

A word from your President

Larry Meng Awarded EESA Honorary Life Membership



Our National and NSW EESA Treasurer has been awarded Honorary Life membership of the EESA for conspicuous service over many decades to the EESA and the electricity industry. Larry's career in the electricity industry started in 1965 as a cadet engineer with Southern Tablelands County Council in Goulburn, one of the forerunners of Country Energy. His university days saw his multitasking skills in action by simultaneously completing combined BSc and BE degrees while being a student activist in the anti Vietnam war rallies.

Larry moved on to a distinguished engineering career and became the Chief Engineer of Southern Tablelands Electricity in 1989. In 1996, Larry was president of the Electricity Supply Engineers Association of NSW which was the forerunner of the EESA. It was a great privilege for me to present Larry's award at the recent NSW EESA conference dinner in front of 180 of his friends and peers.

Larry's contribution to the EESA has been mainly through his treasurer role and long standing work on the National and NSW committees. He has assisted with the organising of many conferences and events and played important roles in best paper awards. On behalf of the EESA, thanks Larry for your effort and we look forward to many more years of your valuable contribution to the Association.



Bob Smith, Larry Meng and Robert Barr

EESA NSW Conference Attracts Record Numbers

The recent EESA NSW Chapter conference attracted a record 200 delegates. The conference was held for the first time at the Powerhouse Museum in Sydney and the theme this year was the [R]Evolution of Networks.

The program organiser, Patrick McMullan put together a very comprehensive program very well matched to recent industry developments and most suited to our members. The best paper by a member award was won by Tony Patterson of Integral Energy for his paper titled "High Voltage Live Working Standards – New Developments". The best paper by a non-member was won by Dr Bill Carman of EnergyAustralia for his paper "Implementing a Risk Based Approach to the Earthing of Power Systems". All the presentations were of a very high standard and made for a most educational conference.

Special thanks to our gold sponsors, EnergyAustralia, Integral Energy, Country Energy and TransGrid. Thanks also to our bronze sponsor ActewAGL.

Christmas Message

As 2008 moves quickly to an end, I wish all our members and their families a merry and enjoyable Christmas. I thank all our members for their support during 2008 and I'm looking forward to the new challenges that will become apparent for us all in 2009.

Dr Robert Barr
EESA National President

The Electric Energy Society of Australia

EESA NSW State Conference 29-31 October 2008, Sydney



Dr John Carras,
CSIRO Energy Technology



Dr Robert Barr, EESA President, Greg Skelton, Alpine Energy,
Mark Miller, NEMMCO & Kevin Murray, TransGrid



Nathan Spencer, Koppers Wood Products



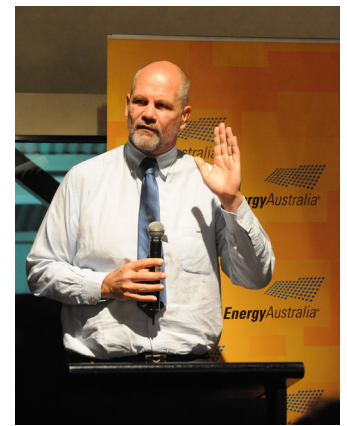
Trade Exhibition



Alexandra Dean, EnergyAustralia



Conference dinner Doltone House



Conference dinner guest speaker
Peter FitzSimons

Gaining an International Perspective on Power Quality

I recently enjoyed an intensive week of Power Quality. This included four days of the "International Conference on Harmonics and Quality of Power" 2008 (ICHQP) hosted by the Wollongong University Integral Energy Power Quality and Reliability Centre with major sponsorship provided by Integral Energy, Country Energy and Transgrid. This was followed by a special one day EESA International Power Quality Seminar held in Sydney.

Internationally, Power Quality is a hot topic in all advanced economies. The main issues overseas are voltage sag impacts on large sensitive manufacturing industries (like semi conductor plants) and growing harmonic levels on all networks. Low voltage steady state voltage levels seems to be more of an Australian issue, not shared by most international distributors.

Some of the best papers involved strategies and techniques used by some international distributors to turn very unhappy voltage sag impacted customers into informed happy customers. Robert Koch from Eskom in South Africa and Ashok Parsotam from Vector in New Zealand had papers that showed that with customer education on the causes and mitigation options available to both distributors and customers, major improvements can be made. Understanding the causes and effects on both sides of the point of supply and establishing realistic expectations is the key. Australian distributors and sensitive electricity customers have much to gain in this area.

The other area of major importance in my view was International Power Quality standards development. Leading international distributors tend to have strong internal procedures and through their extensive knowledge and experience, they have major influence over the development of IEC and IEEE standards. Distributors see this work as an investment in their continued viability, prosperity and their ability to satisfy customer needs. The disadvantage for Australia is being isolated and very distant from Europe and the USA. Our Australian Power Quality work is at world class and we need to overcome these obstacles to share our expertise with the world.

I congratulate Associate Professor Sarath Perera of Wollongong University for having the foresight to bring ICHQP 2008 to Australia and putting Australia on the world Power Quality map.

Dr Robert Barr
EESA National President

The Electric Energy Society of Australia

News and issues from around the Industry...

Peak energy network body claims national regulator has failed its first test

The Energy Networks Association (ENA) is extremely disappointed by the Proposed Position of the Australian Energy Regulator (AER) on its cost of capital parameters announced on 11 December.

