

Review of the Maximum Reserve Capacity Price 2009 – Non Power Station Elements



- Rev 0
- 02 October 2009



Review of the Maximum Reserve Capacity Price 2009 – Non Power Station Elements

- Rev 0
- 02 October 2009

Sinclair Knight Merz
ABN 37 001 024 095
100 Christie Street
PO Box 164
St Leonards NSW
Australia 1590
Tel: +61 2 9928 2100
Fax: +61 2 9928 2500
Web: www.skmconsulting.com

COPYRIGHT: The concepts and information contained in this document are the property of Sinclair Knight Merz Pty Ltd. Use or copying of this document in whole or in part without the written permission of Sinclair Knight Merz constitutes an infringement of copyright.



Contents

1. Introduction	3
2. Executive Summary – Non Power Station Elements	4
3. Switchyard and Overhead Transmission Line Connection Capital Costs	5
3.1 General Issues and Assumptions	5
3.2 Switchyard Capital Costs	7
3.3 Transmission Line Capital Costs	7
3.4 Compliance to Technical Rules for 330kV Switchyard and Transmission Line	8
3.5 Connection Works Cost Escalation	8
3.6 Switchyard Capital Cost Escalation	9
3.7 Transmission Line Capital Cost Escalation	10
4. Switchyard and Overhead Transmission Line Fixed Operation and Maintenance Costs	12
4.1 General Issues and Assumptions	12
4.2 Switchyard Annualised Fixed Operational & Maintenance Costs	12
4.3 Transmission Line Annualised Fixed Operational & Maintenance Costs	13
4.4 Annual Fixed Transmission Network Access Tariff	14
4.5 Connection Assets Fixed O&M Cost Escalation	15
Appendix A Scope of Work	16
Appendix B Western Power’s Technical Rule, Clause 2.5.2.3 N-1-1 Criterion	17
Appendix C Switchyard Capital Costs	18
Appendix D Transmission Line Capital Costs	19
Appendix E Drawings	20



Document history and status

Revision	Date issued	Reviewed by	Approved by	Date approved	Revision type
Draft	28/09/2009	Ryan Dudley	Geoff Glazier	28/09/2009	Technical Review
0	02/10/2009	Geoff Glazier	Geoff Glazier	02/10/2009	Client Issue

Distribution of copies

Revision	Copy no	Quantity	Issued to
Rev 0	1	1	Ben Williams – IMO

Printed:	2 October 2009
Last saved:	2 October 2009 08:48 AM
File name:	I:\HARB\Projects\HA01267\Deliverables\Reports\Non Power Station Elements\IMO 2009 MRCP Report - Non Power Station Elements (Rev 0).docx
Author:	Anuraag Malla
Project manager:	Anuraag Malla
Name of organisation:	Independent Market Operator
Name of project:	Review of the Maximum Reserve Capacity Price 2009 – Non Power Station Elements
Name of document:	Report
Document version:	Rev 0
Project number:	HA01267



1. Introduction

As a part of the Government of Western Australia's ongoing commitment to the Wholesale Electricity Market within the South West Interconnected System (SWIS), the Government of Western Australia (WA) has setup an Independent Market Operator (IMO) to administer and operate the Wholesale Market.

The Market rules require the IMO to conduct a review of the Maximum Reserve Capacity Price (MRCP) each year. As part of this process Sinclair Knight Merz (SKM) have been commissioned to determine the mid 2009 value of the following:

- Capital cost (procurement, installation and commissioning, excluding land cost) of a generic 330kV three breaker mesh switchyard configured in a breaker and a half arrangement that facilitates the connection of a 160MW Open Cycle Gas Turbine power station to an existing transmission line;
- Fixed Operating & Maintenance costs of this switchyard. The cost shall be in 5 year periods covering 1 to 50 years;
- Capital cost (procurement, installation and commissioning, including shallow land easement cost) of a 2km, 330kV overhead single circuit steel lattice tower transmission line that connects the power station and the switchyard, whereby the switchyard is located in the vicinity of an existing 330kV transmission line. The capital cost will also include easement acquisition costs;
- Fixed Operating & Maintenance costs of this overhead transmission line. The cost shall be in 5 year periods covering 1 to 60 years; and
- Ensure the switchyard and the transmission line arrangements comply with the requirements of Western Power's Technical Rules for new developments.

This report should be read in conjunction with the scope of work agreed between IMO and SKM which explain the scope of this project in detail and is attached in Appendix A.

Given that this report will focus on the non power station elements, it should be read in conjunction with SKM's report entitled "Review of the Maximum Reserve Capacity Price 2009 – Power Station Elements".



2. Executive Summary – Non Power Station Elements

SKM estimates the capital cost of building a new switchyard and connecting it to a nearby 330kV transmission line to be \$10.30 million in mid 2009 figures.

The capital cost of building a new 2km, 330kV single circuit transmission line from the power station to the switchyard is estimated to be \$2.14 million in mid 2009 figures.

The capital cost to acquire the land easement around the 2 km transmission line is estimated to be \$6.52 million in mid 2009 figures.

