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Manager Projects Access  
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*Via email: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)*

Dear Sirs,

### **Mid West Energy Project NFIT Draft Decision**

The Geraldton Port Authority (GPA) appreciates the opportunity to comment on the ERA's Draft Decision regarding the Mid West Energy Project (MWEP).

Geraldton Port is currently undergoing a phase of rapid infrastructure change to support the immediate intentions of its iron ore exporters. Port construction activities are well advanced and to support the additional materials handling infrastructure the electrical consumption at the Geraldton Port will grow by nearly 160% within the next 12 months.

Two Geraldton Port projects are both well advanced and will deliver significant economic benefit to the Mid-West region and the State of Western Australia. However, due to constraints in the transmission system to Geraldton, Western Power has been unable to supply the additional capacity required for the new projects on a firm basis and has advised that their supply of any power in excess of current demand will be immediately curtailable under a Voltage Load Shedding scheme.

The cost of curtailment, both in terms of backup power supply and the potential for deferred investment in other new projects is significant.

A solution that overcomes the current power constraints to Geraldton Port and which allows Western Power to offer unconstrained power to these and other new projects is required immediately.

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We refer to paragraph 13 of the Draft Determination:

"The Authority recognises that the proposed augmentation potentially would enable significant new load and generation to be connected to the network which would bring increased revenues to Western Power. However, the majority of the proposed new incremental revenue relates to two new mining operations, one of which has yet to achieve Final Investment Decision."

While the Final Investment Decision for Asia Iron's Extension Hill project is still outstanding, the ERA should acknowledge that significant investment has been made in the development of this project to date and that Asia Iron held a "ground breaking" ceremony at the mine site on Friday the 2<sup>nd</sup> of December 2011.

In the next two years, with adequate power and the completion of the current investment program, exports through Geraldton Port have the potential to reach 28 million tonnes. This substantial growth will support jobs and communities in Geraldton and the Mid-West region. Further afield, steel mills in China have been constructed in anticipation of receiving Mid-West iron ore.

It is widely recognised that the Geraldton Port does not have the berth or land capacity to meet the medium and long term export demand by Mid-West resource companies. This will create additional pressure for construction of port facilities at Oakajee (25 kms north of Geraldton). Planning for Oakajee Port is well advanced and the MWEP will be a key enabler of this new facility.

In addition to projects under construction, there is a long list of new projects which are currently being planned, that we believe the ERA should also include in their incremental benefits analysis.

The MWEP will alleviate significant and expensive network constraints at Geraldton Port. Further, the provision of new additional grid capacity will support many major projects in the Mid-West, increasing revenues and opportunities for the State.

Please contact me if you require any further information or clarification about any of the matters raised above.

Yours sincerely



**PETER KLEIN**  
**CHIEF EXECUTIVE OFFICER**