



London House Level 2, 216 St
Georges Terrace Perth WA 6000

Telephone +61 8 6298 1888

ABN 68 070 871 831

KARARA POWER PTY LTD ABN 78 137 632 001

LICENCE EXEMPTION APPLICATION

WITH RESPECT TO

ELECTRICITY TRANSMISSION LICENCE ETL6 VERSION 6 – JULY 2018

ELECTRICITY INDUSTRY ACT 2004

Energy Policy WA

Level 1, 66 St Georges Terrace, Perth, WA 6000

Locked Bag 11 Cloisters Square WA

Perth WA 6850

23 February 2023

1 Table of Contents

1	Table of Contents.....	2
1	Introduction.....	3
2	Transmission Line and Licence.....	3
2.1	Reference documents.....	3
2.2	History.....	4
2.3	Public Interest.....	4
2.4	Commercial Context.....	5
2.5	Licence Context.....	5
2.6	License Scheme Context.....	6
3	Request for Exemption.....	6
3.1	Power to exempt.....	6
3.2	Application for licence exemption for KPL.....	7
4	Public Interest Assessment.....	7
4.1	Environmental Considerations.....	7
4.2	Social Welfare and equity considerations, including community service obligations	9
4.3	Economic and regional development, including employment and investment growth	10
4.4	Interests of customers.....	11
4.5	The interests of any licensees or Applicants.....	12
4.6	Competition in electricity industry markets.....	12
4.7	The policy objectives of government in relation to the supply of electricity.....	12
4.8	Public Safety.....	13
4.9	Network Reliability and Safety.....	13

1 Introduction

Karara Mining Limited ABN 68 070 871 831 (**KML**) owns and operates the largest iron ore mining operation (and the first magnetite mine) in the Mid-West region of Western Australia (**Karara Mine**).

Karara Mine (located approximately 70km east of Morawa and 100km south of Yalgoo) has an expected economic life exceeding 30 years¹. Magnetite ore is concentrated by an on-site processing plant to produce a premium high-grade magnetite concentrate which is transported by train to the Karara Export Terminal in Geraldton for export to China and other international markets.

Western Australia's main electricity network supplies 330kV electrical power necessary for operations at Karara Mine.

KML is an Australian public company owned by Gindalbie Metals Ltd and Angang Group Investment (Australia) Pty Ltd. A change of ownership occurred during 2020 which resulted in Gindalbie (and KML) being wholly and ultimately owned by Ansteel Group Corporation (**Ansteel**).

KML operates the Karara mine and associated infrastructure. The current production is approximately 8Mtpa. Operations include a long-life magnetite deposit, rail infrastructure and an integrated train load-out/ship loading facility at the Geraldton port.

Karara Power Pty Ltd ABN 78 137 632 001 (**KPL**) is a wholly owned subsidiary of KML, and the entity set up to manage power infrastructure assets for KML (references to KML include KPL unless the context otherwise requires). KPL owns and operates a transmission line between the Three Springs Terminal (3SP) and the Karara Mine.

2 Transmission Line and Licence

KPL holds an Electricity Transmission Licence ETL6 Version 6 – 1 July 2018 (**ETL6**) issued by the Economic Regulation Authority of WA (**ERA**) pursuant to the Electricity Industry Act 2004. The operation of the Transmission Line falls under the act.

The Licence covers an area between Three Springs (**3SP**) and the Mine. There is a single transmission line carrying two independent circuits.

The 'southern circuit' is a 300kV line dedicated to providing power to Karara Mine.

The 'northern circuit' runs from 3SP to the Koolanooka take-off point (**KTP**), this is a 132kV line used solely to transfer power for Western Power pursuant to a Wheeling Agreement between KML, KPL and Western Power (**WP**). WP transmits the power from KTP to a copper, zinc and precious metals mine located approximately 450 km north-east of Perth and 250 km east of Geraldton in the in the Mid-West region, (**Golden Grove Mine**).

2.1 Reference documents

- Wheeling Agreement (2012) (*confidential*)

¹ KML has submitted a proposal in March 2022 to extend the mine life to approximately 40 years. ([Karara Iron Ore Project – Mine Life Extension | EPA Western Australia](#))

- Electricity Transmission Licence ETL6, Version 6, 1 July 2018
- Electricity Industry Act 2004 (**The Act**)

2.2 History

Karara Mine and associated infrastructure was constructed in the period 2007-2012. As the mine is a large electrical load on the South-West Interconnected System (**SWIS**), it necessitated construction of a dedicated transmission line as well as augmentation of the main electricity network operated by WP. Power is transmitted from the Eneabba Substation by a 330kV transmission line to the Karara Mine 180km away.

