Wales and Victoria, one year earlier than the equivalent 2026 NEM ESOO reliability assessment. The increase in expected USE coincides with reduced supply availability following Eraring's scheduled retirement after 30 April 2029 and before the first Snowy 2.0 unit reaches full operation.

Figure 2 Expected USE outcomes under the *Committed and Anticipated Developments* assessment, 2028-29 and 2030-31



Reliability gaps are forecast to continue into 2030-31, but expected USE is slightly reduced in most regions compared with the 2026 NEM ESOO, due to additional committed and anticipated developments identified since that assessment. **Table 4** below demonstrates that with the delay to Snowy 2.0, and considering the typically observed delays to new generation and storage developments in recent years, expected USE is forecast in excess of the reliability standard in 2029-30 and 2030-31 in New South Wales and Victoria.

Table 4 Expected USE (%) in the *Committed and Anticipated Developments* assessment, 2028-29 to 2030-31

Expected USE	New South Wales	Queensland	South Australia	Tasmania	Victoria
2028-29	0.0007	0	0	0	0.0007
2029-30	0.0062	0.0005	0.0001	0	0.0039
2030-31	0.0096	0.0001	0.0018	0	0.0062

A high-level assessment has been undertaken of the additional firm-equivalent capacity required to close the reliability gaps in New South Wales and Victoria in 2029–30 and 2030–31. This assessment considers each region separately, without any allowance for the ability for additional capacity to offset reliability gaps across regions. The values reflect the firm, dispatchable, continuously available, and fully unconstrained capacity required, noting that many generation and storage technologies and demand-side response in different locations can contribute to meeting this requirement with varied efficacy. **Table 5** shows the estimated additional firm equivalent capacity needed to reduce expected USE below the reliability standard.

Table 5 Additional firm-equivalent capacity required to meet the reliability standard: December update to the *Committed and Anticipated Developments* assessment (MW)

Standard	Region	2028-29	2029-30	2030-31
Reliability standard of 0.002% USE	New South Wales	0	1115	1620
	Queensland	0	0	0
	South Australia	0	0	0
	Tasmania	0	0	0
	Victoria	0	505	905

2.3 Where and when forecast supply scarcity risks may emerge

As shown above in **Figure 2**, the *Committed and Anticipated Developments* assessment identified expected USE above the reliability standard in 2029-30 and 2030-31.

The forecast USE is concentrated in winter as shorter winter days reduce solar production potential, while increasing electricity demand from temperature-sensitive heating uses. This combination escalates the risk of energy shortfalls in winter in most mainland NEM regions, particularly if insufficient electricity generation and firming capacity is available following coal closures.

Figure 3 outlines the monthly distribution of expected USE forecast from 2028-29 to 2030-31 in New South Wales and Victoria.

