



**Government
of South Australia**

MMREF2012/000005
eA161997

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Mr Ian Stirling
Chief Executive Officer
ElectraNet
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Dear Mr Stirling

A handwritten signature in cursive script, appearing to read 'Ian', written in black ink.

Thank you for the opportunity to make a submission on the Project Assessment Draft Report for the South Australia-Victoria (Heywood) Interconnector Upgrade.

The South Australian Government supports the Upgrade and on the basis of the analysis presented in the Draft Report also supports the preferred option. The Government considers that increased capacity on the interconnector is likely to result in benefits to South Australian electricity consumers.

Increasing export capacity will enable South Australian generators more opportunity to supply the eastern states, which is particularly important to enable South Australia to exploit its fantastic natural endowment in wind energy.

Increased import capacity will also result in more competition for South Australian generation from Eastern states generation. In addition, the expected significant reduction in network constraints should provide a more stable platform for trading by market participants and ensure that this capacity is more often available when required during periods of high demand in summer.

Finally, I look forward to a quick finalisation of the Project Conclusions Assessment Report and the Australian Energy Market Operator and ElectraNet undertaking the detailed planning and design to enable the upgrade to occur at the earliest opportunity.

Once again, thank you for the opportunity to comment and all your hard work in getting to this stage of the process.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Tom Koutsantonis', written in black ink.

Hon Tom Koutsantonis MP
Minister for Mineral Resources and Energy

25th October 2012

Cc: Mr Matt Zema, Managing Director and Chief Executive Officer, AEMO
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