



Project Marinus Stage 1 Final Investment Decision Assessment Report

**Approved by: Energy Executive Steering Committee
July 2025**





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Project Marinus Stage 1 Final Investment Decision Assessment Report

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Approved by:

Energy Executive Steering Committee

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Disclaimer

The advice contained in this document is based on point-in-time information and inputs provided by third parties. Publicly available sources may report varying figures depending on their respective methodologies and timing.

The FID Assessment has deliberately adopted a more conservative approach to benefit estimation and a more pessimistic outlook to project cost to ensure decision-making is robust to downside outcomes.

This document has been redacted to protect confidential and commercially sensitive information, at the request of the following affected parties: TasNetworks, Marinus Link Pty Ltd, Hydro Tasmania, Clean Energy Finance Corporation and the Australian Government.

Executive Summary

The Energy Executive Steering Committee recommends that the Government make a positive Final Investment Decision for Project Marinus.

Three of the mitigated criteria have been clearly met and the remaining five partially met. The Committee considers the benefits sufficient to outweigh and offset residual customer and State Budget impacts, due to:

- **improved energy system security and resilience;**
- **direct financial benefits to the State;**
- **direct economic stimulus to the State;**
- **capping of Tasmania's equity commitment to Marinus Link; and**
- **measures in place to minimise the cost of the project to Tasmanian electricity customers.**

Tasmania's Energy System and the National Electricity Market

In 2006, Tasmania physically joined the National Electricity Market (NEM) via Basslink, a 500-megawatt undersea cable connecting the state to Victoria. For nearly 20 years, Basslink has supported Tasmania's energy security and enabled Hydro Tasmania to trade electricity, generating returns to the state that benefit the community.

Given Hydro Tasmania's dominance as a power generator, a wholesale pricing framework was established in 2014 - overseen by the Tasmanian Economic Regulator – to link Tasmania's regulated power prices to Victoria. This means Tasmania is physically linked to the NEM and our regulated prices track with Victoria.

The energy landscape is now undergoing rapid transformation. Coal and gas plants on the mainland are closing, replaced by wind, solar, and batteries. Interconnectors like Project Marinus are being developed to improve electricity flow between states and, for Tasmania, could strengthen energy security as Basslink ages.

This transition and the need for stronger interconnection presents a clear opportunity for Tasmania.

The State's hydro system currently meets most of our energy needs. When supply exceeds demand, the State exports power to Victoria. When prices are low or supply is tight (e.g. when our dam levels are low), we import.

With additional interconnection, Tasmania could sell more surplus clean energy to the mainland during high-price periods - especially in summer. Hydro Tasmania could also move from providing local baseload power to acting more like a flexible "renewable battery" for the NEM - releasing energy when it's most valuable.

To realise this, we would need more on-island renewable generation like wind and solar, to meet local demand and free up hydro capacity for export.

The core opportunity for Hydro Tasmania is to shift to selling more of its hydro power to the mainland at peak times, when prices are high.

With Project Marinus, new renewables, and upgraded transmission, Tasmania can meet its own needs and become a reliable net exporter of clean, profitable electricity, thereby increasing returns to the State and the wider community.

Tasmania is now at a critical decision point for Project Marinus – the Final Investment Decision (FID).

This report explains Project Marinus and the rigorous, evidence-based FID assessment process undertaken to make a recommendation to the Tasmanian Government.

Project Marinus – Overview

Marinus Link is a proposed 1,500-megawatt (MW) interconnector between Tasmania and Victoria, to be delivered in two 750 MW stages. It is supported by major upgrades to Tasmania's transmission network, known as the North West Transmission Developments (NWTD Stages 1 and 2).

Together, these are collectively known as Project Marinus, with an investment decision at this time focused solely on Stage 1 of both the interconnector and the transmission upgrade.

Marinus Link is being developed by Marinus Link Pty Ltd (MLPL) and has three shareholder-owners – the Australian, Tasmanian and Victorian governments.

NWTD is being developed by TasNetworks, with the Tasmanian Government the sole shareholder-owner of TasNetworks.

The project, if taken forward, is expected to deliver substantial economic, social and energy benefits for Tasmania.

Independent modelling indicates the project will deliver around 2000 additional full-time and part-time jobs in the peak year of construction, with much of the work focused on the north and North West of Tasmania. The same modelling also estimates around \$4.4 billion of increased investment in the State (WoSBC April, 2025)

Project Marinus will enable a smarter and more dynamic electricity system for Tasmania.

Interconnection with mainland Australia provides Tasmania with crucial energy security to protect our state when on-island power generation is impacted by events such as prolonged low rainfall (when our dam levels are low).

This in turn enables Tasmania to sell and buy renewable electricity on the NEM. The project will also help manage price volatility in the NEM, by being available to meet demand with Tasmania's clean, reliable energy. It can also enable new industrial investment in the State and future economic growth.

However, the project brings with it significant risks to the State, both at a strategic and project level. These require ongoing strong governance and oversight and policy

responses to support Tasmania's electricity customers, regional communities and environment.

Marinus Link Stage 1 and NWTG Stage 1 includes 750 MW of transmission capacity between Tasmania and Victoria through a combination of high-voltage direct current (HVDC) undersea cable and high-voltage alternating current (HVAC) on-land transmission.

As seen in Figure 1, Marinus Link spans approximately 250 km of undersea cable and 90 km of underground cable in Victoria, while NWTG Stage 1 involves 132 km of transmission line upgrades from Palmerston through to Burnie.

Figure 1: Project Marinus Stage 1



Marinus Link Stage 1 construction is proposed to begin in 2026 and be completed by 2030, with NWTG Stage 1 construction commencing in the same year and completed by 2029.

Both projects are in the Design and Approvals Phase. This involves mapping out route options, undertaking surveys of the local areas and, most importantly, finalising financial arrangements.

Objectives of report

Project Marinus is subject to extensive and comprehensive internal and external assurance, due diligence and governance processes to provide robust oversight and confidence that key risks and assumptions have been identified. This work is necessary to ensure decisions are well-informed and properly scrutinised.

The FID for a major infrastructure project is a critical project milestone – it is the point when a government or company commits to funding and building a project. It traditionally signifies that all necessary approvals, funding arrangements, revenue streams and project plans are in place for the project to move forward into the construction phase.

The timing of the Project Marinus FID reflects the practical requirements of delivering a complex, large-scale infrastructure project within a global renewables transition.

While some approvals and processes, including final environmental and regulatory decisions, are still progressing, the key driver for a FID to be made in July 2025 is the need to maintain production slots for specialised equipment, including the undersea cable and converter stations. These components are globally in high demand, with only a small number of manufacturers and long lead times.

To meet a 2030 delivery timeframe, production of these items must begin soon.

That's why, when the Australian Government joined as a shareholder, it committed funding to secure these long-lead components, contingent on a FID by mid-2025.

If the decision is not made by this time, Project Marinus risks losing access to critical equipment, incurring major delays, or jeopardising the future of the project.

While not all elements of the project are finalised, most approvals are well-advanced and expected to be resolved in the coming months. The timing of the FID is therefore not aligned to usual industry practice but is aligned with the practical needs of delivery in a competitive global environment.

A positive FID would result in:

- Marinus Link Stage 1 progressing into the construction phase in 2025; and
- NWTG Stage 1 progressing to Financial Close (the point of committing to construction) in 2026.

The advice in this report provides Government with the most current and comprehensive information to support the State's FID in July 2025.

This advice considers benefits, risks, costs, and trade-offs in making a FID.

It has been based on relevant available inputs, including the Whole-of-State Business Case (WoSBC), FID recommendations from MLPL and TasNetworks, independent advice and assurance, and detailed analysis by the Project Marinus Taskforce.

Summary of the FID assessment

Project Marinus is not a typical private sector large capital project just requiring a company board approval. It also involves a strategic decision for Government with implications for the Tasmanian community at large.

To ensure the Government is equipped to consider broader policy, financial, economic, social and environmental implications of Project Marinus, the State FID recommendation considers eight government-endorsed criteria.

These specific criteria are broadly aligned with the key categories of a typical FID but have much greater focus on approvals, agreements and financial factors – all being assessed through the lens of net benefits to the State.

Overseen by the Energy Executive Steering Committee (EESC), the Project Marinus Taskforce completed an assessment against these eight criteria based on information from multiple sources, including the WoSBC (April 2025), the MLPL and NWTDFID recommendations (May 2025), Hydro Tasmania detailed analysis (June 2025), independent advice from the Project Marinus Expert Advisory Panel (June 2025), recent renegotiations with the Australian Government (June, July 2025) and other due diligence conducted by the State. These sources have been supplemented by additional written input from developers and stakeholders.

The FID criteria provide a structured framework for evaluating the project's merits and risks. They are not individually weighted and are intended to inform, rather than strictly determine, the final investment decision. The FID criteria have not been weighted in the traditional sense, where each is assigned a percentage based on its importance to project success, and an overall score is calculated based on how well each is met. Instead, a holistic assessment of the criteria has been undertaken, to determine on balance the net benefits or net risks to Tasmania.

Summary of Project Marinus FID Criteria Assessment

Table 1 summarises the final assessment against the eight government-endorsed criteria, endorsed by the EESC.

Each criterion received a preliminary assessment, with a final assessment rating – clearly met, partially met or not met - determined after applicable mitigating actions were applied. A holistic assessment across the eight criteria was undertaken to determine if the project overall delivered net benefits to Tasmania.

The EESC concluded on the basis of the comprehensive assessment that the benefits of Project Marinus clearly outweighed the risks.

Key benefits include greater energy security, enhanced renewable development potential, stronger financial returns from Hydro Tasmania, economic and job growth - especially in the north and north west - and lower equity exposure and consumer cost impacts through recent re-negotiations with the Australian Government (June, July 2025).

Key risks - including project sustainability and delivery, consumer cost impacts (particularly for Tasmania's Major Industrials), and cumulative social and community impacts - were assessed as manageable through the application of targeted mitigation measures and by leveraging the project's broader benefits.

Key mitigation measures include robust governance to manage project risks, coordinated policy and planning to address social, community, and renewable development challenges, and the reinvestment of net financial returns to reduce cost-of-living pressures and support Tasmania's large energy consumers.

