

NOTICE

Approval of the Maximum Reserve Capacity Price for 2010/11

The Economic Regulation Authority has approved the proposed Maximum Reserve Capacity Price (**MRCP**) for 2010/11 of \$173,400/MW recommended by the Independent Market Operator in its final report received by the Authority on 24 December 2007.

The approved revised MRCP will be effective from 1 October 2010 through to 1 October 2011.

This approval is granted pursuant to Clause 2.26.1 of the Wholesale Electricity Market Rules (**Market Rules**). The approval is granted on the basis that:

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

The IMO published a draft report on 28 November 2007 describing how the IMO arrived at its proposed revised value for the MRCP. Interested parties were invited to make submissions by 19 December 2007.

The IMO considered the public submissions and recommended in its final report that the price remain at \$173,400/MW. The final report was submitted to the Authority accompanied by the submissions received during public consultation, reports by consultants Sinclair Knight Merz (SKM), Gutteridge Haskins and Davey (GHD) and the Allen Consulting Group and the spreadsheet model used to calculate the proposed valuation.

The Authority has reviewed the final report and material provided by the IMO, assessed the value proposed and determined that the requirements of clause 2.26.1 of the Market Rules have been satisfied.

A copy of the Authority's decision explaining the rationale behind the approval can be obtained from the Authority's [web site](#).

Available Documents

Copies of relevant documents may be downloaded from the Authority's web site (www.era.wa.gov.au). Printed copies of the documentation are available directly from the Authority for \$25.

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