

Energy WA

Statement of Opportunities

Statement of Opportunities – South West Interconnected System

In the new electricity market, the Independent Market Operator is responsible for planning to meet demand on the South West Interconnected System.

The Independent Market Operator ensures that sufficient generation and demand side management capacity is provided to achieve reliable electricity supply to all electricity customers through the Reserve Capacity Mechanism.

The Reserve Capacity process starts each financial year with the publication of the Statement of Opportunities, and concludes it with a Reserve Capacity Auction.

Most newly developed capacity is expected to be supported through bi-lateral contracts between generators and customers. Any capacity shortfall resulting from this process will be sourced through the auction.

The Statement of Opportunities provides:

- forecasts of peak electricity demand and energy consumption for a range of growth scenarios;
- information on existing and proposed supply facilities;
- analysis of the balance between forecast demand and supplies; and
- an indication of the potential opportunities for new facilities to meet demand.

The 2006 Statement of Opportunities focuses primarily on forecasts and capacity needs for 2008/09. It includes the following key findings:

- Underlying electricity consumption is expected to increase at an annual rate of 2.2% over the period 2006/07 to 2015/16. Maximum demand is expected to increase at a higher rate, 3.2% per year, (around 120 MW) reflecting the increasing penetration of air-conditioning.
- The proposed Boddington Gold Mine project, which is expected to be brought on stream progressively in late 2008, will provide a major additional boost to electricity demand. When fully operational, the mine is expected to increase the system maximum demand by around 4% and increase total system energy consumption by around 6%.
- 4,322 MW of capacity and demand-side management will be needed to meet the forecast peak load in 2008/09 and provide the necessary reserve margin.
- 4,445 MW is forecast to be met by existing and committed facilities. This exceeds the capacity requirement by around 120 MW.

For 2009/10 there is opportunity for developers to provide additional capacity, forecast to be 234 MW, needed to meet load growth and to accommodate the retirement of older generators. It is forecast to be 234MW.

Further information and the full text of the Statement of Opportunities are available on the Independent Market Operator website at <http://www.imowa.com.au>.

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