Table 1: Government-endorsed criteria for FID consideration

		<i>Current Rating</i>	<i>Mitigated Rating</i>
1	Acceptable typical customer bill impacts, by customer type	<i>Partially met</i>	<i>Partially met</i>
2	Acceptable FID recommendations from MLPL and TN	<i>Not met</i>	<i>Partially met</i>
3	Acceptable equity exposure	<i>Not met</i>	<i>Partially met</i>
4	Individual projects financially sustainable	<i>Partially met</i>	<i>Partially met</i>
5	Acceptable impact on State finances, budget & credit rating	<i>Clearly met</i>	<i>Clearly met</i>
6	Tasmanian economic impacts	<i>Clearly met</i>	<i>Clearly met</i>
7	Tasmanian environmental and social impacts	<i>Partially met</i>	<i>Partially met</i>
8	Acceptable outcomes for the Tasmanian energy market	<i>Clearly met</i>	<i>Clearly met</i>

Clearly met criteria

Criterion 5: Acceptable impact on state finances, budget and credit rating

- **Significant Long-Term Positive Returns to Tasmania** (Hydro Tasmania, Hydro Tasmania Advice, 2025):
 - From commissioning in 2030–31, Project Marinus is expected to deliver significant financial benefits to Tasmania through Hydro Tasmania, with net returns projected to exceed the State's initial equity investment within a short period.

- Central Case¹ models an average annual increase in returns from Hydro Tasmania to the Government of \$470 million² compared with no-Marinus (nominal dollars per annum on average over 20-year period from 2031-2050).
- Conservative Case models an average annual increase in returns of ~\$210million from Hydro Tasmania; with Optimistic Case over \$670 million additional returns compared with 'no Marinus' (nominal dollars per annum on average over 20-year period from 2031-2050).
- These are modelled outcomes, and the actual outcomes may be higher or lower with significant variability expected year-on-year. For this reason, and coupled with the lost returns expected from TasNetworks (see Criterion 4), it may be a number of years before the project pays back its equity and starts providing a positive cash flow to the State.
- These returns are modelled on the basis of a maximum of 800 MW of new renewable generation being operational in the State by 2034. Without this new generation, Hydro Tasmania will not be able to maximise the benefits of further interconnection. A future government may have to consider whether it intervenes to ensure the generation is in place and this may come at the expense of some of the forecast returns.
- This positive cashflow performance is expected to strengthen the State's fiscal metrics, strengthen the balance sheet and contribute positively to Tasmania's credit profile in the long run if the modelled outcomes materialise.
- The Government may choose to set aside returns from high years to self-insure against future low return years. This is ultimately a choice for government.
- **Acceptable Impact of Marinus Project on Tasmania's Budget:**
 - For TasNetworks' NWTG Stage 1 Project and MLPL's Marinus Link Stage 1 project – the impact on Tasmania's budget and finances was considered as a shareholder. The impacts to the State of both projects were deemed acceptable.
 - For TasNetworks' NWTG Stage 1 project (TasNetworks, 2025):

¹ Three scenarios for Hydro Tasmania have been considered. The central case is Hydro Tasmania's expected outcome. A conservative or "low" case has assumed Hydro returns to government over the 20 years average its lowest returns year in the central case, [REDACTED]

² The forecast returns to the government cover a long period (up to 20 years) and are shown in future dollar values. Because they include the effects of inflation over time, the numbers may appear large compared to today's values. In addition, while they are presented as average outcomes, they are expected to vary significantly from year to year based on prevailing conditions (such as market prices and inflows).

- Equity - an equity contribution of ~\$191 million is required with a risk any cost increases may demand more investment over the construction period (2026 – 2029).
- Returns to Government – it is estimated over the 5-year construction period there is a net project loss of \$[REDACTED] million; and post commissioning the project makes a loss of ~[REDACTED] million for the first 20 years before moving into positive returns over the remaining 40 years. Over the 60-year life of the project, sustainable returns are delivered with an Internal Rate of Return (IRR³) of [REDACTED] (TasNetworks, 2025). The initial losses are likely to place pressure on the state's credit rating in the short-to-medium term until there is evidence that Hydro Tasmania's modelled returns will be realised.
- These impacts occur because all concessional debt benefits are delivered to consumers and not to the project to deliver a positive return for TasNetworks and the State. Treasury and Finance will work with TasNetworks to carefully manage and mitigate these impacts on consumers.
- For MLPL's Marinus Link Stage 1 project [REDACTED]
 - Equity – through re-negotiations with the Australian Government (June, July 2025) Tasmania has been relieved of any further equity contributions, which in-turn relieves the State's budget (minimum of \$98.5 million saving). At Tasmania's current sunk investment of \$103.5 million our shareholding is 17.7 per cent. Over time as the remaining shareholders (Australian Government and Victoria) contribute equity – Tasmania's share will reduce from 17.7 per cent to approximately 9 to 11 percent depending on final project cost.
 - Returns to Government - once operational, MLPL will deliver positive returns to all shareholders, including Tasmania. At 17.7 per cent, Tasmania's share was estimated to be \$12 million per annum. These returns will reduce proportional to Tasmania's final shareholding.

Criterion 6: Positive economic impact for Tasmania

- The WOSBC considered the impact of Project Marinus and associated energy projects on Tasmania's economy and jobs – modelling was undertaken by [REDACTED] to support the WoSBC (WoSBC, 2025).
- This economic analysis confirmed Project Marinus will have a positive economic impact on the State over a decade from 2026:

³ IRR is a measure of the discount rate that makes the net present value of a project's cash flows zero. This rate is then compared to the hurdle rate for the project (usually the project's financing cost) to see if it can provide a positive return.

- approximately \$1.8 billion increase to Gross State Product (equivalent to 4.4 percent of Tasmania's estimated GSP for 2023-24)
- economic stimulus from Project Marinus and associated investments of approximately \$4.4 billion (real \$2022-23).
- increase in employment of 700 on average per annum, rising to approximately 2,000 jobs during peak construction.

Criterion 8: Acceptable outcome for the Tasmanian energy market

- Interconnection with mainland Australia provides Tasmania with crucial energy security to protect our state when on-island power generation is impacted by events such as prolonged low rainfall (such as when our hydro dam levels are lower).
- Increased interconnection provides an opportunity for Hydro Tasmania to increase exports to the NEM – particularly during summer – delivering significant financial benefits to the State.
- In the event of a Major Industrial closure, Project Marinus also provides valuable backup for spare energy to be exported and sold to the NEM.
- In the event of a Basslink outage and/or its eventual end of life due by 2046, Project Marinus plays a critical role as a back-up interconnector to access and import energy to ensure Tasmania's energy security is preserved.
- Project Marinus is also an enabler of the development of new renewable energy generation on-island (for example wind or solar).
- Project Marinus will give prospective renewable developers greater access to the broader NEM market, increasing the likelihood of their projects proceeding. It can also enable greater on-island energy supply for new and existing Tasmania electricity customers. This in turn supports the achievement of the legislated Tasmanian Renewable Energy Target (TRET).

Partially met criteria

Criterion 1: Acceptable typical customer bill impacts by customer type

- Tasmania previously negotiated outcomes with the Australian Government which benefit Tasmanian consumers - concessional debt financing through the Clean Energy Finance Corporation (CEFC) for both projects and cost sharing arrangements which have Victorian paying 72.4 percent of Marinus Link transmission costs.
- To mitigate these costs further, the Tasmanian Government secured additional support from the Australian Government (renegotiation June, July 2025) to further offset NWTG Stage 1's share of the Project Marinus

transmission costs. A \$346 million grant from the Australian Government, via the State, to TasNetworks will deliver a further \$15 million per annum reduction (or 12.5 per cent reduction in the \$120 million per annum estimated costs).

- In June 2025, the Tasmanian Government also committed to protecting Tasmania's existing direct connected transmission customers (including Tasmania's Major Industrials – major contributors to our economy and jobs) from a real increase in transmission costs from Project Marinus. This is in response to analysis showing Project Marinus could see these customers experience an estimated increase of up to 50 per cent.
- In comparison, residential and small business customer bills are expected to experience an increase of \$107 or 10 per cent and \$384 or 11 per cent increase respectively for the network component of customer electricity bills from Project Marinus on average from 2030/31 to 2049/50 (expressed in \$2024). The net Project Marinus customer impacts on total electricity bills is smaller again. However, modelling indicates that much of that increase will be offset by downward pressure on wholesale prices (Marinus puts downward pressure on wholesale prices compared with a 'no Marinus' world, WoSBC 2025) with total net impacts of 2 per cent or \$16 per annum for residential customers and 4 per cent or \$155 per annum for small business customer network component of their electricity bill over the same period.
- Also in June 2025, the Tasmanian Government committed to undertake a comprehensive electricity pricing policy review prior to Project Marinus' commissioning – to ensure an optimum pricing framework is applied in Tasmania. This work is recommended to ensure this criterion is carefully managed.

Criterion 2: Acceptable FID recommendations by TasNetworks and MLPL (TasNetworks, 2025)

- Current recommendations from both MLPL and TasNetworks are positive but heavily conditional.
- For MLPL - the conditions to MLPL's FID recommendation are manageable and can be categorised as partially met.
- For NWTD –TasNetworks' FID recommendation is highly conditional and includes a number of matters requiring Government action.
- Some of these conditions cannot be addressed by Government immediately but will be mitigated prior to Financial Close (end Q1 2026).
- For these reasons, this criterion is currently rated as not met but would be expected to move to a rating of partially met ahead of the NWTD Financial Close as the State works with TasNetworks to resolve the conditions.

Criterion 3: Acceptable equity exposure

- Project Marinus equity was not appropriated as the 2025-26 Budget Bills were not passed before the Government entered caretaker. The Budget included a provision of \$296.1 million for both Marinus Link and NWTG.
- For Marinus Link Stage 1 - Tasmania has removed any further equity exposure to MLPL through renegotiations with the Australian Government (refer Criterion 5).
- For NWTG Stage 1 – an equity investment of ~ \$191 million is not required until Financial Close (end Q1 2026) - providing time for a new Government to secure funding through the 2025-26 Budget process.
- Increases in project cost above current estimates for the NWTG may result in the need for the State to contribute higher levels of equity in the future.
- The criterion is assessed as partially met as there may be further equity injections required for NWTG.

Criterion 4: Individual projects financially sustainable

- For Marinus Link Stage 1 – the project will deliver estimated returns to Tasmania of \$12 million per annum return based on a forecast positive [REDACTED] nominal post tax from 2031; and the State being a 17.7 per cent shareholder (Marinus Link, Marinus Link Final Investment Decision - Decision Document, 2025). These returns will drop proportional to Tasmania's shareholding as it is reduced (refer Criterion 5).
1. For NWTG Stage 1 – the project is estimated to deliver sustainable returns over the 60-year life of the project with an IRR of [REDACTED] (TasNetworks, 2025), above the implied concessional rate of return of [REDACTED] per cent. However, the project delivers losses over the 5-year construction period and the first 20 years of operation (refer Criterion 5 above).
 - These losses can be regarded as a 'trade off' with TasNetworks experiencing losses in the earlier years to deliver significant concessional savings to Tasmanian electricity consumers (refer Criterion 1 above).
 - Treasury and Finance will work with TasNetworks to carefully manage and mitigate these impacts as they may lead to additional equity calls from the business if they materially impact its financial position.