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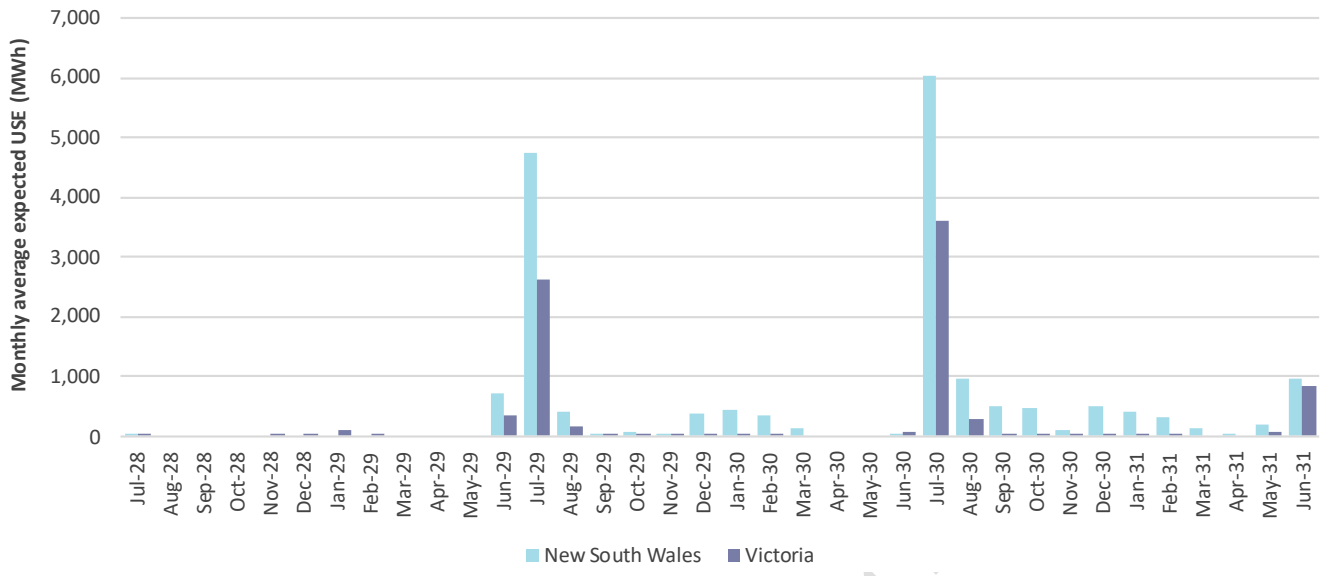
Figure 3 Monthly average expected USE (MWh) from 2028-29 to 2030-31 in the *Committed and Anticipated Developments* assessment



MWh: megawatt hours.

With the firm capacity and electricity generation capability lost from Yallourn's scheduled closure in July 2028, and Eraring's scheduled closure in April 2029, greater supply scarcity risks may occur in some weather conditions. With the additional delay of Snowy 2.0, less energy shifting capability reduces the NEM's resilience to weather variability. In this updated reliability assessment, expected USE varies substantially across the weather conditions that are modelled, as represented by historical weather reference years[5]. In winter, low stored water levels and low rainfall conditions impacting hydro facilities, coupled with low renewable energy availability, are observed in some modelled weather conditions that lead to elevated supply scarcity risk.

In New South Wales, supply scarcity risks reduce significantly outside of the winter months, though some risks exist in summer periods. Little supply scarcity risk is forecast outside of winter months in Victoria in the three years modelled in the updated analysis.

2.4 Development pipeline differences across the reliability assessments

While reliability gaps are identified using the *Committed and Anticipated Developments* assessment, the *Government Schemes and Actionable Developments* assessment demonstrates that if sufficient development of replacement capacity can be delivered to current proponent-advised schedules, then expected USE can remain within the reliability standard. This section outlines the differences that exist between the two assessments. This includes:

- treatment of generation and storage developments,
- transmission developments included in the assessments, and
- consideration of demand-side participation (DSP) and consumer energy resources (CER).

[5] The reliability modelling was based on 24 historical weather reference years, covering measured conditions observed from 2002-03 to 2025-26. For each financial year in the outlook period, the reliability assessment combines these weather reference years with 25 random outage combinations and the forecast maximum demand levels, producing a large distribution of possible operating outcomes.

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Generation and storage developments

The reliability gap between assessments highlights the importance of additional generation and storage that is included in the *Government Schemes and Actionable Developments* compared to the *Committed and Anticipated Developments* assessment, as the *Government Schemes and Actionable Developments* assumes:

- no delay to the development of Committed and Anticipated generation, storage and transmission, and
- the inclusion of government-supported projects that have not yet met the thresholds to be classified as committed or anticipated.

The breakdown of the difference between the assessments across the NEM by July 2030 is set out in **Table 6**.

