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COMMENT Project is in the state's 'best interests'

Marinus Link is an energy game-changer

THE key to Tasmania's clean energy future is more supply to meet the increasing demands of industry and the domestic market, energy security and ensuring we continue to have among the lowest power prices.

This is why the Rockliff Liberal government's Marinus Link deal with the Australian Labor government is such a game-changer for Tasmania - guaranteeing supply and security and kick-starting a new wave of renewable investment in the state which will generate approximately \$2 billion in economic activity, over 1400 jobs to Tasmania and billions of dollars in new investment.

We have always said that Marinus Link is a

critical project but we would only proceed if it was in the best interests of Tasmania.

This new deal means we will be responsible for 3.54 per cent of the current project costs to reach commissioning which is limited to about \$115 million in equity.

We will also have the option to sell our equity in the project to the Commonwealth once it is operational if that is best for Tasmania.

It is also exciting that a cable reservation agreement has been finalised with respected provider Prysmian Powerlink thanks to an underwriting agreement with the Australian Government.

And, to be clear, Marinus Link is not about building a project just to benefit the energy needs of the mainland.

It is about the two-way transfer of energy which allows Tasmania to buy cheaper energy during the day from interstate and then selling our excess wind and premium Hydro energy, during peak times.

This means that when Hydro makes money, Tasmanians save money through a renewable energy dividend.

All the evidence and current consulting models shows that power prices will be lower with Marinus than without Marinus.

If a positive financial investment decision

is made next year, it would also support Hydro's \$1 billion Tarraleah Power Station re-development which increases the renewable energy output from existing water resources by nearly 30 per cent, about 190MW, and create hundreds of jobs.

Tasmania's has secured funding support through the federal government's Rewiring the Nation Fund to reduce by nearly half the annual cost of operating the cable together with deeply concessional finance for the North-West Transmission Development and the Tarraleah Power Station upgrade.

¶ Guy Barnett is the Energy and Renewables Minister

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