

5 December 2011

Tyson Self
Manager Projects, Access
PO Box 8469
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Australia

Dear Tyson

Re: Submission on the 2012-2017 Western Power Revised Access Arrangement – specifically the Smart Grid Proposal and related capital and operational expenditure detailed in Appendix R.

Landcorp and Lend Lease, as urban developers of the South Alkimos project in northern Perth, would like to express in principle support for the Western Power Smart Grid Proposal.

The South Alkimos project, and future planned urban development in the area by Landcorp, will be planned to be a modern urban development that targets greatly reduced carbon emissions in both construction and community operation stages.

Energy efficiency, flexible energy demand management and access to multiple renewable energy types are central to achieving this outcome. Achieving considerable savings in total and peak energy demand at a household and commercial level will require significant behavioural changes, roll out of appliances supportive of changed behaviours and roll out of distributed renewable energy technologies.

In reviewing the Western Power Smart Grid Proposal we would comment that complimentary initiatives are being considered by Landcorp and Lend Lease at South Alkimos that will act to support the benefits stated and potentially increase these benefits. As urban developers our focus is predominantly on the residential and commercial communities and as such our support for the Western Power Smart Grid Proposal relates to the advantages for these consumers – both in terms of opportunity to reduce environmental footprint but also to reduce the costs of electricity and gas.

Specifically the areas of the proposal that we support are:

- Section 1.4.1 – Education based community engagement
 - Tailored, personalised and direct engagement with incoming residents to the community – our experience is that home purchase represents a time when residents are relatively open to new ideas and therefore behaviour change outcomes.
 - Detailing the potential cost saving benefits at this time will be an important tool to support behavioural change.
 - Landcorp and Lend Lease are considering homes with greatly improved energy efficiency which would be accompanied by home operating manuals helping to educate residents how to operate their home most efficiently.

- Section 1.4.2 – Customer focussed demand management programs
 - Providing customers with in-home energy displays, portals and web applications to ensure they can access real time consumption data.
 - Landcorp and Lend Lease believe that providing residents with current and relevant information on demand patterns is essential to achieving material behavioural change as evidenced in most international studies on this topic.
 - Landcorp and Lend Lease are also willing to encourage pilots of load saving devices and programs and tariff structures that allow residents to manage demand for financial and/or environmental incentive.
 - In the medium term home area networks, to optimise appliance energy consumption, are also anticipated for South Alkimos.

Generally we also support the wider establishment of the Smart Grid in Perth as it will ultimately allow improved management of distributed low carbon energy generation at Alkimos. Landcorp and Lend Lease are considering large scale roll out of PV arrays (both domestic and commercial scale) and gas co-generation technologies as South Alkimos develops. In the medium term it is anticipated that small scale energy storage (at a household level) and incorporation of electric vehicles will also be required. As grid connection will likely remain mandatory, the meshing of these different energy generation types will require careful load management requiring the information available in a Smart Grid and the richness of load management tools available. Furthermore, consumers will ultimately benefit from Western Power potentially reducing wider system transmission and distribution costs due to localised renewable energy sources.

Landcorp and Lend Lease are currently in high level discussions with Western Power to ensure all potential Smart Grid benefits to future consumers at South Alkimos are realised.

Yours faithfully



Martin Gaedke
Senior Project Director - Alkimos
Communities

Cc: Matt Bradley - LandCorp