

December 4, 2017

Public Utilities Office, Department of Treasury  
Locked Bag 11  
Cloisters Square, WA 6850

**Attention: Mr Noel Ryan**

**Improving access to, and operation of, the Pilbara electricity network – Issues paper submission**

Dear Mr Ryan,

We refer to the issues paper titled “Improving access to, and operation of, the Pilbara electricity network – the North West Interconnected System” published by the Public Utilities Office, Department of Treasury on 14 November 2017.

TransAlta would like to thank the Public Utilities Office for the opportunity to comment on the considerations raised in the issues paper.

In business in Australia since the mid-1990s, TransAlta Energy Australia specializes in the provision of power to remote mining operations through the development of long-term strategic relationships. We supply power to large-scale mining and processing operations, to the Wholesale Electricity Market, and to customers in the NWIS in Western Australia. Most recently, we have commissioned a 150 MW combined cycle Power Station in South Hedland.

In general, we are supportive of any move taken by the government to increase levels of competition in the marketplace. We make three general comments in support of reform in the region.

Firstly, we are supportive of measures that ensure the efficient use of both electrical transmission, distribution and generation assets. Efficient use of existing and future assets will help to ensure low cost, clean and reliable electricity can be delivered to all consumers. The NWIS represents a significant investment by many parties and having a mechanism to dispatch resources efficiently will help to deliver on the needs of all users and consumers within the region. For example, new and existing users should have the ability to access and negotiate

with various generators on the system even if it crosses multiple transmission asset owners, with the understanding that a common, fair and transparent mechanism is in place to achieve the best outcome for their needs.

Secondly, any structural reform will likely remain in place for many years to come and we consider any change proposed should be wide enough to cover as much of the transmission and distribution system as is reasonably possible. This will ensure an even playing field is developed for all, both now and for the future. Competition should be facilitated at all levels across the region, and limiting coverage and reform outcomes to only those assets owned by Horizon Power may not ultimately be in the best interests of all consumers and potentially unfair to generators connected to the Horizon Power network such as TransAlta.

Finally, on the issue of technical rules, we are supportive of measures that preserve the compliance of capabilities existing at the time regulatory reform is implemented. Technical performance of generation assets should be set at its time of commissioning. Transmission, distribution and generation assets are developed using technology of the day, under technical provisions in place at the time. Retrofitting equipment to meet changing technical compliance requirements can be costly and may not meet the objectives of providing low cost, clean and reliable electricity to consumers.

TransAlta is keen to remain engaged in the Public Utilities Office process as the recommendations to the Minister develop.

Should you have any questions or queries, please do not hesitate to contact me.

Yours truly,



Troy Forward  
Manager, Commercial  
**TransAlta Energy Australia Pty Ltd**