“This is the most important decision by the AER to date and they have failed,” said ENA CEO, Andrew Blyth. “The AER has failed to recognise the serious ramifications this decision has on the energy network industry, and the economy as a whole. The AER has failed to recognise the implications of the global re-pricing of credit risk and unstable financial markets. Australia’s critical infrastructure is now in grave danger of suffering from underinvestment. The AER has failed to understand that on top of investment concerns, climate change obligations and continued strong demand for energy are two big challenges for Australia’s energy security. Australia requires and expects a well integrated and robust energy network.

AER Chairman, Steve Edwell, was quoted by Fairfax’s BusinessDay on 21 November 2008 as saying that: ‘Australia could not afford to be frugal on spending in the energy sector.’ However, the decision that has emerged from the AER will discourage the vital spending required by the sector.

For the sake of the energy industry’s long-term sustainability and competitiveness, the AER must reconsider its position before making its Final Determination in March 2009.

NSW asset sale plans

SYDNEY, Nov 18 - NSW Treasury hopes to have its electricity sales strategy developed by February/March next year with the expectation of being able to complete the transactions by the end of 2009.

The outgoing Treasury Secretary John Pierce told a NSW estimates committee hearing the timetable was contingent on further work to test bidder interest and an extensive promotional road show. He said he hoped NSW could attract a broader range of interests with the new proposal for a generation trader model. He hoped the plans could interest a group of people particularly in the trader model who would not necessarily have been interested in actually running power stations.

Despite the expectation that the private sector will now fund the first tranche of needed generation - put at some 1,000 MW - the mini-budget had taken a conservative approach and the 10-year capital expenditure numbers that will be published soon will make allowance for the public sector to fund a baseload power station within that 10-year period.

A more extensive due diligence process was expected from potential buyers in current financial conditions because of the likelihood of a higher level of equity being required in the current financial conditions.

The NSW mini budget says the Government is confident that transferring the right to trade generation output to the private sector and divestment of potential baseload sites (such as Delta Electricity’s recently approved \$400 million Bamarang gas-fired combined cycle power station in the Shoalhaven) will result in adequate private sector investment, particularly for the first tranche of baseload.

At the Bamarang Plant west of Nowra, Delta owns and has development approval for either an open cycle 300 megawatts or a peaking or combined cycle of 450 megawatts. There is a site at a Marulan that is big enough for there to be two proposals, one of which is being managed by EnergyAustralia, for an open-cycle plant, and the other by Delta which is a combined cycle of 400 megawatts. There is also potentially the expansion of Mount Piper, given that it was originally planned as a four-unit station, you could develop Mount Piper to three and four units.

Delta is also currently building a gas-fired power station at Coalinga and Macquarie Generation has a proposal at Tomago for a gas-fired power station. There appeared to be a mix of open cycle and closed cycle.

The Bamarang and Marulan’s are close to gas supply and close to transmission-particularly Bamarang, which is a very suitable site for inclusion in the next increment of either peaking or combined cycle gas generation to be built in New South Wales.

A Trojan horse for privatisation

The "Lithgow Mercury" reported that Dr Kaye has told a meeting in Katoomba that the Rees government plans to hand control of power stations over to the private sector.

He told the meeting that NSW Treasury officials have admitted planned privatisation of electricity trading rights meant key operational, maintenance and industrial relations decisions would be made by the private sector. "The publicly owned power stations would become agents for the private traders," Dr Kaye told the meeting.

The NSW government's revised electricity reforms are a "Trojan horse" for full privatisation of the sector, the NSW Greens say.

"Power station industrial relations, operations and maintenance decisions will all be specified by a contract between the private sector trader and the public sector operator," Dr Kaye said. "Leasing out the rights to trade the energy from the state's publicly-owned power stations is a Trojan horse for full privatisation."

Dr Kaye said once the private sector had control of key decisions, NSW would be left with ownership of a shell.

"Once traders have control of key decisions, it is a very small step to former treasurer Michael Costa's power station leasing model that was resoundingly rejected by the ALP and the people of NSW," he said.

New ENA Board confirms energy networks as key link to a clean energy future

Energy Networks Association(ENA) has announced the re-appointment of George Maltabarow, Managing Director of EnergyAustralia as its Chairman. Mr Maltabarow is now into his second year of a two year term. Mr Maltabarow said he is looking forward to continuing to lead the Association, and in supporting its work on ensuring energy networks are the key link to a clean energy future.

"Since its inception in 2004, ENA has successfully represented Australia's gas and electricity network businesses in tackling the many challenges of our ever-changing energy industry, including energy market and regulatory reform and climate change. The impact of regulation, the challenge and adoption of new energy technologies and the importance of securing Australia's energy future remain key policy issues for ENA" Mr Maltabarow said.

In addressing the issue of the potential impacts of the global financial crisis on Australia's third highest construction activity sector, Mr Maltabarow stated "Recent developments in international debt markets have demonstrated that globally, access to investment capital is becoming more expensive. This will require a renewed focus on the need for the regulatory investment environment to foster stability and predictability in a framework that recognises the long asset lives of network infrastructure.

Mr Shane Breheny, Chief Executive, CitiPower and Powercor was re-elected ENA Deputy Chairman.

Dates for your diary.....

EESA National Conference 2009
Smart Grid, Smart Energy, Smart People
5-7th August, Conrad Jupiters, Gold Coast, Queensland

EESA NSW State Conference 2009
Energy Networks - Managing the Winds of Change
28-30th October, Powerhouse Museum, Sydney

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Please email submissions by
13 February 2009
to the Bulletin Editor, Patrick McMullan
on
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