Criterion 7: Tasmania environmental and social impacts

- Project Marinus positively contributes to state and national energy and emissions reduction commitments – with an estimated reduction in emissions

of 140 million tonnes of CO2 by 2050 (Marinus Link, Marinus Link: Greenhouse Gas Assessment, 2024).

- The project will also support the State and Australian Government's Renewable Energy Transformation Agreement commitments.
- While there are timeline risks associated with securing environmental approvals, no unmanageable environmental impacts have been identified.
- These projects are large-scale with anticipated community impacts on housing, roads and local services. Dependent on the accumulation of impacts in a regional area – government policy responses and or investment is highly likely.
- Due to mixed outcomes, the mitigated rating for this criterion holds at partially met.

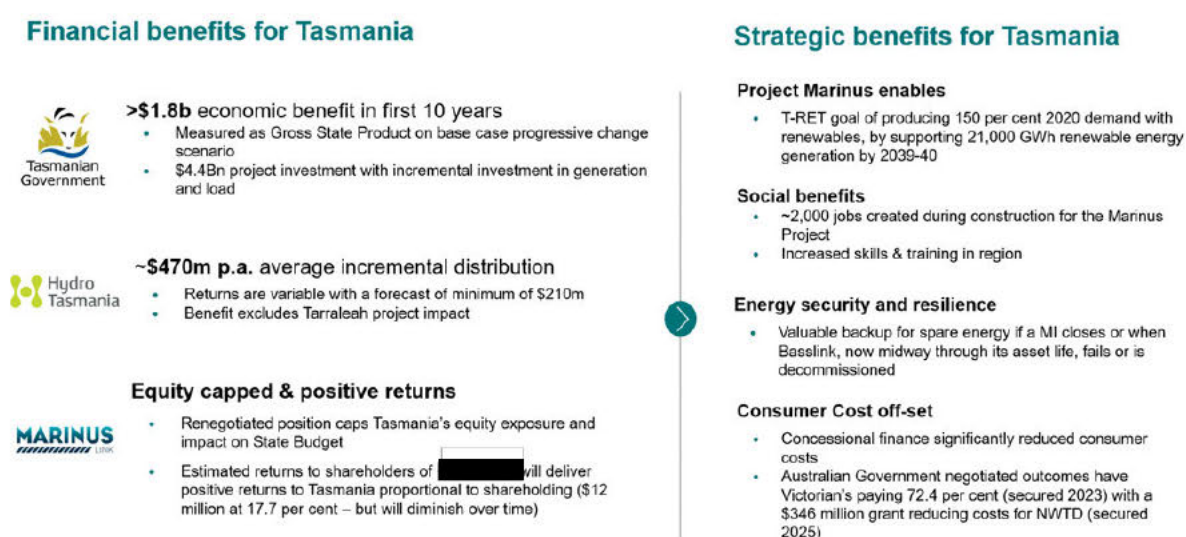
Key project benefits, risks and policy options

The following provides a summary of anticipated benefits, risks and possible policy options for a future government.

Summary Benefits

Project Marinus delivers significant financial and strategic benefits as outlined below.

Figure 2: Financial and strategic benefits of Project Marinus



Summary Risks

Figure 3 provides an overview of risks, impacts and responses. It is important to recognise that not all risks can be fully extinguished at the time of FID. Responses require appropriate governance and oversight, with a coordinated approach to managing responses leading up to and during construction and post commissioning.

Figure 3: Risks and responses⁴

Risks and impacts	Response
• FID Timing: July FID ahead of critical path activities being finalised • Project Delay: Approvals and construction • Project Delivery Capability: MLPL & TasNetworks • Project cost over-runs: Equity & customer cost impacts • Lower than expected Hydro Tasmania Returns: • Changes to NEM detrimentally impact Hydro • Hydro investment's impact financial position • On-island renewable energy development delayed • Non-commercial policy decisions (onerous PPAs or non-commercial consumer contracts)	• Project Governance and Oversight • MLPL and TasNetworks engage appropriate expertise to support project delivery; business & workforce planning • Equity exposure reduced (renegotiation, July 2025) • Customer costs reduced (renegotiation, July 2025) • Re-direct financial returns to mitigate consumer impacts • Protect Tasmania's rights - NEM rule changes (renegotiation, July 2025) • Scrutinise future Hydro investment decisions (Parliamentary oversight) • Consider measures to support on-island renewable investment • Avoid allocation or hypothecation of forecast profits/returns until realised

Summary Policy Options

There are FID Criteria that are only partially met and these have the potential to result in some negative or challenging outcomes. While the analysis of each criterion has captured the potential policy responses to these outcomes, Figure 4 summarises policy responses a future Tasmanian Government may wish to consider should it take a positive FID.

Figure 4: Policy Issues, Impact and Response

FID criteria	Policy Issue	Impact	Possible Response
1	Customer impacts	Estimated \$79M per year in additional transmission costs from 2030–31 (in real 2023-24 dollars)	• Offsetting costs for customers impacted • Reviewing wholesale pricing and Victorian links • Considering further relief via the Renewable Energy Dividend (2028 review) • Review NWTG Financial Model to improve outcomes
4	Sustainability of NWTG	TasNetworks will experience significant losses over the first 20 years of the project	• The NWTG financial model will be reviewed ahead of financial close in Q1 2026 to identify options for a future government to improve outcomes for both customers and TasNetworks
8	Barriers to renewable generation	Benefits depend on new generation, but challenges remain	• Tasmanian Government auctioning long term energy contracts • Hydro entering PPAs or building generation • Investment in key transmission (e.g., Burnie–Hampshire Hills) • Planning and offsets to accelerate approvals • Modelling to optimise renewable build timing
7	Community impacts during construction	Risks to housing, roads, and services in regions	• Conduct cumulative impact studies to plan ahead • Align with regional planning • Work with local councils and proponents • Require community benefits in approvals
7	Workforce availability	Skills shortages may require interstate workers	• Finalise Workforce Needs Assessment • Factor into cumulative impact studies

⁴ PPA's – Power Purchase Agreements

Recommendation

The EESC recommends a positive FID for the following reasons:

1. Improved energy system security and resilience:

Project Marinus will enable a smarter and more dynamic Tasmanian electricity system. Increased interconnection for energy security (Basslink outages, end of life and on-island supply impacts, prolonged low rainfall resulting in lower dam levels). Alternative market to sell surplus power in the event of a Major Industrial closure. Critical enabler to development of new renewable energy generation in Tasmania.

2. Direct financial benefits:

Hydro Tasmania has forecast increased returns to Government of approximately \$470 million⁵ per annum on average (nominal FY2031-2050) (Hydro Tasmania, Hydro Tasmania Advice, 2025). These returns are modelled relative to a 'no Marinus' case and exceed the expectations for increased transmission costs for electricity customers of ~\$105 million per annum (nominal FY2031-2050).

3. Direct economic stimulus:

Project Marinus will provide additional investment into Tasmania of approximately \$4.4 billion. Economic stimulus of \$1.8 billion (equivalent to 4.4 per cent of Tasmania's estimated 2023-24 Gross State Product) and creation of approximately 2,000 jobs during peak construction phase with much of the work focused on the North and North West of Tasmania (WoSBC, 2025).

4. Capping of Tasmania's equity commitment to Marinus Link:

Following renegotiations with the Australian Government, it has been agreed in principle that the State will put no further equity into the interconnector project but will maintain its representation on the Marinus Link Pty Ltd Board and participation in key shareholder reserved matters, like the decision on Stage 2 of Project Marinus.

5. Measures to minimise the cost of the Project to Tasmanian electricity customers:

These have been secured primarily through:

- Concessional borrowing rates for the project provided by the CEFC – keeps transmission costs much lower for electricity consumers.
- A cost allocation arrangement for the Marinus Link component that will see Victorian customers pay 72.4 per cent of its annual transmission costs.
- A \$346 million grant off TasNetworks Regulated Asset Base (RAB) secured from the Australian Government to partially offset NWTB cost

⁵ The forecast returns to the government cover a long period (up to 20 years) and are shown in future dollar values. Because they include the effects of inflation over time, the numbers may appear large compared to today's values. In addition, while they are presented as average outcomes, they are expected to vary significantly from year to year based on prevailing conditions (such as market prices and inflows).

increases since the initial agreement between the State and Australian Government in September 2022. This reduces the aggregate transmission component bill impact on Tasmanian customers by \$15 million per annum.

- Further, wholesale prices are expected to be lower than in a 'no Marinus' case but noting the inherent uncertainty in wholesale price forecasts.

6. The above benefits outweighing and providing the ability to offset residual customer cost impacts and impacts on the State Budget which are primarily:

- increased electricity bills for Tasmanian customers through transmission cost increases of \$105 million per annum (nominal\$ 2031-2050)
- additional equity investment to TasNetworks of \$191 million and the risk of cost overruns to the NWTG requiring further equity injection.
- initial lost returns to Government from TasNetworks of \$93 million over the five years to 2030 and another \$205 million to 2050.

The modelled annual net benefit of Project Marinus in the central case is \$370 million (which includes the sum of Hydro Tasmania, MLPL and TasNetworks distributions, minus the transmission cost impact to electricity customers).

If these returns materialise, it would take less than two years of average net benefits to pay back the equity injection to the NWTG (\$191 million) and cover the ~\$300 million loss in returns from TasNetworks. From that point the project would be cash positive for the Tasmanian community and this payback period would be less, assuming no further intervention to shield cost increases for residential and small business customers. In the conservative scenario, where net benefits are ~\$80 million per annum, and project costs are higher, the payback period is seven years.

