

# ***MRCP Scoping Questions***

## **Maximum Reserve Capacity Price Working Group**

### **1 MRCP HIGH LEVEL**

- Is there a need to define the MRCP Objectives in the Market Procedure?
- What is the best way to give a price signal to achieve the MRCP objectives?
  - Fixed price providing price certainty versus volatile/cost reflective price to ensure accuracy?
  - Are the current adjustment mechanisms appropriate?

### **2 MRCP DETERMINATION**

- Are the MRCP assumptions still correct and appropriate?
  - Auction versus Bilateral trade.
  - Type, design and components.
- What is the appropriate level of IMO discretion?
- Is one submission period sufficient?

### **3. COST COMPONENTS**

- Are the components of each section correct and/or explicit enough?
- Weighted Average Cost of Capital (WACC)
  - Is the current WACC equation appropriate?
  - Should the calculation of WACC parameters be prescribed?
  - Should the IMO/ERA calculate the WACC?
- What is the most appropriate calculation method for the network connection cost?

Should a level of forced outage refunds be built into the MRCP calculation as a component of the operation and maintenance costs?
- Should fixed gas pipeline transmission costs be included in the calculation of MRCP?