



# Notice

5 May 2026

## Determination of the Frequency Co-optimised Essential System Services Offer Price Ceilings

### Additional consultation on the proposed indexation approach

The Economic Regulation Authority (ERA) has concluded the official consultation with stakeholders about our proposed approach for the indexation of the Frequency Co-optimised Essential System Services (FCESS) Offer Price Ceilings. Our [Draft Determination](#) of the FCESS Offer Price Ceilings (OPCs) was published on 23 March 2026, and the consultation period closed on 21 April 2026.<sup>1</sup> We have received a late submission from Synergy on 24 April 2026, which has been published alongside this notice on our webpage.<sup>2</sup>

The submission from Synergy proposes that the ERA **consider conducting indexation of the FCESS OPCs with reference to changes in gas prices, instead of the current approach of referring to diesel price changes.**

The purpose of **this notice is to refer Market Participants and other interested parties to this proposal and invite comment on how the Secretariat might consider Synergy's submission in the ERA's Final Determination of the FCESS OPCs.**

Synergy's submission claims that because the highest cost Facilities identified for the draft determination – PINJAR\_GT9 and ALINTA\_PNJ\_U2 – solely utilise gas as the fuel for its generation, continued indexation with reference to changes in diesel prices pursuant to the ERA's Draft Determination on the FCESS Offer Price Ceilings could be considered inappropriate.<sup>3</sup> There are merits to this proposal.

An indexation based on gas should reference changes in gas prices for the Western Australia Gas Trading Spot Market from Gas Trading Australia Pty Limited (gasTrading). This would involve deriving an average gas price over a three-month period, using the daily trading price from gasTrading.<sup>4</sup> Indexation would continue to be conducted on a monthly basis, in line with our current approach.

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<sup>1</sup> Economic Regulation Authority, 23 March 2026, *Frequency Co-optimised Essential System Services Offer Price Ceiling determination – draft report*, ([online](#)).

<sup>2</sup> Economic Regulation Authority, 'Frequency Co-optimised Essential System Services Offer Price Ceiling – 2026 Review', ([online](#)).

<sup>3</sup> Synergy, 21 April 2026, Submission on the *Frequency Co-optimised Essential System Services Offer Price Ceiling draft determination*, p. 2.

<sup>4</sup> gasTrading Australia Pty Ltd, 'Historical Prices and Volume', ([online](#)) [accessed 4 May 2026].

We are alerting Market Participants to the Secretariat's prospective change to the indexation methodology to allow for any other views to be considered prior to the ERA considering its Final Determination of the FCESS Offer Price Ceilings.

Any changes to the indexation methodology would become effective from 1 July 2026, in line with the effective date of the final determination of the FCESS price ceilings.

The ERA is required to publish the final determination of the FCESS price ceilings by 1 June 2026, under the Electricity System and Market Rules.<sup>5</sup>

### **Invitation for submissions**

We invite interested parties to make submissions on the Secretariat's proposed approach to indexation. Submissions will close at 4:00pm (AWST) on **Friday, 8 May 2026**.

Submissions can be lodged online using the form on our [Current Consultation webpage](#). You may also call or email David Dixon (Assistant Director, Market Regulation) to express your views on the Secretariat's proposed approach to indexation. Mr Dixon's contact details can be found below.

### **General enquiries**

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<sup>5</sup> Electricity System and Market Rules (WA), 1 April 2026, clause 1.61.3, ([online](#)).