



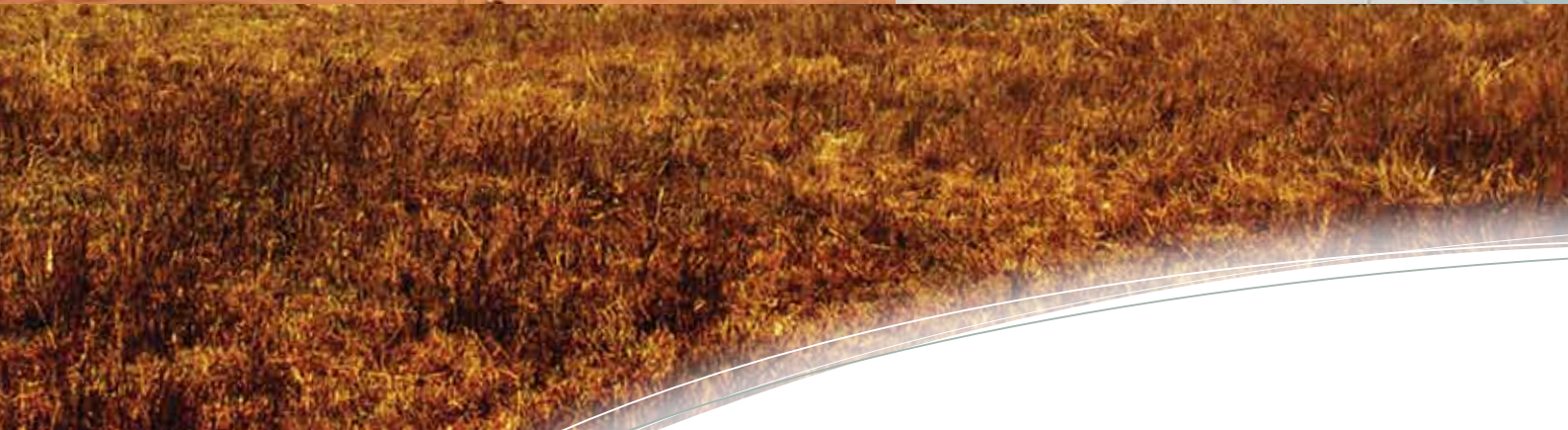
**HORIZON**  
POWER

What sets us apart is our passion and ability to deliver reliable, safe and affordable services in the most challenging of environments.



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# WHO WE ARE

Horizon Power is the pre-eminent supplier of energy solutions to regional and remote Western Australia.

What sets us apart is our passion and ability to deliver safe, reliable and affordable services in the most challenging of environments. Our service area is vast, approximately 2.3 million square kilometres.

Horizon Power services the biggest area with the least amount of customers in the world - for every 53.5 square kilometres of terrain, we have one customer.

Our customers range from people living in remote, isolated communities with less than 100 people, to residents and small businesses in busy regional towns, to major mining companies in the resource-rich Pilbara region.

We maintain two interconnected networks as well as in excess of 30, and growing, isolated or islanded systems that power towns and communities throughout regional Western Australia. The systems are exposed to intense heat and cyclonic conditions in the north, and ravaging storms in the south.

It is these challenges that drive the innovation and commitment of our agile, professional and engaged team of more than 400 employees.

Although Horizon Power is a relatively new business, we have the benefit of a long history as part of the State-owned energy company in its various forms.

Horizon Power is a Government Trading Enterprise which operates on a commercial basis.

We focus on delivering the best possible set of economic, environmental and social outcomes to the communities we serve while applying a commercial discipline and focus to the way we do it.



**HORIZON POWER SERVICES THE BIGGEST AREA WITH THE LEAST AMOUNT OF CUSTOMERS IN THE WORLD**





# WHAT WE DO

The sustainable delivery of safe, reliable and affordable electricity is at the heart of what we do at Horizon Power.

At Horizon Power, we are not standing still. We are constantly exploring ways of doing things better, of developing new business opportunities and exploring new horizons.