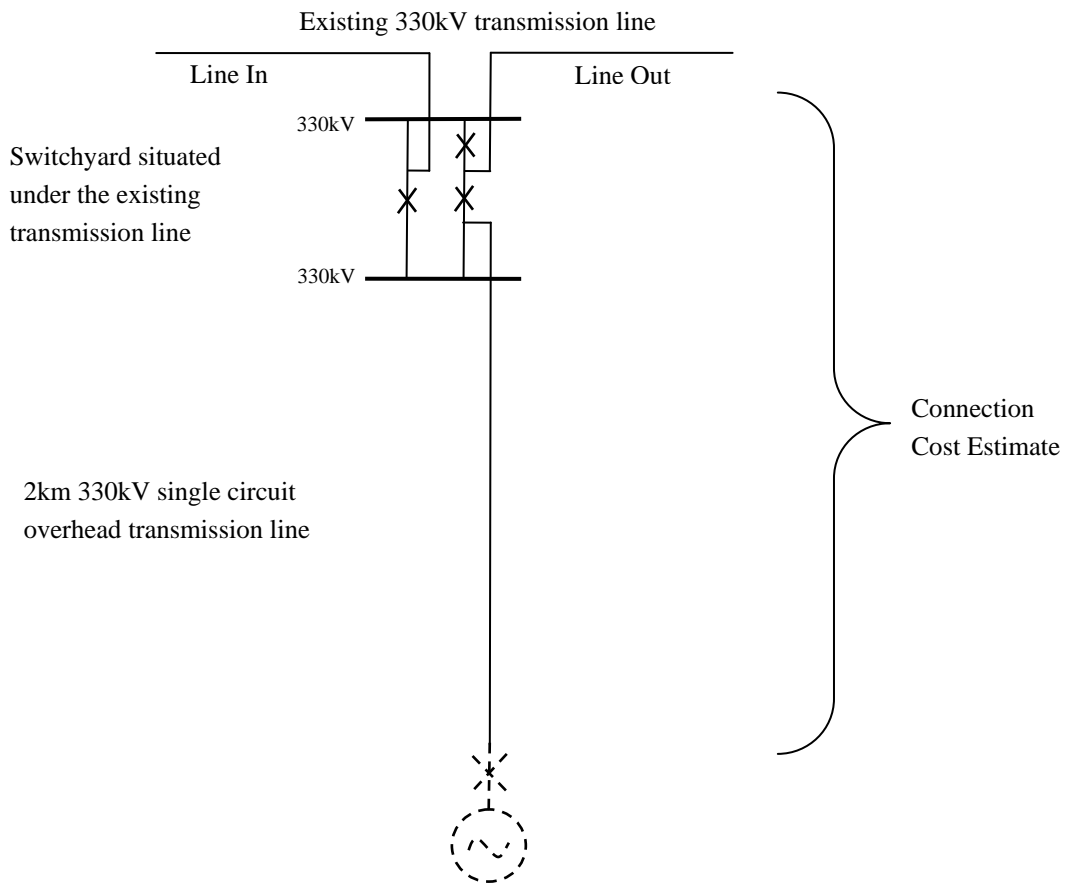
SKM estimates the annualised fixed operating & maintenance costs over the asset lifetime for the switchyard and the transmission line are \$52,000 pa and \$1,000 pa respectively. The annual fixed network access tariff for the use of system charge, control system service charge and the metering charge are \$1.373 million, \$93,000 and \$13,000 respectively.

3. Switchyard and Overhead Transmission Line Connection Capital Costs

3.1 General Issues and Assumptions

The output from the power station will be transmitted by a 2km, 330kV single circuit steel lattice tower transmission line to the existing transmission line. The connection point to the existing transmission line will be a three breaker mesh switchyard configured in a breaker and a half arrangement. This arrangement is shown in Figure 3-1.

All connection costs have been calculated from the isolator on the high voltage side of the generator transformer and therefore do not include any of the costs associated with the generator transformer and switchgear.

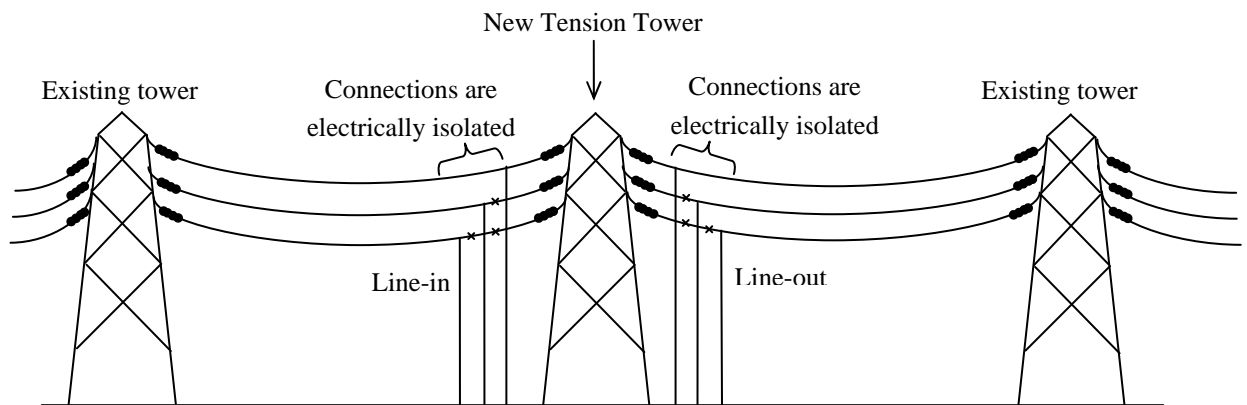


■ **Figure 3-1 Overall arrangement**

The switchyard consists of two 1.5 breaker diameters (arrangement or configuration of switchbays). The first diameter has one centre bay and two spare (empty) feeder bays and is connected to the existing transmission line. The second diameter has one feeder bay, one centre bay and one spare (empty) feeder bay and is connected to the generator and the existing transmission line. A general arrangement and single line diagram for this switchyard can be seen in Appendix E. This switchyard will be located under the existing transmission line.

