

The Aboriginal and Remote Communities Power Supply Project

NEWSLETTER 1

NOVEMBER 2005

This newsletter is to inform you of the Aboriginal and Remote Communities Power Supply Project. The main objective of this project is to obtain the best value, technically acceptable project package for a reliable supply of electricity in the communities of Bidyadanga, Ardyaloon, Beagle Bay, Djarindjin/Lombadina and Warmun.

- Through upgraded distribution networks and new power stations, the communities will see an improvement in performance and power reliability and quality.
- When the new power supply arrangements are in place, customers will be supplied with electricity at the uniform tariff and be eligible for rebates and discounts.
- The new power stations will be built away from residential areas and will comply with the Department of Environment noise and environmental regulations.

New power station for five remote communities

Western Power, in partnership with the Office of Energy and Commonwealth Department of Family & Community Services has commenced a process to replace the ageing diesel-fired power stations and upgrade the power distribution infrastructure in the communities of Bidyadanga, Ardyaloon, Beagle Bay, Djarindjin/Lombadina and Warmun.

The project commenced in May of this year when a joint Commonwealth/State funding agreement was signed providing ongoing funding for upgraded power supplies in these five communities.

There are three aspects to this project which are:

1. A power procurement process is underway to select a preferred proponent to build, own and operate new power stations in the communities.
2. A network upgrade program.
3. A metering and retail establishment program.

Project benefits

- The Power Procurement Process will result in modern, efficient and environmentally friendlier generating plant supplying electricity to community residents and other facilities.



The existing Warmun power station will be replaced with a new, environmentally friendlier power station.

Power Procurement Process

A power procurement process is in progress for an Independent Power Producer to build, own and operate the new power stations. Tender documentation was issued on 3 August 2005 to the companies who had been short-listed in the previous call for proposals. The closing date for proposals was 17 October.

Proposals were received from three companies to build new diesel-fired power stations. The companies were Burns and Roe Worley, Energy Generation Pty Ltd and Kimberley Regional Service Providers.

Proposal Evaluation

An Evaluation Team comprising of Western Power, Office of Energy personnel and external consultants has been appointed to assess the Proposals.

All Proposals will be considered on a number of criteria including:

- Project Delivery Capability;
- Reliability and Quality of Supply;
- Operational Capability;
- Community Benefits;
- Environmental and OH&S Management;
- Contract Management Approach;
- Financial Capability; and
- Price.

It is expected that the Preferred Bidder/s will be announced early next year.

Land

Consultation is being carried out with communities and other stakeholders to select the best technically feasible site for the new power stations and obtain permission to use that land.

Network Audits

Representatives from Western Power will be visiting the West Kimberley communities during late October and Warmun in early November to undertake an audit of the existing distribution networks. This audit will assist in planning the network upgrades necessary to accommodate the communities' future power requirements.

Project Timing	
17 October 2005	Bids closed - evaluation commenced
Early 2006	Announce Preferred Bidder/s
March 2006	Conclude negotiations and sign Power Purchase Agreement
June 2006	Achieve Conditions Precedent - commence construction
April 2007	Commercial Operations

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