We have developed energy systems capable of powering remote communities in any location.

Growing our business by extending the suite of products and services we offer will increase our ability to assist in the development of regional Western Australia.

Horizon Power currently delivers power to 43,000 connections, supplying more than 100,000 residents of regional towns and remote communities and more than 9,000 businesses.

We operate in the Kimberley, Pilbara, Gascoyne, Mid West and the Southern Goldfields, including Esperance, Hopetoun and Norseman. Our head office is in Karratha, including our Network Operations Control Centre, with administrative support being delivered from Perth.

The service area includes two networks – the North West Interconnected System (NWIS) in the Pilbara and a smaller transmission network connecting the towns of Kununurra and Wyndham. The isolated system powering Esperance and the surrounding rural regions provides service to one-third of Horizon Power’s customers. Another third are supplied by the NWIS and the remainder of our customers reside in the towns and communities not connected to those main grids. Power is delivered to these communities via islanded power systems.

Almost every month, more communities become Horizon Power customers through the regularisation of remote and town-based community power systems throughout Western Australia. Through focused programs of regularisation, more than one-third of the residents of Aboriginal communities in Western Australia are now receiving a level of service similar to that which many other Western Australians take for granted.



**HORIZON POWER CURRENTLY DELIVERS POWER TO 43,000 CONNECTIONS, SUPPLYING MORE THAN 100,000 RESIDENTS OF REGIONAL TOWNS AND REMOTE COMMUNITIES AND MORE THAN 9000 BUSINESSES.**





# WHAT WE BELIEVE IN

Horizon Power is committed to creating intergenerational assets - lasting value for future generations - by maximising lasting value for future generations by maximising the economic, social and environmental benefit for the communities in which we operate and live.

We are focused on extending the availability of reliable electricity supplies to all regional communities and ensuring the delivery of appropriate levels of service to customers, regardless of what part of the service area they live and work.

In all we do, the safety of the public and our employees is paramount.

We are focused on creating lasting value for this generation and generations to come in the communities we serve and we strive to assist the development of regional and remote Western Australia.

Developing the resource-rich Pilbara region, which creates much wealth for Western Australia and the rest of the nation, is a core component of our business strategy. It is critical that industry can access reliable and efficient sources of power.

Horizon Power is playing an integral role in the planning and development of infrastructure and a more sustainable electricity supply to the Pilbara and the other regions in which we operate.

Extending our service to more communities and upgrading power supplies to improve the safety,

reliability and affordability of supply is another way in which we deliver on our commitment to regional and remote Western Australia.

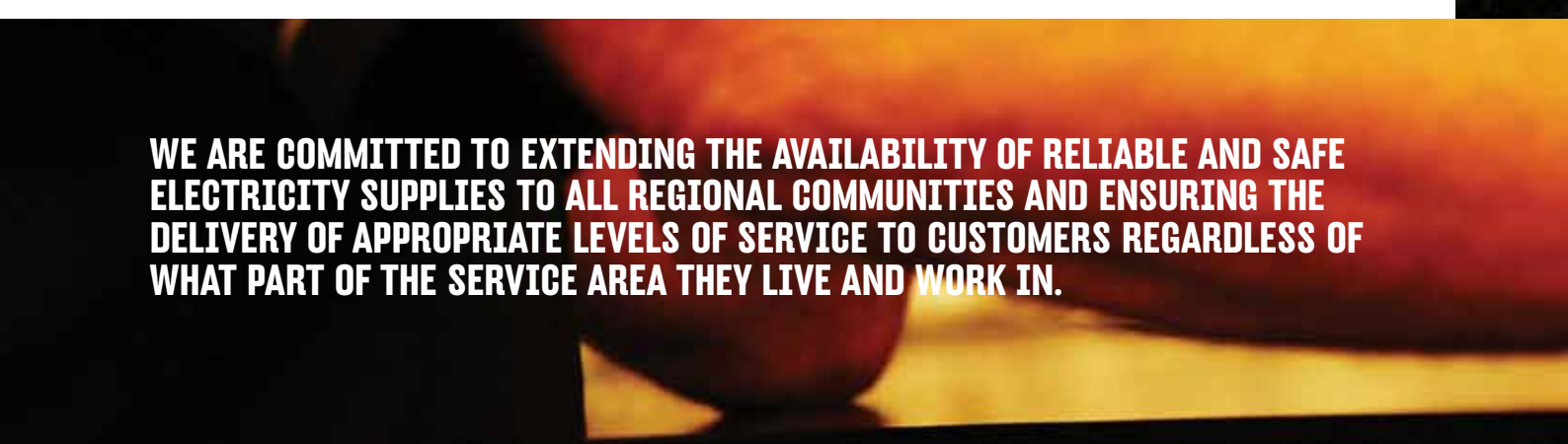
Connecting communities to upgraded power supplies is just part of the picture. Improving the quality of life for people in communities throughout remote and regional areas is another part.

