

NOTICE

Approval of the Maximum Reserve Capacity Price for 2009/10

The Economic Regulation Authority has approved the proposed maximum reserve capacity price for 2009/10 of \$142,200/MW recommended by the Independent Market Operator in its final report received by the Authority on 14 November 2006.

Under the Wholesale Electricity Market (WEM) Rules, the Authority is required to assess the maximum reserve capacity price proposed by the IMO.

In making its decision, the Authority must consider:

- whether the price reasonably reflects the application of the method and guiding principles described in clause 4.16 of the WEM Rules; and
- whether the IMO has carried out an adequate public consultation process.

The IMO published a draft report in October 2006 which proposed a maximum reserve capacity price of \$129,900/MW and invited interested parties to make submissions by 3 November 2006.

The IMO considered the public submissions and recommended in its final report that the price be set at \$142,200/MW. The final report was submitted to the Authority accompanied by the submissions received during public consultation, a consultant's report by Sinclair Knight Merz 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 WEM Rules have been satisfied.

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

Available Documents

Copies of relevant documents may be downloaded from the Authority's web site (www.era.wa.gov.au). Printed copies of the documentation are available directly from the Authority for \$25.

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