



Economic Regulation Authority

 WESTERN AUSTRALIA

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## NOTICE

### Approval of Maximum Reserve Capacity Price for 2012/13 Reserve Capacity Year

The Economic Regulation Authority has approved the proposed Maximum Reserve Capacity Price (**MRCP**) for 2012/13 of \$238,500 per MW per year, as recommended by the Independent Market Operator (**IMO**) in its MRCP review for the 2012/13 capacity year final report, received by the Authority on 19 January 2010.

The approved revised MRCP will be effective from 1 October 2012 to 1 October 2013.

This approval was 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 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.

After publication of the IMO's draft MRCP report on 20 November 2009, the IMO reviewed the requirements of the MRCP Market Procedure and reissued its draft report on 10 December 2009 describing how it had arrived at its proposed revised value for the MRCP. Interested parties were invited to make submissions by 4 January 2010.

The IMO's final report was submitted to the Authority accompanied by seven public submissions received in response to the IMO's draft report; reports by consultants Sinclair Knight Merz, Gutteridge Haskins and Davey, and the Allen Consulting Group; assessments by Landgate and Western Power; and the IMO's spreadsheet model used to calculate the proposed MRCP.

The Authority has reviewed the final report and material 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 [web site](#).

For further information contact:

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