Table 6 Additional installed capacity (MW) across the NEM in the *Government Schemes and Actionable Developments* assessment, relative to the *Committed and Anticipated Developments* assessment, by July 2030 (MW)

	Gas and liquids	Solar	Storage	Wind	Total
Committed and anticipated projects assumed to commence on-time	180	810	1,667	1,740	**4,397**
Government-supported developments that are not yet committed and anticipated	0	4,692	7,920	6,481	**19,094**
Total	**180**	**5,502**	**9,588**	**8,221**	**23,491**

By July 2030, the *Government Schemes and Actionable Developments* assessment includes approximately 13.9 GW more generation and 9.6 GW more storage capacity across the NEM compared to the *Committed and Anticipated Developments* assessment.

The difference in new generation installed under the two assessments in New South Wales as a time series from July 2028 to June 2030 is shown in **Figure 4.** By July 2030 there is a capacity difference of approximately 6.7 GW of generation and 4.9 GW of storage in New South Wales.

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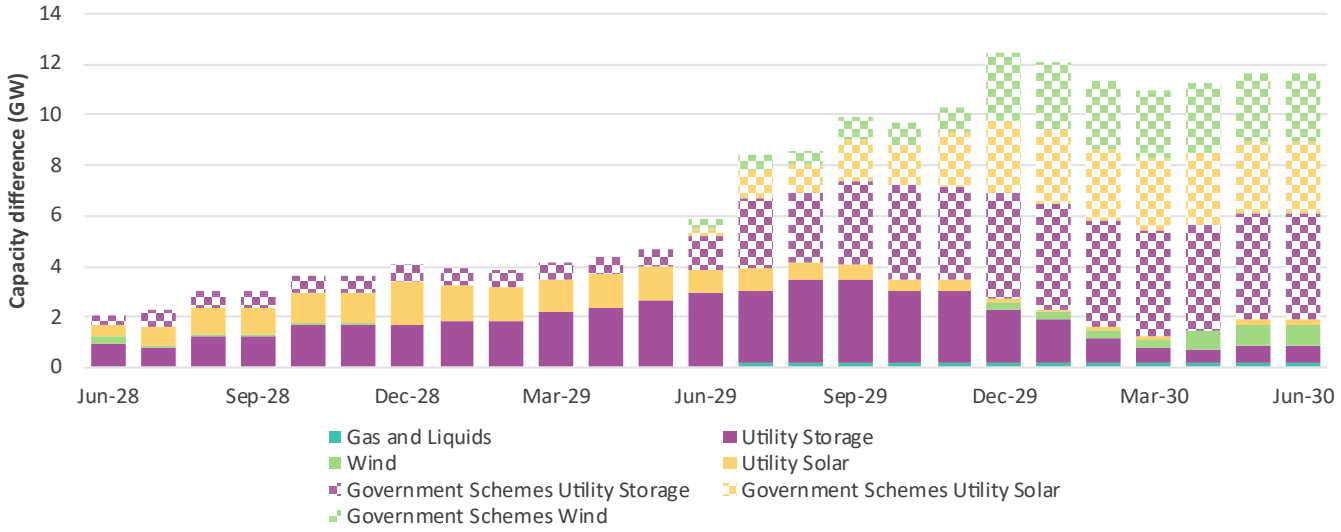
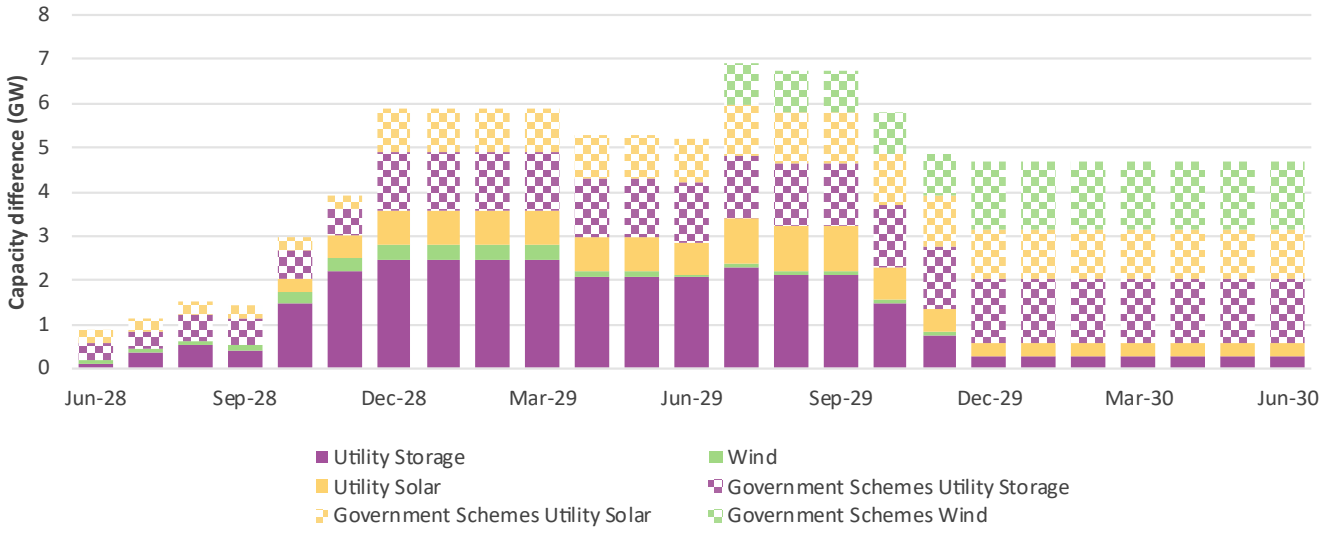
Figure 4 Difference in installed capacity in New South Wales between reliability assessments, considering applied delays and projects supported by jurisdictional schemes (GW)



