

13 January 2026

Australian Energy Market Commission
Project Sponsor – Ms Kate Wild

Submission lodged via the Project Page.

Dear Ms Wild,

SUBMISSION TO DRAFT REPORT 2026 RELIABILITY STANDARD AND SETTINGS REVIEW (RSSR)

Delta Electricity ('**Delta**') welcomes the opportunity to comment on the Reliability Panel's ('**Panel**') draft report on the 2026 Reliability Standard and Settings Review ('**RSSR**').

Support for the proposed reliability standard range and preference for 0.003% USE

Delta supports the Panel's proposal to consider a broader reliability standard range of 0.002%–0.004% unserved energy ('**USE**'), and that the mid-point of 0.003% USE is an appropriate reliability target for the 2028–2032 period.

Given the inevitable retirement of coal-fired generation, the rapid growth of intermittent generation, and the increasing cost and lead time associated with maintaining very low levels of USE, a slight relaxation of the standard is reasonable. Achieving the historically tight 0.002% USE level in a future grid with fundamentally different characteristics would require very high investment and would impose significant costs on customers.

The proposed 0.003% USE standard responds to this changing environment while maintaining a high degree of system reliability for customers.

The need for strong investment signals

Ensuring reliability through this transition will require large-scale, sustained investment. It is therefore important that the Market Price Cap ('**MPC**') and Cumulative Price Threshold ('**CPT**') provide sufficient and credible investment signals. The large replacement task ahead means the system will depend heavily on private investment in firming, storage, flexible capacity, and demand response. The modelling approach should reflect a realistic mix of emerging technologies, but the key principle is that investment incentives must be strong enough to deliver timely capacity to replace retiring coal.

Support for increasing the MPC and CPT

Delta agrees that the MPC and CPT should be increased from current levels. Higher MPC and CPT settings are necessary to:

- reflect the true cost of new firming capacity in a decarbonising system;
- send adequate signals to investors faced with rising financing and development costs;
- ensure revenue adequacy for technologies that provide reliability during tight conditions; and
- maintain reliability without over-reliance on RERT, out-of-market actions, or state interventions.

A moderate and well-calibrated increase in the MPC and CPT will support the market's ability to deliver the capacity needed as coal exits, while still ensuring that prolonged or extreme price events remain





appropriately constrained by the Administered Price Cap ('**APC**') and the overall administered pricing framework.

Support for retaining a uniform MPC/CPT across the National Electricity Market (NEM)

Delta supports maintaining single, uniform MPC and CPT values across the NEM. Consistency across regions avoids distortionary investment signals, supports efficient NEM-wide dispatch, and maintains the long-standing principle that reliability settings apply to the market as a whole.

Support for no change to the APC and MFP

Delta agrees with the Panel's proposal to retain the APC at \$600/MWh and to maintain the Market Floor Price ('**MFP**') at negative \$1,000/MWh. These settings continue to strike an appropriate balance, ensuring the:

- APC remains an essential consumer-protection mechanism for prolonged high-price events.
- MFP supports negative-price signals needed for renewable and storage integration.

Given the current market dynamics, there is no compelling case for changes to the APC and MFP.

Overall, Delta supports the direction of the draft report. A slight relaxation of the reliability standard and an increase of the MPC and CPT are both sensible and necessary reforms to ensure the NEM remains reliable and provides investment signals during a period of unprecedented change.

For further discussion, please contact Delta's Market Compliance and Regulation Manager, Joel Aulbury at joel.aulbury@deltapae.com.au.

Yours sincerely,

ANDY YOUNG
ENERGY MARKETS RISK MANAGER

