Woodside boss pushes second gas pipeline

PETER KLINGER

WA's dominant gas supplier, Woodside Petroleum, has urged the State Government to consider building a second pipeline from the North-West to safeguard Perth's soaring energy needs against a breakdown of the existing line.

Woodside chief executive Don Voelte made the suggestion as part of an offer to help the Government formulate an emergency plan to deal with power crises such as the one triggered by Woodside's shutdown last month of its North-West Shelf gas plant on the Burrup peninsula.

The 48-hour shutdown halted the supply of gas into the Dampier to Bunbury pipeline, the only link between the North-West and electricity-starved Perth and the South-West. The shutdown sparked fears of power blackouts in Perth and industrial users were asked to slash power consumption to ease the supply constraints.

The State Opposition and the WA Chamber of Commerce and Industry have pounced on the shutdown to call for back-up gas storage facilities as well as an overhaul of WA's energy policy. Woodside contributes 70 per cent of the gas that fills the pipeline.

In his first comments on the shutdown, Mr Voelte told *The West Australian* yesterday Woodside had yet to hear from the Government about his emergency plan offer.

He said Woodside was willing to commit to "certain obligations" in any Government-led action plan but would not give details.

Mr Voelte urged the Government to at least study the need for a second gas pipeline to complement an ageing Dampier to Bunbury link that was operating at near-peak capacity.

"We've got to do something with that pipeline, " Mr Voelte said. "I'm advocating we do a risk management study, that we get a plan in place and that we seriously look at the infrastructure in WA in the area of power.

"You know, this town is too big. This is not a country bumpkin town anymore. What this place is it's a modern city in the world that has huge industry tied to it, the Rio Tintos, the BHPs, the Alcoas, the Fortescues, these guys need gas and frankly the citizens here need gas for their homes." He said while Woodside had learnt valuable lessons from the shutdown, in particular its ability to restart the plant, the Government had to ensure the loss of one key power source did not throw the entire power grid into chaos.

The Woodside boss said that based on statistics it was inevitable there would be another shutdown at some stage, or another reason why gas could not be delivered to Perth.

"I've got to tell you, I don't want to go through a three-week shutdown because I know what happened after two days around this place and frankly we all need to have a much better action plan when this eventuality does occur," he said. "We hope it never occurs but the statistics don't lie. They tell you it's going to happen."

Energy Minister Fran Logan has ruled out a second pipeline and said the Opposition's storage proposal did not make economic sense.

He has ordered the Office of Energy to investigate the Woodside shutdown and said the incident underlined the importance of the Government's energy security policy to ensure diverse supplies.

Noting that last month's incident did not result in residential power outages in the State, Mr Logan said: "The lights stayed on because we do have substantial energy reserves built into the energy market structure."

Mr Logan's view is backed by Stuart Hohnen, the executive chairman of the Dampier-to-Bunbury pipeline, who has also dismissed calls for a second pipeline.

Mr Hohnen said 50 per cent of the pipeline had been duplicated to allow for more capacity.

Help: Don Voelte is ready to work with the Government on an emergency plan.