

The Aboriginal and Remote Communities Power Supply Project

NEWSLETTER 2 | FEBRUARY 2006

The main objective of the power station tender element of this project is to obtain the best value, technically acceptable power stations to ensure a reliable supply of electricity in the communities of Bidadanga, Ardyaloon, Beagle Bay, Djarindjin/Lombadina and Warmun.

Successful Bidder Announced

On 22 February 2006, Minister for Energy, Hon Francis Logan MLA announced that Energy Generation Pty Ltd (enGen) had been selected as the Preferred Bidder in the Aboriginal and Remote Communities Power Supply Project.

enGen was selected from a field of three companies that submitted proposals to Western Power in October 2005.

The bids were assessed against a wide range of criteria including price, reliability, community benefits, risk and the ability to undertake and operate the project (both from a financial and technical perspective).

Kimberley Regional Service Providers (KRSP) has been invited to remain in the process as Reserve Bidder.

Who is enGen?

enGen is a Wesfarmers subsidiary that has considerable experience in successfully conducting operations of this type elsewhere in the state. In particular, enGen is supplying Western Power in six Mid West towns, Menzies and Leonora in the Goldfields under very similar arrangements as proposed in the remote Aboriginal communities.

Currently, enGen is constructing and commissioning four other power stations in remote towns in the Goldfields, Gascoyne and Pilbara regions of the state to supply Western Power. These power stations will all be operational throughout 2006.

enGen has also been selected as the Preferred Bidder to build, own and operate a new gas-fired power station to supply

Western Power's customers in the town of Carnarvon. This power station will be operational in 2007.

The Proposal

enGen is proposing to install reciprocating diesel systems as the primary generating infrastructure in each community. Sufficient fuel storage has been allowed for to ensure a continuous supply of fuel during the Kimberley wet season.

What Next?

enGen will negotiate a Power Purchase Agreement with Western Power, with a view to finalising the agreement in April 2006. Commercial operation of the five new power stations is timed for mid 2007.



All the power stations in the remote Aboriginal communities will be designed and constructed similar to enGen's power stations in the Mid West.

Following an audit of all the community distribution networks in late 2005, Western Power is in the process of completing new network designs. In many cases the existing distribution networks would not be able to deliver the reliability and quality of supply which is required from Western Power as the future retailer to the communities.

Representatives from Western Power will be visiting each of the communities in March 2006 to explain the project and the proposed timetable to community leaders.

Land Update

All communities have agreed on their preferred site for the new power stations. Heritage surveys have been completed at Warmun and Beagle Bay.

It is anticipated that the heritage surveys in Bidyadanga, Ardyaloon and Djarindjin/Lombadina will be conducted in March 2006.

Indicative Project Timing

April 2006	Sign Contract (Power Purchase Agreement)
June 2006	Achieve Conditions Precedent – commence construction
mid 2007	New power stations commence operations

Contacts

Western Power

Jill Rickard

Corporate Affairs Officer

Phone: 9441 3406

Email: jill.rickard@westernpower.com.au

Office of Energy

Gary Angel

Senior Project Officer

Phone: 9420 5621

Email: gary.angel@energy.wa.gov.au