



8 September 2020

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Dear Sir,

**RE: Draft Tasmanian Renewable Energy Action Plan 2020**

The Tasmanian Minerals, Manufacturing and Energy Council (TMEC) welcomes the opportunity to provide feedback on 'The Draft Tasmanian Renewable Energy Action Plan 2020'

TMEC's membership base represents an important wealth creating sector within the Tasmanian economy. Minerals exports alone account for 55% of Tasmania's commercial exports and is the foundation stone of many regional communities with 5,600 direct jobs.

TMEC would firstly like to congratulate the Government on its aspirational approach of Tasmania being 200% renewable by 2040. In the absence of a National Energy policy, this plan forms somewhat of a policy and direction for Tasmania and provides some certainty for future investors and current industries.

TMEC acknowledges the work Government is doing through the Co-Ordinator Generals office in attracting new business investment.

This plan is also complementary to the Tasmanian Renewable Hydrogen Action Plan.

TMEC is supportive of the plan and targets. Feedback provided below is to improve further the plan with some suggested inclusions.

- The Treasury investigation on wholesale pricing is still outstanding, noting it is to be concluded in 2020, however does not address what was identified as the problem once delinked from National Electricity Market (NEM), pricing in Tasmania was to reflect cost of generation on island.
- Just as the renewable energy targets are aspirational, so should the pricing. Putting "downward pressure on prices" can mean, "prices have not risen as much as they would have". The notion current and future major energy consumers are viable with prices relatively lower than other Australian states overlooks the fact Tasmania is in a global race for these industries and investments. The plan should be setting a more aspirational goal of, "internationally competitively priced delivered energy". If the Government were to adopt this aspiration, it could result in more creative approaches as well as being more considerate of any and all drivers which will lower prices.
- Concerns around Tasmanian Energy Security long term is not addressed with strategy to not rely on the gas fired Tamar Valley Power Station once alternate renewable energy has been brought online in the State.

- The plan has little detail with respect of Gas strategy for the future. Noting since this draft was released the Government has listened to TMEC and has commenced working on this which is pleasing. It is quite possible Tasmanian could become an exporter of decarbonised gas – which would only add to the intent of being the Renewable Energy capital of the world! The plan needs to recognise importance of gas in Tasmania, to provide certainty to existing and future gas consumers for the future.
- Biomass is mentioned and the plan should reference the future opportunities with linkages to hydrogen and other low carbon fuel products being produced in Tasmania.
- Plan focusses on attraction of new businesses to Tasmania but lacks detail on the plan of retaining existing energy consumers well into the future.
- Working with Stakeholders comment ‘The Tasmanian Renewable Energy Action Plan will deliver low-cost, secure, reliable and renewable energy and maintain downward pressure on energy prices throughout the NEM and therefore complements national energy policy settings.’ This statement raises some concerns with respect to the Government strategy of currently capping wholesale electricity prices, which may in fact not be the lowest cost and once Tasmania is delinked from NEM price pressure may not be relevant.
- With respect to Project Marinus, TMEC is supportive of Marinus Link on the basis that the current connected customers in Tasmania do not see any price increases as a result. TMEC wants to be supportive of the project and maintains the net beneficiary users should be the ones paying for it.
- TMEC acknowledges coal is not considered renewable, although it is a small but essential element in Tasmania’s energy portfolio. It is the source of energy for some Tasmanian businesses and currently there is no practical alternative. Perhaps the Plan should recognise an offset mechanism to ensure coal is considered in the overall energy mix.

Yours sincerely,



**Ray Mostogl**  
**Chief Executive Officer**