QUESTION ON NOTICE

No. 614

asked on Thursday, 25 March 2010

MR WETTENHALL ASKED THE MINISTER FOR NATURAL RESOURCES, MINES AND ENERGY AND MINISTER FOR TRADE (MR ROBERTSON)—

QUESTION:

Will the Minister advise the latest information about the performance of Ergon Energy's network in Cairns and far north Queensland in relation to network reliability?

ANSWER:

The Bligh Labor Government, via electricity distribution entities such as Ergon Energy invest significant funds to ensure the reliability, safety and security of Queensland's electricity supply. In accordance with the Code, Ergon Energy has delivered real improvements to the reliability and safety of its network, particularly in Cairns and the surrounding areas.

To this end, Ergon Energy has deployed record capital and maintenance programs over recent years across regional Queensland. Over $1 billion was invested in 2008-09 into capital works, maintenance and operations programs to deliver substantial network improvements.

Projects that Ergon Energy has implemented to achieve network improvements, particularly in Cairns and the surrounding areas, include:

- a major investment of $6.7 million to underground key strategic overhead lines in cyclone-prone communities, encompassing three major projects;

- a revised vegetation clearing commitment which saw more than 246,417 spans cleared this year, an extra 33,569 spans above the revised target. This clearance rate significantly reduced the risk of vegetation-related outages;

- a $178 million five year scheme directed to the augmentation, reliability improvement and maintenance of the Single Wire Earth Return network - the network technology used to span long distances in servicing remote rural customers;

- an annual Summer Preparedness Plan that reviews, prioritises and undertakes preparatory works, such as vegetation management and contingency planning, to minimise the risks of outages to customers during the high demand, summer storm period;

- the Feeder Improvement Program, which targets poor performing feeder lines. This is a particularly important step in developing the preventive maintenance program; and

- an escalated level of capital investment on the network, as part of a total system capital works program of $799.6 million for 2009-10. This investment supported the completion of projects delivering 131 mega volt amperes (MVA) of additional capacity to the network.

Ergon Energy's ongoing Asset Inspection and Defect Remediation program has resulted in the reduction of defects in the Far North region. This program identifies and prioritises defects for remediation and has resulted in significant improvements to reliability, quality and security of supply. During the current five year regulatory period to June 2010, Ergon will spend $1.3 billion on maintenance, vegetation management and asset inspection programs.

Managing vegetation under and over powerlines is a key priority for Ergon Energy broadly, and particularly so in the northern tropics. A critical component of Ergon Energy's Summer Preparedness Plan is an emphasis on ensuring Ergon Energy's vegetation program is on target prior to the storm season - specifically ensuring the vegetation program within populated communities is complete. In recognition of the higher than normal growth rates of vegetation in the Far North region, these works within urban areas are undertaken on an annual basis, an activity unique to the Far North region of Ergon Energy's territories.

As the Member would be aware, at a recent Cairns Community Cabinet, discussion was had regarding Ergon Energy's vegetation management and asset maintenance in Far North Queensland. While statistical data and technical information indicate that the Far North region of Ergon Energy's network is performing on par to the rest of Queensland, it is acknowledged that there are important differences in the management of assets and vegetation in tropical Far North Queensland compared to the rest of the State. As such, I have encouraged Ergon Energy to take a flexible approach to their asset maintenance in the Far North.

It is also worth noting that over the past year Ergon Energy has committed significant resources to developing its capability in non-network alternatives in the Far North region, including:

- the Townsville Network Demand Management Commercial and Industrial Pilot Project. This has involved Ergon Energy entering into contracts with commercial and industrial customers to contribute financially to the customer's capital works program in return for the opportunity to implement technical and commercial network demand management arrangements;

- the Townsville: Queensland Solar City project, part of the Australian Government's Solar City program. This program is trialling sustainable business models for the concentrated deployment of solar and demand management strategies through energy efficiency, load management, smart meters and new tariffs, and is promoting sustainable behavioural change;

- the Townsville and Magnetic Island Residential Air Conditioning Direct Load Control pilot, which involves homes across Townsville and Magnetic Island operating with controls on their air conditioning compressors; and

- the Cloncurry North network demand management trials which reduces demand on the Cloncurry North network by installing timers on hot water pumps and air conditioners. Ceiling insulation and solar hot water systems are also installed as part of these trials.

These facts demonstrate Ergon Energy's commitment to reliable and safe electricity supply in Far North Queensland, both now and into the future.