It has been assumed that the switchyard will be located under the existing transmission line will be constructed on flat land in a rural setting with minimum or no vegetation and no unforeseen environmental or civil costs associated with the development.

It is assumed that the existing transmission line will not require modification to allow for this connection with the exception of one new tension tower located next to the switchyard to allow for connection into the new switchyard. SKM has considered a single tension tower configuration, with the new tension tower being positioned between two existing towers to allow for a ‘Christmas tree connection’ as shown in Figure 3-2. Costs associated with any staging works have not been considered.



■ **Figure 3-2 Elevation of connection point into the existing transmission line**

The new transmission line is assumed to be a single circuit 330kV construction with 2 conductors per phase. The rating of the line has been selected to facilitate the transport of up to 200MVA (at a power factor of 0.8, a 160MW OCGT can export up to 200MVA).

The transmission line connecting the power station to the switchyard is assumed to be constructed as follows:

- 50% flat - 50% undulating land;
- SINCLAIR KNIGHT MERZ

- 50% rural - 50% urban conditions;
- no gas pipeline crossing;
- allowance for one road crossing per km;
- minimum or no vegetation requiring very little clearing; and
- no unforeseen environmental or civil costs associated with the development.

The main advantage of this arrangement is the flexibility for future development of the power station. Additional generation capacity can be easily transferred to the existing network by connecting to the spare feeder bay. Additional diameters can also be easily added in the switchyard alongside the proposed diameters.

3.2 Switchyard Capital Costs

The capital costs for the 3 breaker mesh switchyard configured in a breaker and a half arrangement has been estimated at \$10,306,648 in mid 2009 dollar value. This estimate includes civil, infrastructure, all primary and secondary plants & equipments, a connection tension tower located next to the switchyard, EPCM, and an adjustment factor for higher contractor cost in the South Western region of Western Australia. It is assumed that OPGW is installed in the existing and new transmission lines, therefore the cost of two OPGW terminal ends are included. The cost estimate does not include the cost of land. Refer Appendix C for the detailed switchyard cost estimate.

3.3 Transmission Line Capital Costs

The capital cost for a 2km long 330kV single circuit, lattice steel tower, with 2 conductors per phase and OPGW is estimated at \$2,139,624 in mid 2009 dollar value. This estimate is based on a 400m span length and includes EPCM and an adjustment factor for higher contractor cost in South Western region of Western Australia. As the line is only 2km in length, a 100% allowance for the short length factor has been applied to the line cost based on SKM's recent experience on similar projects (note SKM's standard unit rates for transmission lines are based on a reference asset where the transmission line is constructed on a 100km length). Refer Appendix D for the detailed transmission line cost estimate.

The land easement for this transmission line is assumed to be 60m wide¹ along the 2km route. The cost to acquire the needed easement land is estimated approximately at \$6,521,000² in mid 2009 dollar value.

¹ SKM assumed the width of the land easement to be 50m wide in the MRCP 2008 Report for the non-power station elements. This has been revised and 60m width is considered more appropriate for a 330kV single circuit transmission line.

3.4 Compliance to Technical Rules for 330kV Switchyard and Transmission Line

The existing Western Power Technical Rules sets out the Transmission and Distribution System Planning Criteria for the SWIS network. Clause 2.5.2.3 states

“The N-1-1 criterion applies to those sub-networks of transmission system where the occurrence of a credible contingency during planned maintenance of another transmission element would otherwise result in the loss of supply to a large number of consumers. Sub-network of the transmission system that are designed to the N-1-1 criterion include all 330kV lines, substation and power stations”

The complete section containing the clause above is shown in Appendix B.

Clause 2.5.2.3 states that sub-networks are required to meet N-1-1 criterion. This means that the network will be required to withstand a forced outage of a transmission or generating element while another element is out of service due to maintenance without causing loss of supply to customers.

The connection of the generator to the transmission system is designed with a security of N (given the single circuit transmission line connecting the generator to the connection switchyard). The connection switchyard is designed with a security of N-1 (3 breaker mesh). This gives the power station an overall connection security of N.

As there is only one generator (and it would have a higher forced outage rate than the line and substation) it is considered appropriate to have a single connection to the transmission system. This configuration would need to be taken into account by Western Power, with particular regard to the specific location within the network when connecting the generator to the transmission system.

3.5 Connection Works Cost Escalation

The connection work cost escalation indices are developed using SKM’s internal Capex Cost Escalation Model. The Model has been used extensively in developing a cost escalation index for a

² The land easement cost estimate is based on the average selling price of land at Collie, Bridgetown, Boddington and Manjimup. These regions are located nearer to the existing 330kV transmission line in the SWIS area. Different types of lands were considered so that the average represents 50% flat - 50% undulating land and 50% rural - 50% urban locations. However, the size of the land is typically large and does not represent the narrow corridor required for an easement. The cost estimate does not take into account the specific details and requirements of each property over which the easement will be required. Additionally the cost valuation, negotiation, surveys and legal costs are not included in the land easement cost estimate.



number of Transmission and Distribution Network Service Providers throughout Australia. The SKM cost escalation methodology has also been accepted by the AER in revenue proposals submitted by these utilities.

The Model draws upon a 2006 SKM strategic procurement study which surveyed the network project capital expenditure of nine (9) TNSPs and DNSPs throughout Australia. Procurement specialists and equipment suppliers/manufactures were also brought into the process to ascertain the weighting of underlying cost drivers that influenced the final cost of each plant and equipment item. These cost drivers were identified through the projects undertaken by the TNSPs and DNSPs.

