



# Notice

31 March 2019

## Relevant level method review 2018: Capacity valuation for intermittent generators

### Final decision

The Economic Regulation Authority has decided to change the current relevant level method set in Appendix 9 of the Wholesale Electricity Market Rules. The current relevant level method does not meet the objectives of the Wholesale Electricity Market effectively.

The ERA is responsible for examining every three years whether the method meets the market objectives effectively. The Market Rules require the ERA to determine the value of constant parameters  $K$  and  $U$  used in the current relevant level method to be applied for each of the upcoming three reserve capacity cycles.

The [ERA's final report](#) details the review of the current relevant level method, the ERA's proposed method and a summary of stakeholder submissions received in response to the ERA's draft report and the ERA's response to those submissions..

The ERA will soon commence the process for developing a rule change proposal to amend the current relevant level method. This will provide for replacing the current method with that proposed in the final report.

While the proposed rule change is in development, the current relevant level method will continue to apply. The ERA has published unchanged values for the constant parameters  $K$  and  $U$  used in step 17 of the current method [on its website](#).

### Further information

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