



Notice

18 July 2023

Frequency Co-optimised Essential System Services Offer Price Ceiling

Draft report

The Economic Regulation Authority is seeking feedback on any aspects of its draft report on the Frequency Co-optimised Essential System Services (FCESS) Offer Price Ceiling draft determination.

The Wholesale Electricity Market (WEM) is being reformed through the Government's [Energy Transformation Strategy](#). The [revised WEM Rules](#) include new functions for the ERA and rule participants from new market commencement. When the new market commences, the existing ancillary services arrangements will be replaced by five FCESS markets.

An FCESS Offer Price Ceiling is to be set for each FCESS market: Contingency Reserve Raise, Contingency Reserve Lower, Rate of Change of Frequency (RoCoF) Control Service, Regulation Raise and Regulation Lower. The FCESS Offer Price Ceilings represent the highest price at which these services can be offered in the respective FCESS markets.

The ERA will set the five FCESS Offer Price Ceilings prior to new market commencement and review them at least once every three years thereafter.

The ERA has determined the FCESS Offer Price Ceiling values in accordance with the WEM Rules and outlined the calculation method in the draft report. The values are as follows:

	Contingency Reserve Raise	Contingency Reserve Lower	Regulation Raise	Regulation Lower	Rate of Change of Frequency Control Service
FCESS Offer Price Ceiling to apply from New WEM Commencement Day	\$250/MWh				\$250/MWs per hour
FCESS Offer Price Ceiling to apply from 1 March 2024	\$250/MWh	\$250/MWh	\$250/MWh	\$250/MWh	\$0/MWs per hour

Invitation for submissions

The ERA invites interested parties to make submissions on the [draft report](#). The ERA is also available to meet in person to discuss feedback.

Submissions close 4:00 pm (WST) Tuesday, 15 August 2023.

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

Further information

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