



Notice

30 March 2023

Margin Values and Cost_LR parameters for 2023/24

Determination

The Economic Regulation Authority has published its [determination](#) for the settlement parameter values of two administered ancillary services - spinning reserve and load rejection reserve— for 2023/24. System restart contracts were not reviewed this year.

The settlement parameters for spinning reserve are the margin values and spinning reserve settlement quantity. Cost_LR is the settlement parameter for load rejection reserve (through the 'L' component) and for system restart (through the 'R' component).

The ERA has determined margin values of 10.93 per cent for peak and 6.85 per cent for off-peak spinning reserve settlement parameters. Average spinning reserve quantities are 284 MW and 198 MW for peak and off-peak trading intervals respectively.

The 'L' component of the Cost_LR settlement parameter for load rejection reserve cost is \$4.91 million for the full 2023/24 year. The system restart costs for 2023/24 remain unchanged from the values determined in the ERA's 2022 determination at \$3,420,859.

The ERA conducted its own modelling and investigation of spinning reserve and load rejection reserve requirements and costs for 2023/24. The modelling approach undertaken by the ERA ensures that its determination provides efficient compensation parameters for the ancillary services.

The Wholesale Electricity Market Rules require the ERA to undertake a public consultation process before making its determination. The ERA published an issues paper on 20 January 2023 for stakeholder feedback. One submission was received from Synergy and is available on the ERA [website](#).

This is the ERA's final determination for spinning reserve and load rejection reserve. The determination will cover the three months from 1 July 2023 to 1 October 2023, when the new Wholesale Electricity Market design is scheduled to commence. At this point spinning reserve and load rejection reserve will be replaced by frequency control essential system services with prices set through real-time markets.

Further information

General enquiries

Julian Fairhall
Ph: 08 6557 7900
info@erawa.com.au

Media enquiries

Danielle Asarpota
Ph: +61 428 859 826
media@erawa.com.au