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Glossary and Acronyms

Term	Explanation
Australian Energy Regulator (AER)	The body responsible for regulating electricity and gas markets, including setting prices and monitoring compliance.
AER Regulated Revenue	The revenue allowed by the Australian Energy Regulator (AER) that electricity network businesses can earn from consumers to cover costs and investments.
Australian Energy Market Operator (AEMO)	The organisation responsible for operating Australia's electricity and gas markets and power systems, including planning and managing supply and demand.
Cable Exchange Losses	Energy losses that occur when electricity passes through undersea or underground cables, such as interconnectors.
Clean Energy Finance Corporation (CEFC)	Australian Government-owned fund investing in clean energy projects.
Commonwealth Capacity Investment Scheme (CIS)	A federal program designed to support investment in variable renewable energy capacity to meet demand.
Dispatchable Energy	Energy sources that can be turned on or off, or adjusted, on demand to meet electricity needs, like gas turbines or hydroelectric power.
Energy Security	The reliable availability of affordable energy to meet current and future needs.
Final Investment Decision (FID)	The formal decision by investors or in this case governments to commit funds to a major project, after thorough analysis and planning.
Financial Close	Financial Close is when all funding agreements are finalised and funds become available, allowing the project to proceed.
Firming	Techniques or technologies used to make variable renewable energy more reliable by ensuring a steady supply, often involving energy storage or backup generation.
Gas Peaking	Gas-powered plants that operate during periods of high electricity demand to quickly supply extra power.
Heads of Agencies	Senior officials leading Government agencies.
Host Communities	Local populations living near energy infrastructure projects who may be affected by or benefit from developments.
HVAC	High Voltage Alternating Current – electrical power transmission using alternating current at high voltages.

Term	Explanation
HVDC	High Voltage Direct Current – electrical power transmission using direct current at high voltages, efficient for long distances.
Hydro Tasmania	Tasmania’s Government-owned hydroelectricity business and largest renewable energy generator.
Installed Capacity	The total maximum output of all power generation assets connected to a system.
Integrated System Plan (ISP)	A strategic roadmap developed by AEMO outlining the future investments needed in electricity infrastructure to ensure reliability and affordability.
Interconnector	A transmission link that connects two separate electricity grids, allowing power flow between them.
Joint Select Committee – Energy Matters	A Tasmanian Parliamentary committee tasked with examining and reporting on energy-related issues and policies.
Legacy Infrastructure	Infrastructure constructed or over-engineered in a way to provide the community ongoing benefit after the project construction period ends, such as road network improvements, worker accommodation or improved services.
Long and Short Duration Energy Storage	Technologies that store energy for different timeframes: short duration (minutes to hours), like batteries; long duration (hours to days), like pumped hydro.
MLPL	Marinus Link Pty Ltd – company jointly owned by the Australian, Tasmanian and Victorian governments to progress the Marinus Link interconnector project.
National Electricity Market (NEM)	Australia’s wholesale electricity market that connects the eastern and southern states, allowing electricity to be bought and sold across regions.
North West Transmission Developments	Projects aimed at improving the electricity transmission network in the North West region of Tasmania to support Marinus Link.
Notice to Proceed (NTP)	Formal document authorising a contractor or service provider to start work on a project.
P50, P80, P99	The P refers to the probability of a project cost outcome. For example, a P50 project cost estimate should be interpreted as a 50 per cent probability the actual cost of the project will be equal to or less than that estimate.
Project cost estimate (P)	Project cost estimate with a percentage probability of delivery at or below that level nominated
Pumped Hydro	A type of energy storage where water is pumped to a higher reservoir during low demand and released to generate electricity when needed.

Term	Explanation
Project Marinus	An initiative to develop a new high-capacity electricity interconnector between Tasmania and mainland Australia, aimed at enhancing energy security and enabling greater renewable energy integration. Inclusive of NWTD.
ReCFIT	Renewables, Climate and Future Industries Tasmania is a division of the Department of State Growth that advises the government, industry and community about the State's strategic direction on climate change, renewable energy growth and emissions reduction.
Renewable Energy Zones (REZ)	Designated geographic areas identified as optimal for developing renewable energy projects, due to resource availability and network capacity.
Regulated Asset Base (RAB)	Value of utility assets on which regulated companies can earn a set rate of return, guiding pricing and investment decisions.
Regulated Electricity Asset	Infrastructure whose operation and returns are controlled and overseen by regulatory bodies like the AER.
Shareholder Agreement (SHA)	Agreement between the Tasmanian, Australian and Victorian government's as shareholders to Marinus Link.
Tasmanian Major Industrials (MIs)	Large industrial businesses in Tasmania that are significant consumers of electricity.
Tasmanian Renewable Energy Target (TRET)	A policy goal and legislated target to double renewable energy generation by 2040 (from 2020 levels), with an 150 per cent increase interim target by 2030.
Tasmanian Whole of State Business Case (WoSBC)	A comprehensive evaluation outlining the economic, social, and environmental impacts of Project Marinus in Tasmania.
TasNetworks	The Tasmanian Government-owned business that manages electricity transmission and distribution networks in Tasmania.
Transmission	The high-voltage network of power lines and infrastructure that carries electricity over long distances from generators to distribution networks.
Variable Renewable Energy (VRE)	Energy sources like wind and solar power that fluctuate in output depending on weather and time of day.
Wholesale Electricity Prices	The cost of electricity traded in bulk on markets before it reaches consumers.
Yallourn Power Station	A coal-fired power station in Victoria, Australia, important for electricity generation but facing closure and transition challenges.

Section 1 – Project Background

Tasmania's Energy System and the National Electricity Market

In 2006, Tasmania joined the National Electricity Market (NEM) via Basslink, a 500-megawatt undersea cable connecting the state to Victoria. For nearly 20 years, Basslink has supported Tasmania's energy security and enabled Hydro Tasmania to trade electricity, generating returns to the state that benefit the community.

Given Hydro Tasmania's dominance as a power generator, a wholesale pricing framework was established in 2014 - overseen by the Tasmanian Economic Regulator – to link Tasmania's regulated power prices to Victoria. This means Tasmania is physically linked to the NEM and our regulated prices track with Victoria.

The energy landscape is now undergoing rapid transformation. Coal and gas plants on the mainland are closing, replaced by wind, solar, and batteries. Interconnectors like Project Marinus are being developed to improve electricity flow between states and, for Tasmania, could strengthen energy security as Basslink ages.

This transition and the need for stronger interconnection presents a clear opportunity for Tasmania.

The State's hydro system currently meets most of our energy needs. When supply exceeds demand, the State exports power to Victoria. When prices are low or supply is tight (e.g. when our dam levels are low), we import.

With additional interconnection, Tasmania could sell more surplus clean energy to the mainland during high-price periods - especially in summer. Hydro Tasmania could also move from providing local baseload power to acting more like a flexible "renewable battery" for the NEM - releasing energy when it's most valuable.

To realise this, we would need more on-island renewable generation like wind and solar, to meet local demand and free up hydro capacity for export.

The core opportunity for Hydro Tasmania is to shift to selling more of its hydro power to the mainland at peak times, when prices are high.

With Project Marinus, new renewables, and upgraded transmission, Tasmania can meet its own needs and become a reliable net exporter of clean, profitable electricity, thereby increasing returns to the State and the wider community.

Tasmania is now at a critical decision point for Project Marinus – the Final Investment Decision (FID).

This report explains Project Marinus and the rigorous, evidence-based FID assessment process undertaken to make a recommendation to the Tasmanian Government.

Project Marinus – Overview

Project Marinus is a proposed 1,500 MW interconnector between Tasmania and Victoria, to be delivered in two 750 MW stages. It is supported by major upgrades to Tasmania's transmission network, known as the North West Transmission Developments (NWTD Stages 1 and 2).

Together, these are collectively known as Project Marinus, with an investment decision at this time focused solely on Stage 1 of both the interconnector and the transmission upgrade. They will add up to 750MW of transmission capacity between Tasmania and Victoria through a combination of high-voltage direct current (HVDC) infrastructure for Marinus Link Stage 1 and high-voltage alternating current (HVAC) infrastructure for NWTD Stage 1.

Marinus Link is being developed by MLPL and has three shareholder-owners – the Australian, Tasmanian and Victorian governments.

NWTD is being developed by TasNetworks, with the Tasmanian Government the sole shareholder-owner of TasNetworks.

Although the two components of Project Marinus have separate ownership, technical designs, revenue models, financing, and cost allocations, they are interdependent and must proceed together. Both will operate as regulated transmission assets, with efficient and prudent costs recovered from electricity customers, subject to final Australian Energy Regulator (AER) determinations.

Figure 5: Representative location of infrastructure in Stage 1 of Project Marinus



As seen in Figure 5, Marinus Link Stage 1 includes approximately 250 km of undersea cable and 90 km of underground cable in Victoria, while NWTG Stage 1 involves 132 km of transmission line upgrades from the Palmerston sub-station at Poatina through to Burnie.

The current publicly available cost for Stage 1 of Marinus Link is \$3.86 billion (real \$2024-25). The current cost of Stage 1 of the NWTG is \$1,141 million (real 2023-24 dollars). Both of these cost estimates are taken at what is called a 'P50' level, which indicates there is a 50 per cent confidence level that the final project costs will come in at or below this level. For the purposes of the analysis in the report the EESC has utilised a 'central cost' scenario, which utilises MLPL's [REDACTED] estimate for Marinus Link [REDACTED] (in nominal 2030 dollars) and TasNetworks [REDACTED] estimate for the

[REDACTED]

NWTD [REDACTED] This central cost scenario is considered a more likely delivery cost for Project Marinus.

Project Marinus Stage 2 includes Marinus Link Stage 2, a second 750-megawatt undersea cable, and NWTD Stage 2 involving a duplication from Burnie to Hampshire Hills and a new greenfields section through to Staverton to support that increased interconnection. This document only considers Project Marinus Stage 1 (herein referred to as Project Marinus).

Construction of NWTD Stage 1 (herein NWTD) is scheduled to start in 2026 with practical completion anticipated in Q2 2029. Construction of Marinus Link Stage 1 (herein Marinus Link) is also scheduled to start in 2026, with commissioning targeted for mid-2030, and full operation by the end of 2030.

Marinus Link and NWTD are currently in the Design and Approvals phase and MLPL and TasNetworks have provided FID recommendations to the shareholder-owners on 30 May 2025. The Project, if taken forward, is expected to deliver substantial economic, social and energy benefits for Tasmania.

Independent modelling indicates the Project will deliver around 2000 additional full-time and part-time jobs in the peak year of construction, with much of the work focused on the North and North West of Tasmania. The same modelling also estimates around \$4.4 billion of increased investment in the State (WoSBC, 2025).

Project Marinus will enable a smarter and more dynamic electricity system for Tasmania.

Interconnection with mainland Australia provides Tasmania with crucial energy security to protect our state when on-island power generation is impacted by events such as prolonged low rainfall (when our dam levels are low) or an outage of the existing Basslink interconnector.

This in turn enables Tasmania to sell and buy renewable electricity on the NEM. The project will also help manage price volatility in the NEM, by being available to meet demand with Tasmania's clean, reliable energy. It can also enable new industrial investment in the State and future economic growth.

