

File



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 4

MEMORANDUM

To	Ms Jan Burnswoods MLC Hon Eric Roozendaal MLC Hon David Clarke MLC Hon Jenny Gardiner MLC Hon Kayee Griffin MLC Hon Sylvia Hale MLC Hon David Oldfield MLC	cc:	Hon Peter Primrose MLC Hon Don Harwin MLC
From	Budget Estimates Secretariat		
Subject	Answers to questions on notice – Department of Energy, Utilities and Sustainability		
Date	23 March 2005		
Reference			

Please find attached a copy of the answers provided to the questions taken on notice by Mr David Nemtsov, Director General, Department of Energy, Utilities and Sustainability, at the Supplementary Budget Estimates hearing on 9 February 2005.

Tanya Bosch
Director, Budget Estimates

QUESTION ON NOTICE
ESTIMATES COMMITTEE

Question No: 1

The Hon David Clarke MLC ask the Director-General, Department of Energy, Utilities and Sustainability:

QUESTION:

What is the last black out that you are aware of in the metropolitan area?

ANSWER:

In the hearing I advised I had not had an opportunity to review the daily reports prior to appearing before the Committee. After my appearance I was provided with reports that indicated blackouts had occurred at Thornleigh, Cambridge Park, St Mary's, Bass Hill and Narellan.

No electricity system can avoid blackouts, the challenge is to minimise their occurrence in terms of number and length.

On average, 70% of blackouts result from forces of nature, such as storms, trees, fires and animals, 13% from equipment failure, 12% due to damage caused by car accidents, excavators or vandalism, and 5% due to planned interruptions.

The overall reliability of the NSW electricity network has consistently remained in the range of 99.94% to 99.98% over the past six years.

Over the last five years NSW electricity businesses spent over \$4.8 billion on enhancing and improving the networks, and over \$6.2 billion of spending is currently planned for the next five years.

David Nemtzow
Director-General
Department of Energy, Utilities and Sustainability

QUESTION ON NOTICE
ESTIMATES COMMITTEE

Question No: 2

The Hon David Clarke MLC ask the Director-General, Department of Energy, Utilities and Sustainability:

QUESTION:

Apparently there were black outs in Thornleigh, Cambridge Park, St Mary's, Bass Hill and Narellan on 8 February 2005? Are you aware of what happened there? Is that report correct?

ANSWER:

With regard to the Daily Telegraph report on 9 February 2005 **EnergyAustralia** has advised me as follows:

The outages mentioned are unrelated, with two occurring within EnergyAustralia's network area. In respect of these outages, I am advised:

Thornleigh

Power was interrupted to about 30 customers in the vicinity of Thornleigh Street and Comenarra Parkway, Thornleigh, on 8 February, 2005.

The interruption was caused by a blown fuse on an alternative supply route which was in place due to maintenance being undertaken on the normal cables supplying the area.

Power went out at about 6.20pm and was fully restored within three hours.

Bass Hill

Power was interrupted to approximately 1,300 customers in parts of Bass Hill, Chester Hill and Sefton at 5.41pm on 8 February 2005.

The interruption was caused by a fault at a high voltage connection point.

Power was interrupted at 5.41pm with all customers except one restored within two hours. The remaining customer, a commercial premises adjacent to the damaged connection point, had power supplied from a mobile generator from 7.30am the following day while repairs were undertaken.

Telstra

There is no record of an outage on EnergyAustralia's network in the Sydney CBD on 8 February 2005.

The Telstra interruption must have been an internal problem within the building.

Cambridge Park, St Marys and Narellan are within Integral Energy's distribution franchise. In relation to supply interruptions to customers in those areas, I have been advised by Integral Energy:

- an 11kV distribution feeder at St Marys Zone Substation was interrupted at 3:54 pm due to a vehicle impact. 923 customers were interrupted for 47 minutes;
- a flashover occurred between two 11 kV circuits installed on the same pole adjacent to Camden Zone Substation. This occurred at 7.29 pm resulting in the loss of supply to 1670 customers for 71 minutes; and
- an 11kV distribution feeder at Narellan Zone Substation was switched out at 8.01 pm due to the failure of an air brake switch. 1000 customers were interrupted for 2 minutes and another 230 customers were interrupted for 12 minutes due to this incident.

These events did not qualify as Serious Electrical Network Incidents (SENI).

David Nemtzow
Director-General
Department of Energy, Utilities and Sustainability

QUESTION ON NOTICE
ESTIMATES COMMITTEE

Question No: 3

The Hon Jenny Gardiner MLC ask the Director-General, Department of Energy, Utilities and Sustainability:

QUESTION:

Where is the additional electricity capacity coming from? Is it from coal, gas, or alternative and renewable resources?

