



Economic Regulation Authority

Our Ref: D168821
Contact: Elizabeth Walters

Mr Cameron Parotte
Executive General Manger (WA)
Australian Energy Market Operator
Level 17, 197 St Georges Terrace
PERTH WA 6000

Dear Mr Parotte

Approval of the Benchmark Reserve Capacity Price for the 2019/20 Capacity Year

In accordance with clause 2.26.1 of the *Wholesale Electricity Market Rules (Market Rules)*, the Economic Regulation Authority has approved the revised Benchmark Reserve Capacity Price (**BRCP**) for the 2019/20 capacity year proposed by the Australian Energy Market Operator (**AEMO**).

As proposed in AEMO's final report on 2017 BRCP for the 2019/20 capacity year, the BRCP for the 2019/20 capacity year is set at \$149,800 per MW per year.

In making its decision on whether to approve the value proposed by AEMO, the ERA considered:

- whether the revised value for the BRCP reasonably reflects the application of the method and guiding principles described in clause 4.16 of the Market Rules; and
- whether AEMO has carried out an adequate public consultation process.

Should you have any queries in relation to this matter, please contact Elizabeth Walters, Assistant Director Electricity, on 6557 7900.

Yours sincerely

MS NICOLA CUSWORTH
CHAIR
31/ 1/ 2017