



**Hon Mike Nahan MLA
Treasurer; Minister for Energy;
Citizenship and Multicultural Interests**

Our ref: 48-16636

Hon Simon O'Brien MLC
Chairman
Standing Committee on Environment and Public Affairs
Parliament House
Perth WA 6000

Dear Mr O'Brien *Simon*

PETITION NO. 111 – KALBARRI POWER SUPPLY

Thank you for your correspondence dated 7 April 2016 regarding Western Power and concerns about levels of reliability of the power supply to the town of Kalbarri.

While Western Power is currently meeting all of its Service Standard Benchmarks over the current regulatory period, it has acknowledged that some customers would like higher levels of reliability.

The reasons behind Kalbarri's power supply issues have been well documented over recent times. As a single overhead feeder, passing over 140 kilometres of farmland and other rural terrain, it can at times be difficult to identify issues and access the line when faults have arisen. This issue is exacerbated during times of high fire risk when vehicle movement is limited and line re-energisation is prohibited.

Under Western Power's regulatory regime, it is necessary for capital work on the network to pass an investment efficiency test. As a town of approximately 1,300 connections, the relatively low revenue generated from Kalbarri by Western Power makes passing these regulatory imposed hurdles restrictive and hard to justify significant investment for a marginal increase in reliability.

It should also be highlighted that Western Power has finite funding levels and on this basis has to consider broader network needs. Safety considerations are the investment priority of the business and this stance is supported by Government.

I would also like to highlight that Western Power is undertaking extensive work on the Kalbarri feeder. In the 2014/15 financial year, Western Power completed a total of 259 maintenance jobs. This included treatments to 116 poles, silicon treatment and line washing. For the 2015/16 year, 210 poles are scheduled to be treated and the silicon and line washing programme has continued.

In February 2016, as Minister for Energy, I approved Western Power to invest \$300,000 towards a feasibility study to develop a micro grid to improve the town's power reliability.

Western Power's CEO announced to community representatives and the media in Kalbarri on 2 March 2016 that a partnership with technology company Enerji Ltd was in place conduct the study. A commitment was made to update the community regularly on the progress of the study. It is my understanding that Western Power has been undertaking these sessions. The feasibility study period will run for six months from March to September 2016.

Traditional and emerging technology options are being considered as long term solutions for all edge of grid areas. Micro-grid technologies, battery storage and other projects are currently underway as Western Power seeks to provide the most efficient, safe and reliable power into the future.

I thank the Committee for bringing this petition to my attention. Should further information be required please let me know.

Yours sincerely



**DR MIKE NAHAN MLA
TREASURER; MINISTER FOR ENERGY;
CITIZENSHIP & MULTICULTURAL INTERESTS**

03 MAY 2016