ANSWER:

In 2004, 170MW of new generation capacity came on line:

- 10 MW Narrabri gas
- 8 MW Teralba coal mine gas
- 120 MW Bayswater upgrade
- 30 MW Liddell upgrade
- 3 MW Camellia digester

The Department is also aware of over 5,500MW of new generation projects proposed for NSW:

- 2,080 MW Coal
- 160 MW Coal Overload
- 1,530 MW Gas
- 33 MW* Waste Mine Gas
- 25 MW Bioreactor
- 60 MW Bagasse
- 1,506 MW Wind
- 225 MW Cogeneration
- 207 MW Solar
- 12 MW Coal Seam Methane

David Nemtzow
Director-General
Department of Energy, Utilities and Sustainability

QUESTION ON NOTICE
ESTIMATES COMMITTEE

Question No: 4

The Hon Sylvia Hale MLC ask the Director-General, Department of Energy, Utilities and Sustainability:

QUESTION:

Rather than saying are you insisting, are you requesting that power supplies be undergrounded?

ANSWER:

The Government has given a great deal of consideration to the issue of undergrounding but decided in September 2002 that the cost of undergrounding the existing network was too high relative to the quantifiable benefits.

The Government did recognise however that some members of the community place a high value on the 'unquantifiable' benefits of undergrounding, such as improved streetscapes and public amenity.

For this reason, the Government established a "Planning Measures for Undergrounding in Urban Areas" Working Group to investigate measures to encourage and facilitate undergrounding without imposing additional costs on electricity consumers. These measures included:

- Enhancing government planning instruments (including local environment plans) so that undergrounding will occur in new residential and commercial developments as well as redevelopments;
- Payment options for those prepared to fund undergrounding; and
- Improved coordination of energy, telecommunications, water, road and rail infrastructure delivery.

Notwithstanding the Government's 2002 decision, it is estimated that almost half of Sydney's electricity network will be underground within the next twenty years at no additional cost to consumers. This is expected to be achieved primarily through the development of new residential estates on the outskirts of Sydney. Another contributor will be where the electricity service is undergrounded in conjunction with redevelopment of commercial sites.

David Nemtzow
Director-General
Department of Energy, Utilities and Sustainability

QUESTION ON NOTICE
ESTIMATES COMMITTEE

Question No: 5

The Hon Jenny Gardiner MLC asked the Director-General, Department of Energy, Utilities and Sustainability:

QUESTION:

What amount of green power has been produced in New South Wales and what percentage of it has been purchased in New South Wales, and how many consumers have taken up the offer, and what percentage of total consumers that represents?

ANSWER:

- (1) Green Power is a Government-accredited national program that sets stringent environmental and reporting standards for renewable energy products offered by electricity suppliers to households and businesses across Australia. The annual Green Power audits do not provide production information on a state basis, only national information.
- (2) For the reasons detailed in (1), it is not possible to provide percentage purchases. However, the total purchases for the requested time period are:
- | | | |
|---------|---|-------------|
| 2000/01 | - | 233,319 MWh |
| 2001/02 | - | 213,066 MWh |
| 2002/03 | - | 153,638 MWh |
- (3)
- | | | |
|---------|---|--------|
| 2000/01 | - | 20,263 |
| 2001/02 | - | 18,221 |
| 2002/03 | - | 13,477 |
- (4)
- | | | |
|---------|---|-------|
| 2000/01 | - | 0.66% |
| 2001/02 | - | 0.59% |
| 2002/03 | - | 0.43% |

David Nemptzow
Director-General
Department of Energy, Utilities and Sustainability

QUESTION ON NOTICE
ESTIMATES COMMITTEE

Question No: 6

The Hon David Clarke MLC ask the Director-General, Department of Energy, Utilities and Sustainability:

QUESTION:

What is the total cost per home of BASIX for new homes?

ANSWER:

BASIX is the responsibility of the Department of Infrastructure, Planning and Natural Resources. The BASIX website, www.basix.nsw.gov.au, contains information on the estimated costs and benefits of BASIX for new homes.

David Nemptzow
Director-General
Department of Energy, Utilities and Sustainability

QUESTION ON NOTICE
ESTIMATES COMMITTEE

Question No: 7

The Hon Jenny Gardiner MLC ask the Director-General, Department of Energy, Utilities and Sustainability:

QUESTION:

Can you provide the committee with the salary and any other benefits paid to the top 10 salary earners at DEUS along with job descriptions and titles?

ANSWER:

Information on the salaries paid to CES, SES and other staff are contained in the Department's Annual Report, in compliance with the statutory requirements detailed in the *Annual Reports (Departments) Regulation 2000*.

David Nemtzow
Director-General
Department of Energy, Utilities and Sustainability

QUESTION ON NOTICE
ESTIMATES COMMITTEE

Question No: 8

The Hon Jenny Gardiner MLC ask the Director-General, Department of Energy, Utilities and Sustainability:

QUESTION:

Can you advise the committee of the assessment of the extra energy that will be required and the greenhouse gases produced as a result of pumping extra water from the Shoalhaven in the Sydney supply?

Can you ascertain if there has been any assessment done by DEUS at all on that?

And what it is?

ANSWER:

This proposal is the responsibility of the Sydney Catchment Authority (SCA). To date the Department of Energy, Utilities and Sustainability has not had any input into any assessments by the SCA of the potential additional energy requirements of this proposal.

David Nemtzow
Director-General
Department of Energy, Utilities and Sustainability