



Notice

20 January 2023

Determination of margin values and Cost_LR parameters for 2023/24

Issues paper

The Economic Regulation Authority has published an [issues paper](#) for consultation on the annual determination of the parameters used to compensate Synergy for providing the ancillary services used to maintain system security.

The three administered ancillary services are spinning reserve, load rejection reserve and system restart. System restart is not being reviewed this year. The combined cost to market participants for spinning reserve and load rejection reserve ancillary services are expected to be around \$17 million in 2023/24, a decrease of around 14 per cent on the ERA's 2022/23 determination. These costs are ultimately passed on to electricity consumers.

The ERA is required to determine the ancillary service settlement parameters – referred to as margin values and Cost_LR – by 31 March 2023. The ERA must undertake public consultation and publish an issues paper for consultation when determining the values.

This issues paper considers the findings of the ERA's economic model and the expected settlement parameter values. Interested parties and market participants are welcome to contact the ERA if they wish to discuss 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) Friday, 17 February 2023.

Submissions should be lodged online using the form on our website www.erawa.com.au/consultation.

Further information

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