



Notice

27 March 2014

Determination of Values for Ancillary Service Margin_Peak and Margin_Off-Peak Parameters

FINAL DECISION

The Economic Regulation Authority has determined the values for the Ancillary Service Margin_Peak and Margin_Off-Peak parameters, with carbon price, for the 2014/15 financial year to be 14 per cent and 27 per cent, respectively.

The Authority has determined the values for the Margin_Peak and Margin_Off-Peak parameters, without carbon price, for the 2014/15 financial year to be 15 per cent and 14 per cent, respectively.

The values for the Margin_Peak and Margin_Off-Peak parameters, with carbon price, will be effective for the 2014/15 financial year, whilst the carbon pricing mechanism remains in place. In the event the *Clean Energy Act 2011* is repealed during the 2014/15 financial year, the values for the Margin_Peak and Margin_Off-Peak parameters, without carbon price, will come into effect from the day of the repeal.

The *Wholesale Electricity Market Rules* require that, in making its determination on the Ancillary Service Margin_Peak and Margin_Off-Peak parameters, the Authority undertake a public consultation process and take into account:

- the Wholesale Market Objectives; and
- the proposal submitted by the Independent Market Operator (**IMO**).

The IMO submitted its proposal, assuming the carbon price will be in effect for the 2014/15 financial year, to the Authority on 28 November 2013. The IMO subsequently submitted its proposal assuming the carbon pricing mechanism will be removed for the 2014/15 financial year upon the Authority's request.

The Authority published an Issues Paper and a notice on 5 February 2014, inviting public submissions on the proposed values for the Ancillary Service Margin_Peak and Margin_Off-Peak parameters submitted by the IMO. No submissions were received by the Authority.

A copy of the Authority's Determination Paper on the Ancillary Service Margin_Peak and Margin_Off-Peak parameters, explaining the reasons for the decision, is available on the Authority's [website](#).

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