However, the project brings with it significant risks to the State, both at a strategic and project level. These require ongoing strong governance and oversight and policy responses to support Tasmania's electricity customers, regional communities and environment. This investment has a significant impact upon Tasmania's power generation Government Business Enterprise – Hydro Tasmania and future renewable energy generation in our state.

Governance

The FID assessment was led by the Project Marinus Taskforce (the Taskforce), formed by officers from the Departments of State Growth, Premier and Cabinet, and

Treasury and Finance, and supported by the Office of the Crown Solicitor, [REDACTED] and an Expert Advisory Panel.

The independent advisers included an Expert Advisory Panel (EAP) of five experts - the Chair and CEO of Hydro Tasmania (Richard Bolt and Rachel Watson respectively), the Chair of TasNetworks, Roger Gill, and two independent, highly-qualified energy market experts, Dr Kerry Schott AO (Chair of the EAP) and Mr Paul Binsted.

The Taskforce reported to the EESC comprising of the Heads of Agencies for the Department of State Growth, Department of Premier and Cabinet, Department of Treasury and Finance, and the Department of Natural Resources and Environment Tasmania. The EESC then reported to the Energy Committee of Cabinet prior to the election being called.

During the caretaker period, the EESC became the authorising environment for this advice prior to it being presented to Cabinet.

Figure 6: Project Marinus FID Governance



* During the caretaker period, the EESC became the authorising environment for this advice prior to it being presented to Cabinet.

Section 2 – FID explained

What is FID

The Final Investment Decision (FID) for a major infrastructure project is a critical project milestone – it is the point when a government or company commits to funding and building a project. It signifies that all necessary approvals, funding arrangements, revenue streams and project plans are in place for the project to move forward into the construction phase.

In respect of Project Marinus, in making FID recommendations the boards of MLPL and TasNetworks will seek shareholder approval from the Australian, Tasmanian and Victorian governments for Marinus Link, and solely the Tasmanian Government for the NWT D, to invest in and progress Stage 1 of each project to delivery. These investment decisions will likely be among the most significant infrastructure project commitments in the Tasmanian Government's history.

The FID is regarded as binary, and either a positive FID is taken and shareholders commit to progress the project, or a negative FID is taken and Project Marinus is wound down. This is explained further below.

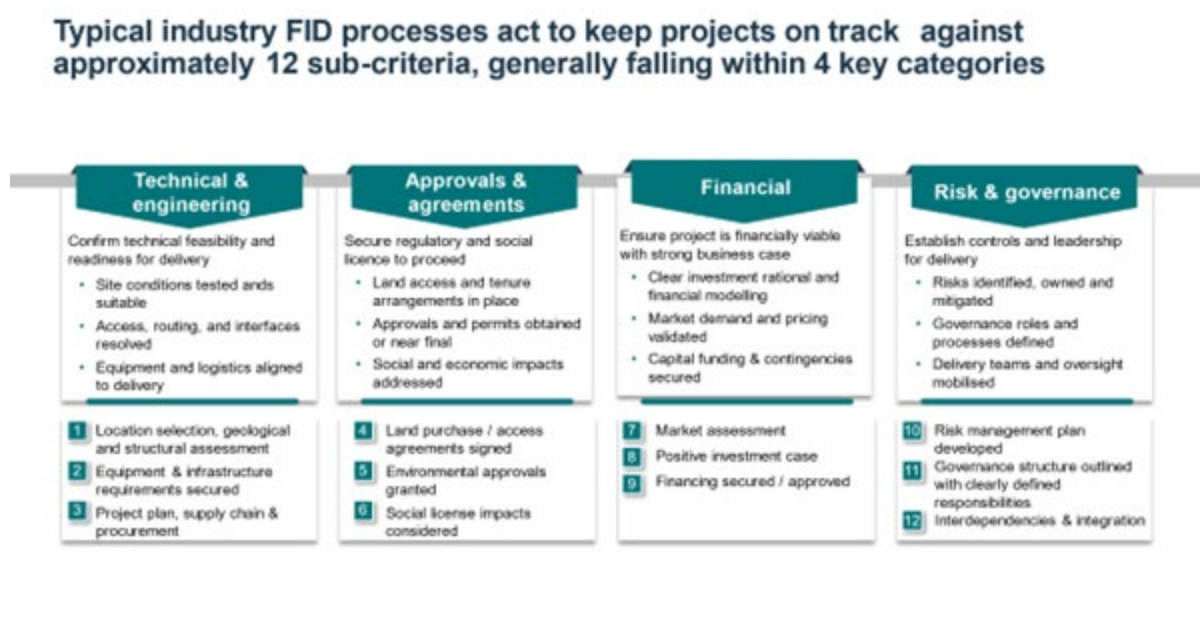
Project FID vs State FID

While the FID for Project Marinus is fundamentally a project-level investment decision focused on progressing Marinus Link and the NWT D, for the state of Tasmania it has broader and more complex implications.

The project-level FID refers to the decision by the project developers (MLPL and TasNetworks) and their shareholders to commit funding and proceed with delivery. It is driven by project-specific factors such as cost, risk and commercial viability.

In a standard industry process, and as advised to the EESC by consultant [REDACTED], a best practice FID assessment is based on information evaluated across four main categories, including 12 sub-criteria. Figure 7 shows how these sub-criteria are typically grouped into confirmation of technical feasibility, secured regulatory and social approvals, financial viability, and the presence of strong governance and risk management frameworks. The FID for the Marinus Link and NWT D projects differs widely from industry standards, as the financing, revenue, procurement, approvals and other critical path activities have not been finalised.

Figure 7: Best practice FID assessment



For Tasmania, the State FID is more than an endorsement of a project. It is a strategic decision on whether progressing Project Marinus delivers a net benefit to the Tasmanian community. It must consider broader financial, economic, social and environmental policy implications, impacts on government business returns and state revenue, electricity prices and affordability for Tasmanians, employment and regional development, Tasmania's energy security and environmental impacts, and the State's finances and credit ratings.

To support this broader decision-making from a whole-of-state perspective, the Government has undertaken an assessment against a set of fit-for-purpose criteria, incorporating inputs from the Whole-of-State Business Case (WoSBC), project developers Marinus Link and TasNetworks, Hydro Tasmania, and independent advisors, including the Expert Advisory Panel. Further detail can be found in Section 3 below.

The Tasmanian Government is scheduled to take a FID on Stage 1 of Project Marinus in July 2025, followed by joint shareholder FID with the Australian and Victorian governments for Marinus Link.

This decision determines whether the State, as a shareholder for both projects, and on behalf of the Tasmanian community, will commit to progress Project Marinus into the construction and operations phases.

How a positive FID works for Stage 1 of Marinus Link

Under the Marinus Link Shareholders' Agreement (SHA), a positive FID is a decision to invest in the project and requires unanimous agreement from the Australian, Tasmanian and Victorian government shareholders. The MLPL Board provided its FID recommendation by 30 May 2025 to shareholders.

How a positive FID works for Stage 1 of the NWT D

The NWT D FID is a decision for TasNetworks, as the project developer, and for the Tasmanian Government, as the sole owner of TasNetworks. The TasNetworks Board provided a FID recommendation to the Tasmanian Government by 29 May 2025.

Unlike MLPL, TasNetworks does not require equity to be contributed by the Government immediately after FID. Equity funds will instead be required nearer to TasNetworks' Financial Close (end Q1 2026). However, TasNetworks has requested in its NWT D FID recommendation that a range of conditions are met in order to proceed with the project.

The TasNetworks Shareholder Ministers, being the Treasurer and the Minister for Energy and Renewables, will need to work closely with TasNetworks' Board to ensure that the NWT D conditions are met or other measures are agreed. If a positive FID is taken, TasNetworks would continue to progress NWT D to a Financial Close planned for Q1 2026 and early works activities (for example, approvals, revenue, financing, and procurement) would continue to be progressed.

How a negative FID works for Project Marinus

For the Marinus Link project to proceed, all shareholders must unanimously agree to a positive FID. If a negative FID is taken by one shareholder, [REDACTED]

Given the contractual need to issue Notices To Proceed (NTPs) to suppliers by the end [REDACTED] (explained below), it is unlikely there will be time to work through the negative FID steps [REDACTED]. Therefore, it is assumed that a negative FID by either Tasmania or any other shareholder would likely result in the winding up of the MLPL, bringing Project Marinus (inclusive of the NWT D) to an end.

A negative FID taken by the Tasmanian Government for the NWT D would also trigger a negative FID outcome for the Marinus Link project, given the project interdependencies. In effect, if a negative FID occurs for either project then neither can proceed as planned, or only in a reduced capacity which does not fully realise the benefits of each project. The financial implications and broader implications of a negative FID for the state of Tasmania are quite significant and are outlined in Section 6 (project risks) [REDACTED]

Why is a decision critical and why is the Project Marinus FID unusual?

The FID timeline is driven entirely by the NTP dates in [REDACTED] for the commencement of cable and converter station construction. The timing of the NTP is a result of the project already having made contractual commitments to the

international suppliers of the undersea cable and on-land converter station⁷, to ensure production slots and a delivery date in [REDACTED]. Internationally there is a high demand for this highly specialised and crucially important equipment. Without those contractual commitments the project likely would have been wound down or mothballed.

This critical timing means that the FID for Stage 1 of Project Marinus is atypical because a decision must be made before several key project milestones are finalised, including revenue certainty, debt funding, procurement, and environmental and planning approvals. This introduces unique risks and challenges that need to be carefully managed. A delay or failure to take a positive FID would have a number of cascading consequences, including:

- MLPL would miss the NTP deadline, resulting in the loss of critical production slots, [REDACTED]
- Shareholder equity already invested would be sunk, and the future of the project jeopardised.

Advice from MLPL, the Australian Government and the EAP confirms the urgency for a timely decision (Expert Advisory Panel, 2025):

- **The EAP** emphasised that the timely delivery of Marinus Link is essential to maintain energy reliability and meet national emissions targets as coal-fired generators exit the national market. It warned that delays could be catastrophic for the NEM, particularly Victoria, where new Variable Renewable Energy (VRE), storage and firming capacity are urgently needed.

MLPL [REDACTED]

[REDACTED] given a unanimous FID from all shareholders is required to achieve Financial Close for the project in August 2025 [REDACTED]

[REDACTED] while Tasmania would be exposed to \$2 million in wind-up costs.

