



# Notice

9 February 2022

## Determination of margin values and Cost\_LR parameters for 2022/23

### Issues paper

The Economic Regulation Authority has published an issues paper to commence its annual determination of the parameters used to compensate Synergy and other market participants for providing the ancillary services used to maintain system security and restore the electricity system after a blackout.

The three administered ancillary services are spinning reserve, load rejection reserve and system restart. The cost to market participants for these three ancillary services is expected to be \$23 million in 2022/23, an increase of 33 per cent on the ERA's 2021/22 determination. These costs are ultimately passed on to electricity consumers.

The ERA is required to determine the parameters – referred to as margin values and Cost\_LR – by 31 March 2022. The ERA must undertake public consultation on this issues paper and take feedback into account when determining the values.

This issues paper explores the findings of the ERA's economic model and the expected settlement parameter values. ERA staff are available to meet with interested parties and market participants on the modelling findings during the consultation period.

### Invitation for submissions

The ERA invites interested parties to make submissions on the [issues paper](#).

Submissions close 4:00 pm (WST) Wednesday, 9 March 2022.

Submissions should be lodged online using the form on our website [www.erawa.com.au/consultation](http://www.erawa.com.au/consultation).

### Further information

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