



Notice

30 September 2021

Minimum STEM price review 2021

Release of final determination report

The Economic Regulation Authority has completed its review of the minimum Short Term Energy Market (STEM) price, which is the lowest price that electricity can be offered into the Wholesale Electricity Market's (WEM) balancing market.

The ERA determined that the current minimum STEM price of $-\$1,000/\text{MWh}$ is appropriate and will remain unchanged.¹ The ERA reached this conclusion after assessing:

- Each mandatory criterion in clause 6.20.14 of the WEM Rules.
- Stakeholder submissions received following release of the ERA's issues paper in March 2021 and the ERA's draft determination report in July 2021.
- Whether the current minimum STEM price was achieving the objectives in the WEM Rules of allowing the balancing market to settle above the minimum STEM price in most circumstances, and of limiting the financial exposure of market participants so their financial viability is not threatened (clause 6.20.16).

The ERA's final determination report is available on the [ERA website](#).

Further information

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¹ Appropriate in the context of this review means that the level of the minimum STEM price must meet the minimum STEM price objectives (clause 6.20.16) in the WEM Rules.