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Friday 19 August 2005

## **SUBMISSION**

### **Review of the Electricity Transmission Revenue and Pricing Rules Australian Energy Market Commission**

I wish to make this submission with reference to a 330kv transmission line proposed in western NSW between Wollar and Wellington.

The ACCC has approved the investment of \$70m on this project when there are major discrepancies in the information provided by Transgrid in relation to demand forecasts and reliability of existing supply.

The Wollar-Wellington 330kv Transmission Line has been proposed to augment the existing 330kv line (Line 72) between Mt Piper Power Station and Wellington substation and to service future demand in western NSW.

Information has shown that Line 72 has been in service for 20 years and has been forced out of service only 5 times and in each case, only momentarily, with no loss of supply. The failure of this line is not an issue.

The estimated growth in demand for western NSW is 9MW per year. The proposed Wollar-Wellington Transmission Line will provide 1000MW per year.

The forecast load of 617MW will not be reached for 20 years and can be adequately supplied by existing infrastructure until that time.

A gas generator placed at Wellington (already with a gas supply) could meet peak load demand. This option was not adequately considered or costed by either Transgrid or ACCC.

The main areas of concern in relation to a reliable electricity supply are the 22kv feeder lines. There seems to be no indication of investment in improving the frequency of outage on these lines.

The investment of \$70m of taxpayers money on a new 330kv transmission line based on contradictory information needs to be addressed. Fully costed alternative options for demand management and renewable energy supply to existing infrastructure were not taken into consideration.

#### **4.3 Mechanism for Establishment of Revenue Requirement**

All electricity supply options need to be fully explored before investment in new transmission infrastructure is considered.

The cost of transmission losses to the generating system needs to be prioritised. Base load power supply needs to be generated from a range of options closer to the areas of useage.

Demand management, renewable energy options and the siting of new electricity generators need to be fully considered and costed before revenue is made available for new transmission lines.