

# North West Transmission Connection Expression of Interest

Hampshire Hills to Burnie  
Designated Network Asset

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Public



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Version	Date	Author initials
V 0.1	6/12/2023	CN
V 0.2	10/12/23	SG
V 0.3	11/12/23	AM
V 0.4	29/2/24	SG
V 0.5	4/3/24	PS

TasNetworks acknowledges the palawa (Tasmanian Aboriginal community) as the original owners and custodians of lutruwita (Tasmania). TasNetworks, acknowledges the palawa have maintained their spiritual and cultural connection to the land and water. We pay respect to Elders past and present and all Aboriginal and Torres Strait Islander peoples.

# About This Prospectus

The purpose of this Expression of Interest (EOI) prospectus document is to provide potential generation and load proponents in North West Tasmania with information about options to connect facilities to the shared network.

Whilst TasNetworks has advanced plans to develop Stage 2 of the NWTDC as a regulated asset, the business understands that some proponents wishing to connect at Hampshire Hills are seeking to do so earlier (as opposed to connecting to Burnie now). For that reason, and in no way precluding or prejudicing the ability of a proponent/s to pursue a fully private connection to Burnie (which remains a contestable option open to any party/s to pursue), TasNetworks is prepared to 'bring forward' the Hampshire Hills to Burnie section on an unregulated basis (as a Designated Network Asset (HH-BU DNA)) provided that it:

- will be owned, operated and maintained by TasNetworks;
- is fully funded by proponent/s in the form of annual access charges; and
- is done on a basis that does not preclude or prejudice subsequent regulation or any Tasmanian Government Renewable Energy Zone framework.

Given the nature of the above proposal and the likelihood that parties interested in connecting may be actual or potential competitors, it is incumbent upon TasNetworks (consistent with its obligations under competition law) to be even handed in its provision of information about the proposal. Hence the engagement on this EOI.

TasNetworks is inviting EOI from proponents interested in accessing a HH-BU DNA in return for access charges payable until such time as the HH-BU DNA becomes regulated (likely to be when the asset becomes part of the meshed network as a consequence of Marinus Cable 2 being commissioned or the section of the line progressing as a Contingent Project).