Historical and forecast movements of these underlying cost drivers, from various sources as listed in Sections 3.6 and 3.7, are then used to populate the Model. This allows for suitable escalation indices that are specific for electricity utility industry to be developed. These cost drivers are periodically updated in the Model.

The Capex Cost Escalation Model has been progressively refined since its first introduction. The enhancements have been undertaken by various means, including:

- Reviewing and updating supplier and contractor costs during subsequent asset valuation assignments;
- Obtaining updated budget price information from suppliers and contractors for individual plant, equipment and projects; and
- Other external project costs for non-utility clients that are project managed by SKM;

The EPCM cost element is applied in the form of 15% and 20% cost uplift on all other costs for switchyard and transmission line projects respectively. Hence EPCM is also represented in 2009 dollar term.

3.6 Switchyard Capital Cost Escalation

For the switchyard capital cost escalation, the following data types have been drawn on:

- **Table 3-1 Switchyard Capital Costs Escalation Data Sources**

Source	Cost Drivers	Used for
ABARE, IMF, LME, World Bank, Wachovia, Brent, CRUspi, Consensus Economic Energy & Metal Monitor	Aluminium, Copper, Iron Ore, Oil, Steel	Equipments, P&C, Misc Materials, Structure
ABS, SKM, Treasury, The Construction Forecasting Council,	CPI, General labour, Utility Labour, Civil Works	Installation, Erection, Commissioning, Foundation,

Source	Cost Drivers	Used for
Econtech Labour Cost Forecasts		Civil, Structure
ETA Union, Econtech Cost Forecasts	Site Labour	Installation, Erection, Commissioning
SKM	Switchgear, Transformers	Equipments

These indices have been compounded for each element in proportion to the ratio of the make up costs to which the indices are applicable. The switchyard capital cost consist of the following cost elements:

- Switchgear;
- Structure;
- Foundation;
- Civil;
- P&C;
- Erection;
- Commissioning; and
- Other.

The composite 2008 to 2009 capital cost escalation index determined for the switchyard materials and the labour mentioned in the previous section is 4.8% and 5.1% respectively.

3.7 Transmission Line Capital Cost Escalation

For the transmission line capital cost escalation, the following data types have been drawn on:

- **Table 3-2 Transmission Line Capital Costs Escalation Data Sources**

Source	Cost Drivers	Used for
ABARE, IMF, LME, World Bank, Wachovia, CRUs, Consensus Economics Energy & Metals Monitor	Aluminium, Copper, Iron Ore, Oil, Steel	Conductor, Earthwire, Towers, Misc. Materials, Structure
ABS, SKM, Treasury, The Construction Forecasting Council, Econtech Labour Cost Forecasts	CPI, WPI, General labour, Utility Labour, Civil Works	Civil, Labour, Insulators, Fittings, Foundation
ETA Union, Econtech Cost Forecasts	Site Labour	Survey, Clearing & Access
SKM	Al Conductor	Al Conductor

These indices have been applied to capital cost and compounded in proportion to the relative mix for the different cost make up elements as follow:

SINCLAIR KNIGHT MERZ



- Conductor;
- Earth wire;
- Tower;
- Insulators;
- Fittings;
- Foundations; and
- Labour.

The composite 2008 to 2009 capital cost escalation index determined for the transmission line materials and the labour mentioned in the previous section is 2.2% and 5.1% respectively. It was noted that the escalation in the conductor (and earth wire) market was negative due to decrease in market price for base metals during 2008 to 2009 period.

4. Switchyard and Overhead Transmission Line Fixed Operation and Maintenance Costs

4.1 General Issues and Assumptions

SKM has developed the fixed operation and maintenance costs for the network connection on an asset class basis. SKM has used a bottom-up approach to estimate the fixed O&M cost of switchyard and transmission line assets based on recent data from several Australian Transmission Network Service Providers (TNSPs).

Maintenance cost for an asset is incurred periodically according to its maintenance routines. Since this routine is different for different asset class, SKM has spread these periodic costs evenly over the life of the switchyard and transmission line so that it is constant throughout. The annualised fixed O&M cost estimated allows for the following:

- Cost of labour for routine maintenance;
- Cost of machine/miscellaneous items for routine maintenance; and
- Overheads (management, administration, operation etc.)

The annualised fixed O&M cost estimates for the switchyard and the transmission line are reported in Section 4.2 and Section 4.3 respectively. In addition to the above, the annual fixed transmission network access tariff is reported in Section 4.4 and is included in the estimation of the total fixed O&M cost for the network connection assets.

The annualised fixed O&M cost does not allow for defect or asset replacement during the lifetime of the assets. It should be noted that annual insurance costs and tax have been omitted from the annualised fixed O&M costs as these cost components will be dependent on the ownership arrangement.

Depreciation is a separate individual component that forms a part of a regulated utility's annual revenue entitlement. Unlike operational and maintenance costs, depreciation relates to the capital cost of the assets. It is an accounting method that allocates the capital cost of the assets over the series of accounting period to gradually write-off the value of the installed assets from the accounting book. Depreciation is not a part of asset's ongoing cost to maintain and operate it and thus is different from operational and maintenance costs. Therefore, it is not included in the fixed O&M costs estimation.

4.2 Switchyard Annualised Fixed Operational & Maintenance Costs

SKM has assumed that the average life of the 330kV switchyard assets is 50 years. Table 4-1 shows the cumulative annualised fixed O&M costs presented in 5 yearly periods over the lifetime of the switchyard assets. The annualised fixed O&M cost over the asset lifetime for the switchyard is \$52,000 pa.

