



Economic Regulation Authority

 WESTERN AUSTRALIA

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Promoting fair prices, quality services and choice.

Our Ref: ELMA/0030

19 January 2009

Mr Allan Dawson
Chief Executive Officer
Independent Market Operator
Level 3, 197 St Georges Terrace
Perth, WA 6000

Dear Mr Dawson

APPROVAL OF MAXIMUM RESERVE CAPACITY PRICE FOR 2011/2012 RESERVE CAPACITY YEAR

The Economic Regulation Authority (**Authority**), in accordance with clause 2.26.1 of the *Wholesale Electricity Market Rules* (**Market Rules**), has approved the revised Maximum Reserve Capacity Price (**MRCP**) proposed by the Independent Market Operator (**IMO**) as part of its MRCP review for the 2009 Reserve Capacity Cycle.

Accordingly, as proposed in the IMO's Final Report on the MRCP Review for the 2011/2012 Reserve Capacity Year, the MRCP for the 2011/2012 Reserve Capacity Year is set at \$164,100 per MW per year.

In making its decision as to whether to approve the value proposed by the IMO, the Authority considered:

- whether the revised value for MRCP reasonably reflects the application of the method and guiding principles described in clause 4.16 of the Market Rules; and
- whether the IMO has carried out an adequate public consultation process.

Should you have any queries in relation to this matter, please contact Mr Robert Pullella on 9213 1900.

Yours sincerely

**LYNDON ROWE
CHAIRMAN**