

NOTICE

SHORT RUN MARGINAL COST DISCUSSION PAPER

The Economic Regulation Authority today released a discussion paper on Short Run Marginal Cost (SRMC) as it relates to clause 6.6.3 of the Wholesale Electricity Market Rules. This paper has been issued in the interests of advancing the debate in economic regulation and seeks to assist market participants in the interpretation of SRMC for the purposes of the market rules.

The paper sets out to identify what costs may be included in a firm's short run portfolio supply curve calculation.

The Wholesale Electricity Market Rules require a Market Generator to offer prices in its Portfolio Supply Curve that reflect its reasonable expectation of the short run marginal costs of generating the relevant electricity.

Public submissions are invited on the matters raised in the discussion paper.

A copy of the [discussion paper](#) and associated [technical paper](#) can be obtained from the Authority's web site.

Any submissions should be in electronic and hard copy form and must be received by 29 February 2008.

Written submissions should be mailed to:

Mr Robert Pullella
Executive Director
Economic Regulation Authority
PO Box 8469
Perth Business Centre WA 6849

Electronic submissions should be emailed to: SRMC@era.wa.gov.au

Confidentiality

In general, all submissions from interested parties will be treated as in the public domain and placed on the Authority's web site.

Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which confidentiality is claimed, and specify in reasonable detail the basis for the claim.

The receipt and publication of any submission on the Authority's web site shall not be taken as indicating that the Authority has knowledge, either actual or constructive, of the contents

of a particular submission and, in particular, whether the submission in whole or in part contains information of a confidential nature and no duty of confidence will arise for the Authority in these circumstances.

For further information contact:

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11 January 2008