SINCLAIR KNIGHT MERZ

■ **Table 4-1 Annualised fixed O&M costs for Switchyard Assets**

Period	Cumulative Annualised Fixed Switchyard O&M Costs (AU\$, 2009)
1 to 5 years	\$ 260,000
6 to 10 years	\$ 260,000
11 to 15 years	\$ 260,000
16 to 20 years	\$ 260,000
21 to 25 years	\$ 260,000
26 to 30 years	\$ 260,000
31 to 35 years	\$ 260,000
36 to 40 years	\$ 260,000
41 to 45 years	\$ 260,000
46 to 50 years	\$ 260,000

4.3 Transmission Line Annualised Fixed Operational & Maintenance Costs

Sinclair Knight Merz has assumed that the average life of the 330kV transmission line is 60 years. Table 4-2 shows the cumulative annualised fixed operation and maintenance costs presented in 5 yearly periods over the lifetime of the transmission line assets. The annualised fixed O&M cost over the asset lifetime for the transmission line is \$1,000 pa.

■ **Table 4-2 Annualised Fixed O&M costs for Transmission Line Assets**

Period	Cumulative Annualised Fixed Transmission Line O&M Costs (AU\$, 2009)
1 to 5 years	\$ 5,000
6 to 10 years	\$ 5,000
11 to 15 years	\$ 5,000
16 to 20 years	\$ 5,000
21 to 25 years	\$ 5,000
26 to 30 years	\$ 5,000
31 to 35 years	\$ 5,000
36 to 40 years	\$ 5,000
41 to 45 years	\$ 5,000
46 to 50 years	\$ 5,000
51 to 55 years	\$ 5,000
56 to 60 years	\$ 5,000

SINCLAIR KNIGHT MERZ



4.4 Annual Fixed Transmission Network Access Tariff

Section 4.2 of the Network Access Prices document titled “2009/10 Price List” published by Western Power states:

“Transmission Reference Tariff 2 (TRT2) consists of:

- (a) a User specific charge that is to be an amount per day which reflects the costs to Western Power of providing the Connection Assets under an Access Contract, which may consist of capital and non-capital costs.*
- (b) a variable use of system charge calculated by multiplying the applicable use of system price (detailed in Table 3) by the declared sent-out capacity (DSOC) at the entry point (expressed in kW);*
- (c) a variable control system service charge calculated by multiplying the control system service price (detailed in Table 11) by the nameplate output of the generator at the entry point (expressed in kW);*
- (d) a fixed metering charge per revenue meter (detailed in Table 15) which is payable each day; and*
- (e) excess network usage charges (if applicable).”*

For the purpose of this report, (a) is not applicable because it is assumed the total cost of connection assets are included in the capital and fixed O&M costs. Similarly, (e) is not applicable because a prudent generator will not supply more than the declared sent-out capacity (160MW) to incur excess network usage charges.

The median use of system charge (GST inclusive) applicable from mid 2009 is \$8.58/kW/annum³. For a 160MW power station, the annual fixed use of system charge is determined at \$1,372,800.

The control system service charge (GST inclusive) applicable from mid 2009 is \$0.58/kW/annum⁴. For a 160MW power station, the annual fixed control system service charge is determined at \$92,800.

³ Table 23 from the Network Access Price document titled “2009/10 Price List”, available to download from Western Power website.

⁴ Table 31 from the Network Access Price document titled “2009/10 Price List”, available to download from Western Power website.



The metering charge (GST inclusive) applicable from mid 2009 is \$13,208.84/metering unit/annum⁵. For a power station connected to the TNSP with one meter, the annual fixed metering charge is determined at \$13,209.

4.5 Connection Assets Fixed O&M Cost Escalation

The major component of the connection assets (switchyard and transmission line) fixed O&M cost is labour cost. Therefore, the composite cost escalation index determined for the fixed O&M costs is equivalent to the Western Australian labour cost escalation index of 5.1% for the 2008 to 2009 period.

⁵ Table 35 from the Network Access Price document titled “2009/10 Price List”, available to download from Western Power website.

Appendix A Scope of Work

Extract from proposal letter HAP0214

The project shall consist of three discrete elements as follows:

1.1. Power Station Estimate

- 1.1.1. Estimate the capital cost (procurement, installation and commissioning, excluding land cost) of a generic, industry standard liquid fuelled 160MW Open Cycle Gas Turbine power station. The estimate will include all the components and costs associated with a complete gas turbine project; and
- 1.1.2. Estimate the fixed operation and maintenance costs of the liquid fuelled OCGT power station of 160MW with capacity factor of 2% to mid 2009 value. The cost shall be in 5 year periods covering 1 to 5 years; 6 to 10 years; 11 to 15 years; 16 to 20 years; 21 to 25 years; and 26 to 30 years respectively.

1.2. Connection Works Estimate

- 1.2.1. Estimate the capital cost (procurement, installation and commissioning, excluding land cost) of a generic, industry standard 330kV substation to a mid 2009 value that facilitates the connection of the above mentioned power station. The estimated cost will be based on a generic three breaker mesh substation configured in a breaker and a half arrangement. The substation will be located under an existing transmission line and include an allowance for 2km of 330kV overhead single circuit line to the power station that will have one road crossing. It shall be assumed that the switchyard will be located on 50% flat - 50% undulating land, 50% rural - 50% urban location and there will be no unforeseen environmental or civil costs associated with the development. The connection of the switching station into the existing transmission line will be turn-in, turn-out and will be based on the most economical (i.e. least cost) solution. It is assumed that the existing transmission line will not require modification to allow the connection with the exception of one new tower located at the substation to allow a point of connection. Shallow easement connection costs will be considered. Costs associated with any staging works will not be considered. The estimate will include all the components and costs associated with a standard substation;
- 1.2.2. Estimate the fixed operation and maintenance costs of this transmission line and meshed switchyard to mid 2009 value. The cost shall be in 5 year periods covering 1 to 5 years; 6 to 10 years; 11 to 15 years; 16 to 20 years; 21 to 25 years; 26 to 30 years; 31 to 35 years; 36 to 40 years; 41 to 50 years; 51 to 55 years; and 56 to 60 years respectively; and
- 1.2.3. Ensure the above mentioned transmission line and substation design and arrangement comply with the requirements of Western Power's technical rules for new developments.