- **TasNetworks** confirmed that a delayed FID would impair its ability to execute finance documents in time with the major financier (also the CEFC), impacting their cash flow, profitability and borrowing capacity (TasNetworks Letter, 2025).

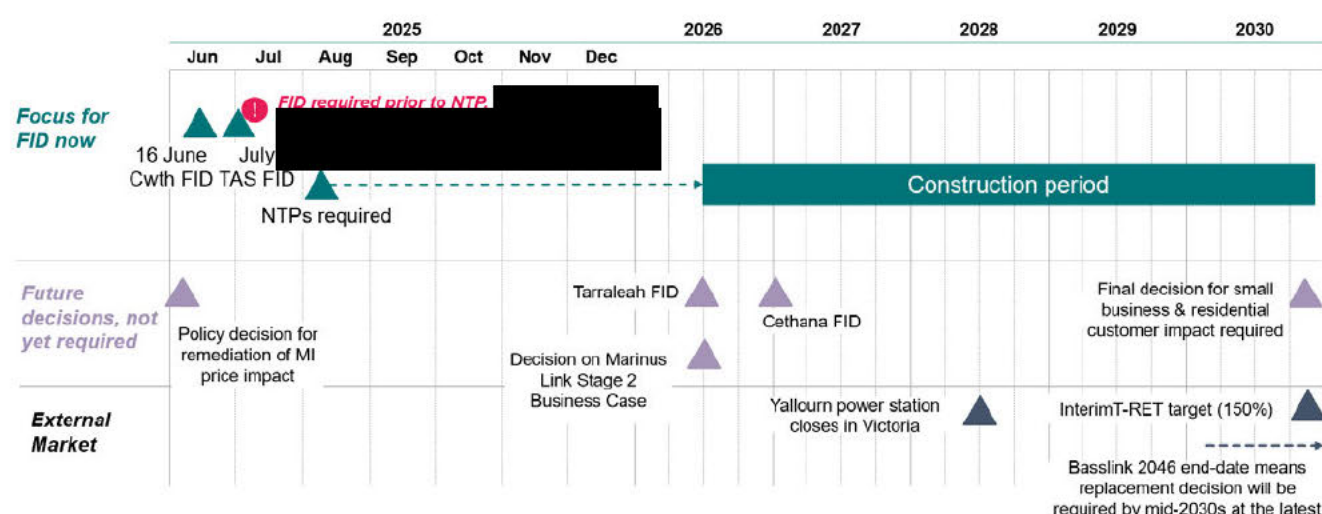
⁷ A converter station is a technical piece of equipment that converts electricity from a High Voltage Direct Current to a High Voltage Alternating Current to then enable power to travel through transmission power lines and vice versa. Converter stations are on land in Tasmania and Victoria.

A decision on Stage 1 of Project Marinus does not compel additional future decisions such as Tarraleah, Cethana or Project Marinus Stage 2. See below for further details.

As shown in Figure 8, positive FID is required in July to meet deadlines and avoid costs, but doesn't require additional future decisions at this time.

Figure 8: Key decisions timeline

A positive FID is required in July to meet deadlines and avoid costs, but doesn't require additional future decisions at this time



Approach to decision-making during caretaker period

With a state election on 19 July 2025, the Tasmanian Government is currently in caretaker mode. To support critical decision-making for Project Marinus during the caretaker period, the EESC developed an approach that aligns with Caretaker Conventions⁸ while ensuring the project remains on its critical path.

In accordance with these conventions, any major decision or commitment during the caretaker period must be made by the relevant portfolio Minister (the Minister for Energy and Renewables in this case) following agreement with the Premier and consultation with the relevant Opposition spokesperson(s).

Project Marinus is a major strategic and financial decision for the State and has attracted significant public interest. The decision-making approach has been developed with appropriate reference to Tasmania's Caretaker Conventions (Sections 2 and 4 of the Caretaker Guidelines), which provide guidance on major policy decisions and major contracts and agreements.

Following the caretaker period commencing, the EESC has continued to progress advice to Government on the basis that a FID must be taken within the caretaker period. In particular, it was noted that a deferral of any decision would likely be a

⁸ *Guidelines on the Caretaker Conventions and the Operations of Government During Caretaker Period – Tasmanian State Election 2025* – refer Department of Premier and Cabinet website.

decision not to proceed with the project, which would have significant consequences for a future Government.

Renegotiation

In making an investment decision, it has been the Government's priority to ensure Tasmania and Tasmanian customers do not bear an unreasonable cost burden from Project Marinus.

Increases in project costs have occurred since 2022 as the project has progressed towards FID, with detailed analysis of the impacts of those rising costs fully understood through the WoSBC (April 2025). As a result of this, the Government sought to renegotiate the initially agreed arrangements with the Australian Government to deliver an improved outcome for Tasmanian customers.

The Tasmanian and Australian Governments have reached an agreement to improve the financial position of Tasmania under Project Marinus [REDACTED]. Key elements include a \$346 million Commonwealth grant to help offset electricity transmission costs for Tasmanian consumers, and a cap on Tasmania's equity contributions at \$103.5 million, removing the need to contribute a further \$98.5 million in equity. This deal will reduce annual transmission charges by approximately \$15 million for existing transmission costs, better protecting Tasmanian households and businesses.

[REDACTED]

As a result of reducing Tasmania's equity share, the State's exposure to cost overruns and potential wind-up costs will be mitigated. While Tasmania will retain decision-making rights over key reserved matters, [REDACTED] its overall influence will diminish over time due to shareholding dilution and associated changes in governance arrangements.

[REDACTED]

[REDACTED]

[REDACTED]



Scope of FID analysis – Stage 1 of Project Marinus

The FID is solely focused on Stage 1 of Project Marinus.

However, it is important to acknowledge that Hydro Tasmania is also progressing two hydropower projects, including the potential redevelopment of the existing Tarraleah power scheme and development of a potential new pumped hydro power station at Lake Cethana.

Analysis from the Whole-of-State Business Case (WoSBC, 2025) advises Government that, at this time, the Government should only consider its FID as relating to Project Marinus Stage 1 (Marinus Link Stage 1 and the NWTD Stage 1). It confirms Hydro Tasmania's two major energy projects (Tarraleah and Cethana) are still a long way from FID and their business cases require further consideration. Hydro Tasmania's modelling indicates the majority of benefits from Project Marinus are derived from its existing assets and so the progression (or not) of both projects is considered inconsequential to the Project Marinus FID. Similarly, the progression of any future Marinus Link Stage 2 is considered a future decision and is not being considered at this time.

Section 3 – FID Assessment

A FID Assessment is an evaluation against a set of agreed criteria that guide a government or corporation's decision-making to invest in a project or not.

The Project Marinus FID criteria were developed and approved by Government to support a structured and transparent decision making-process for the Tasmanian community.

The Government's long-standing position has been that it would only proceed with Project Marinus if it was assessed as in the State's best interests. The eight agreed assessment criteria define the elements of what 'in the State's best interest' means and provide a way to evaluate the information available across financial, economic, social, environmental, community, project, and market benefits, impacts and risks.

To support a transparent and consistent assessment across a mix of quantitative and qualitative data, each of the eight FID criteria has defined parameters and thresholds, which guide whether the criterion is assessed as clearly met, partially met, or not met.

The FID criteria provide a structured framework for evaluating the project's merits and risks. They are not individually weighted and are intended to inform, rather than strictly determine, the final investment decision. The assessment does not require every criterion to be fully met in order to support a positive FID. Instead, the decision is based on whether, taken together, the criteria demonstrate that the project delivers net benefits to the Tasmanian community, aligns with strategic objectives, and that any identified risks and impacts can be acceptably managed or mitigated.

This balanced approach ensures the decision reflects the full context in which the project will proceed.

Table 2 outlines the eight criteria and parameters.

Table 2: FID criteria and FID Assessment Parameters

Criterion	FID Assessment Parameters
 Acceptable typical customer bill impacts, by customer	Clearly met – no modelled real bill increases relative to the no Marinus counterfactual. Partially met – modelled real bill increases of 10 per cent or less relative to the no Marinus counterfactual. Not met – modelled real bill increases more than 10 per cent relative to the no Marinus counterfactual
 Acceptable FID recommendation from MLPL and TasNetworks	Clearly met – Positive FID recommendations from both MLPL and TasNetworks that rigorously address residual risks and uncertainties. Partially met – Positive or Conditional FID recommendations from either company that do not satisfactorily address risks and uncertainties, but the conditions have a reasonable likelihood of being satisfactorily met. Not met – Conditional or Negative FID recommendation from either company that cannot be satisfactorily mitigated by government(s).

Criterion	FID Assessment Parameters
3 Acceptable equity exposure	Clearly met – provision in the State Budget is available and the risks of further equity, financial support and/or government guarantees being required is judged as low. Partially met – provision in the State Budget is available and any additional equity, financial support and/or government guarantees likely required is considered manageable in the context of the State Budget. Not met – additional equity, financial support and/or government guarantees likely required is not considered manageable in the context of the State Budget.
4 Individual projects financially sustainable	Clearly met – both projects are financially viable and produce revenues that exceed costs in almost all years throughout the project life. Partially met – both projects are financially viable and produce revenues that exceed costs in many years over the project life. Not met – both projects are not financially viable and do not produce revenues that exceed costs in many years over the project life.
5 Acceptable impact on State finances, budget & credit rating	Clearly met – strong modelled aggregate total returns to government from all energy businesses and the additional debt is considered to be self-sustaining. There is likely to be no material impact in the long-term on the State's credit rating. Partially met – high variability in the modelled aggregate total returns to government from all energy businesses, meaning net positive NOB questionable in many years (including having regard to pressures on the Budget for financial support for customers). There is a risk of the additional debt not being considered to be self-sustaining and there is the potential for a negative impact in the long-term on the credit rating. Not met – modelled weak total returns to government from all energy businesses and the additional debt is not considered to be self-sustaining. There is likely to be a negative impact in the long-term on credit rating.
6 Tasmanian economic impacts	Clearly met – very strong positive impact on jobs and economic activity. Partially met – modestly positive impact on jobs and economic activity, or material impacts on a small number of sectors (some crowding out). Not met – only short-term economic impacts from construction activity, with high crowding out for other sectors.
7 Tasmanian environmental & social impact	Clearly met – Strong positive social benefits and manageable environmental impacts, as evidenced by the project-level approvals, and supporting strong community outcomes and contributing meaningfully to state and national energy and emissions reduction objectives. Partially met – Social and environmental impacts are mixed due to variable community or environmental benefits, and only partial progress toward securing necessary project level approvals. It enables some renewable energy investment, however, the scale or consistency of investment may limit the realisation of broader energy and emissions reduction outcomes. Not met – The project fails to generate sufficient community, or environmental benefits, and lacks progress on securing necessary project-level approvals, resulting in poor social outcomes. It does not enable meaningful renewable energy investment and does not align with state or national energy or emissions reduction objectives.
8 Acceptable outcomes for the Tasmanian energy market	Clearly met – unquestionable improvement in energy security, contract market liquidity, few if any technical implications and a positive path forward for the future development of the energy system.

