

Friday, 27 June 2008

Plan for \$8.6 billion boost to electricity supply for 2009-2014

More than \$1 billion will be invested each year to upgrade and renew the electricity network and boost supply during peak summer days under a proposal before the Australian Energy Regulator.

EnergyAustralia is proposing to invest more than \$8.6 billion from 2009 to 2014 on its electricity network spanning parts of Sydney, the Hunter and the Central Coast.

The investment boost is estimated to cost a typical household about \$2 a week extra on their electricity bill in 2009.

"Residential demand for power during peak summer periods is growing at about 3.7% a year," EnergyAustralia Managing Director George Maltabarow said.

"This peak energy use is being driven by population growth, economic growth and also increasing use of air conditioners in our homes and businesses.

"We estimate that about 58,000 air conditioners are installed in homes throughout our network area every year.

"By 2014, we expect more than three quarters of all homes on our network to have an air conditioner.

"We estimate a typical air conditioner increases household peak demand by about 1.6 kilowatts – that's the same as switching on 16 standard televisions.

"When all these air conditioners are switched on at once it can create high demand on the electricity grid. We need to increase our investment in our electricity network to meet that extra demand."

Mr Maltabarow said EnergyAustralia was proposing to invest more than \$8.6 billion in the electricity network and employ an estimated 900 apprentices between 2009 and 2014.

This investment will help renew parts of the electricity network, meet new reliability standards and boost supply to meet increasing demand for power.

The \$8.6 billion investment includes:

- \$5.8 billion for major capital works to replace and upgrade transmission and distribution equipment
- \$1 billion to help build high tech communication networks, depots and training facilities, and specialist equipment such as elevated working platforms.
- \$698 million to upgrade and replace the 11,000 Volt network
- \$504 million to connect new customers to the electricity network
- \$285 million on safety, security and environmental improvement and protection
- \$295 million to upgrade the low voltage network

"Much of our electricity network was built when our economy was expanding in the late 1960s and early 1970s," Mr Maltabarow said.

"It's now time to renew those parts of our network."

The proposal also includes plans to:

- Build 42 new zone substations and de-commission 32 zone substations
- Replace 1,263 panels of 11,000 volt switch gear
- Replace 155 km of 33,000 volt gas cable
- Replace 141 km of 132,000 volt oil cable
- Connect an average 17,300 new customers to the electricity network each year

Mr Maltabarow said EnergyAustralia would continue to roll out interval meters or smart meters and time based billing to help give households and businesses more control over their electricity bills. EnergyAustralia has the largest smart meter program in the country – with about 80% of interval meters in the National Electricity Market.

"No other electricity business does more than EnergyAustralia to help customers become energy efficient," he said.

"We want to continue to be leaders in this field to help customers manage their energy costs and reduce their greenhouse gas emissions."

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