



Our Ref: D102094
Contact: Wana Yang

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

Dear Mr Dawson

APPROVAL OF MAXIMUM RESERVE CAPACITY PRICE FOR 2015/16 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 the MRCP review for the 2013 Reserve Capacity Cycle.

Accordingly, the MRCP for the 2015/16 Capacity Year is set at \$157,000 per MW per year.

In making its decision on whether to approve the value proposed by the IMO, the Authority has reviewed the report provided by the IMO, including all submissions received by the IMO in preparation of the report and considered:

- whether 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
- whether the IMO has carried out an adequate public consultation process.

The Authority is satisfied that these requirements have been met.

Should you have any queries in relation to this matter, please contact Ms Wana Yang, Assistant Director Markets, on 6557 7900.

Yours sincerely



LYNDON ROWE
CHAIRMAN

29/1/13