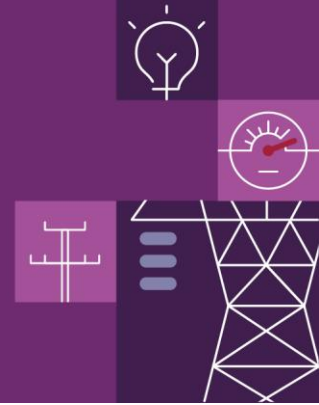


NSCAS estimated annual costs and quantities(NER 3.11.5(j))



The purpose of this publication is to provide the total estimated annual costs and quantities of each type of NSCAS acquired by AEMO under ancillary services agreements in respect of the South Australian region, and in total, and provide a breakdown of those costs and quantities relating to each facility contracted under those agreements as required by clause 3.11.5(k) of the National Electricity Rules (Rules).

This publication is generally based on information available to AEMO as at 20 June 2025 unless otherwise indicated.

On 10th July 2024, AEMO published a notice¹ under clause 3.11.3(c)(3) of the National Electricity Rules (Rules), confirming that a Network Support and Control Ancillary Services (NSCAS) gap would remain in South Australia until mid-2026. AEMO was therefore required to use reasonable endeavours to acquire sufficient NSCAS to meet this gap in accordance with clause 3.11.5 of the Rules and the NSCAS Tender Guidelines. Further, contracting for the provision of NSCAS in South Australia would likely reduce the need for market intervention by AEMO.

After calling for offers from persons who were in a position to provide the NSCAS, AEMO completed a tender process in accordance with the NSCAS Tender Guidelines. On 23rd June 2025, AEMO notified all registered participants and NSCAS providers that the tender process had been completed (as required by clause 3.11.5(j) of the Rules).

Within 5 business days of giving that notice, AEMO must publish the total estimated annual costs and quantities of each type of NSCAS acquired by AEMO under ancillary services agreements in respect of each region and in total and provide a breakdown of those costs and quantities relating to each facility contracted under those agreements. These estimates are set out in the table below.

Region	Quantity	Facility	Estimated annual cost
South Australia	126 MVar of voltage control	Facility 1	FY25: \$11,017,511* FY26: \$74,373,538
	108 MVar of voltage control	Facility 2	FY25: None FY26: \$29,964,571

*FY25 costs lower than FY26 costs due to contracts commencing towards the end of FY25

This compares to an estimated forecast cost of directions in South Australia of ~\$111M over the same period. Contracting for the provision of NSCAS in South Australia will reduce the need for AEMO to issue such directions and provide greater flexibility to AEMO when maintaining power system security in South Australia.

¹ https://aemo.com.au/-/media/files/stakeholder_consultation/tenders/2024/notice-that-nscas-gap-remains-in-sa-july-2024.pdf?la=en

NSCAS estimated annual costs and quantities(NER 3.11.5(j))



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