We are focused on creating opportunities to assist in the development of communities, whether it is through providing employment opportunities, sponsoring community events and programs or education initiatives.

As we go about our business, the protection of the environment and Western Australia's rich cultural heritage is at the forefront of our planning processes.

To meet all of these objectives, Horizon Power will continue to provide leadership and develop quality relationships with stakeholders to achieve the best possible outcomes for all regional Western Australians.

Our success is predicated on the commitment of our staff. At Horizon Power, our employees are committed to fulfilling their duties in a safe, respectful and inclusive manner.



**WE ARE COMMITTED TO EXTENDING THE AVAILABILITY OF RELIABLE AND SAFE ELECTRICITY SUPPLIES TO ALL REGIONAL COMMUNITIES AND ENSURING THE DELIVERY OF APPROPRIATE LEVELS OF SERVICE TO CUSTOMERS REGARDLESS OF WHAT PART OF THE SERVICE AREA THEY LIVE AND WORK IN.**



# HOW WE DO IT

The unique characteristics of regional Western Australia demand a vast array of energy supply options ranging from small, isolated systems to interconnected systems with thousands of customers.

The way in which we generate electricity varies between our major interconnected systems and isolated systems for smaller communities - with most mainstream towns serviced by gas and smaller communities by diesel. Increasingly, renewable forms of energy are also being harnessed.

Horizon Power provides the towns of Marble Bar and Nullagine with electricity generated by solar diesel hybrid power stations. Power will also be delivered by solar hybrid stations in the remote Kimberley communities of Yungngora (Noonkanbah) and Kalumburu. In Hopetoun, Esperance, Coral Bay, Exmouth and Denham electricity is supplied by wind farms which are connected to traditional generators.

In Karratha, at the heart of the Pilbara Energy Grid, Horizon Power joined forces with its supply partners to build a highly-efficient gas-fired power station which has the capacity to expand to cope with increasing energy demand in the future.

Horizon Power owns assets valued at \$1 billion and is undergoing a significant asset maintenance and replacement program to ensure the sustainability of our systems.



**HORIZON POWER OWNS ASSETS VALUED AT ONE BILLION DOLLARS AND IS UNDERGOING A SIGNIFICANT ASSET MAINTENANCE AND REPLACEMENT PROGRAM TO ENSURE THE SUSTAINABILITY OF OUR SYSTEMS.**

### Horizon Power supply areas



# COMMUNITIES

At Horizon Power, our job is much bigger than providing electricity to customers – it is providing the basis for health, safety, education, economic growth and self-determination.

Upgrading power supplies to remote and town-based communities are priority projects at Horizon Power.

The Aboriginal and Remote Communities Power Supply Project (ARCPS) and the Town Reserves Regularisation Project (TRRP) involve improving the standards of electricity supplies to these communities. Under ARCPS phase two, the Kimberley towns of Kalumburu and Yunggora are receiving new solar-diesel power stations, network and internal house wiring upgrades, LED streetlighting and pre-payment meters.

