

NOTICE

Approval of Maximum Reserve Capacity Price for 2011/2012 Reserve Capacity Year

The Economic Regulation Authority has [approved the proposed Maximum Reserve Capacity Price \(MRCP\)](#) for 2011/12 of \$164,100 per MW per year, as recommended by the Independent Market Operator (IMO) in its final report received by the Authority on 14 January 2009.

The approved revised MRCP will be effective from 1 October 2011 to 1 October 2012.

This approval was granted under Clause 2.26.1 of the *Wholesale Electricity Market Rules* on the basis that:

- the revised value for the MRCP reasonably reflected the application of the method and guiding principles described in Clause 4.16 of the market rules; and
- the IMO had carried out adequate public consultation.

The IMO published a draft report on 8 November 2008 describing how it had arrived at its proposed revised value for the MRCP. Interested parties were invited to make submissions by 28 November 2008.

The IMO's final report was submitted to the Authority accompanied by the one public submission received; reports by consultants Sinclair Knight Merz, Gutteridge Haskins and Davey and Allen Consulting Group; an assessment by Landgate; and the spreadsheet model used to calculate the proposed valuation.

The Authority has reviewed the final report and material provided by the IMO, assessed the value proposed and determined that the requirements of clause 2.26.1 of the Market Rules have been satisfied.

A copy of the Authority's decision explaining the rationale behind its approval can be obtained from its [web site](#).

For further information contact:

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