Criterion	FID Assessment Parameters
	Partially met – mixed outcomes for energy security, contract market liquidity, creation of new barriers for future development paths or material technical implications for the network. Not met – weakening of energy security.

FID Assessment process

An assessment of the criteria was completed and considered all available inputs (detailed immediately below), assigned a rating and documented its justification (see the summary in Table 3 below). Where a policy decision had already been taken by the Government, and which could provide a mitigation that improved a criterion assessment, these were considered. This is the “Current rating” in the table. Other possible mitigations were also considered which could change the assessment of partially met or not met criteria (should a future government pursue the mitigation). This is the “Mitigated rating” in the table below.

The EESC made its recommendation based both on the current ratings and potential future mitigated ratings.

Further detail supporting each assessment, including evidence and rationale is provided below.

Table 3: Final assessment results

Criteria	Current rating	Mitigated rating	Conditions to meet mitigated rating
1 Acceptable typical customer bill impacts, by customer	Partially met Small customer bill increases of less than 10% and material impacts for Direct Connect Customers (Major Industrials)	Partially met	Small customer bill impacts do not materially worsen Government will need to consider the mechanism to be used to offset customer bill impacts for Transmission Direct Connect Customers (including MI's).
2 Acceptable FID recommendation from MLPL and TasNetworks	Not met Conditional FID recommendations	Partially met	Agreement between the state and TasNetworks on the manner in which conditions regarding equity commitments and Treasurer's borrowing guarantee can be resolved).
3 Acceptable equity exposure	Not met No approved equity	Partially met	Marinus Link: Execution of amendments to the Marinus Link shareholders agreement that allows for Tasmania's equity contribution to be capped at our existing investment of \$103.5m and for Tasmania's shareholding to be diluted as further equity is contributed by other shareholders. TasNetworks: An incoming government would need to include

Criteria	Current rating	Mitigated rating	Conditions to meet mitigated rating
			funding (of \$191 million) in the State Budget for the NWTB, and provide an equity contribution agreement (or similar) noting that TasNetworks and the State bears the risk of project cost overruns
4 Individual projects financially sustainable	Partially met Marinus Link is financially viable but the NWTB is not	Partially met	The Marinus Link remains financially sustainable. The NWTB financial model is reviewed to improve outcomes, noting this could be at the expense of passing on concessional financing benefits to customers.
5 Acceptable impact on state finances, budget & credit rating	Clearly met Strong modelled government returns driven by Hydro Tasmania	Clearly met	That Project Marinus costs do not materially increase, which would likely impact returns from MLPL and TasNetworks and that Hydro Tasmania returns do not materially worsen.
6 Tasmanian economic impacts	Clearly met Very strong economic and employment impacts	Clearly met	That the investments which drive economic and employment figures are realised at the scale and timing currently envisaged.
7 Tasmanian environmental and social impact	Partially met Mixed social and environmental outcomes Strong contribution to state/national energy and emissions reduction targets	Partially met	The scale of investment will have mixed outcomes and may require future consideration from government.
8 Acceptable outcomes for the Tasmanian energy market	Clearly met Unquestionable improvement in energy security	Clearly met	No material adverse technical implications arise that materially change the assessment undertaken at FID.

FID Assessment Inputs

The FID Assessment draws on a comprehensive set of inputs to ensure a transparent, robust and evidence-based evaluation has been undertaken and provided to the Government. These inputs provide critical insight into the financial, economic, social, environmental, and strategic implications of progressing with Marinus Link and the NWTB.

Key inputs include the Whole-of-State Business Case (WoSBC April, 2025), which provides a macroeconomic lens; MLPL and TasNetworks' FID recommendations at the individual project level; legal advice from the Office of the Crown Solicitor and [REDACTED]; advice from the EAP which is more strategic in nature and which tests key assumptions and validated key risks; and [REDACTED]

█'s independent review of the completeness and rigour of the developer's and the Government's FID recommendations.

A number of complementary due diligence processes have been undertaken and summaries are provided under Section 9 below.

Whole-of-State Business Case

The WoSBC (WoSBC, April 2025) is a point-in-time analysis based on information available up to December 2024, assessing the impacts of major energy projects on Tasmania's economy, social impacts, state finances, and credit rating. While some inputs have since evolved, the WoSBC remains a valid and key input to the Government's FID. The WoSBC underpins much of this FID Assessment, with updates where applicable.

Marinus Link Pty Ltd and TasNetworks FID Recommendations

MLPL and TasNetworks have each provided conditional FID recommendations for their respective components of Project Marinus Stage 1.

These recommendations are important inputs to the Tasmanian Government's FID Assessment but are acknowledged as atypical when considered against industry standard FIDs as both developers have key FID criteria outstanding. These recommendations have been assessed in the context of their limitations, outstanding risks, and the additional work required to satisfy their conditions. The FID recommendations are considered in more detail in section 4 below.

Expert Advisory Panel (EAP)

In April 2025, the Minister for Energy and Renewables announced at the Tasmanian Parliament's Joint Select Committee – Energy Matters, that a Project Marinus EAP would be formed to provide independent advice on the impacts of Project Marinus to the NEM and the project's key risks and mitigations to the State's FID.

Overall the EAP found that Tasmania needs Project Marinus as soon as possible to provide energy security to the State and earn revenue for Tasmania over the asset's life.

The EAP largely considered project issues from a NEM perspective as Victoria transitions from coal to renewables. It noted the NEM has changed since the Australian Energy Market Operation (AEMO) 2024 Integrated System Plan (ISP) and that Project Marinus has become vital to the NEM as the replacement of retiring energy capacity has been slow and demand has increased. It views that the transition on the mainland is materially behind, and Tasmania, through Project Marinus, will need to bring forward and expand its renewable energy developments to address mainland deficiencies.

In summary the EAP advises:

“Our strong conclusion is that Marinus will have materially positive impacts on the NEM and the sooner it is delivered, the more resilient the NEM is likely to be. We

Section 4 – Assessment analysis and findings – by criterion

Criterion 1: Acceptable typical customer bill impacts, by customer type

The Project Marinus Taskforce assessed Criterion 1 as currently being partially met with a mitigated rating of partially met due to the differing financial impacts across different customer classes and the policy responses that will be required (such as offsetting impacts for Major Industrials).

Why are we assessing this and what are we assessing?

Criterion 1 has long been a key issue. As early as 2018, there were concerns raised by Tasmanian stakeholders about the equitable allocation of costs under the electricity interconnector rules for the NEM as they relate to Project Marinus. The scale of the projects is large in the Tasmanian context with a small customer base relative to Victoria to recover costs from. While the Government has negotiated arrangements to reduce impacts to the greatest degree possible, the projects will lead to an increase in the transmission component of Tasmanian electricity customer's bills.

Table 4: Criterion 1 Assessment

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet future rating
1 Acceptable typical customer bill impacts, by customer type			
Clearly met – no modelled real bill increases relative to the no Marinus counterfactual			Small customer bill impacts do not materially worsen
Partially met – modelled real bill increases of 10 per cent or less relative to the no Marinus counterfactual	Partially Met	Partially Met	Government will need to consider the mechanism through which impacts to Major Industrials can be offset
Not met – modelled real bill increases more than 10 per cent relative to the no Marinus counterfactual			

Summary of Assessment

Criterion 1 has been assessed as 'partially met' due to the impacts across different customer classes.

Typical residential and small business customers are expected to experience an increase of around 10 per cent and 11 per cent respectively in the network component of their electricity bill from Project Marinus on average from 2030/31 to 2049/50 (expressed in \$2024). Modelling indicates that much of the increase will be offset by downward pressure on wholesale prices. This converts to a net impact for

the network component of a typical customer's electricity bill of approximately 2 per cent or \$16 for residential customer bills and 4 per cent or \$155 for small business customers over the same period. The net Project Marinus customer impacts on total electricity bills is smaller again.

Increases for customers directly connected to the transmission network (including Major Industrials) are forecast to increase up to approximately 50 per cent. In early June 2025 before going into caretaker, the current government agreed this customer segment will not face real higher transmission charges as a consequence of Project Marinus, noting that this commitment to offset the impacts is expected to be met from increased Hydro Tasmania returns.

The Government also committed to undertake a comprehensive electricity pricing review prior to Project Marinus' commissioning.

Taken together, Residential and Small Business are partially met, while the policy position on customers directly connected to the transmission network sees the assessment for that class as clearly met - overall the criterion is partially met. The mitigated rating is also considered as partially met.

Criterion Inputs

Transmission cost impacts associated with the two project scopes are included below. These figures have been updated from the information available in the WoSBC (December 2024). As regulated transmission assets, these costs are determined through a well understood regulatory model and can be assessed with a high level of confidence.

The expected transmission cost impacts are based on advice from TasNetworks and MLPL in February 2025, noting there was an updated project cost for the NWTd in April 2025 and another expected in July 2025. The July 2025 updates are not available at the time of writing and are therefore not considered in this FID Assessment. A revised cost update for MLPL is also imminently due but also not considered in the FID Assessment. Instead, a range of cost overrun scenarios were tested to show a range of potential future project cost outcomes.

Transmission pricing impact

Table 5: Central case scenario

Project Costs – 'central scenario'	
NWTd (real 2023-24 dollars, P80)	
Marinus Link (nominal dollars from 2025-2030, P99)	
Explanatory note: Project costs are the key factor in determining customer costs. The 'central scenario' includes projections of potential future costs increases to completion of the project.	
Concessional Maximum Allowable Revenue in 2031-32 (real 2023-24 dollars)	

Tasmanian Marinus Link portion (\$m)	\$60
NWTD (\$m)	\$19
Concessional MAR – Total (\$m)	\$79⁹

Explanatory note: the 'MAR' is the annual total revenue from Project Marinus that is recovered from the Tasmanian customer base via electricity bills. The MAR is derived from the project costs included in the Regulatory Asset Base (or RAB). The MAR impacts customers differently, as explained below.