Town reserve communities also receive network upgrades, new payment systems, re-wiring of housing and a raft of support services including retail and education services. Residents of these communities can also access Government rebates and subsidies that were not previously available to them. Under phase three of TRRP, Horizon Power is regularising power supplies in Mowanjum, Looma, One Mile and Mardiwah Loop communities. Other communities have also been identified by the Department of Housing for regularisation for phase three but is subject to funding availability. Under the previous phases of ARCPS and TRRP, 30 communities have received upgraded power networks.

Horizon Power has been engaged by the Office of Energy to undertake energy efficiency refits in five remote Aboriginal communities in the Mid-West, Goldfields and Kimberley. This work involves the installation of insulation, shade cloth and hot water systems, and will employ local Aboriginal trainees. The project will help reduce power consumption and help residents save on power costs.

At Horizon Power, we directly engage with communities to ensure a sense of ownership over essential services such as electrical supplies and we develop community capacity to ensure service standards are maintained for the long term.

Another example of this is the Aboriginal Communities Training (ACT) program developed to support remote communities.

Through this specifically designed training program, residents of Aboriginal communities are trained and employed as Remote Community Utilities Workers. They fix basic electrical faults, maintain equipment and educate other residents about energy-efficiency and electrical safety. The project has improved the reliability of the service and provided communities with a sense of empowerment and ownership.



**ABORIGINAL COMMUNITIES TRAINING IS A UNIQUE, AWARD-WINNING PROGRAM WHICH INVOLVES THE TRAINING OF ABORIGINAL PEOPLE IN REMOTE COMMUNITIES TO FIX BASIC ELECTRICAL FAULTS, MAINTAIN EQUIPMENT AND EDUCATE OTHER RESIDENTS ABOUT ENERGY EFFICIENCY AND ELECTRICAL SAFETY.**



In 2009, ACT was acknowledged with a Premier's Award for Improving Government and, along with ARCPS, was recognised with an Australian Business Award. Horizon Power is seeking national accreditation for the ACT program.

At Horizon Power we develop and support partnerships with community organisations that have activities, interests and values compatible with our own. The focus of Horizon Power's Partnership Program is to identify and support initiatives that contribute lasting value to the communities we serve and that involve the company as part of the community.

We aim to support a broad range of not-for-profit organisations and events that encompass areas of strengthening communities, environment, education and training, arts and culture, business development, sporting development, safety and well-being.

### **Engagement**

Through respectful consultation and engagement, Horizon Power aims to understand a community's lifestyle, development aspirations and energy needs.

This understanding assists us in developing lasting energy solutions that go beyond the supply of safe and reliable power supplies. We engage with, and provide information sessions for residents, local business owners, school groups and other individuals who benefit from our energy projects.

Our approach includes:

- Respectful engagement and consultation with community elders, leaders, residents and other stakeholders;
- Cultural awareness and sensitivity in relation to social impact considerations;
- Education for community residents; and
- Training and employment opportunities.



# ENVIRONMENT

At Horizon Power we are committed to reducing our impact on the environment by encouraging the use of renewable technology and reducing power use.

Horizon Power's carbon management strategy is aimed at preparing the organisation for changes in the regulatory environment specific to greenhouse gas emissions and energy efficiency, as well as changes to our natural environment posed by climate change.

As a provider of power in remote regions, Horizon Power faces a number of unique challenges in this space, amongst them the nature of the remote non-interconnected communities we serve and the potential effects of a changing climate on these communities.

Horizon Power is committed to reducing the greenhouse gas intensity of its operations and to identify opportunities to create value through the emerging global carbon market for the organisation and our customers alike.

Horizon Power has a range of programs already in place that are designed to reduce greenhouse gas emissions. They include:

- The new solar-diesel hybrid power stations in Marble Bar and Nullagine which set a new standard in the supply of electricity.

- The Karratha Power Station which is one of the most efficient gas-fired power stations on the Pilbara Energy Grid, incorporating technology which will enable the plant to generate over a third more electricity with the same amount of fuel.