The transmission line was designed to exceed the Karara Mine life of 30 years.

The transmission line consists of two sections

1. Eneabba to 3SP
2. 3SP to Karara Mine

2.2.1 Eneabba - Three Springs

KPL funded the construction of the 330kV line from Eneabba to 3SP. This was an upgrade of the existing SWIS network. After completion of the line, this section of line was sold to WP. Consequently, the Eneabba-3SP line is now owned and operated by WP. KML and KPL have no responsibility for, nor ownership of this section of the line.

2.2.2 Three Springs – Karara Mine

The 3SP to Karara Mine section of the transmission line is a dual circuit line (two separate sets of conductors on the transmission towers).

The 'northern line' is a 132kV line used by WP to transfer power through this circuit on KPL's towers to Golden Grove Mine. The WP network connects to the 132kV northern circuit at Three Springs and Koolanooka. WP controls and meters this circuit. KPL has no control over this circuit other than sharing towers. The northern line is used solely by WP.

The 'southern line' is a 330kV line, dedicated to providing power to Karara Mine.

There is no switching equipment or substation for the 330kV line between 3SP and Karara Mine. The receiving substation at Karara Mine is owned and operated by KML and KPL.

The 330kV line protection equipment at the Karara Mine end of the line is owned, operated, and maintained by WP. There is no tariff metering equipment installed at the Karara Mine end of the transmission line

2.3 Public Interest

The substations and take off points of the 132kV northern circuit are owned and managed by WP. KPL has no switchgear or metering installed at either end of this line. All the switchgear and protective devices are owned, operated, and maintained by WP.

Electrically, this is a passive circuit and has a fixed impact on the electrical supply quality. In other words, the operating conditions of the 132kV line are managed by WP and the line has a fixed impact on the SWIS that is managed and controlled by WP.

The southern 330kV line is a self-supply situation, i.e., the southern line supplies electricity solely to the person (KML and KPL) that owns, controls and operates the line (Electricity Industry Act, section 7.5(a, b)). The southern line metering and switchgear is also operated and maintained by Western Power.

There is no metering owned or operated by KML or KPL.

The northern 132kV transmission line circuit, the conductors and supporting hardware, including towers and insulators is the only part of the transmission line that may have relevant public interest considerations.

2.4 Commercial Context

A Wheeling Agreement (2012) between WP, KML and KPL sets out the commercial terms relating to the transfer (wheeling) of electricity on the northern 132kV line and preserves WP's rights under certain conditions.

Internal review and comparison of licence obligations against the terms and conditions of the Wheeling Agreement demonstrates that apart from the annual review and audit obligations, there is no material difference between these two instruments with respect to KML's and KPL's principal obligations for operation, maintenance and safety of the transmission system.

Key terms of the Wheeling Agreement include the following:

- The Wheeling Agreement ([REDACTED]) requires KML and KPL to operate and maintain the transmission line in accordance with Good Electricity Industry Practice, the technical rules and all applicable laws and authorizations.
- The Wheeling Agreement prohibits decommissioning, demolition or removal of the transmission line or disconnection of the transmission line from the WP network.
- WP has fixed price access to use of the transmission line. [REDACTED] [REDACTED] This means the actual costs of operating and maintaining the transmission line are for KML's and KPL's account and are not 'passed through' by KML or KPL either to WP or the final customer.
- The Wheeling Agreement includes mechanisms for WP to ensure that transmission line assets are correctly managed by KPL. [REDACTED] [REDACTED] WP has 'step-in' rights to enter into possession of, and operate and maintain the northern section of the transmission line [REDACTED] [REDACTED] [REDACTED]
- In the case that KML permanently ceases operations at Karara Mine the Wheeling Agreement provides for compulsory acquisition of the transmission line by WP [REDACTED] [REDACTED] This right of acquisition, coupled with the step-in right above, ensures that WP has access to the transmission line in any circumstances.

2.5 Licence Context

The principal obligations of the licensee under the existing transmission licence (ETL6) do not promote any relevant public interest, but in substance reproduce existing contractual obligations already performed by KML and KPL in accordance with the Wheeling Agreement

For this reason ETL6 imposes an administrative cost and burden on KML and KPL with no corresponding public benefit.

