

29 October 2018

Reserve Capacity Team
AEMO
wa.capacity@aemo.com.au

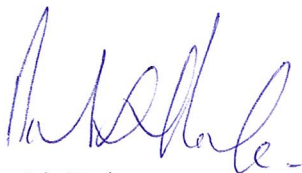
Draft Determination of the Benchmark Reserve Capacity Price for the 2019 RC Cycle

Thank you for the opportunity to comment on the draft determination of the benchmark reserve Capacity Price for the 2019 Reserve Capacity Cycle. Perth Energy has been through the calculation process and agree with the processes and the outcomes but would like to make two comments.

- The fixed O & M has been reduced mainly as a result of reductions in insurance premiums. This conflicts with our experience of a small increase in insurance premiums from last year.
- We agree that calculation of the WACC needs to be reviewed as we do not think that it adequately reflects the degree of risk within the reserve capacity market. We agree that this should be reviewed as part of the next overall process review.

Should you have any queries on this please do not hesitate to contact me on 0437 209 972 or at p.peake@perthenergy.com.au

Kind regards



Patrick Peake

General Manager EMR, Regulation

