



## **MEDIA RELEASE**

**Friday, 24 November 2017**

### **Further Support for Australia's Energy Transition**

TasNetworks and the Australian Renewable Energy Agency (ARENA) today announced plans to work together to explore TasNetworks undertaking a more detailed feasibility and business case assessment for a second interconnector across Bass Strait between Tasmania and the mainland grid.

A second interconnector would allow Tasmania to expand the amount of renewable energy it could provide to the national grid, allowing the State to play a greater role in the National Electricity Market. It would also facilitate greater investment in wind and solar projects in Tasmania and support Hydro Tasmania's Battery of the Nation concept. Additionally, it would assist in providing a secure and reliable backup for Tasmanian and mainland customers and play an important role in supporting the National Energy Guarantee.

This more detailed feasibility and business case assessment is expected to cost \$20 million and would be jointly funded by TasNetworks and ARENA.

TasNetworks and ARENA will work together to define the scope of the study, which will then require formal assessment and funding approval by ARENA for its share of costs. The scope of the feasibility for a second interconnector to link Tasmania and Victoria across the Bass Strait is likely to cover:

- the preferred route and optimum capacity of the cable
- technical specifications and supply arrangements for the cable
- environmental considerations
- cost estimates for the second interconnector
- regulatory revenue investment test
- development of financial and development models to implement the second interconnector

This feasibility study will build upon the Tamblyn review and will be informed by the findings of the Battery of the Nation feasibility studies currently being undertaken by Hydro Tasmania.

TasNetworks Chief Executive Officer, Lance Balcombe, said the feasibility study is a crucial step in establishing the viability of a second interconnector which, if proven, will pave the way toward a full business case.

"TasNetworks is excited to work with ARENA to explore the potential for a second interconnector which could unlock huge potential for Tasmania to become a major energy exporter," he said.

“The announcement represents a significant commitment from TasNetworks and the Tasmanian and Federal Governments. However, much work is required to finalise the scope and secure funding from ARENA during the first quarter of 2018” Mr Balcombe said.

ARENA Chief Executive Officer, Ivor Frischknecht, said the scoping studies would examine how increased interconnection could support Australia’s growing energy demand and help accelerate the nation’s transition to renewable energy.

“These scoping studies are the first step towards increased interconnection between Tasmania and the mainland which could ultimately deliver secure and reliable energy to millions of Australian consumers” Mr Frischknecht said.

The CEO of Hydro Tasmania, Steve Davy, said the case for more interconnection is only getting stronger, and Tasmanians have much to gain.

“More interconnection will signal that Tasmania’s own energy security is beyond assured, and the rest of Australia can benefit from our surplus of clean electricity,” Mr Davy said.

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