



For release | 18 April 2016

Call for non-traditional proposals to power Kangaroo Island's future development

SA Power Networks is seeking proposals for non-traditional approaches, potentially including use of renewables, for the long-term supply of electricity on Kangaroo Island.

Kangaroo Island is currently supplied via a 33,000 Volt undersea cable that runs about 15 kilometres under Investigator Strait backed up by diesel generation at Kingscote. The cable is reaching the end of its working life and is due for replacement. The Australian Energy Regulator has agreed funding of \$45 million for the project.

“While we have proposed to replace the cable, we are required to undertake a Regulator-driven process to review potential alternatives. This is aimed at testing whether there are cost efficient alternatives to network investment,” said SA Power Networks spokesman Paul Roberts.

“We will assess proposals identified through the process against the proposed new cable installation to determine the most beneficial strategy. A key driver in selecting the most appropriate solution is an economic assessment based on the life of the asset; its long term costs – including up front capital and operating/maintenance costs; and the ability to deliver high levels of reliability for an extended period.

“Any new local embedded generation option, by itself or in combination with other options, will be required to operate 24/7 and be capable of meeting all of Kangaroo Island’s needs for the next 25 years,” he said.

“Any solution will have to be ready and able to support total demand on the Island now and be able to meet future anticipated demand growth and be able to pick up the slack when the current ageing undersea cable ultimately fails.”

Options must be able to supply peak electricity demand on Kangaroo Island with adequate redundancy, frequency and voltage control and be expandable to cater for any unforeseen customer demand increases.

“We’ve already got a large number of parties who have registered their interest to submit proposals. We expect a non-network solution may involve some combination of solar, battery storage, wind power and back up diesel generation. While acknowledging the challenge for proponents, it will be exciting to see whether there is a viable proposal that delivers better value for KI customers than the network solution,” Mr Roberts said.

Formal submissions are required from proponents by mid-July with a view to a final decision being made by the end of 2016. SA Power Networks will concurrently seek formal quotations for the supply and installation of the proposed cable to enable a direct comparison with any non-network proposals.

Information is available on the SA Power Networks website via this link: [KI Non-network Options Reports \(NNOR\)](#) or by searching for Non Network Options Reports at www.sapowernetworks.com.au

Media contact: 0403 582 500