



Economic Regulation Authority

Promoting fair prices, quality services and choice

PUBLICATION

Maximum Reserve Capacity Price for the 2014/15 Reserve Capacity Year

FINAL DECISION

The Economic Regulation Authority has approved the revised Maximum Reserve Capacity Price (**MRCP**) for the 2014/15 Reserve Capacity Year of \$163,900 per MW per year, as recommended by the Independent Market Operator (**IMO**). The approved revised MRCP will be effective from 1 October 2014 to 1 October 2015.

This approval is granted under clause 2.26.1 of the *Wholesale Electricity Market Rules (Market Rules)* 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 submitted its final report to the Authority on 15 February 2012, accompanied by nine public submissions received in response to the IMO's draft report; reports prepared by consultants Sinclair Knight Merz, Gutteridge Haskins and Davey, and PricewaterhouseCoopers; assessments by Landgate and Western Power; and the IMO's spreadsheet model used to calculate the proposed MRCP.

The Authority has reviewed the IMO's final report and the supporting information provided by the IMO, assessed the proposed MRCP and determined that the requirements of clause 2.26.1 of the Market Rules have been satisfied.

A copy of the Authority's decision setting out its reasons is available on the Authority's [website](#).

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