



# *Liz Penfold* MP

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Date: 22<sup>nd</sup> May 2009

Mr Lewis Owens  
Chief Executive Officer,  
ETSA Utilities,  
GPO Box 77  
ADELAIDE SA 5001

Dear Lew,

I noted in your letter of the 16<sup>th</sup> April 2009, reference 416, that ETSA Utilities is finalising its submission to the Regulator for the 2010 – 2015 regulatory period, over the next two months. My submission of the 18<sup>th</sup> September 2008 to your public consultation paper needs updating to ensure that the most recent information from the Eyre Peninsula is included. A number of the mining opportunities I outlined have now become realities and several more have appeared on the horizon, despite the woes of the economic downturn.

It is now acknowledged that 80% of the State's mining exploration is within the Gawler Craton, which underlies Eyre Peninsula. However, we won't have the anticipated mining boom until the power, water and transport infrastructure are in place. Fortunately countries wanting our minerals have the money and are willing to help put the necessary infrastructure in place.

Firstly I note once again that the whole region of Eyre Peninsula is constrained by ElectraNet's more than 40 year old 132 KV line Whyalla to Port Lincoln, with a spur to Wudinna. I ask you to apply what ever pressure you can to having a regulated line constructed along the west coast of Eyre Peninsula from Wudinna to Elliston and down to Port Lincoln. Triangulating the power lines would provide security of power for southern Eyre Peninsula and enable inputs and off takes of power from the 1,000MW plus of wind energy being planned at Elliston and the desalination plants and mining activities en route.

The southern triangulation of power lines is in addition to the ring main that is needed in the North and West to provide the stability of power supplies and the intakes and off takes there. I noted with interest that in July 2008 you provided a 168km electrical power line to OZ Minerals' Prominent Hill copper and gold mine from Olympic Dam. This would form one link in the ring main. The Lake Phillipson coal mine is about 100km away from Prominent Hill and will provide another link in the line through to Challenger gold mine, Warrior uranium mine and possibly west to the Iluka's Jacinth Ambrosia mineral sands, Fowlers Bay and Lake McDonald gypsum mine to Ceduna. This line I hope will eventually grow over the next few years as mines come into production in the north and west to link in via Ceduna to Wudinna and should be taken into account in your plans.

I will address the issues using the headings in the Public Consultation Document August 2008 and my previous submission.

### **Reliability and security of supply**

In addition to the existing wind farms Mt Miller 70 MW and Cathedral Rocks 65 MW, wind farms of approx 1,000MW capacity are being planned by Ausker Energies and Origin Energy near Elliston, which is rated as one the top sites for wind energy in the world.

Also Wave Rider Energy has this week been given approval for their pilot wave energy plant at Elliston, 800 metres off shore and 30 metres deep, using the power of the Southern Ocean.

These projects are expected to begin early in 2010 – 2015 regulatory period and need to be taken into consideration as the area is currently serviced by only 11KV lines. BHP and other developments in the region will be able to take advantage of the green energy.

### **Customer service and community**

Elliston, Lock, Tumby Bay, Cummins, Port Neill, Cowell, Kimba, Cleve, Wudinna, Streaky Bay, Fowlers Bay, Ceduna and Port Lincoln will all have significant increases in population stimulated by mining in the vicinity of these towns.

### **Supporting growth in SA**

In addition to Iluka's mineral sands mine and potential processing plant west of Ceduna, Minotaur's kaolin mine and processing south of Streaky Bay and the many other uranium, lead, zinc, copper, gold, and iron ore companies already mentioned in my September submission, there is now a proposed export port near Port Neill where future value adding requires an iron ore pellet plant that is expected to become a reality within the regulatory period. This port and pellet plant will need significant power for loading, unloading and processing of iron ore, as well as having a significant multiplier effect, with all the support services needed such as a cement

works and additional housing for staff. An estimated requirement of 350 MW has been provided to me by the proponent.

I also mention that the small township of Fowlers Bay should be considered for significant expansion as a possible service town. I ask that you factor it in to your submission for expected expansion (the reasons for which I cannot advise at this time) but very likely to be within the time frame of your plan.

In the last month the government and SA Water have at last recognised the need for desalination on Eyre Peninsula as the basins are overdrawn.

The processing of the kaolin alone requires about 3 gigalitres of water and the port and pellet plant are not yet being factored in by the government. SA Water, despite being the monopoly provider of water and in control of the pipeline net work, does not consider providing water for mining is it's problem and is leaving it to the companies themselves to source.

I therefore reiterate the need for desalination plants to at least double the 9 gigalitres currently obtained in the most part from the overdrawn underground basins south of Port Lincoln. However, the required desalination plants will be significant users of power and this will need to be factored in to the requirements for the regulatory period as work is expected to start this financial year.

I will add nothing further to my existing submission under the headings:

**Addressing demand and capacity balance**

**Addressing deteriorating network utilisation**

**Renewing SA's ageing infrastructure**

**Adapting to climate change**

**Gearing up to met the challenge**

I will alert businesses, ERDB, EPLGA and Local Governments in the area to have input into your plans. I remember well 2005 when no submissions were received. We cannot risk that happening again as we have significant world class developments currently being planned on Eyre Peninsula that cannot afford to miss being considered in this current regulatory round.

Yours sincerely,



**Mrs. Liz Penfold MP**

*Member for Flinders*