

11 September 2020

Department of State Growth
4 Salamanca Place
HOBART TAS 7000

Submitted via email to: renewableenergy@stategrowth.tas.gov.au

Dear Department of State Growth

RE: Draft Tasmanian Renewable Energy Action Plan

Hydro Tasmania welcomes publication of the Draft Tasmanian Renewable Energy Action Plan (TREAP).

The Tasmanian Government has identified renewable energy as a key economic driver of the state. The draft TREAP outlines a range of actions and priorities to enhance and capture Tasmania's renewable energy competitive advantages. Key among these is a Tasmanian Renewable Energy Target to achieve 200 per cent of our current electricity needs by 2040 from renewable energy production. Hydro Tasmania is Australia's largest generator of clean renewable energy and has a strategic commitment to continue to reinvest in our hydro base and to lead the renewable energy transition in Australia. For more than a century, Tasmanians have relied on our hydropower and renewable energy to grow and support the state's communities and economy. Hydro Tasmania supports the visions and intention to leverage renewable energy as a central element of sustainable economic development in the state, particularly in the context of the COVID19 economic and social recovery. The draft TREAP importantly recognises (among other things) five interlinking themes:

- the role of hydropower;
- the importance of further interconnection;
- skills pathways and workforce development;
- planning and engagement; and
- capturing load growth and the hydrogen opportunity.

Role of Hydropower

The draft TREAP recognises the important roles that existing hydropower and pumped hydro will play in supporting more variable renewable energy resources both in Tasmania and the National Electricity Market (NEM) more broadly. With the support of the Tasmanian and Federal Governments, Hydro Tasmania is progressing the Battery of the Nation initiative. This could see a significant extension of the state's hydropower capacity through both modernisation of existing assets and through the building of new pumped hydro generation to meet the opportunity presented by further

interconnection. Tasmania has significant potential to increase its clean energy contribution to the nation by simultaneously unlocking the full value of the state's hydropower system and renewable energy resources. This would benefit Tasmania's economy by delivering employment, attracting new industry and supporting reliable, cost-competitive energy supply for our local customers and those in the NEM.

The Importance of Further Interconnection

Hydro Tasmania welcomes the recent recognition of the proposed 1500 MW Marinus Link interconnector in the Australian Energy Market Operator's 2020 Integrated System Plan (ISP) as an actionable project. This prioritisation of Marinus Link builds on the Commonwealth Government's recent recognition of Tasmania's important contribution to its Technology Investment Roadmap where it confirmed Marinus Link as a national priority infrastructure project.

Marinus Link is key to unlocking Tasmania's renewable energy potential. The timeframes outlined in the 2020 ISP provide greater certainty for Hydro Tasmania to continue progressing the Battery of the Nation Project. The first 750 MW cable of Marinus Link will unlock the latent capacity of the hydropower system, consisting of hundreds of megawatts of existing, available capacity that can be delivered to support the market transition, as soon as that cable is commissioned. It will also trigger the repurposing of elements of the existing hydro fleet and augmenting current assets to increase the generation capacity of the current schemes, including the potential redevelopment of the Tarraleah scheme. The second 750 MW cable creates the opportunity for the development of the first Tasmanian pumped hydro project, enabling the delivery of additional cost competitive deep storage the future electricity market will need.

Skills Pathways and Workforce Development

The "Energising Tasmania" skills and training initiative will seek to build and expand the skilled workforce required for Tasmania's major energy initiatives. Hydro Tasmania is committed to facilitating collaboration across industry, education and training sectors, government and the community to maximise these opportunities to attract skilled employees and develop pathways to work for young Tasmanians. In addition, Hydro Tasmania's professional services business Entura has the expertise to support Tasmanian projects, including additional wind generation, interconnector development and pumped hydro.

Planning and Engagement

Importantly, the draft TREAP recognises the critical need for community engagement as a part of progressing renewable energy projects in the state. The Renewable Energy Coordination Framework will play an important role in ensuring the timely and planned development of renewable energy, coordinated community engagement and greater certainty for proponents. As a government owned business with assets across Tasmania, Hydro Tasmania recognises that community engagement and broad based community support is central to renewable energy development and is committed to working collaboratively with communities at every stage and seeking their input on what matters to them. It is important that the projects pursued will deliver benefits to Tasmania, and to Tasmanian communities.

Capturing Load Growth and the Hydrogen Opportunity

As Australia's largest producer of renewable energy, Hydro Tasmania stands ready to help Tasmanian businesses capitalise on the opportunities provided by our clean energy. There is significant opportunity for Tasmania to attract energy intensive industries for whom sustainability is key a requirement. Hydro Tasmania continues to work with current and potential new major industrial customers to provide clean electricity that is commercial for the customer and Hydro Tasmania. A significant growth opportunity lies within the renewable hydrogen industry. Hydro Tasmania recognises the role that hydrogen can play in the Tasmanian economy both as a domestic fuel and an export opportunity. Hydro Tasmania welcomes the strong interest in Tasmanian Hydrogen Renewable Funding Program from the 23 recently announced applications received. The development of an appropriate certification framework can support the production of renewable backed hydrogen in Tasmania. Leveraging Tasmania's existing and future renewable energy generation can underpin a competitive advantage for the state and should be a high priority. Hydro Tasmania looks forward to continuing to support renewable hydrogen development in the state.

Concluding Remarks

Hydro Tasmania notes that TREAP is being progressed at the same time as a number of other policies processes including the Tasmanian Renewable Hydrogen Action Plan, the Tasmanian Rural Water Use Strategy and the Premier's Economic and Social Recovery Council. In implementing TREAP, it will be important to consider and recognise the interrelationships with these policies including aspects such as economic development and water use to ensure the most effective outcome for the state is progressed.

Hydro Tasmania looks forward to ongoing engagement through the development of the Tasmanian Renewable Energy Action Plan and to contributing to the realisation of this important vision for renewable energy in Tasmania.

Yours sincerely



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