



# Hon. Jim Chown MLC

Member for the Agricultural Region

Mr Lincoln Flindell  
Manager Projects  
Economic Regulation Authority

Email: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

Phone: 08 9481 0082  
Fax: 08 9321 1287  
Email: [Jim.Chown@mp.wa.gov.au](mailto:Jim.Chown@mp.wa.gov.au)  
Office: 5 Harvest Terrace  
West Perth WA 6005

## **Application for an exemption from certain requirements of the Technical Rules submitted by Western Power – Wagin Substation**

I write in support of Western Power's application pursuant to section 12.40 of the *Electricity Networks Access Code 2004* (Access Code) for exemption from the Technical Rules. The Access Code exemption relates to connection of Morton Seed & Grain's (MSG) bioenergy cogeneration plant to the Wagin substation.

MSG's bioenergy cogeneration plant forms part of the broader Wagin Integrated Food Fibre Processing Hub project, with plans for the bioenergy cogeneration plant to power a desalination plant and a recirculating aquaculture facility.

I first became familiar with this impressive project in 2012. Unfortunately, the original project had to be redesigned and scaled back due to lack of available funding. However, even in its current revised construct, this project is one that could have massive benefits for the Wagin community, as has been recognised by the Shire of Wagin's strong support since the project's conception.

Wagin is a community that is heavily reliant on the agricultural industry and is, therefore, subject to its vagaries. This project provides the opportunity for Wagin to diversify and expand its economy.

Furthermore, as a Wheatbelt town, Wagin is subject to groundwater incursion as a result of dryland salinity. Salinity in the Wheatbelt is a major issue, impacting not only on the viability of agriculture but also upon the town's infrastructure through corrosion.

At present, Wagin pumps around 600 kilolitres of semi-saline groundwater from under the town each day into Slippery Lake to maintain the level of the rising water table, equating to 219 megalitres per year. The groundwater in Wagin is suitable for reverse osmosis and the council has approved MSG's use of 60 megalitres of groundwater each year for desalination through its plant, meaning that over 27 per cent of the groundwater that is currently pumped from under the town could be recovered. At least 20 per cent of the desalinated, potable water will be fed back into the town's scheme water supply.

There are also plans as part of the Wagin Integrated Food Fibre Processing Hub project to develop an aquaculture facility to produce barramundi and trout. Wagin's semi-saline groundwater is very similar to seawater and is suitable for aquaculture. The aim is for the Shire to sell the groundwater to the aquaculture facility to cover the cost of pumping.

As to MSG's bioenergy cogeneration plant itself, biomass is currently an underutilised and undervalued resource. The Department of Agriculture and Food has estimated that Western Australian farmers produce over 10m tonnes of waste biomass each year. DAFWA has been mapping potential biomass collection points in the Wheatbelt in recognition of its significant commercial potential.

MSG's bioenergy cogeneration plant will use around 8,000 tonnes of oat husks to produce electricity and steam. With 2kg of oat husks equivalent to 1 kilowatt hour, the plant will be able to produce 2.5m kilowatt hours per year.

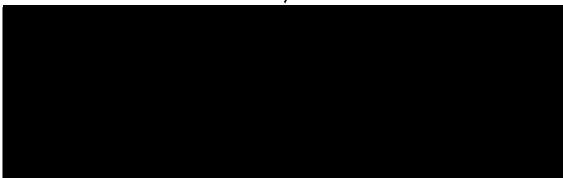
Based on Western Power's application, it would appear that there would be no effect to the service provider or other users on the network if the bioenergy cogeneration plant were to be connected to the Wagin substation. To require compliance would mean the Wagin substation would have to be upgraded at a cost in excess of \$2m, which would render not only the bioenergy cogeneration plant, but also the broader Wagin Integrated Food Fibre Processing Hub project, unviable.

As Western Power noted in its application, there are plans to upgrade the ageing Wagin substation in the longer term. In the shorter term, based on Western Power's own assessment from the network and protection engineering viewpoints, with an inter-trip in place the proposed connection arrangement presents a low risk.

Failure to grant Western Power's application would further forestall a very worthy regional project that has both State and Federal Government backing, as evidenced by the funding allocations received via the State's Low Emissions Energy Development Fund and the Federal Government's Clean Technology Food and Foundries Investment Program. This project also has my firm backing as Member for the Agricultural Region.

On balance, I believe that the broader public benefits that could be achieved by granting Western Power's application should be considered by any prudent and reasonable person as far outweighing any potential disadvantages. Therefore, the Economic Regulation Authority should have no hesitation whatsoever in granting Western Power's application, thus allowing connection of the bioenergy cogeneration plant to the Wagin substation and the broader Wagin Integrated Food Fibre Processing Hub project to go forward.

Yours sincerely



Hon Jim Chown MLC  
**MEMBER FOR AGRICULTURAL REGION**  
**Parliamentary Secretary to the Minister for Transport**

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