

SA FERM Trust credit rating

Briefing note

Moody's assigns SA FERM Trust an inaugural A2 rating with stable outlook

Background

AusEnergy Services Limited (ASL) has been appointed as the Scheme Administrator for the South Australian Firm Energy Reliability Mechanism (SA FERM) scheme. SA FERM is intended to secure long duration dispatchable capacity to ensure secure, reliable and affordable electricity supply for South Australia. In its capacity as Scheme Administrator, ASL is responsible for overseeing the effective operation of the scheme, including the appointment and ongoing governance of the Financial Vehicle (Trustee of the SA FERM Trust). ASL's role ensures that the scheme is administered in accordance with the regulatory framework, providing independent oversight and acting in the long-term financial interests of South Australian electricity consumers.

The appointment of the Financial Vehicle by ASL is a critical element of the SA FERM scheme, as it enables the secure and transparent management of financial flows and obligations associated with the scheme's objectives. It is critical that the SA FERM Trust has a strong credit rating, reflecting its financial strength and creditworthiness to stakeholders, investors, and counterparties. A strong credit rating enhances confidence in the Trust's ability to meet its financial obligations and underpins the credibility and stability of the SA FERM scheme overall.

Moody's credit rating

Moody's Investors Service Limited (Moody's) has assigned an inaugural A2 credit rating with a stable outlook to the SA FERM Trust, underscoring its strong credit quality and essential role in South Australia's energy transition. This rating reflects Moody's independent assessment of the Trust's ability to meet its financial commitments and its low credit risk profile, taking into account the scheme's regulatory and governance framework, liquidity, and external support.

The A2 rating is underpinned by the SA FERM Trust's right to timely and full cost recovery under the *National Electricity (South Australia) (Firm Energy Reliability and Orderly Exit Management) Regulations 2025*, the expectation it will retain cash reserves substantially above the minimum prudent cash balance, and its essential role in ensuring a secure, reliable and affordable electricity supply for South Australian electricity consumers as the state transitions to net 100% renewables.

More information

Stakeholders seeking more information are encouraged to consult [Moody's press release](#) for the most recent credit rating information and related analysis.

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