

5 DECEMBER 2019

## Tasmanian second interconnector is feasible, unlocking renewable energy potential to the NEM

TasNetworks has today released the final business case assessment for Marinus Link, highlighting that the second interconnector across the Bass Strait is feasible at 1500MW capacity and could be in service from 2027.

In 2017, the Australian and Tasmanian Governments announced their commitment to jointly fund the \$20 million feasibility study and business case assessment for a second interconnector, named Project Marinus.

Supported by \$10 million from ARENA, TasNetworks' analysis has found the proposed Marinus Link and the associated supporting transmission is technically and commercially feasible.

If built, Marinus Link could support Australia's transition to a low emissions future by expanding the renewable electricity generation and storage capacity in Tasmania, which could be exported across Bass Strait to support the National Electricity Market (NEM). At present, Tasmania can only export 500 MW as it is limited by the capacity of the existing interconnector Bass Link.

The business case shows that the optimal capacity of the Marinus Link would be 1500 MW, built in two separate HVDC cables of 750 MW each. The proposed route would run from north west Tasmania near Burnie to the Latrobe Valley in Victoria.

According to the business case, Marinus Link and supporting infrastructure could provide net energy market benefits to the NEM in excess of the project's estimated \$3.5 billion cost over the life of the asset. The business case found Marinus Link could also unlock up to \$5 billion in new renewable energy investments including in long duration pumped hydro and wind farm development in Tasmania, as well as having \$2.9 billion in wider economic benefits to Tasmania and regional Victoria.

A previous report released by ARENA and Hydro Tasmania confirmed that Tasmania could play a significant role in the transformation of the NEM over the next two decades, but a second interconnector would be needed to underpin this. ARENA has supported Hydro Tasmania's Battery of the Nation initiatives to set up a blueprint for how Tasmania's renewable resources are developed over the coming decades.

TasNetworks also released the findings of the regulatory investment test for transmission (RIT-T).

The project is subject to a large and complex multi-jurisdictional approvals process including planning, environmental and cultural heritage approvals.

TasNetworks will now begin the design and approvals phase for Project Marinus, for which the Australian Government has committed \$56 million.

ARENA CEO Darren Miller said Marinus Link could unlock Tasmania's vast renewable energy resources to support the future NEM.

"Tasmania has the potential to support the renewable energy transformation of the NEM that is currently taking place. With this business case showing that Marinus Link is feasible, we could see its vast pumped hydro and wind potential playing a key role in providing clean, low cost and dispatchable power to the NEM in the future."