1.3. Legal, Approval and Financing Estimate

- 1.3.1. Estimate a reasonable margin for the term 'M' used in the Market Procedure for: Determination of the Maximum Reserve Capacity Price (see attachment) giving due consideration to standard industry practices. It is expected that this will cover the following:
 - a. Legal cost associated with the design and construction of the power station
 - b. Approval cost including environmental consultancies and approvals, and local, state and federal licensing, planning and approval costs
 - c. Reasonable design costs associated with the power station; and
 - d. Insurance costs required to insure the replacement of capital equipment and infrastructure.

Appendix B Western Power’s Technical Rule, Clause 2.5.2.3 N-1-1 Criterion

2.5.2.3 N-1-1 Criterion

- (a) The N-1-1 Criterion applies to those sub-networks of the *transmission system* where the occurrence of a *credible contingency* during planned maintenance of another *transmission element* would otherwise result in the loss of *supply* to a large number of *Consumers*. Sub-networks of the *transmission system* that are designed to the N-1-1 criterion include:
- (1) all 330 kV lines, *substations* and *power stations*;
 - (2) all 132 kV *terminal stations* in the Perth metropolitan area, and Muja *power station* 132 kV *substation*;
 - (3) all 132 kV *transmission lines* that *supply* a sub-system of the *transmission system* comprising more than 5 *zone substations* with total *peak load* exceeding 400 MVA; and
 - (4) all *power stations* whose total rated export to the *transmission system* exceeds 600 MW.
- (b) The range of operating conditions that are allowed for when planning a part of the *transmission system* to meet the N-1-1 criterion is set out in [Table 2.9](#).

Table 2.9 Transmission system operating conditions allowed for by the N-1-1 criterion

Maintenance <i>Outages</i> and <i>Contingencies</i>
<i>transmission line</i> maintenance and unplanned <i>transmission line outage</i>
<i>transformer</i> maintenance and unplanned <i>transformer outage</i>
<i>transformer</i> maintenance and unplanned <i>transmission line outage</i>
<i>busbar</i> maintenance and unplanned <i>transmission line outage</i>
<i>busbar</i> maintenance and unplanned <i>transformer outage</i>
circuit breaker maintenance and unplanned <i>transmission line outage</i>
circuit breaker maintenance and unplanned <i>transformer outage</i>
circuit breaker maintenance and unplanned <i>busbar outage</i>
<i>transmission line</i> maintenance and unplanned <i>transformer outage</i>

- (c) Under the N-1-1 criterion, each sub-network must be capable of withstanding the coincident planned and unplanned *outages* of *transmission elements* listed in [Table 2.9](#) at up to 80% of the expected *transmission system peak load*. In determining whether the N-1-1 criteria have been met, the *Network Service Provider* may assume that, during the planned *outage*, *generation* has been rescheduled to mitigate the effect of the subsequent unplanned *outage*.
- (d) Following the unplanned *outage* of the *transmission element*, the *power system* must continue to operate in accordance with the performance standards specified in clause 2.2, provided the *transmission system load* remains below 80% of the expected *peak load*.



Appendix C Switchyard Capital Costs

Asset Description / Component	Cost Estimate (AU\$, 2009)
<i>330kV 3 breaker mesh switching station configured in a breaker & a half arrangement (i.e. One 1.5 diameter with 2XCBs + One 1.5 diameter with 1XCB). Allowance for a connection tower</i>	
330kV Switchyard Establishment	\$ 3,404,940
Switchbays - 330kV	\$ 3,634,779
Metering, Security	\$ 237,590
Communications Terminal equipment	\$ 999,250
Connection Point - New Tension Tower	\$ 243,973
	\$ 8,520,531
EPCM: 15%	\$ 1,278,080
Contractor facilities and mobilisation (7.5% of EPCM)	\$ 95,856
Western Australia Factor (on EPCM & mobilization): 30%	\$ 412,181
Total Switchyard with Connection Tower Cost (including all factors)	\$ 10,306,648



