



Notice

16 December 2019

Determination of Margin Values and Cost_LR parameters for 2020/21

Invitation for public submissions

On 30 November 2019, the Economic Regulation Authority received proposals from the Australian Energy Market Operator (AEMO) under the Wholesale Electricity Market Rules on the values for the following ancillary services to apply for the period from 1 July 2020 to 30 June 2021:

- Margin Peak and Margin Off-Peak parameters
- The Cost_LR value

Margin Peak and Margin Off-Peak values are used to create the market settlement payment to Synergy for the provision of the Spinning Reserve ancillary service. This provides for a rapid increase in output from the generator providing spinning reserve in response to the loss of another large generator.

The Cost_LR value determines payments to market generators for the costs of providing load rejection reserve (the L component of Cost_LR). Generators providing load rejection reserve rapidly reduce their output in response to loss of customer load, for example when a transmission line fails, and power is lost to a particular area of the network.

System restart is a contracted service to restart the power system in event of a localised or system-wide blackout. This is the R component of Cost_LR.

The ERA must undertake public consultation on AEMO's proposal and take this feedback into account when it determines the values to apply in 2020/21. The ERA must publish its determination by 31 March 2020.

Invitation for submissions

The ERA invites interested parties to make submissions on the Spinning Reserve, Load Rejection Reserve and System Restart Costs: Margin Values and Cost_LR Ancillary Services parameters for 2020/21 [Issues Paper](#).

Submissions close 4:00 pm (WST) Monday, 10 February 2020.

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

Further information

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