



PUBLICATION

Determination of Values for Ancillary Service Cost_LR Parameters

FINAL DECISION

The Economic Regulation Authority has determined that the values for the Load Rejection Ancillary Service ('L' component of the Cost_LR parameter) are \$0 for the 2013/14, 2014/15 and 2015/16 financial year, and the values for the System Restart Ancillary Service ('R' component of the Cost_LR parameter) are \$508,000 for the 2013/14 financial year, \$521,000 for the 2014/15 financial year and \$534,000 for the 2015/16 financial year.

In making the determination under the *Wholesale Electricity Market Rules*, the Authority is required to undertake a public consultation process and take into account:

- the Wholesale Market Objectives;¹ and
- the proposal submitted by System Management.

System Management submitted its proposal to the Authority on 30 November 2012.

The Authority published an issues paper and notice on 19 December 2012, inviting public submissions on the proposed values for the Ancillary Service Cost_LR parameters submitted by System Management. One submission was received by the Authority.

A copy of the Authority's [determination](#) of the Ancillary Service Cost_LR Parameters, explaining the reasons for the decision, is available on the Authority's website.

For further information contact:

Richard Taylor
Riley Mathewson Public Relations
Ph: 08 9381 2144
Fax: 08 9381 3877

LYNDON ROWE
CHAIRMAN
18 March 2013

¹ The Wholesale Market Objectives are: (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system; (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors; (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions; (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.