



Notice

7 July 2017

ERA approves System Management's 2017/18 Ancillary Services Requirements

The Economic Regulation Authority (**ERA**) has completed its audit of System Management's ancillary services requirements and plan for the 2017/18 financial year.

Ancillary services are required to maintain power system security and reliability, facilitate orderly trading in electricity and ensure that electricity supplies are of acceptable quality.

System Management is required to submit its requirements to the ERA for audit and approval.

These requirements are set out in System Management's 2017/18 Ancillary Services Report available on AEMO's [website](#).

The ERA has approved System Management's 2017/18 ancillary services requirements.

The audit identified issues in the measurement of the services. For instance, the historical quantities reported by System Management as being provided were significantly above the set requirements for the services.

Additionally, in measuring the provision of load following services, System Management's report noted that it is not possible to distinguish between energy and ancillary services provided by the Synergy portfolio due to the way it is dispatched.

The audit also noted that frequency performance for these services exceeded the ancillary services standards. The reasons for this requires further investigation by System Management.

The ERA is concerned the above issues could cloud the true cost of ancillary services.

System Management confirmed it will review the audit issues through an independent study.

The ERA's audit and approval report and System Management's response is available on our [website](#).

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