

6 April 2020

Mr Stephen Clark
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Project Marinus
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Via email: team@marinuslink.com.au

Dear Stephen,

Re: RIT-T Project Assessment Draft Report (PADR) Consultations

TMEC is pleased to be invited to provide input to the PADR for Project Marinus. This input is limited in that COVID-19 has taken priority in all our businesses but none the less wanted to provide a response by the due date of 6th April 2020.

TMEC would first like to acknowledge and commend TasNetworks for the work gone into this PADR and the previous Project Specification Consultation Report (PSCR). It is pleasing to read that both the documented feedback, verbal feedback and forum feedback has all been taken seriously and considered in ongoing reports like this PADR.

TMEC supports the two-staged proposal of a staged 1500 MW Marinus Link, constructed in 750 MW increments in 2028 and 2032. TasNetworks is to be commended on the research and different technical options that have been considered and continue to be considered with ongoing technology changes. This provides certainty for future investors which are either private through wind or solar farms or through Battery of the Nation, which is good for all Tasmanians.

Of concern to TMEC members is of course who pays. The PADR demonstrates that both the Marinus Link and the AC network augmentation satisfy the RIT-T and may proceed as a regulated investment. Combining both is of concern, as TMEC members should not be funding any AC network augmentation on island, as they are not net benefactors of this. This is for the generators on island who are the benefactors. About the link itself, the NEM is the net benefactor on mainland Australia as is identified in the PADR. TMEC accepts that 'who pays' is not part of the PADR however would be remiss not to mention this on behalf of its members. As well, the Tasmanian Government is on record stating that Tasmanian customers should not be worse off because of Marinus Link. A quote from the PADR "It is notable that our analysis does not identify Tasmanian electricity customers as beneficiaries from Marinus Link and supporting transmission" is aligned with the position TMEC holds.

It is not clear to TMEC as to why the reduction in 'prudent storage levels' has been included in the PADR when the levels set post the Basslink outage are a matter for the Tasmanian Government and Hydro Tasmania. Making an assumption the levels will be reduced as part of a justification for Project Marinus is not considered in the best interests of TMEC members.

Complicating the understanding is that Project Marinus is justified on its ability to export all the renewable energy from Tasmania and very little on import to Tasmania. In relation to import on Marinus, the PADR mentions variable renewable energy (solar PV and wind) will be imported from mainland Australia. Of concern is how this then protects the renewable brand post 2022 that the Tasmanian Government has committed to. The Energy would be coming from the NEM, so no guarantee of being from a renewable source.

TMEC sees Project Marinus providing a real alternative to the current FCAS market service providers for which customers will benefit from reduced charges in the market.

TMEC has some concerns about what it will do the network system strengths and welcomes TasNetworks openly discussing this in the PADR and understanding it must be addressed.

TMEC looks forward to the next phase in this exciting project, highlighting if the 'who pays' is sorted out early then the flow on benefits for all Tasmanians can be realised and everyone can get behind this project.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Mostogl', is positioned above the typed name.

Ray Mostogl
Chief Executive Officer