

Tasmanian Liberal Government

MEDIA RELEASE



15 December 2020

Energy and emissions reduction deal with Tasmania

The Hon Scott Morrison MP, Prime Minister

The Hon Peter Gutwein MP, Premier of Tasmania

The Hon Angus Taylor MP, Federal Minister for Energy and Emissions Reduction

The Hon Guy Barnett MP, Tasmanian Minister for Energy

The Morrison and Gutwein governments have signed a State Energy and Emissions Reduction Deal that will create thousands of jobs and deliver secure, reliable and affordable power to the state and the broader National Electricity Market (NEM).

Under the agreement, the governments will work closely to deliver Battery of the Nation and Marinus Link projects to better connect Tasmania with mainland Australia and the NEM, while improving energy security, keeping prices low and reducing emissions.

Prime Minister Scott Morrison said delivering the Marinus Link and Battery of the Nation projects are a key part of the Federal Government's JobMaker Plan to ensure affordable and reliable energy in the east coast energy grid.

"These two projects will maintain downward pressure on electricity prices, so households can keep more of what they earn," Prime Minister Morrison said.

"They will also develop the backbone of a reliable, lower emissions National Electricity Market for the next decade and beyond.

"These projects will create 2,800 jobs which will be crucial as Tasmania continues to recover from the COVID-19 pandemic."

Minister for Energy and Emissions Reduction Angus Taylor said this deal with Tasmania demonstrates the Morrison Government's commitment to ensuring households and businesses in every corner of the country can access affordable and reliable power.

"Projects like Marinus Link and Battery of the Nation can help deliver a more reliable energy system, reducing the risk of blackouts and electricity price volatility.

"Marinus Link will provide the additional interconnection needed to export the electricity generated by the Battery of the Nation projects to the mainland. In doing so, it will unlock a pipeline of new renewable energy

investment, including pumped hydro energy storage.

“Energy projects like this also represent a massive economic opportunity for Australia as we recover from the COVID-19 recession.”

Premier Peter Gutwein said the MOU between the State and Federal Governments will underpin our plans to rebuild a stronger Tasmania.

“The MOU will help to further unlock Tasmania’s renewable energy potential, with thousands of jobs and over \$7 billion in economic activity set to flow as a result,” the Premier said.

“Having already achieved 100 per cent self-sufficiency in renewables, Tasmania is already punching above its weight in generating low cost, reliable, clean energy for the nation, and this will help us achieve our target to double our renewable generation to 200 per cent of our current needs by 2040.”

Tasmanian Minister for Energy Guy Barnett said it confirms Tasmania’s reputation as a global leader in renewable energy.

“The anticipated increased energy interconnection between mainland Australia and Tasmania will also improve energy security and help put downward pressure on power prices, while enhancing our growing reputation for renewable energy production.”

The Commonwealth and Tasmanian governments have previously provided a combined \$95 million to advance these projects.

Key components of the Tasmanian State Energy and Emissions Reduction Deal include:

- The Morrison Government will contribute a further \$93.9 million as part of the agreement for the Marinus link project;
- The creation of a joint special purpose corporate vehicle (62.5 per cent shares to Commonwealth & 37.5 per cent shares to Tasmania) that will progress the Marinus Link transmission through to a Final Investment Decision; and
- The agreement as part of the Morrison Government’s Underwriting New Generation Investments (UNGI) program to a scoping and development process for underwriting the first Battery of the Nation pumped hydro site at Cethana that will provide additional dispatchable electricity and energy storage to the mainland.

Battery of the Nation and Marinus Link go hand in hand. Marinus Link will enable the export of an additional 1,500 megawatts of capacity to the mainland.

The Tarraleah redevelopment is a \$650 million project that could see early works commence in 2021 and is expected to create 100 new ongoing jobs through construction and 250 jobs during peak construction.

The governments expect to announce more emissions reduction projects as part of the deal in 2021.

The economic benefits of Marinus Link for Tasmania and Victoria are estimated at \$2.9 billion.

The Government is working with state and territory governments to establish agreements that accelerate cooperation on energy and emissions reduction projects.

These agreements will help deliver affordable and reliable energy to consumers, while reducing emissions and creating jobs.

In addition to Marinus Link, the Morrison Government is progressing Project EnergyConnect, VNI West,

HumeLink and the QNI Interconnector upgrade. This means we are accelerating all major priority transmission projects, creating thousands of new jobs, putting downward pressure on prices and shoring up the future of the grid.