



South Australian Chamber of Mines & Energy

Level 1, 290 Glen Osmond Road

Fullarton, South Australia 5063

P: +61 8 8202 9999

E: sacome@sacome.org.au

W: www.sacome.org.au

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Australian Energy Regulator
Level 17, Casselden
2 Lonsdale Street
Melbourne VIC 3000

RE: ElectraNet Revenue Proposal 2018-2023

The South Australian Chamber of Mines and Energy (SACOME) provided a response to ElectraNet's Revenue proposal on 11 July 2017. In that response SACOME commented specifically on the contingent projects component of the Draft Revenue Proposal as these projects were of importance to the Resources sector.

Four of the proposed projects align with the requirements and locations of the Resources sector in South Australia. These projects are; South Australian Electricity Transformation, Eyre Peninsula Supply Options, Far North West and East transmission upgrades.

A key argument SACOME put forward was the requirement for mining projects to have infrastructure in place in a timely manner, however, infrastructure projects that have to undergo a Regulatory Investment Test for Transmission (RIT-T) require a commitment to new load to ensure the cost to consumer is not prohibitive.

To further this point, infrastructure studies have noted mining projects in the feasibility stage are not able to make firm commitments on connections and load guarantees. In addition, the development timeframe and decision gateways for upgrading transmission assets are not coincident with mining projects.

The resultant uncertainties have meant that mining companies have sought out alternative arrangements to meet their electricity requirements to progress projects, even if the solutions are not the most efficient or cost effective

Consequently, incorporating a contingency project component in a transmission provider's revenue proposal that can react promptly to certain development triggers is supported. The approval of the contingency projects with a minor variation submitted by the Australian Energy Regulator to the triggering requirements is supported by SACOME for the four proposed projects.

Kind Regards,

A handwritten signature in black ink, appearing to read "Dayne", with a long horizontal line extending to the right.

Dayne Eckermann
Senior Policy Advisor

The South Australian Chamber of Mines and Energy (SACOME) is the peak industry association for companies with business interests in the resources industry in South Australia, including those with business, vocational or professional interests in minerals exploration, mining and processing, oil and gas exploration, extraction and processing, power generation, transmission and distribution, logistics, transport, infrastructure, and those with clients in these sectors.