



26 October 2018

Stephen Clark
Technical and Economic Lead, Project Marinus
TasNetworks
PO Box 606 Moonah TAS 7009

Submitted via email: projectmarinus@tasnetworks.com.au

Dear Mr Clark,

Project Marinus - Project Specification Consultation Report

Origin Energy Limited (Origin) welcomes the opportunity to comment on the Project Specification Consultation Report (PSCR) to evaluate further Bass Strait interconnection. Origin would like to thank TasNetworks on the opportunity to comment on the assessment early in the process.

Benefits could be met from other solutions

The PSCR specifies that the diversity in generation between Victoria and Tasmania means that increasing interconnection between these jurisdictions could lead to the below benefits.

- Facilitating access to increased dispatchable generation
- Increasing energy security
- Reduction of ancillary services costs
- Increased inter-regional market access
- Avoiding future network investment

The market benefits of the project can potentially also be met through non-network solutions, or less ambitious augmentations. If consumers can receive market and reliability benefits cost-effectively without additional interconnection, this should be considered. Therefore, the RIT-T process should explore options outside of increased interconnection. We note that in the 2018 Integrated Systems Plan "AEMO's least-cost modelling did not automatically select additional interconnection to the Tasmanian region."¹

The assessment should consider the total cost of the proposed project

Origin considers the RIT-T should include a thorough examination of the total cost as well as the benefit of additional interconnection between Tasmania and Victoria.

When modelling is completed, it should consider the below factors, and the impact on total project cost:

- All necessary augmentation of both Tasmanian and Victorian networks for increased inter-regional transfer should be included in the project cost.
- The assessment of this RIT-T should explicitly examine the costs and benefits of Project Marinus if the Battery of the Nation projects do not proceed. It is inappropriate for the market benefits of transmission projects to be assessed while assuming a specific new generation and storage layout, where this new generation is not committed. Transmission assessment with

¹ AEMO, 2018, *Integrated Systems Plan*, p88

such an assumption may lead to network construction, funded by consumers, favouring the modelled generation to the exclusion of alternative proposals.

- Modelling should consider potential for increased interconnection to crowd out new entrant generation, storage or demand response that could provide market or reliability benefits to consumers.

Should you have any questions or wish to discuss this information further, please contact Alex Fattal in the first instance via email alex.fattal@originenergy.com.au or phone, on (02) 9375 5640.

Yours sincerely



Steve Reid
Group Manager, Regulatory Policy