Closing the forecast reliability gap in New South Wales in 2029-30 requires approximately 1,115 MW of additional firm-equivalent capacity, which could be achieved through approximately 1,800 MW of four-hour battery capacity, assuming unconstrained access to load centres. This additional capacity is approximately two-fifths of the additional battery capacity available under the *Government Schemes and Actionable Developments* assessment (which includes delivering committed and anticipated projects on-time, and delivering projects supported by government schemes), as shown in **Figure 5.** By July 2029, approximately 2,940 MW of utility storage capacity would be available under proponent-advised schedules but assumed to be not available because of applied delays. Delivering these projects on schedule could contribute to closing the forecast reliability gap, although their contribution will depend on their availability during periods of supply scarcity. Additional battery projects supported by government schemes, if also developed on time, could further close the gap.

Figure 5 Difference in installed capacity in Victoria between reliability assessments, considering applied delays and projects supported by jurisdictional schemes (GW)



A similar picture applies in Victoria. Closing the forecast reliability gap in 2029–30 would require approximately 505 MW of firm-equivalent capacity, which could be achieved through approximately 800 MW of additional four-hour battery capacity assuming unconstrained access to load centres. This additional capacity is approximately one-fourth of the additional battery capacity available under the *Government Schemes and Actionable Developments assessment,* as shown in **Figure 5**. By July 2029, approximately 2,057 MW of utility storage capacity would be available under proponent-advised schedules but not available because of the delay applied in the *Committed and Anticipated Developments* assessment, as shown in **Figure 5**. Delivering these projects on time could contribute to closing the gap and reducing supply scarcity risks in Victoria in 2029-30. Additional battery projects supported by government schemes, if also developed on time, could further close the gap in Victoria as well.

These comparisons help illustrate the scale of development needed to address the forecast reliability gaps. While battery storage comprises a substantial share of capacity in the pipeline, batteries alone will not address all of the conditions contributing to winter supply scarcity in the modelling. Timely delivery of the wind and solar generation already in the development pipeline will also be important to provide the additional energy supply needed during these periods.

Transmission developments

Timely delivery of transmission developments in the Government Schemes and Actionable Developments assessment increase the system capability to transfer available supply to consumers and contribute to lower supply scarcity risk when combined with additional generation, storage and demand-side resources. **Table 7** compares the timing assumptions for key transmission projects under development and due to be in service within the period of interest.

