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**Ref: Submission re. Issues Paper, Economic Regulation Authority, Western Power 330kV Mid West Augmentation**

Dear Regulator

It is with utter disbelief that we read a consultancy view that the Western Power 330kV Mid West Augmentation was not yet needed.

Any study that even scratches the surface of what is coming on line through the mining industry alone shows that the dwindling spare capacity is woefully inadequate to meet even short term needs.

It is our view that to extrapolate future demand load on historical population growth is hopelessly flawed given that other emerging economic factors have not been taken into consideration nor has the age and existing line performance.

Already we are seeing power troughs and spikes and the unreliability of the existing line can only become a worsening issue. IT professionals are commonly reporting reliability issues and fall-outs of power which will only get worse. Indeed, this organisation has had power reliability issues twice leading to systems crashes in the past three weeks – and it's not even summer yet.

We should remember that the proposal is to build the upgraded line by 2010-11, meaning we already have two or three years ahead of us of worsening reliability issues even if the transmission line upgrade goes ahead as planned.

It is understood that the present 130kV transmission line can take a load of up to 120MW (a figure that some argue is "optimistic"). The Regulator should consider that any existing capacity will be taken up by any single mining project – and there are more than 20 mining projects currently being developed.

Other factors determining economic growth:

- Expansion of Geraldton Port with additional shiploaders that have now taken all the available power in its sub-section and cannot expand further without Western Power upgrades.
- Development of Oakajee deepwater port and inland supporting rail infrastructure as determined by DPI.
- Potential to expand the Walkaway and Jurien windfarms. These facilities are already underperforming because the aged existing transmission lines cannot cope with the load that could be produced. A Kalbarri windfarm will also be completed this year.
- Plans to install a glass toughening plant in Geraldton (2008) which will significantly eat into existing capacity.
- Exploration of options for magnetite processing in the North Midlands area alone will consume more than 100MW at just one site.

- ❑ A deal between Australia and China (with State Government blessing) for iron ore enrichment would be undermined without an upgrade to at least 330kv.
- ❑ There are more than 20 other mining projects under evaluation on top of the existing 17 operations.
- ❑ Historical growth trend of mine assessment to actuality means we can expect to see at least half of those become active projects.

We wish the Economic Regulator to further consider the wider implications of a substandard transmission line feeding the north of Western Australia.

Coolimba Power (Aviva Corporation) expects to have a 400MW plant built by 2011-12 at Eneabba. The project was launched by The Hon Kim Chance this month and ASX announcements made. Without the transmission line capacity to utilise this power the project is in jeopardy.

The cumulative affect of that is that Coolimba is a significant base load power station that will negate the need for Collie power to supply the north. Electricity generation capacity in Collie is under pressure from the rapidly expanding South West, therefore a new power plant is needed for the north of the State and frees capacity for other parts of WA.

Not least, the energy consumption through wastage is about 12% given the distance from Collie to Geraldton. The creation of a norther feeder power plant is thus environmentally sound and will save on wastage.

## Summary

It is our view that:

- ❑ Environmentally, line quality should be upgraded to fully exploit windpower generation projects, encourage more projects and reduce wastage due to distance from Collie.
- ❑ Socially, Western Power estimates outages from 2010. We already seeing unreliability and further delays are not acceptable to regional communities and will cost jobs.
- ❑ Economically, the business case for the region and need of rapidly expanding industry is absolutely beyond question. Failure to go ahead with transmission line upgrades would be devastating to the regional economy of the Mid West (and South West) with dire long-term implications.
- ❑ There is a good business case for a dual circuit 330kv line based on cost, construction blackouts and further delays.

**Western Power's assessment of the need to upgrade transmission lines to Geraldton by 2010-11 is correct and that this action should be expedited as soon as possible.**

Yours sincerely,

Charles Jenkinson  
Executive Officer