Electricity access threshold to be reduced over next three years

The Minister for Energy, Hon Colin Barnett, has indicated that the threshold level for access to Western Power’s distribution systems in the South West and the Pilbara could possibly be reduced to 300,000 kWh per year within three years. This would increase the number of contestable customers from 120 to an estimated 2500.

Mr Barnett foreshadowed the move in his opening address to the recent Energy in Western Australia 2000 Conference. He said the Government had made no formal decision but it was obvious that further reduction of the threshold was a key to encouraging additional power producers to enter the market and provide more choice to customers.

"It’s not taking contestability right down to the household or small business level but any medium to larger size energy customer would be contestable.”

"The objective would be to achieve that level of contestability in not more than 3 years, so we will now start to move quite aggressively in lowering threshold levels.”

Mr Barnett said there were complex issues associated with reducing contestability levels and he appealed to industry to be supportive in managing its way through them. Because these and other obstacles have to be resolved, the lowering of the threshold will be achieved by steps. The exact timing or scale of those steps is yet to be determined.

Alongside the lowering of the threshold will be changes in the industry’s structure to attract more independent power producers and reduce the dominance of Western Power in supplying power to the South West grid.

One impetus for this change comes from the current need for extra generating capacity in the South West which has created an opportunity for more private sector investment. Another is the fact that much of Western Power’s plant is old and will need to be replaced. There is likely to be significant requirement for investment in that area.

Lower access thresholds will allow medium to large businesses to select their electricity suppliers.

"By no later than 2010, at least 50% of all generation in the South West Interconnected System will be private and by that time, if not earlier, at least 50% of all Western Power’s generation will be privately sourced,” Mr Barnett predicted.

(Continued Page 5)

New energy map now available

An updated version of the Office of Energy’s poster sized Energy Resources and Infrastructure Map is now available. The map remains free of charge if collected from the Perth office at Level 9, 197 St George’s Terrace Perth, or the Leederville office at 20 Southport Street Leederville.

Maps can be sent out in mailing tubes at a cost of $11 per tube (including $1 GST) to anywhere within Australia, or $30 per tube (Australian dollars, GST free) to the rest of the world. Each mailing tube holds up to three maps.

An order form is included with this issue of Energy News WA, and is available from the Office of Energy website at www.energy.wa.gov.au. An A4 version of the map is also available from the website in Adobe pdf format.

For more information contact the Office of Energy on (08) 9420 5600, e-mail enquiries@energy.wa.gov.au