SYNERGY SUPPLY PROCUREMENT 2009

Coolimba Power project proponents, Aviva Corporation (Aviva) and AES Transpower Australia Pty Ltd (AES) have been advised by Synergy that they have not been appointed a preferred tenderer as part of Synergy’s 2009 supply procurement program.

In a related media release Synergy has advised the appointment of fellow State Government Enterprise, Verve Energy as the preferred tenderer for further electricity supplies from its existing generators.

Aviva and its partner AES had proposed to supply power from a new 400MW power project at Coolimba which was planned to be commissioned in 2014/15.

The Independent Market Operator (IMO) had highlighted the need for at least 500MW of new generation in its Statement of Opportunities released in July 2009. The Minister for Energy confirmed in writing to Aviva on 17 June 2009 that no decision had been made to remove the 3,000MW capacity on Verve Energy which had been in place since 2006.

On that basis, Verve could not fulfil the 400MW opportunity identified by the IMO and targeted by Coolimba.

In reliance on these fundamentals Aviva continued to progress the Coolimba Project which offers a committed 30 year fuel supply and a location ideally suited to service the development of the Midwest Region and enhance network stability.

After attracting AES’s parent the AES Corporation (one of the worlds largest Independent Power Producers as a development partner), the Aviva Board is disappointed and surprised that Coolimba has not been successful and will meet as soon as possible to consider further options for the project.

Coolimba is still the only generation project north of Perth with a committed fuel reserve, the only base load project in the state with a scoped carbon mitigation option and its project environmental approvals, which include plans for a 360MW gas fired plant, are nearing completion. However without support from Synergy or a similarly credit worthy customer, Aviva is unlikely to continue promoting the project in its own right.

ENDS
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