



PUBLICATION

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

FINAL DECISION

The Economic Regulation Authority has determined that the values for the Ancillary Service Margin_Peak and Margin_Off-Peak parameters for the 2013/14 financial year are 17 per cent and 27 per cent, respectively.

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;¹ and
- the proposal submitted by the Independent Market Operator (**IMO**).

The IMO submitted its proposal to the Authority on 30 November 2012.

The Authority published an issues paper and a notice on 19 December 2012, inviting public submissions on the proposed values for the Ancillary Service Margin_Peak and Margin_Off-Peak parameters submitted by the IMO. Two 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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LYNDON ROWE
CHAIRMAN
18 March 2013

¹ The Wholesale Market Objectives are: (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system; (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors; (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions; (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.