## Background

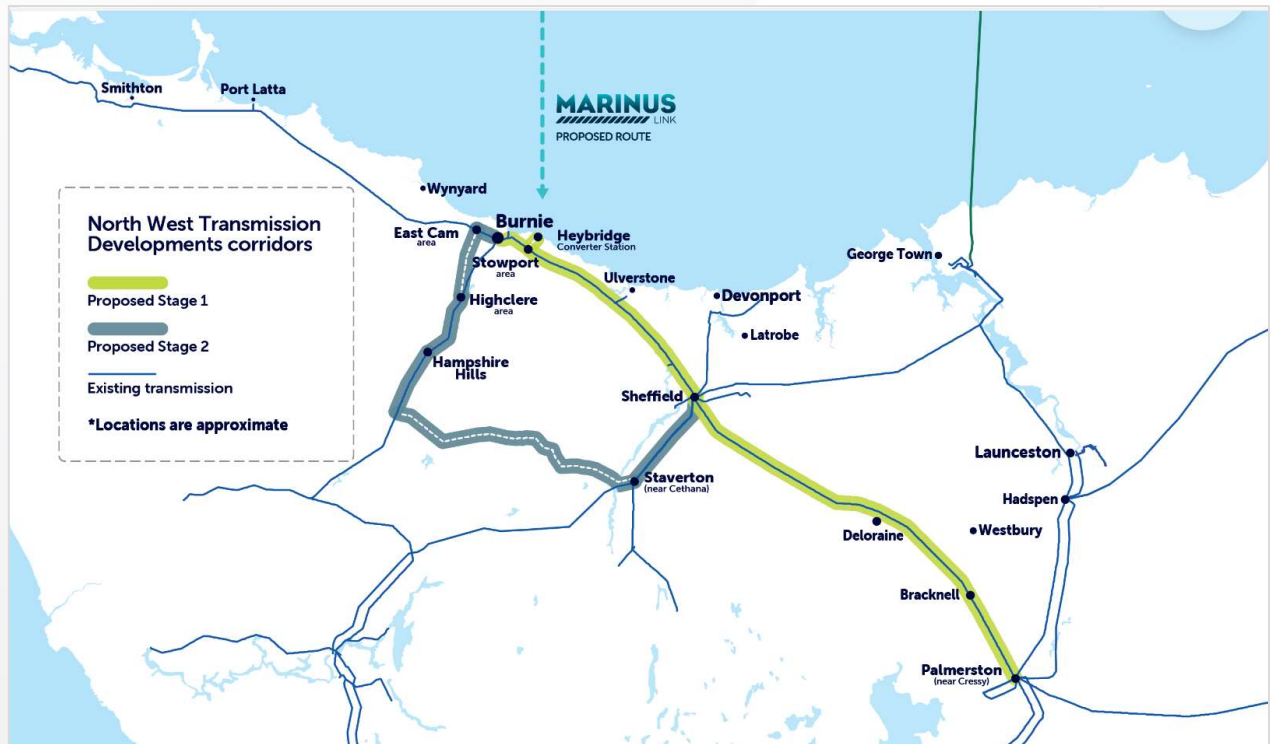


Figure 1: North West Transmission Development corridors

Following the announcement by the Australian Government that Marinus Link will, in the first instance, proceed with one cable, TasNetworks has reviewed the scope of the North West Transmission Developments (NWTD) project and is now focussing on delivery of Palmerston-Sheffield-Heybridge-Burnie (Stage 1 of the NWTD) to align with the first Marinus Link cable shown in Figure 1 (Page 2).

Consequently, proponents previously looking to connect to the NWTD around Hampshire Hills before mid 2030's will need to consider a connection at Burnie (or other points of the existing network). As prospective customers have advised TasNetworks that this scenario may not be compatible with their current commercial objectives, TasNetworks is considering whether a more timely and certain delivery mechanism could be the construction of a DNA between Hampshire Hills and Burnie.

To leverage work already completed, TasNetworks would construct, own, operate and maintain the HH-BU DNA line. This approach would enable TasNetworks to use Hampshire Hills to Burnie concept design work proposed to be undertaken throughout 2024 and 2025, and avoids potentially costly and complex transfer of ownership requirements if/when the line becomes regulated.

## DNA Access Arrangements

DNA's are not subject to the open access arrangements required by the National Electricity Rules (NER), rather the NER requires the DNA owner to have an Australian Energy Regulator (AER) approved Access Policy (refer section 5.2A of the NER). At a minimum, any Access Policy must include:

- the process for seeking access to DNA services; and
- pricing principles and methodology showing how prices for DNA services will be determined.

The Access Policy may also include cost sharing arrangements between initial parties connected to the DNA (often referred to as 'foundation customers') and subsequent proponents seeking access to DNA services.

When the access policy has been submitted to the AER for approval, the AER has 60 business days to approve, not approve or request further information. If not approved within 6 months, the AER itself must develop an access policy (although 'stop the clock' provisions will likely extend this timeframe).

## Delivery Model

TasNetworks will negotiate with proponents regarding access to DNA services and associated access charges. Construction of the DNA would be subject to reaching a commercial funding arrangement with a proponent/s including the terms that would apply if the line remained unregulated.

If and when Hampshire Hills to Burnie becomes regulated, the DNA services will cease, and the line will be subject to access arrangements operating in the National Electricity Market at the time or subject to a Renewable Energy Zone framework developed by the Tasmanian Government.

## Development Timeframe

Planning and environmental approvals and development of the design for the Hampshire Hills to Burnie transmission line are anticipated to continue over 2025. The likely construction duration and proposed completion date for Hampshire Hills to Burnie will be informed by this work and determined in parallel with DNA negotiations.

## Cost Estimate

The cost of the Hampshire Hills to Burnie transmission line will be based on a new double circuit 220 kV transmission line with a new 220 kV switching station at Hampshire Hills. The actual cost of the DNA will be determined by the solution required to connect proponents at the relevant time and to transition to a regulated asset.

## Access Charges

Charges will be negotiated with proponents following the expression of interest stage. They will be based on the final design and cost of the DNA.

Access charges could be a combination of upfront / annuity payments.

Although it is TasNetworks' intent to seek to transfer the line to a regulated asset, the risk of it not becoming regulated will sit with connecting proponents. If the line does not become regulated (or there are delays in the same), the Access Policy will continue to operate and access charges will continue to be required for access to the DNA.

## Next Steps

Proponents in North West Tasmania interested in exploring the option of connecting to a DNA from Hampshire Hills to Burnie should respond to this **EOI by no later than cob 19 April 2024** . Expressions of interest should:

- be in writing;
- contain an acknowledgement of the proposed terms of this EOI; and
- be lodged at: [transmission.connections@tasnetworks.com.au](mailto:transmission.connections@tasnetworks.com.au) - marked with reference: 'Hampshire Hills to Burnie: Expression of Interest '.

Following closure of the EOI period, TasNetworks will engage further with proponents interested in connecting to the DNA regarding the delivery model and access arrangements and charges.



[www.tasnetworks.com.au](http://www.tasnetworks.com.au)

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