

Noel Schubert

11 October 2018

Attn: Mr Ashwin Raj
Manager, Energy Networks
Public Utilities Office
Department of Treasury
David Malcolm Justice Centre
28 Barrack Street
Perth 6000

Submission re: Improving access to the Western Power Network - proposed approach to implement constrained network access

Dear Ashwin,

Thank you for the opportunity to comment in response to the above paper and the subsequent revised EY modelling report.

Having been involved in some of the stakeholder consultations that were part of developing the recommendations in this paper, and further to my previous submission on the earlier consultation papers, I support the recommended approach to introduce fully constrained access to the network.

Improving the ability of new generators to connect to the network and make use of spare network capacity that exists for most of the year, will help introduce more competition between generators and should result in reduced costs of electricity supply and environmental impacts compared to maintaining the status quo.

I note from the paper that the modelled forecast savings – \$288m originally, and now \$800m from the revised modelling, in lower market payments over 60 years - will be offset by the quantum of transitional assistance payments to generators with firm access rights. I consider that the introduction of fully constrained access as proposed in the paper should still proceed even if the quantum of transitional assistance payments is a significant proportion of the estimated \$800m savings, because of the other benefits of moving to fully constrained access.

Given the many, often competing or conflicting, aspects that needed to be taken into account in developing a reasonable approach to improving access to Western Power's network, I consider that the proposed approach is appropriate. Not only will it improve access, and defer network augmentation, but it will improve the average utilisation of significant parts of the network. The average utilisation is very low in most areas of the network meaning that there is significant spare network capacity for most of the year other than near peak load times.

Having worked for Western Power I am well aware of the need to make better use of the existing network assets so that expenditure on new network capacity can be deferred for longer, especially given the significant changes occurring in the industry that could strand network capacity in future.

Yours sincerely,

Noel Schubert