This should not be construed as a criticism of the existing licence arrangements, but is an outcome of the unique circumstances of this particular transmission line.

For example (references in brackets are to clauses of ETL6):

- Accounting Records (4.3.1) – As there is no cost pass-through to other parties, keeping accounting records pertaining specifically to the transmission line, as opposed to the accounting records maintained for the overall business, does not serve the public interest. Karara maintains accounting records to Australian standards, however it is more practical to account for the transmission line costs at business unit level.

- Asset Management System (5.1) - As licensee KPL must provide for an asset management system in respect of the transmission line. The Wheeling Agreement also requires KPL to develop and update an asset management plan covering the transmission line.
- Individual Performance Standards (5.2) - For the southern line which supplies the Karara Mine, KML is acutely aware of the performance of the line, as it is critical to the performance of the Karara Mine. For the northern line, as WP performs all the switching for the line and all the protective devices (circuit breakers) are also owned, operated and maintained by WP, WP has all the data to understand the performance of the line. In practice, KPL has no visibility of the performance of the northern line.
- Performance Audit (5.3) – WP, as the sole user of the northern section of the transmission line, has access to all the data necessary to measure the transmission line performance. Additionally, there are effective mechanisms within the Wheeling Agreement (as outlined above) to address any breach or other failure or poor performance of contractual obligations under the agreement by KPL.

2.6 License Scheme Context

A review of existing transmission licenses indicates that all transmission licenses are held by State Owned Enterprises (SOE) or Utility Companies.

The KPL license is unique, being the only mining company held transmission license. (It is noted that mining companies do hold other categories of license.)

Due to the nature of extra-high-voltage (EHV) transmission lines, interested parties can be considered as knowledgeable parties, having a high-level of technical and commercial knowledge. (While it is possible that a local (small scale) farmer may request a connection to a 330kV line, it is unlikely that a small-scale installation would be able to justify: a) the cost of the connection; b) the cost to maintain the connection assets.)

Unlike retail licenses, where it is necessary to provide protections to customers who may not be knowledgeable in electricity matters, transmission licenses regulate interactions between knowledgeable parties.

3 Request for Exemption

3.1 Power to exempt

Section 8 of the Electricity Industry Act (2004) provides that:

- Subsection 8(1): The Governor may exempt any person from the requirement to hold a transmission licence to construct and operate an electrical transmission system;
- Subsection 8(4): The Governor must not make an order under subsection (1) unless he or she is satisfied that it would not be contrary to the public interest to do so; and
- Subsection 8(5): Without limiting the other matters that may be taken into account, matters that are to be taken into account by the Governor in determining whether the making of the order would not be contrary to the public interest are:
 - Environmental considerations;
 - Social welfare and equity considerations, including community service obligations;
 - Economic and regional development, including employment and investment growth;
 - The interests of customers generally or of a class of customers;

- The interests of any licensee, or applicant for a licence, in respect of the area or areas to which the order, if made, would apply;
 - The importance of competition in electricity industry markets; and
 - The policy objectives of government in relation to the supply of electricity.
- Other matters: Other matters that may be material include:
- Public safety. Will public safety be adversely affected if the transmission license exemption is granted;
 - Network safety and reliability. Will the reliability or safety of the SWIS be adversely affected by a transmission line license exemption;

3.2 Application for licence exemption for KPL

This is an application by KML on behalf of its wholly-owned subsidiary KPL for grant of a licence exemption, by the Governor under section 8 of the Electricity Industry Act 2004 (**Exemption Application**).

The Exemption Application is for the entirety of the transmission lines covered under the existing ETL6 license, being the 330kV line from 3SP to Karara Mine and the 132kV line from 3SP to Koolanooka.

The Exemption Application is concerned with an existing transmission licence (ETL6) and the following section provides submissions as to the impact on the public interest if the license exemption were granted.

The submissions below are limited as far as practical to the impact of the transmission line and does not consider the obligations under the relevant mining licences.

4 Public Interest Assessment

4.1 Environmental Considerations

KML and KPL are already subject to an extensive range of environmental obligations which currently apply to KML and KPL under contractual agreements, Federal and State government approvals and authorizations.

KML has established a management system to ensure compliance with its environmental obligations including with respect to the Transmission System.

