



Notice

31 March 2016

Determination of values for Ancillary Service Cost_LR parameters

DETERMINATION

On 24 November 2015, the Economic Regulation Authority (**ERA**) received a proposal from System Management on the values of the Ancillary Service Cost_LR parameters for the three financial years from 1 July 2016 to 30 June 2019 under the *Wholesale Electricity Market Rules* (**Market Rules**).

These parameters determine the payments to market generators for the costs of providing Load Rejection Reserve Ancillary Services ('L' parameter) and System Restart Ancillary Services ('R' parameter).

The ERA has determined that the values for the Load Rejection Ancillary Service ('L' component of the Cost_LR parameter) are \$1.4 million for the 2016/17, 2017/18 and 2018/19 financial years, and the values for the System Restart Ancillary Service ('R' component of the Cost_LR parameter) are \$547,900 for the 2016/17 financial year, \$561,700 for the 2017/18 financial year and \$575,700 for the 2018/19 financial year.

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

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

The ERA published an issues paper and notice on 7 January 2016, inviting public submissions on the proposed values for the Ancillary Service Cost_LR parameters submitted by System Management. A submission was received from Synergy.

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

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