



Economic Regulation Authority

WESTERN AUSTRALIA

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*Promoting fair prices, quality services and choice.*

Our Ref: ELMA/0030

29 January 2010

Mr Allan Dawson  
Chief Executive Officer  
Independent Market Operator  
PO Box 7096  
Cloisters Square  
PERTH WA 6850



10/0014

Dear Mr Dawson

## APPROVAL OF MAXIMUM RESERVE CAPACITY PRICE FOR 2012/13 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 2010 Reserve Capacity Cycle.

Accordingly, as proposed in the IMO's final report on the MRCP Review for the 2012/13 Reserve Capacity Year, the MRCP for the 2012/13 Reserve Capacity Year is set at \$238,500 per MW per year.

In making its decision on 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 Püllella, Executive Director Access, on 9213 1900.

Yours sincerely

LYNDON ROWE  
CHAIRMAN