KML and KPL will continue to comply with these obligations following grant of the Exemption Application.

4.1.1 Easements

KPL does not own the land strip or corridor over which the transmission line is situated. KPL's legal rights to enter and to construct and operate the transmission line on or over the land corridor derive from a series of separate legal agreements with landowners in the form of a contractual agreement or easement over each area of land across each landowner's property.

KPL negotiated and executed separate agreements (Easement Deeds) with all landowners and has registered the executed Easement Deeds under the Transfer of Land Act 1893 to ensure lawful rights of access to the transmission line and entire transmission line corridor from 3SP to the Karara Mine Site for operational, maintenance and other asset management purposes including compliance with environmental obligations.

Under each Easement Deed, KPL is subject to comprehensive environmental obligations with respect to the land including the following:

- KPL must comply with all laws, regulations, licences and approvals (including Federal and State environmental laws) relating to exercise of its rights under the Easement Deed including those relating to prevention of fire and noxious weeds control;
- KPL must not destroy, remove or clear any trees scrub or other vegetation without required regulatory approval;
- KPL must:
 - Exercise its rights under each Easement Deed so as to prevent pollution and environmental damage;
 - Ensure no pollutant or waste material is discharged or contaminates the environment in exercising its rights under each Easement Deed;
 - Clean up any pollutant or waste material resulting from exercise of rights or breach of obligations under each Easement Deed which is discharged or does contaminate the environment or have potential to do so;
 - Remove all waste and debris in connection with exercise of its rights under each Easement Deed;
 - Maintain proper procedures to monitor compliance with environmental laws relating to exercise of its rights under each Easement Deed; and
 - Exercise all rights under each Easement Deed according to Federal and State environmental laws;
- KPL must clean up or remove any pollution or environmental damage which includes removal or elimination of the cause of contamination and any contaminated material or substance; and
- KPL's responsibility for cleaning up and removing contamination arises on discovery of the contamination and continues in relation to any contamination discovered at any time.

KML will continue to comply with these obligations following grant of the Exemption Application.

4.1.2 Wheeling Agreement

Under the Wheeling Agreement KML and KPL are required to operate and maintain the transmission line in accordance with all applicable laws and authorizations which include all Federal and State environmental laws and regulations.

KML must continue to comply with these obligations irrespective of ETL6 and will do so following grant of the Exemption Application.

4.1.3 Mining operations

KML's right to operate the Karara Mine and associated infrastructure including the transmission line is subject to continuing compliance with Federal and State governmental regulatory conditions and procedures including Ministerial Statement No 805 dated 8 September 2009 under the Environmental Protection Act 1996 (MS 805) and mining proposal approval under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Approval 2006/3017).

KML must comply with all conditions of mining approvals to ensure lawful continuity of business operations in accordance with these and other statutory and regulatory environmental laws and requirements in Australia.

KML must continue to comply with these obligations irrespective of ETL6 and will do so following grant of the Exemption Application.

4.1.4 Environmental compliance policies and procedures

KML has established a robust management system to ensure compliance with its statutory and contractual environmental obligations including those with respect to the Transmission System

KML operates in accordance with a corporate Environmental Policy and Environmental Management Plan which applies to all assets including the transmission line and associated infrastructure. These outline the overall framework of activities across the business necessary to ensure compliance with conditions of approval and other statutory and regulatory requirements (including systematic assessment, monitoring and control of operations and activities to avoid or minimize the risk of adverse environmental impacts to these assets).

A specific Environmental Management Plan for the transmission line sets out particular environmental management plans and processes developed and implemented to ensure compliance with conditions of approval and other statutory and regulatory requirements which apply to operation and maintenance of the transmission line. The purpose of this Environmental Management Plan is to eliminate or minimize the risk of adverse environmental impacts from those activities.

KML audits compliance with all conditions of statutory and regulatory environmental obligations on an annual basis. Karara submits audit reports (which identify non-compliances and include breach rectification plans and schedules) to relevant authorities and publishes these reports on the internet.

KML must continue to execute and implement these environmental obligation management systems irrespective of ETL6 and will do so following grant of the Exemption Application.

4.1.5 Submission

Based on the extensive range of environmental obligations which currently already apply to KML, and existing internal compliance policies and procedures (as summarised above) KML submits:

- The grant of the Exemption Application would not be contrary to the public interest by reason of environmental considerations; and
- There are no relevant environmental concerns (or adverse or other environmental compliance consequences) contrary to the public interest which could arise or result from the grant of the Exemption Application.

