

15 December 2022

By email to publicsubmissions@erawa.com.au

Western Power AA5 Draft Decision

Thank you for the opportunity to make further comment in respect to the development of Western Power's fifth Access Arrangement. Perth Energy does not wish to make any further detailed comments but raises some more general matters which relate to the overall transformation process.

In summary, we question whether the activities proposed for AA5, and the associated work in parallel areas, will allow Western Power to meet the obligations which it will face over the coming few years. The planned closure of Synergy's coal fired power stations, plus load growth as predicted by AEMO, will require the installation of around 1200 MW of new firm generation capacity over the period to 2030. To meet the Government's renewable energy objectives we can assume that around half of this should be wind or solar with the remainder being firming plant – batteries or gas turbines.

The firm capacity of renewable plant is only around 20% of its installed nameplate capacity. This means that some 2400 MW of new renewable plant will be required, around ten new Collgar wind farms, as well as 600 MW of firming capacity. Connecting these to the transmission grid is a mammoth task.

At present, the lead time to secure a network access contract for a new plant is around two years and this must be completed before AEMO will grant certification. Allowing some time for securing of financial approval, whether this is from a private investor or from Synergy-Government, the minimum time to move from project start through to entering service is around four to five years.

We appreciate that Western Power is looking to speed up its approval processes and have had a very positive meeting with the team charged with this task. However, we suggest that the sheer size of the transformation requires a broader, more comprehensive approach that draws in other entities. Potential options that might be considered would include:

- Closer integration of Western Power and AEMO processes to allow these to progress partially in parallel rather than being sequential. Can Western Power provide some form of provisional network access approval prior to a formal approval?
- Can generation projects be deemed "critical", in the same way that some transmission projects can be deemed "critical" through the whole-of-system-plan process? This would allow such projects to move to the head of the access application queue and allow Western Power to focus on these.
- Can capacity credits be assigned to new facilities one year ahead, rather than two, if there is capacity shortfall?
- We understand that Western Power has considered the option of allowing developers to utilise approved consultants to undertake required system studies. Can this process be initiated or accelerated?
- Can the whole-of-system plan process, and the nomination of critical transmission projects, be brought forward to allow Western Power to start immediately on new projects which are likely to be required irrespective of the ultimate network structure?

Responsibility for various parts of the transformation process lie within Western Power, AEMO, Energy Policy and the Government more generally. No single entity has overall responsibility or the authority to ensure that the process is progressed on the current timetable. Any backtracking on the announced Synergy closure programme for their coal fired generators would be a failure for the whole energy industry. Given the issues with coal supplies, deferral of closures may not even be practical. We would encourage the relevant parties to consider how this can be avoided.

Should you have any questions in respect to this submission please do not hesitate to contact me on [REDACTED] or at [REDACTED]

Yours sincerely

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