

STATE UNDERGROUND POWER PROGRAM COST BENEFIT STUDY

TERMS OF REFERENCE

I, TROY BUSWELL, Treasurer, pursuant to section 32(1) of the *Economic Regulation Authority Act 2003*, request that the Economic Regulation Authority (ERA) undertake an inquiry into the overall costs and benefits of the State Underground Power Program.

The ERA is to have regard to the following:

- The costs of undergrounding the overhead electricity distribution network, including the impact on costs of the current process for selecting and assessing projects.
- A comparison of the costs associated with maintaining the current distribution network compared to undergrounding.
- The types of costs which are avoided as a result of undergrounding the overhead electrical distribution system.
- Identification and quantification (where possible) of all costs and benefits of underground power including but not limited to:
 - network capital, operation and maintenance costs;
 - quality of supply and reliability of electricity;
 - energy security;
 - emergency response;
 - residential property values;
 - public safety;
 - street lighting;
 - public and private amenity;
 - environmental impacts; and
 - maintenance of street scapes and verges.
- An analysis of the distribution and timing of benefits including an appraisal of who benefits and the overall public benefit to the wider community.
- In particular, the Authority is to report on what is the appropriate share of funding between the Government (representing broad community benefits),

the individual householder (representing private and local community benefits) and the Network Operator (representing network benefits).

- The cost benefit analysis should be limited to the South West Interconnected System.
- The ERA will complete a final report no later than 12 months after receiving the Terms of Reference.

**TROY BUSWELL MLA
TREASURER; MINISTER FOR COMMERCE;
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