4.2 Social Welfare and equity considerations, including community service obligations

There are no social or community requirements under the existing transmission licence. The community and social expectations for the mine and port would continue to be in place following a licence exemption.

Karara provides substantial funding every year for regional community projects in the areas of health, education, training, indigenous and local community development.

Current programmes include support for indigenous and community farming and business operations at Karara Innovation Park (DMIRS Community Partnership Resources Sector Award Winner – 2016), provision of a community mobile dental service in partnership with the Royal Flying Doctor Service (DMIRS Community Partnership Resources Sector Award Winner – 2020), and sponsorship of a range of local organizations in the areas of education, sports, the arts and community.

4.2.1 Submission

KML will continue to provide support for these and similar community service programmes and projects irrespective of ETL6 and continued provision of support will be unaffected by grant of the Exemption Application.

4.3 Economic and regional development, including employment and investment growth

The Karara Mine is the largest and most significant mining operation in the mid-west region with current production of approximately 8 million tonnes per annum of Mtpa of high-quality magnetite concentrate. Operations include mining and processing of magnetite ore, water, power and rail infrastructure and an integrated train load-out/ship loading and export facility at Geraldton.

The forecast life of Karara Mine exceeds 30 years. Total investment to date exceeds \$6 billion. Further mine and processing expansions are planned for future development and increased annual production of the Karara Mine.

The Karara Mine and its related infrastructure are crucial contributors to the regional economy, providing up to 1,000 jobs for employees and contractors (with approximately 20% of personnel resident in the mid-west region) and annual expenditure on locally produced goods and services up to \$100 million. Karara Mine is forecast to pay approximately \$1.8 billion in mining royalties and \$100 million in payroll tax to the State during its life.

If an upgrade of the northern 132kV transmission line circuit was required for regional growth or development, WP is entitled to negotiate and agree with Karara for additional capacity on the line (or an upgrade of the conductors and/or voltage). The Wheeling Agreement includes mechanisms for negotiations for line upgrades.

KML plans to continue to operate the Karara Mine for the remainder of its life and is currently developing the business and investment case for expansion of production in future years. Continued operation ensures continued economic and regional development and employment. Any expansion of operations will require substantial additional investment in the region and the State

Continued mining operations and potential mining and processing expansion proposals and plans will be unaffected by grant of the Exemption Application.

The mid-west region is not presently serviced by a high voltage transmission system other than the transmission line. To date no pre-existing or proposed high voltage networks have been proven economically viable. For this reason no established or potential electricity industry market exists within this region however the existence of the transmission line and potential for upgrade may provide the catalyst required for a future electricity industry market within the mid-west region.

4.3.1 Submission

Karara does not view this application as limiting regional development or growth. A license exemption will not result in changes to employment levels, or growth.

In the event that this license exemption application is granted, Karara accepts that if future developments were to occur, such as a large number of small-scale customers on the 330kV line, or renewable energy providers requesting access to the line, it may be appropriate to relicense the line. Karara does note that any future access arrangement by third parties would be subject to commercial access rates and agreements. In this case KPL would be acting as a utility company with an income stream.

4.4 Interests of customers

KPL does not have any customers that are served by southern circuit of the transmission line.

KPL does not have and does not intend to seek retail customers. As a mining company producing iron ore (with no power generation capacity), KPL and KML have no plan to supply or transmit electricity to any other person. KPL may be approached from time to time by other mining customers who wish to gain access to the transmission line. KPL would evaluate all these approaches at the time of the approach.

WP has a single customer (Golden Grove Mine) served by the northern circuit of the transmission line.

Golden Grove has the following interests with respect to the northern 132kV circuit of the transmission line:

4.4.1 Reliability

Golden Grove has an interest in the continued reliable performance of the northern 132kV circuit.

In this respect:

- The northern 132kV circuit is a simple asset with no complex equipment or moving parts;
- All the protection and switching equipment is owned and operated by WP;
- The Wheeling Agreement already requires KML and KPL to operate and maintain the circuit in accordance with Good Electricity Industry Practice, the technical rules and all applicable laws and regulations;
- WP has the right to demand and is entitled to ensure that KPL complies with its maintenance obligations under the Wheeling Agreement including a 'step-in' right to enforce observance and implementation of maintenance practices to ensure reliability;

Based on the above, continued reliable performance of the northern 132kV circuit will be unaffected by grant of the Exemption Application.

