

**Senate Standing Committee on Environment and Communications  
Legislation Committee**

Answers to questions on notice  
**Environment and Energy portfolio**

**Question No:** 157  
**Hearing:** Additional Estimates  
**Outcome:** Outcome 5  
**Program:** Energy Division (ED)  
**Topic:** Costs - NEM Rules  
**Hansard Page:** -  
**Question Date:** 14 March 2017  
**Question Type:** Written

**Senator Back asked:**

Do retailers ultimately bear the cost of FCAS under the current NEM rules?

**Answer:**

No.

For regulation FCAS services, the recovery of payments is based upon a 'causer pays' methodology, that is, the costs are recovered from market participants on the basis of their contribution to frequency deviations.

For contingency FCAS services, generators pay for Raise Services and customers pay for Lower Services.