The remote Kimberley Aboriginal communities of Kalumburu and Yungngora will be powered by solar-diesel stations under the Aboriginal and Remote Communities Power Supply Project funded by the Office of Energy. The new stations will be built by the end of 2011.

Horizon Power is also working closely with its customers to change energy consumption patterns through innovative products and education campaigns.

- *GreenSelect*. Under this initiative, customers can choose to buy their electricity from renewable energy sources for an extra 5.5 cents per unit of electricity.
- *Betterways*. Our consumer awareness program provides simple advice to customers about how to reduce their energy use, their power bills and their impact on the environment – all at the same time.



**NEW SOLAR-DIESEL HYBRID POWER STATIONS IN MARBLE BAR AND NULLAGINE SET A NEW STANDARD IN THE SUPPLY OF ELECTRICITY.**



- *Renewable Energy Buyback Scheme.* This scheme allows customers to use home renewable energy systems to power their homes and sell the excess electricity to Horizon Power. If the system produces less energy than required, we can deliver the shortfall.
- *Commercial Renewable Energy Buyback Scheme.* This renewable energy buyback scheme is available to all business customers on the K2, L2, and L4 business tariff and some other eligible businesses.
- Horizon Power offers business customers a buyback rate equal to the relevant variable cost of generation (the amount it costs Horizon Power to provide electricity to a given network) less the GST component.

Horizon Power is focused on building a sustainable network. The impact of changing climatic conditions on the provision of power in this country could be immense.

With forecasts for an increased intensity and spread of tropical cyclones across the north of Australia, Horizon Power is enhancing its network by sinking parts of it underground to ensure reliability and safety are not jeopardised due to events of nature.

The State's Royalties for Regions program has committed to underground the Pilbara power network to make it safer and more reliable.

This is one of the single biggest investments in regional electricity in Western Australia and will present every customer in the Pilbara region with the benefit of improved security and reliability of power supplies, as well as decreased public safety risks for many years to come.

Horizon Power is proud to be undertaking the project on behalf of the State Government. Under the project the electricity networks in Karratha, South Hedland, Onslow and the parts of the Roebourne system not yet undergrounded will be placed underground.





# OUR STRENGTHS

Half of our employees live in regional Western Australia - this means we not only serve these communities, we are part of them.

## *Delivering to our regions*

Horizon Power's customer base is spread throughout the State of Western Australia. With our commitment to delivering power in a sustainable way to ensure we add value to the communities we serve, Horizon Power has a presence in each of the major towns in regional Western Australia to ensure that we can respond immediately to local issues and tailor our services to our customers' individual needs. Horizon Power employs community and customer relations managers in each regional area we service to provide a valuable gateway between consumers, regional stakeholders and our business.

Horizon Power's head office is based in the heart of the energy-intensive Pilbara region, in Karratha. Regional offices are based in Broome, Kununurra, Carnarvon, Esperance and Port Hedland, with administrative support being delivered from Perth. Half of our team at Horizon Power work and live in regional Western Australia which means we not only serve these communities – we are part of them.

At Horizon Power, our employees cover a vast range of disciplines, including linespeople, engineers, renewable energy specialists, accountants, public relations officers, Aboriginal and Torres Strait Islander liaison officers, environmental specialists, IT, project managers, lawyers, property managers and power station operators.

## *Asset renewal*

Horizon Power is undertaking a massive renewal of ageing power infrastructure spread throughout Western Australia, from Esperance to Kununurra. The challenges are immense but work is progressing on schedule, and in partnership with leading private power providers in some cases.

More than \$400 million has been committed over five years to building new power stations, upgrading networks and maintaining Horizon Power systems to ensure they meet the high standards of service reliability we set for ourselves.



