AER criteria for significant variations between forecast and actual prices

Under clause 3.13.7(a) of the National Electricity Rules, the AER must determine whether there is a significant variation between the spot price forecast and actual spot price. The AER must then review the reasons for the variation. The AER does this in each of its electricity weekly reports.

The criteria for a significant variation used by the AER are set out in the table below. The AER applies the criteria to the 12 hour ahead forecast and the 4 hour ahead forecast.

Upper Trigger = Actual + 8	When actual price <= $8/MWh
Lower Trigger = Actual - 8	
Upper Trigger = 1.23* Actual + 6.92	When $8/MWh < actual price <=$100/MWh
Lower Trigger = 0.769* Actual - 6.92	
Upper Trigger = 1.3* Actual	When $100/MWh < actual price <= $600/MWh
Lower Trigger = 0.699* Actual	
Upper Trigger = Actual + 200	When actual price > $600/MWh
Lower Trigger = Actual - 200	