

20 November 2007

Mr Robert Pullella
Executive Director
Economic Regulation Authority of WA
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Dear Sir

WESTERN POWER'S 330kV MID-WEST AUGMENTATION

Aviva Corporation welcomes the opportunity to comment on the technical report that assessed Western Power's major augmentation proposal for a 330kV transmission line and associated works in the Mid-West region of Western Australia.

Background

Aviva is well advanced on plans to build its 400MW Coolimba Power Station, located just south of Eneabba in the Mid-West region. The project will be the first carbon capture ready coal-fired power station in Western Australia and will deliver competitive power into the South West Interconnected System (SWIS), supplying major industrial loads as well electricity retailers.

Integral to meeting the project's timetable for commissioning in 2011/12 is its ability to connect to the SWIS to provide power both to loads in the metropolitan area and in the Mid-West region. Although the Coolimba project will provide net transmission benefits by reducing substantial line losses from power delivered from generation in the south – mainly Collie and Kwinana - in order for Coolimba to connect and deliver power to the SWIS, the power station requires that the existing electricity transmission infrastructure be upgraded from 132kV to 330kV.

The Coolimba project will provide a new major generation and fuel source to the north of Perth, balancing the supply from the Collie Basin. However, in order to provide competitive power into the SWIS, and to be able to compete

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on a level playing field against generators to the south of Perth, it needs access to reliable transmission capacity.

Accordingly, Aviva disagrees with the findings of the technical report which do not seem to take into account the requirements for the Coolimba project.

Specific Comments

1. Western Power has advised Aviva that it cannot connect the Coolimba power station to its network – either existing or expanded – if the main connection between Pinjar and Geraldton continues to operate at 132kV. The connection of 2x200MW of base load generation at Eneabba requires an up-grade to that line to a dual circuit 330kV network.
2. The report does not take into account the circumstances of Coolimba operating at 400MW and a single transmission contingency occurring. It is very unlikely that a 132kV network could cope with 400MW of output without substantially affecting the power station's operations.
3. The report indicates that the minimum load in the North Country Region (NCR) is about 50MW, but as Coolimba will operate at base load, this will mean 350MW will need to be transported south. It is clear from the report that the 132kV system cannot transport 350MW out of the NCR. A dual circuit 330kV system is required to cope with this amount of power being exported.
4. The report in effect says that the transmission up-grade could be delayed several years to see what eventuates in terms of new block loads. This assumes that the load in the NCR is effectively supplied from Perth or south of Perth, after allowing for embedded generation in the NCR. Thus, when the load in the NCR exceeds the embedded generation plus the network import capacity, then the transmission system would need augmentation to allow more import from Perth or south of Perth. This argument is unbalanced, because generators in the Collie Basin are provided multiple 330kV – not 132kv – circuits to allow them to supply the metropolitan region, and in effect will then have access to an upgrade to the NCR region to allow them to supply it once load growth in the NCR exceeds the capacity of the 132 kV system. On the other hand, generators in the NCR, such as Coolimba, do not have access to high capacity transmission links to the metropolitan region, or the south west region.

5. The methodology of the report considers only loads in terms of determining the requirements for an augmentation. Generators such as Coolimba are also customers of Western Power, and are critical to the design and functioning of the SWIS.

Conclusion

Aviva supports the up-grade of the main trunk line between Pinjar and Geraldton to a dual circuit 330kV system to enable the Coolimba power station, as well as other potential generation projects in the Mid-West region, to connect to the SWIS and provide reliable, competitive power on equal terms with competing generators in the metropolitan area or the Collie Basin.

Delaying an up-grade to 330kV will not only cause concerns for the Coolimba project, but it will perpetuate the dominance of supply from one part of the SWIS, which is not an efficient outcome for the network or its customers.

Should you wish to discuss this submission further, we would be pleased to meet at your convenience.

Yours sincerely

Richard Harris
General Manager Development