



**ATTENTION: ELIZABETH WALTERS, MANAGER PROJECTS ACCESS**

**WESTERN POWER'S MID WEST ENERGY PROJECT (SOUTHERN SECTION)**

The **Mid West Development Commission** is pleased to provide this response to the Economic Regulator's Invitation for Public Submissions on the above project.

**INTRODUCTION**

Together with the Department of Planning, the Mid West Development Commission is at the forefront of planning in the Mid West region. It is apparent through a number of studies that power is a major constraint to the further development of the Mid West region.

The constraints apply to the 'normal' growth of the region and its communities as well as to industry development including the establishment of major resources related projects. The existing network is at 'practical' capacity and is restricting development in areas such as Morawa-Perenjori as well as Geraldton and surrounds. The future development of the Oakajee industrial estate would also be compromised without power from the 330 kV line feeding into it.

Apart from getting much needed power into the Mid West, the 330 kV also offers the critical link by which to send power generated within the region to major markets in Perth and the lower south west. The 300kV line therefore would act as stimulator for regional power generation including the use of renewable energy sources for which the Mid West is highly prospective - wind, solar, geo-thermal, biomass, and wave.

This is recognised by numerous energy generation proponents but the lack of a suitable network to export power to major markets is a major impediment. The Mid West's renewable energy potential is also recognised by the Federal Government which recently put out to tender a study into renewable energy in Western Australia with a focus on the Pilbara and the Mid West<sup>1</sup>

The two major magnetite projects east of Morawa-Perenjori (Karara and Extension Hill) would require power from the proposed 300 kV line to enable them to reach their full production potential. These two operations alone could see well over 1500 people employed in construction with around 1000 permanent positions once the mines are operational.

The Mid West Development Commission's Mid West Strategic Infrastructure Group (MWSIG) recognises power as the major issue which needs to be addressed in the Mid West, as does the Western Australian Planning Commission's Mid West Regional Planning Committee.

The above serves to highlight the critical need for the 330 kV line to be completed, initially to Eneabba, but then through to Geraldton and Oakajee to support major industry and community growth. The State Government has submitted a funding application to Infrastructure Australia for the construction of Stage 2.

1. Department of Resources, Energy and Tourism: Request for Tender - *Western Australian Regional Renewable Energy Assessment*. Tenders close 5 January 2011



In responding more directly to the ERA's invitation for public submission, the Commission offers the following feedback. Numbering coincides with that contained within the ERA's Issues Paper.

#### **4. PUBLIC CONSULTATION**

Given the critical importance of power to the Mid West, there has been, and remains a very high level of awareness of the need to address Mid West energy needs and the role the proposed 330 kV project can play to meet them. The provision by Western Power (WP) of various material including a discussion and options paper, and consultation via individual stakeholder meetings and community/industry forums has enhanced this understanding, and provided Western Power with valuable feedback. MWDC actively participated in the public consultation process.

#### **5 IDENTIFICATION OF ALTERNATIVE OPTIONS**

In the view of MWDC, the most viable energy option from a timeliness and cost effective power supply perspective, is the proposal recommended by WP. This is also the strong view of the MWSIG and regional stakeholders.

In addition the 330 kV provides other regional and state benefits including:

- Stimulates power generation within the region, particularly renewables;
- Provides a short and long term solution to the Mid West's energy needs;
- The full realisation of a double circuit 330 kV line can be staged in line with demand, initially with the 330 kV Southern Section, followed by completion of the Northern Section and ultimately the installation of the second 330 kV line.
- The 330 kV provides another, geographically dispersed energy spine which could mitigate the risk of another major incident (such as Varanus) which could impact heavily on Perth and the lower south west.

Other Mid West energy options are considered relatively short term and unable to meet the region's needs well into the future. It would be highly regrettable if an alternative option was implemented only to find it was inadequate and that even more public funds were needed to bring it up to the desired level. That is, there is potentially a significant opportunity cost associated with not implementing the 330 kV option.

#### **6 ASSESSMENT OF NET BENEFIT**

MWDC is unable to comment on the technical aspects of net benefit but reiterates that the 330 kV line is a critical piece of strategic infrastructure and fundamental to the future of the Mid West.

The initial use of a single 330 kV line with a 132 kv line will provide sufficient capacity to meet an 'average' growth scenario. This can be upgraded quickly and cost effectively to a double circuit 330 kV line should demand require it. This level

of forward planning in the provision of critical infrastructure to the State and Region, provides a high degree of certainty and confidence within the region, with industry and with government at all levels.

The Mid West Development Commission looks forward to a positive outcome from the ERA on this matter so that work on this much needed infrastructure can commence as soon as possible.

Should there be any enquiries or need for clarification on this response, please contact me directly on

Yours sincerely



**STEVE DOUGLAS**  
**CEO, MID WEST DEVELOPMENT COMMISSION**

**24 December 2010**