



RPV Developments Pty Limited

RPV Developments Pty Ltd

ABN 65 128 906 703

Level 22, 56 Pitt St
Sydney NSW 2000
Australia

T +61 2 8031 9900

13 September 2011

Manager Projects Access
Economic Regulation Authority

By Email: publicsubmissions@erawa.com.au

RPV Developments Pty. Ltd. (RPV) thanks the ERA for the opportunity to comment on the NFIT Application for Western Power's proposed Midwest Energy Project (Southern Section).

RPV is the developer of the 400 MW Walkaway 2 Wind Farm, located approximately 35km SE of Geraldton. RPV has development and environmental approvals to construct the wind farm however, in order to connect to the South West Interconnected System, RPV requires augmentation of the transmission network from Perth through to Walkaway.

RPV generally supports the proposed project, however does not agree with some of the underlying assumptions in the planning report. The supply of the Geraldton Region load, and the sizing of the transformer in the proposed terminal substation at Three Springs are of particular concern. RPV does not agree with the conclusions that transmission upgrades to the northern section can be deferred through patchwork solutions. Using some incremental revenue from cost deferral through voltage stability solutions and transformer sizing upgrades in this NFIT case is short term in the extreme.

RPV is concerned that the Western Power analysis of scenarios in its planning report, and the entire NFIT process, places undue emphasis on short term cost deferral solutions, rather than focussing on actual strategic planning to deliver network solutions that will last more than one to five years. Prospective block loads, and indeed natural load growth scenarios, are assessed according to their risk of proceeding, rather than their opportunity to contribute to state development. The strategic planning process should be making it relatively simple to connect new loads and generators, rather than focus on incremental benefits that have the most financial impact in the first five years using discounted cash flow methodology. Build it and they will come (with the associated revenue) has been shown time and time again to be successful, particularly in constrained networks such as the SWIS.

RPV urges Western Power to expedite the process for the Northern Stage of the project, which we believe is required at the same time as Stage 1. There are already loads and generators waiting to connect north of Three Springs.

Yours sincerely,

Bill Bowyer
Director