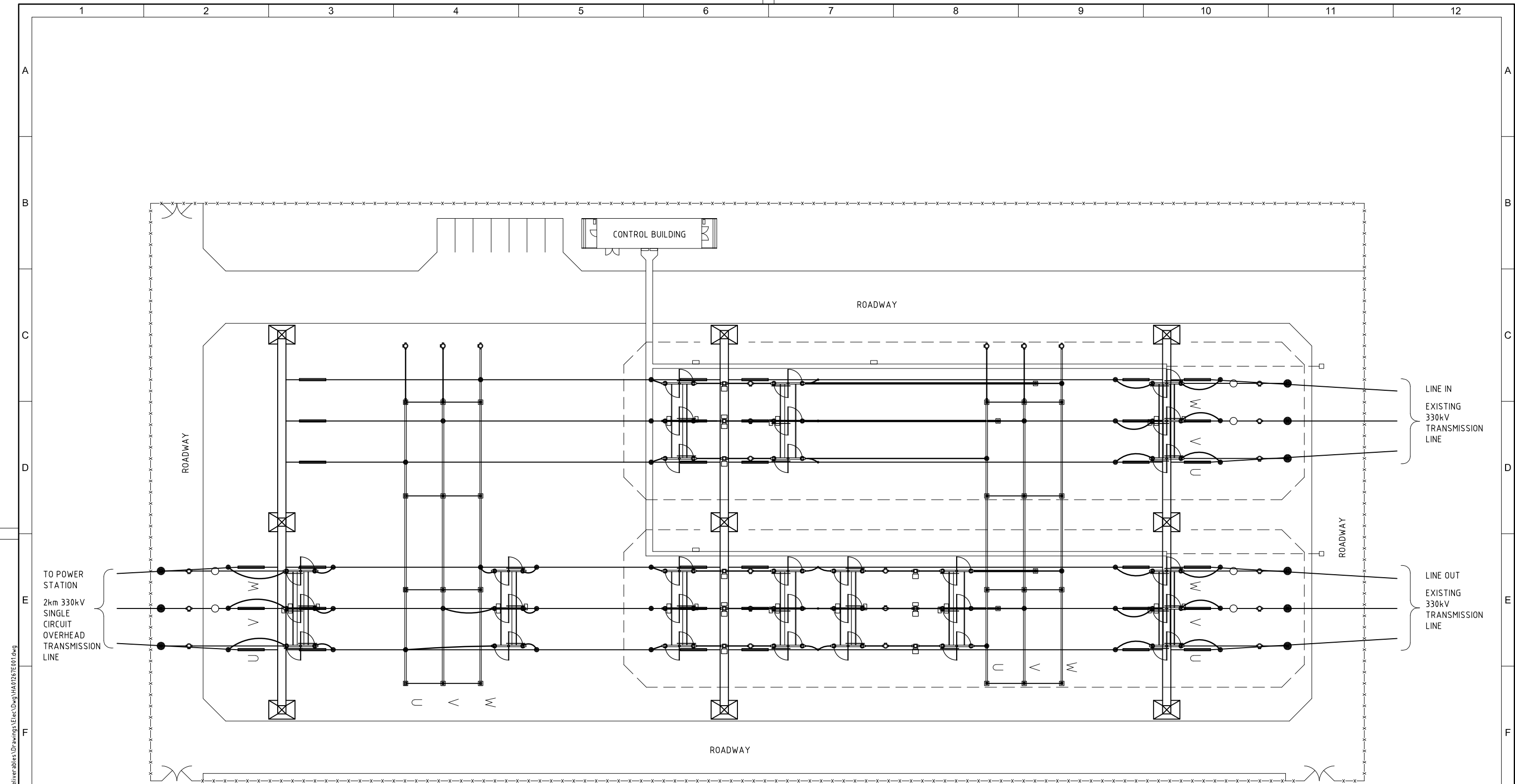
Appendix D Transmission Line Capital Costs

Asset Description / Component	Cost Estimate (AU\$, 2008)
<i>2km of 330kV Non Cyclonic Lattice Steel Tower, Single Circuit, 1 X Orange per phase, OPGW, 2 tension + 3 suspension towers</i>	
Clearing	\$ 48,891
Structure	\$ 613,418
Insulators and Fittings	\$ 24,131
Phase and Earth conductor	\$ 162,618
	\$ 849,057
Short Line Length Factor (since only 2km): 100%	\$ 849,057
	\$ 1,698,114
EPCM: 20%	\$ 339,623
Western Australia Factor (on EPCM): 30%	\$ 101,887
Transmission Line Total Estimate (including all factors)	\$ 2,139,624
Transmission Line Easement Acquisition Estimate	\$ 6,521,000
Total Transmission Line and Easement Acquisition Estimate	\$ 8,660,624



Appendix E Drawings

HA01267-E-001	3 breaker mesh in breaker & half configuration general arrangement
HA01267-E-002	3 breaker mesh in breaker & half configuration single line diagram



PLAN

FOR ILLUSTRATION PURPOSE ONLY

Xref: Plot Date: 16/09/2009@14:10:52 Login Name: pcambagna Cad File: I:\HARB\Project\HA01267\Deliverables\Drawings\Elec\Dwg\HA01267E001.dwg

