

Minister for Primary Industries and Water
Minister for Energy and Emissions Reduction
Minister for Resources
Minister for Trade
Minister for Veterans' Affairs



Level 5, 4 Salamanca Place HOBART TAS 7000 Australia
GPO Box 123 HOBART TAS 7001 Australia
Phone: +61 3 6165 7678
Email: guy.barnett@dpac.tas.gov.au

9 December 2021

Hon Ruth Forrest MLC
Government Business Scrutiny, Committee A
Legislative Council

Attn: jenny.mannering@parliament.tas.gov.au

Dear Ms Forrest

Thank you for your letter of 3 December 2021 requesting additional information following Committee A's scrutiny of Hydro Tasmania Pty Ltd and TasNetworks Pty Ltd.

Please find following the information requested,

Hydro Tasmania Pty Ltd

In relation to the water releases: How many commercial applications were granted, refused or cancelled? How many recreational applications were granted, refused or cancelled (either in the financial year or calendar year)? Why?

1 December 2020 to 1 December 2021 (note: all numbers are approximate):

Hydro Tasmania endeavours to work with the Tasmanian community, and is continuing to refine internal processes to ensure they are robust, consistent and meet the needs of the community whilst working within Hydro Tasmania's day to day operations.

Recreational water release requests		
Completed	180	
Cancelled	60	More than half of these were cancelled by the requestors. The remainder cancelled by Hydro Tasmania for operational reasons, safety reasons or water unavailability.
Declined	N/A	Hydro Tasmania does not currently track this information. If a request for a water release for a specific date has to be declined Hydro Tasmania endeavours to offer alternative dates.

Recreational lake level requests		
Completed	10	
Cancelled	0	
Declined	N/A	Hydro Tasmania does not currently track this information. If a request for a water release for a specific date has to be declined Hydro Tasmania endeavours to offer alternative dates.

Commercial water release requests		
Completed	90	
Cancelled	10	Six were cancelled by Hydro Tasmania for operational reasons, four were cancelled by the requestor.
Declined	n/a	Hydro Tasmania does not currently track this information. If a request for a water release for a specific date has to be declined Hydro Tasmania endeavour to offer alternative dates.

TasNetworks Pty Ltd

In response to the Question on Notice: "Provide copies of modelling undertaken by TasNetworks with regard to matters including demand, and profitability and the revenue that is expected to be generated (Marinus Link)".

- The information relating to forecast revenue numbers, is located on page 37 onwards from the business case assessment document, available at: <https://www.marinuslink.com.au/wp-content/uploads/2019/12/project-marinus-business-case-assessment-report.pdf>

Should Project Marinus progress as a regulated service, the regulatory framework provides for a commercial rate of return to be earned on the funds invested. This would apply to both the Marinus Link interconnector and the North West Transmission Developments.

For example, the current Return on Equity allowance for TasNetworks' current transmission revenue determination period is 5.8%.

- TasNetworks engaged independent global advisory firm FTI Consulting (FTI) to undertake analysis on wholesale energy price benefits if Project Marinus proceeds. This document is also available on the TasNetworks website at: <https://www.marinuslink.com.au/economic-analysis/wholesale-pricing-report/>
- The regulatory investment test for transmission (RIT-T) is a cost-benefit analysis overseen by the Australian Energy Regulator (AER). This test assesses the economic and technical impact of, and preferred timing for, all major network investments in the national energy market (NEM). The RIT-T process ensures regulated transmission investment decisions are in the long term interests of customers. This document is also available on the TasNetworks website at website.

Regulatory investment test for transmission Mariner Link along with Ernst and Young Project Mariner PACR Economic Modelling report, <https://www.marinerlink.com.au/wp-content/uploads/2021/06/Attachment-1-EY-report-to-TasNetworks-PACR-modelling-1.pdf>

I trust this information is of assistance to the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Guy Barnett', written in a cursive style.

Hon Guy Barnett MP
Minister for Energy and Emissions Reduction