



Economic Regulation Authority

Our Ref: D83766  
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 the Maximum Reserve Capacity Price for the 2014/15 Reserve 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 its MRCP review for the 2012 Reserve Capacity Cycle.

Accordingly, as proposed in the IMO's final report on the MRCP Review for the 2014/15 Reserve Capacity Year, the MRCP for the 2014/15 Reserve Capacity Year is set at \$163,900 per MW per year.

In making its decision on whether to approve the value proposed by the IMO, the Authority has considered:

- whether the revised value for 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.

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

Yours sincerely

LYNDON ROWE  
CHAIRMAN

27/2/12