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Tasmanian Government **Media Release**

Guy Barnett, Minister for Energy and Renewables

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Basslink on pathway to regulation

The Rockliff Liberal Government welcomes APA Group progressing with the Australian Energy Regulator (AER) to make Basslink a regulated asset.

Tasmania will be better off as a result of this transparent regulatory process and this will bring Basslink in line with all other interconnectors in the National Electricity Market (NEM) as a regulated asset.

Minister for Energy and Renewables, Guy Barnett, said that regulation of the asset will ensure that Victoria pays its fair share of the ongoing costs of Basslink and delivers on our energy plan that benefits all Tasmanians.

"Basslink's transition to a regulated asset would bring surety to the sustainable flow of electricity between Tasmania and Victoria," Minister Barnett said.

"It will also mean that, for the first time, Victoria will pay for a share of the benefits accruing from the interconnector.

"Regulation provides an open, transparent process around driving those outcomes.

"The Tasmanian Government wants APA Group to operate Basslink efficiently and effectively and to continue to invest in the link, and asset regulation ensures this for the long-term interests of Tasmanian energy consumers."

Basslink started trading in 2006 and with arrangements overseen by the former Labor Government under Paul Lennon and Michael Aird, Tasmania was the only state responsible for the ongoing costs of the asset.

With APA Group purchasing Basslink in October 2022, they are now able to progress the regulation process with the AER.

"APA has proposed a market size approach to cost allocation that will see Victoria wear 90 per cent of the cost allocation. The Tasmanian Government will submit to the AER that the market size model is adopted, noting that all options presented see Tasmania being better off," Minister Barnett said.

"Our Tasmania First Energy Guarantee ensures that Tasmanians will continue to have among the lowest power prices in the country, and this is another step that helps deliver this.

“Along with the development of Marinus, which will also go through the open and transparent regulatory process with the AER, this is setting up Tasmania for decades to come.”

Minister Barnett said the regulatory processes will have multiple opportunities for public consultation and input, with the AER expecting a determination in late 2024.