

## Electricity Pricing Event Report – Saturday 09 April 2016

**Market Outcomes:** The Mainland (Queensland, New South Wales, Victoria and South Australia) Fast Raise Frequency Control Ancillary Service (FCAS) price reached \$134.78/MWh and \$78.46/MWh for trading intervals (TI) ending 1800 hrs and 1830 hrs.

FCAS prices in Tasmania were not affected by this event. Energy prices for the NEM were also elevated but did not reach the price threshold for reporting purposes.

**Detailed Analysis:** The Fast Raise FCAS prices in all Mainland regions were above \$100/MWh for 7 dispatch intervals (DI) between DIs ending 1735 hrs and 1810 hrs. The high FCAS prices can be attributed to low availability of cheap capacity and steep supply curve of Fast Raise Service.

A number of units providing cheap FCAS in the Mainland were dispatched close to their maximum capacity in the energy market, which effectively reduced their Fast Raise FCAS availability. In addition, Fast Raise FCAS support from Tasmania was unavailable due to the outage of Basslink interconnector from 20 December 2015.

Due to lower availability of cheap capacity and a steep supply curve in the Fast Raise FCAS market, a marginal increase of Fast Raise FCAS requirement for a Mainland generation event was met by changing the energy dispatch of units that offered cheap capacity in the Fast Raise FCAS market. For the high priced DIs, 5-minute energy prices were elevated between \$140.20/MWh and \$299.60/MWh across the Mainland regions. The Fast Raise FCAS price was the outcome of FCAS and energy market co-optimisation.

The mainland FCAS prices for Fast Raise Services reduced to \$40.50/MWh for DI ending 1815 hrs when the availability of Fast Raise FCAS capacity was increased.

High 30-minute FCAS prices for mainland were forecast in the pre-dispatch schedules.