



# Power pressure amps up

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**B**HP Billiton has put any further expansion plans on hold until a solution can be found to the current South Australian power supply issue.

BHP Billiton Chief Executive Officer Andrew Mackenzie made the comment last week as the company's half yearly operational report revealed production at Olympic Dam had fallen by 30 per cent, largely due to the major black out in September/October last year.

"We would not look at a major expansion of Olympic Dam unless we can be confident that we have a reliable and affordable source of

power within South Australia," Mr Mackenzie said in a recent interview.

"We sincerely hope that the government of South Australia and some of the reviews that are underway at the moment that we are contributing to, some of which go to the federal level, actually address some of the great difficulties we have had to face.

"These have cost us \$100 million in this period, because of the very poor provision for power within South Australia. That needs to be fixed before we would push ahead with a project like that."

The South Australian Chamber of Mines and Energy (SACOME) has also expressed its concerns with energy supply issues within the State, and designed an application for promi-

nent South Australian businesses to help facilitate negotiations with the Australian Competition and Consumer Commission (ACCC) for guaranteed long-term energy supply.

While BHP Billiton is currently not involved in this process, a number of companies including Arrium and Rex Minerals have already signed up.

BHP Billiton Olympic Dam Asset President Jacqui McGill said the blackout and the fall in production had virtually meant 203,000 tonnes of copper produced in the past financial year had been for nothing and the company had effectively lost a year's worth of productivity gains.

With electricity supply continuing to be an issue Ms McGill said there were vital concerns if this kind of blackout occurred again.

"A lot of people have drawn comparisons between what's happened at Alcoa and our experience at Olympic Dam and there are a lot of real similarities," she said on a 5AA Radio interview recently.

"The issue that Alcoa saw was the freezing of their furnaces and their pots, which is a significant issue for them and is really impacting their performance.

"We came very close to that situation at Olympic Dam and if it wasn't for the work of my great team in getting temporary generation in place, then we could have been looking at an extensive timeframe to rebuild our entire furnace, which is in the order of 12 months."

"So this is a significant issue."