**HORIZON POWER IS UNDERTAKING A MASSIVE RENEWAL OF AGEING POWER INFRASTRUCTURE SPREAD THROUGHOUT WA, FROM ESPERANCE TO KUNUNURRA.**



The key objectives driving Horizon Power's asset management plan are an improvement in the safety of the network; improving the quality and reliability of power supplies and keeping up with the demands for power into the future – ensuring our power systems are fit-for-purpose.

***Business development***

Horizon Power is owned by the Western Australian Government but operates on a commercial basis. Our aim is to continually develop the business and to return a profit, reducing the reliance on external funding.

Horizon Power will grow revenue from existing activities and new business opportunities by continuing to focus on adding value to the communities we currently service.

It is our firm belief that we can meet our economic objectives, while meeting our social and environmental commitments.

Because Horizon Power is a skilled utility provider in remote Western Australia, we are exploring the possibility of using that capability to extend our products and services.

Horizon Power is continuing to develop energy solutions which are fully-integrated, cost-effective and able to be used in any remote area in Australia.





# MAJOR PROJECTS

In line with the boom in regional Western Australia, Horizon Power is rapidly expanding its business, with a number of major projects underway.

## *Improved reliability of supply in the Pilbara*

In what is one of the biggest investments in regional power infrastructure in Western Australia, the State's Royalties for Regions fund, local government and Horizon Power have committed to sinking overhead powerlines throughout the Pilbara coast. Undergrounding work has begun in Karratha and will roll out to South Hedland, Onslow and Roebourne, protecting them from damage caused during extreme weather events which frequent the region. Underground power is also proven to improve the safety, reliability and quality of the power supply and improve overall aesthetics of a town.

## *Powering the Pilbara*

The new Karratha Power Station will expand the capacity of the North West Interconnected System. The 86MW highly efficient gas-fired power station uses new technology that will provide greater reliability of supply and will produce 35 per cent less emissions than existing thermal stations.

## *Harnessing the sun's energy*

World-first technology combining solar and diesel generation is harnessing nature's energy in two of the hottest towns in Australia. Marble Bar and Nullagine are receiving energy from two new solar power stations, resulting in a more reliable supply and environmental benefits.

## *Carnarvon*

We have embarked on a project to build a \$73 million power station in Carnarvon to meet the growing electricity needs of the local community. Horizon Power is in the process of building the new Mungullah Power Station which will meet the long-term electricity needs of Carnarvon residents and businesses.

## *Customer focus*

Customers want a reliable and affordable power supply. At Horizon Power, we have developed a number of products designed to help customers



**IN WHAT IS ONE OF THE BIGGEST INVESTMENTS IN REGIONAL POWER INFRASTRUCTURE IN WESTERN AUSTRALIA, HORIZON POWER IS UNDERGROUNDING OVERHEAD POWERLINES THROUGHOUT THE PILBARA.**



reduce their power costs by becoming more energy efficient. They include *Betterways*, *GreenSelect*, the *Renewable Energy Buyback Scheme* and the *Commercial Renewable Energy Buyback Scheme*.

#### **Valuing communities**

In each town-based or remote Aboriginal community in which power assets are upgraded by Horizon Power, education on the use of pre-payment meters, accessing rebates and using electricity efficiently is provided to residents by Horizon Power. Children in these communities are also taught about safety around electrical equipment.

Horizon Power has developed an education program about the science of electricity, safety, energy efficiency, renewable energy and careers in the energy industry for schools across Western Australia, called Horizon Discovery Zone. The program has been developed in line with the curriculum, in consultation with the Science Teachers Association of WA, and has been rolled out to several schools in regional WA.

#### **Partnering with business for all West Australians**

Horizon Power purchases much of the energy it delivers to customers from major corporations who own power generation technology and power stations throughout Western Australia.

Horizon Power purchases power, and fuel needed to produce power, from Independent Power Producers (IPPs). Some of the IPPs we do business with include:

- BHP Billiton Direct Reduced Iron Pty Ltd;
- Alinta Energy;
- ATCO Power;
- EDL;
- enGen;
- WorleyParsons; and
- SunPower Corporation.





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