4.4.2 Pricing of Electricity

Golden Grove has an interest in the continuation of current pricing agreements and pricing for electricity supplied to Golden Grove by WP using the northern 132kV circuit of the transmission line.

In this respect:

- The annual fee cost to WP for the use of the transmission line under the Wheeling Agreement for transfer of power to Golden Grove is a fixed nominal sum which will be unaffected by grant of the Exemption Application;
- WP is not liable for payment or reimbursement to KPL of costs of operation and maintenance of the transmission line under the Wheeling Agreement which are for the account of KPL alone.

Based on the above, current pricing agreements and pricing for electricity supplied to Golden Grove by WP using the northern 132kV circuit of the transmission line will be unaffected by grant of the Exemption Application.

4.4.3 Submission

KML submits that the mechanisms in place with WP through the Wheeling Agreement (which ensure that the reliability of the line would be unaffected, and there can be no additional costs for the customer) show that the interests of the sole customer (Golden Grove Mine) served by

the northern circuit of the transmission line and the supply of power to Golden Grove Mine would not be prejudiced and will be unaffected by grant of the Exemption Application.

4.5 The interests of any licensees or Applicants

The areas north and east of Morawa are not served by any other transmission lines or licensees.

KML is not aware of any other existing or potential licensee or applicant for a licence with respect to a transmission system under the Electricity Industry Act 2004 which could be affected by grant of the Exemption Application.

As KML is a significantly different type of company to the other transmission license holders (Mining company, vs Electrical Utility) and derives no significant income from the transmission line, the interests and competitive position of other transmission license holders are not prejudiced.

4.5.1 Submission

KML submits that grant of this Exemption Application would not affect and is not adverse or contrary to the interests of any other potential licensee or applicant for a licence.

4.6 Competition in electricity industry markets

This area is not served by any other transmission lines, consequently, there is currently no competition in the area. As there are only two customers (KML and Golden Grove) operating in the area, it is unlikely that other potential entrants would see any opportunities in this area.

KML is not in competition with any other transmission license holder and the grant of the Exemption Application does not give KML a competitive advantage over any other license holder.

4.6.1 Submission

Regulation in the electricity transmission space is concerned with avoiding unnecessary duplication of infrastructure while maintaining access to shared infrastructure.

There will be no change to the competitive environment (for transmission lines) in WA following grant of the Exemption Application.

KML notes that Part 8 (Section 102-118) of the Act continues to apply, even in the absence of a transmission license.

4.7 The policy objectives of government in relation to the supply of electricity

The government's policy objectives are²:

- Maintain a secure and reliable electricity supply
- Ensure affordable electricity for households and businesses
- Reduce energy sector emissions
- Transition affected workers in the Collie Region
- Promote local jobs and growth

² Leading Western Australia's brighter energy future. Energy Transformation Strategy, Stage 2: 2021-2025

4.7.1 Submission

KML does not see this application as counter to the policy objectives of the government.

4.8 Public Safety

Public safety aspects of transmission lines are addressed during the design phase of the line, as well as ongoing maintenance over the life of the asset.

Risks such as inadvertent contact with the lines are covered by design and ensuring adequate clearance distances between the line and potential encroachment points.

Anti-climb protection is installed on all the towers to prevent unauthorised access to the conductors.

Broken or dropped conductors are managed by line protection relays (maintained by WP) and ongoing periodic maintenance inspection of the line and insulators.

4.8.1 Submission

There will be no adverse effects on public safety if the Exemption Application is granted.

4.9 Network Reliability and Safety

WP owns, operates and maintains the electrical protection equipment at 3SP substation. In the event of a fault on the 132kV line, or the 330kV line, the protection equipment will remove the faulted equipment from the SWIS.

The protection settings (determined by WP) should be designed that all possible faults on the KPL transmission lines will be cleared without adversely affecting the SWIS reliability or safety.

In the case that there are potential faults that are not cleared effectively by the WP protection equipment, it is noted that these potential faults exist under the current licensing arrangements and will not be resolved or exacerbated by a transmission licence exemption.

The transmission line has been operating reliably since installed.

4.9.1 Submission

WP has the ownership and responsibility to ensure SWIS reliability. A grant of the Exemption Application will have no impact on SWIS reliability and safety.