



# Notice

2 December 2022

## Energy price limits 2022

### Draft determination

The Economic Regulation Authority has published a draft determination for energy price limits to apply in the Wholesale Electricity Market.

The energy price limits comprise:

- The maximum STEM price, which applies to the generation of electricity from all facilities except those using distillate as the fuel source.
- The alternative maximum STEM price, which applies to generators that use distillate as a fuel source. The price cap is indexed to the distillate price and varied monthly.

These price limits apply to the offers of energy into the short-term energy market (STEM) and balancing market.

The ERA proposes the maximum STEM price of \$306/MWh. This is higher than the current maximum STEM price of \$290/MWh, which took effect on 1 February 2022.

The ERA also proposes the following indexation formula to determine the alternative maximum STEM price:

$$\text{Alternative maximum STEM price} = 37.263 + 26.052 \times \text{diesel price } (\$/GJ)$$

At the current distillate price of \$34.1/GJ (net of excise and goods and services tax), the ERA's draft revised indexation formula yields an alternative maximum STEM price of \$926/MWh.

### Invitation for submissions

The ERA invites interested parties to make submissions on the [draft determination](#). Submissions close 4:00 PM (WST) Tuesday, 3 January 2023. 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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