



PUBLICATION

Values for Ancillary Service Margin_Peak and Margin_Off-Peak Parameters

DETERMINATION

The Economic Regulation Authority has determined that the Ancillary Service Margin_Peak and Margin_Off-Peak parameters for the 2011/12 financial year are 25 per cent for Margin_Peak and 43 per cent for Margin_Off-Peak.

Under clause 3.13.3A of the *Wholesale Electricity Market Amending Rules*, the Authority must determine the Margin_Peak and Margin_Off-Peak parameters for each financial year by 31 March prior to the start of that financial year. In making the determination, the Authority is required to undertake a public consultation process and take into account:

- the Wholesale Market Objectives; and
- the proposal submitted by the Independent Market Operator.

The IMO submitted its proposal to the Authority on 30 November 2010, accompanied by a report prepared by Sinclair Knight Merz / McLennan Magasanik and Associates. SKM MMA was engaged by the IMO to carry out an independent assessment and modelling of the margin values for the 2011/12 financial year.

The Authority published an Issues Paper and a Notice on 24 December 2010, inviting public submissions on the proposed margin values submitted by the IMO. Four submissions were received by the Authority.

The Authority's decision explaining the reasons for the determination of the values for Margin_Peak and Margin_Off-Peak parameters and the submissions mentioned above are available on the Authority's [website](#).

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