Table 7 Differences in transmission project inclusion and timing between assessments

Transmission project	*Government Schemes and Actionable Developments*	*Committed and Anticipated Developments*
Gladstone Project (Stage 1)	From March 2029	From March 2030
Western Victorian Reinforcement Project	From June 2029	Not included
Western Renewables Link	From November 2029	From November 2030
Hunter Transmission Project	From November 2029	Not included

Demand-side differences

The two assessments include demand-side changes affecting two components – Demand Side Participation (DSP) and coordinated CER:

- **DSP** – in the forecasts DSP focuses on quantifiable, dispatchable, and market-participating responses. The *Committed and Anticipated Developments* assessment included a flat forecast of reliability responsive DSP. In the *Government Schemes and Actionable Developments* assessment, reliability-responsive DSP was assumed to grow moderately. This considered an additional 86 MW of DSP in 2029-30 in New South Wales and 55 MW of DSP in Victoria, assumed to activate to address supply scarcity risk prior to unserved energy.
- **Coordinated CER** – the *Committed and Anticipated Developments* assessment included only the current level of coordinated consumer batteries, while in the *Government Schemes and Actionable Developments* assessment, forecast growth in coordinated CER was included. This considered an additional 604 MW of coordinated CER in

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2029-30 in New South Wales and 254 MW in Victoria. These consumer resources were assumed to be market responsive to optimise the level of contribution these devices can provide to mitigate supply scarcity risks.

2.5 Evaluating the need for reliability instruments

Under NER 4A.C.1, where a reliability forecast identifies a forecast reliability gap for a NEM region, AEMO must request the Australian Energy Regulator (AER) to consider making a reliability instrument, subject to the applicable timeframes for making that request.

For a T-3 instrument, NER 4A.C.2 requires AEMO to submit its request at least three months before the T-3 cut-off day, which is three years before the forecast gap period begins. In addition, consistent with NER 4A.C.2(b)(3), AEMO may only make a T-3 request if a reliability forecast is published in the six months immediately preceding the applicable T-3 cut-off day.

Reliability gaps are projected in New South Wales and Victoria in winter of both 2029 and 2030. AEMO is not able to request a declaration for July 2029 as it is less than three years and three months from this reliability forecast. AEMO is not currently able to make a reliability instrument request for July 2030 as it is more than three years and six months from this reliability forecast.

Considering the insights in this updated reliability assessment, unless the supply outlook materially changes in coming weeks, AEMO anticipates requesting the AER to consider making relevant T-3 reliability instruments for 2030-31 in Q1 2027 for a reliability gap period to commence on 1 July 2030.

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A1. Definitions

The following definitions apply to this 2026 NEM ESOO Update:

- **Power system reliability** refers to the sufficiency of electricity supply to meet demand in all periods of the year.
- **Unserved energy (USE)** represents energy that cannot be supplied to consumers when demand exceeds supply under certain circumstances, resulting in involuntary load shedding (loss of customer supply) in the absence of out of market intervention.
- **Supply scarcity risk** refers to the risk that some level of involuntary load shedding may occur based on simulated outcomes.
- AEMO forecasts **expected USE** by calculating the weighted-average USE over a wide range of simulated outcomes. Because expected USE is the average of many possible outcomes, a forecast over the relevant standard does not guarantee that a USE event is going to happen, while forecasts below the standard do not mean there are no supply scarcity risks, although events may be less probable.
- The **Retailer Reliability Obligation (RRO)** is a National Electricity Rules (NER) mechanism designed to maintain power system reliability at least cost by identifying forecast reliability gaps in advance and, where necessary, requiring liable market participants to secure sufficient generation, storage, demand response or contracting arrangements to support reliability.
- The **reliability standard** is a measure of expected USE in each region of no more than 0.002% of energy demanded in any financial year.
- A forecast **reliability gap** occurs when expected USE is forecast in excess of the reliability standard in a region in a year. If AEMO reports a forecast reliability gap, this may trigger a reliability instrument request under the RRO.

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