No	DATE	DESIGN REVIEW	REV'D P.MGR	APPR P.DIR	PRELIMINARY	AMENDMENT
A	16/09/09	RD	AM	GG	PRELIMINARY	

REF.	DRAWING NUMBER	REFERENCE DRAWING TITLE
-	-	-

CLIENT APPROVAL

SKM

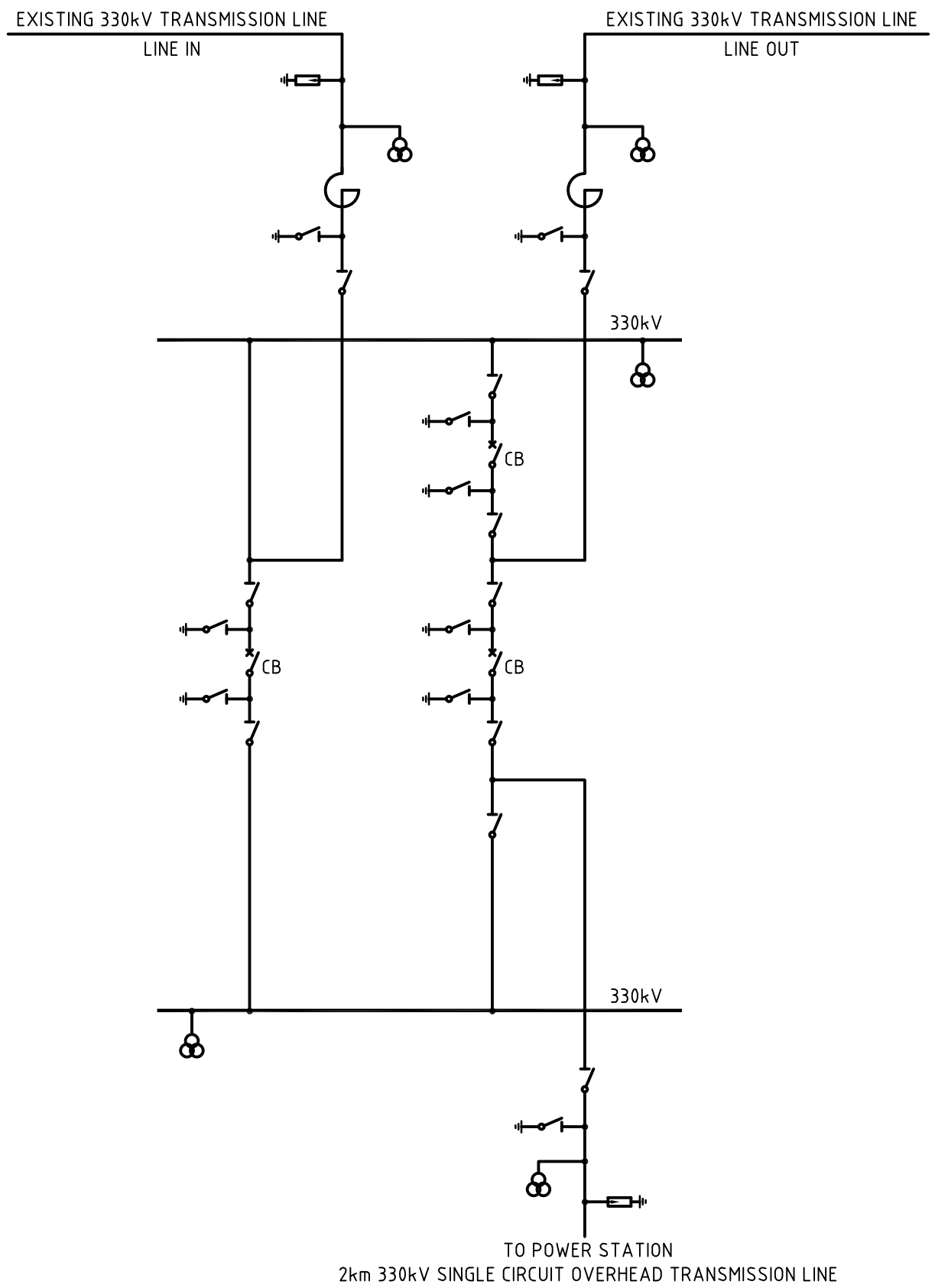
COPYRIGHT
The concepts and information contained in this document are the intellectual property of Sinclair Knight Merz. Use or copying of the document in whole or in part without the written permission of Sinclair Knight Merz constitutes an infringement of copyright.

A.C.N 001 024 098
Sinclair Knight Merz Pty. Ltd
100 Christie Street
St Leonards
NSW 2055 AUSTRALIA
Tel: +61 2 9928 2100
Fax: +61 2 9928 2500
Web: www.skmconsulting.com

CLIENT INDEPENDANT MARKET OPERATOR (WA)			
PROJECT REVIEW OF MAXIMUM CAPACITY PRICE 2009 NON POWER STATION ELEMENTS			
DRAWN PC	DRAFTING CHECK PC	REVIEWED PROJECT MANAGER AM	APPROVED PROJECT DIRECTOR GG
DESIGNED AM	DESIGN REVIEW RD		

TITLE 3 BREAKER MESH IN BREAKER & HALF CONFIGURATION GENERAL ARRANGEMENT			
SCALE NTS	PROJECT No HA01267	DRAWING No HA01267-E-001	AMDT A

Xrefs: Plot Date: 16.09.2009@14:10:25 Login Name: pcampagna Cad File: I:\HARB\Projects\HA01267\Drawings\Elec\HA01267E002.dwg



-					
-					
-					
-					
-					
A	16/09/09	RD	AM	GG	PRELIMINARY
No	DATE	DES'N REV	REV'D P.MGR	APP'D P.DIR	AMENDMENT

SKM

COPYRIGHT

The concepts and information contained in this document are the intellectual property of Sinclair Knight Merz. Use or copying of the document in whole or in part without the written permission of Sinclair Knight Merz constitutes an infringement of copyright.

A.C.N 001 024 098
Sinclair Knight Merz Pty. Ltd
100 Christie Street
St Leonards
NSW 2065 AUSTRALIA

Tel: +61 2 9928 2100
Fax: +61 2 9928 2500
Web: www.skmconsulting.com

CLIENT INDEPENDENT MARKET OPERATOR (WA)			
PROJECT REVIEW OF MAXIMUM CAPACITY PRICE 2009 NON POWER STATION ELEMENTS			
DRAWN PC	DRAFTING CHECK PC	REVIEWED PROJECT MANAGER AM	APPROVED PROJECT DIRECTOR GG
DESIGNED AM	DESIGN REVIEW RD		

TITLE 3 BREAKER MESH IN BREAKER AND HALF CONFIGURATION SINGLE LINE DIAGRAM			
SCALE NTS	PROJECT No HA01267	DRAWING No HA01267-E-002	AMDT A