Estimated average annual customer cost impacts from 2030/31 to 2049/50 (real \$2024 dollars)¹⁰

Major Industrial (MI) customers

Base network component of an electricity bill in no Marinus scenario (\$m in aggregate across all directly transmission-connected customers)

\$54¹¹

Aggregate (\$m)	Project Marinus network impacts	An increase of \$29m or 53% increase from base network charges.
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Wholesale price reduction relative to 'no Marinus'	Not relevant – MIs are contracted for long-term electricity prices [REDACTED].
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Small Business customers

Base network component of an average electricity bill with no Marinus (\$)

\$3,609

Project Marinus network impacts (\$)	An increase of \$384 or ~11%
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Wholesale price reduction relative to 'no Marinus' (\$)	Modelled reduction of \$229
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Net outcome relative to base network component of an electricity bill (\$)	Net outcome is an increase of \$155 or ~4% increase from base network charges
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Residential customers

⁹ This is different to the MAR used later in the report. The differences are that this MAR is based on real \$2023-24 at 2031-32 whereas elsewhere average nominal dollars from 2031-2050 is used. Customer impacts are expressed in \$2024 to be comparable to present day electricity bills.

¹⁰ Information prepared by [REDACTED]

¹¹ Information on the base network charge component of electricity bills sourced from TasNetworks 'update to ReCFIT: Revenue and Pricing' May 2025 – not publicly available.

Base network component of an average electricity bill with no Marinus (\$)	\$1,022
Project Marinus network impacts (\$)	An increase of \$107 or ~10%
Wholesale price reduction relative to 'no Marinus' (\$)	Modelled reduction of \$91
Net outcome relative to base network component of an electricity bill (\$)	Net outcome is an increase of \$16 or ~2% increase from base network charges ¹²
Notes: The analysis on customer impacts has been undertaken by [REDACTED] on behalf of the Department of State Growth [REDACTED]. The net outcomes are smaller again relative to a total electricity bill for a typical customer.	

Wholesale pricing impact

A customer's bill is also made up of a wholesale electricity component. Work undertaken by MLPL and for the WoSBC forecasts that relative to a no Marinus scenario and on the basis of current policy settings¹³, Tasmanian customers will see lower wholesale prices with the Project than would otherwise have been the case without (WoSBC, 2025).

Major Industrials and customers directly connected to the transmission network are contracted for electricity prices and do not face the same regulated tariffs as residential and small business customers. As a result they are unlikely to see the wholesale pricing reductions.

The value of the wholesale pricing benefit is presented in Figure 9 below.



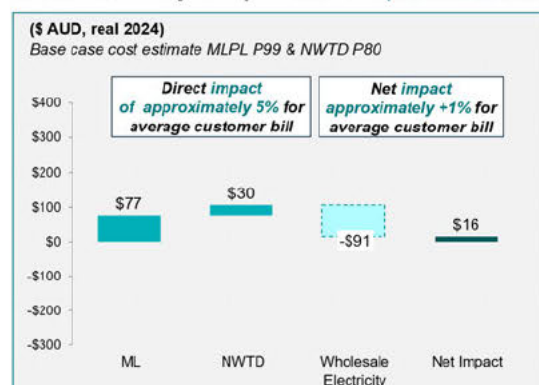
¹² Note analysis in this table only considers the network charge component of a typical customer bill which constitutes approximately ~40% of the total electricity bill. This is the component of an electricity bill that will increase as a result of taking Project Marinus forward. The net network cost increases from Project Marinus are smaller again as a percentage of total customer electricity bill.

¹³ Tasmania's current arrangements tie the Tasmanian wholesale electricity price to Victoria's for Residential and Small Business customers.

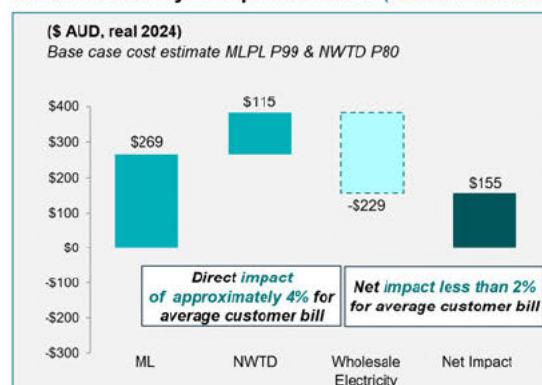
Figure 9: Project Marinus impact on average annual electricity bills per customer (real 2023-24 dollars)

Prices will rise due to higher transmission costs, but Marinus is forecast to benefit customers by moderating expected increases in wholesale prices

Residential | Project Marinus impact on average annual electricity bills per customer (2030/31-2049/50)



Small business | Project Marinus impact on average annual electricity bills per customer (2030/31-2049/50)



Note: Figures are provided in real 2024 figures in order to compare against current average bill estimates and support Ministers with messaging of percentage bill increase in figures that are materially meaningful to customers today.

Basslink Regulation

On 26 June 2025 the AER released its determination on owner APA's application to convert the Basslink interconnector to a prescribed transmission service (regulated). The AER approved the application and this will see electricity customers in Tasmania paying at least a share of the annual regulated costs from 2025-26.

Until recently, the costs of the cable have been paid by Hydro Tasmania as part of the former Basslink Services Agreement [REDACTED] and in turn Hydro Tasmania received the trading revenue associated with exports across Basslink. The ongoing regulated costs of Basslink to be paid for by Tasmanian customers will depend on the AER's determination of regulated asset value and cost allocation arrangements that could be agreed between interconnected jurisdictions, or as set by the owner. In theory Hydro Tasmania will receive a windfall from the new arrangements as it will continue to receive trading revenue but not have to pay the service agreement fees (albeit it will have to now bid for the inter-regional settlement residues). This is a microcosm of the issues with Marinus Link as regulation of Basslink will increase costs to customers (customer directly connected to the transmission network in particular) and Hydro Tasmania should have increased revenues that could be used to offset these impacts. This will be a policy decision for Government.

Benefits, risks, mitigations & policy responses

Successive governments have secured a range of commitments that have materially reduced the impact of Project Marinus on the transmission component of electricity customers' bills. These include:

- **Concessional debt financing and higher project gearing** for the project provided by the CEFC delivers significant reductions in transmission costs for electricity customers. For Marinus Link this sees project borrowings from the CEFC at the [REDACTED]

below market rates that would be allowed under the AER's regulatory framework (5.53 per cent as at December 2024). For the NWTD, the borrowing rate compared to the 5.53 per cent standard regulatory allowance for return on debt. Combined with the addition of a higher level of gearing compared to ~60 per cent for a standard regulated transmission business) this materially lowers the cost impact further to Tasmanian customers. The

- MLPL estimates that the value of the concessional financing arrangements for Marinus Link is expected to be approximately from 2030-2035 with further benefits beyond this point (Marinus Link, Marinus Link - Revenue Proposal, Stage 1, Part B (Construction), 2024). Based on the agreed cost allocation for Stage 1 of Marinus Link, the benefit of these concessional financing arrangements is enjoyed mostly by Victorian customers (72.4 per cent) but also by Tasmanian customers (27.6 per cent).
- In reviewing the TasNetworks NWTD financial model, officers from the Department of Treasury and Finance advise that the value of the concessional benefits for the NWTD project over its life, 60 years, is expected to be \$858 million. The benefit of this concessional finance is enjoyed 100 per cent by Tasmanian customers who will solely pay for the NWTD.
- While the concessional benefits are significant compared to non-concessional outcomes, it is important to remember that there would be no basis for these projects to proceed absent of these benefits because the non-concessional arrangements would result in prohibitive increases to Tasmanian customer bills.
- The value of concessional outcomes is outlined purely to show the significant negotiated outcomes that have been agreed by the Tasmanian, Victorian (in respect of Marinus Link), and Australian governments to improve customer outcomes.

- **Lower equity returns** have been agreed by shareholders on Marinus Link and by the State in respect of the NWTD. These returns were initially agreed to be (noting the State is borrowing to fund its equity, so is relative to the CEFC borrowing cost). This also reduces the transmission cost to customers as the AER's regulated return on equity would otherwise be set at equivalent private sector equity return rates

- [REDACTED] This is materially below the AER's current return on equity rate (7.72 per cent at December 2024).
 - The high project gearing ensures that less of the higher-returning equity is recovered from customers than would typically be the case for a regulated transmission asset.
 - This is particularly impactful for the NWTG given its higher gearing of [REDACTED]
- **A cost allocation arrangement** for the Marinus Link component that will see Victorian customers pay 72.4 per cent and Tasmanian customers only 27.6 per cent of the project's annual concessional Maximum Allowed Revenue. This is formalised through a cost allocation agreement with the Victorian Government and is a significant improvement on the expected default arrangement under the former National Electricity Rules that could have seen a 50:50 cost allocation arrangement.
 - **A \$346m Grant off Regulated Asset Base (RAB)** to minimise Tasmanian customer costs impacts. A \$346 million grant has been recently secured from the Australian Government (June, July 2025) to partially offset NWTG cost increases since the initial agreement between the State and Australian Government in September 2022. This reduces the per annum impact on Tasmanian customers by a further ~\$15 million.

In addition to the above mitigation measures and existing policy commitments, a future government may consider further measures to protect Tasmanian electricity customers from the impacts of Project Marinus including: offsetting real cost increases for residential and small business customers or committing to the lowest or amongst the lowest prices in the NEM. This work could also include a review of the wholesale electricity pricing framework in Tasmania to deliver optimum outcomes for Tasmania.

Given the majority of costs associated with Project Marinus do not materialise until post commissioning in 2031-32, there is time to fully consider the likely impacts and, as such, there is no reason to rush towards further policy responses at this time. Instead, a mechanism to deliver the cost offset for customers directly connected to the transmission network will need to be a priority consideration.

Conclusion

Both Marinus Link and the NWTG require significant expenditure to build and will increase transmission costs for all Tasmanian customers. An increase in customer prices will impact customers from a financial and social perspective. To balance customer cost impacts with the broader benefits of the project and assess this from a 'best interests in the state' perspective, a level of impact on customers must be determined as acceptable, or full mitigation of these impacts is required.

In conclusion, Residential and Small Business are partially met, while the policy position on customers directly connected to the transmission network sees the assessment for that class as clearly met - overall the criterion is ***partially met***.

Criterion 2: Acceptable FID recommendation from MLPL and TasNetworks

The Project Marinus Taskforce assessed Criterion 2 as currently being not met with a mitigated rating of partially met due to the conditionality of the TasNetworks FID Recommendation and the MLPL FID Recommendation.

Why are we assessing this and what are we assessing?

This criterion tests whether MLPL and TasNetworks have provided robust and acceptable FID recommendations that enable the Tasmanian Government to proceed with confidence.

As discussed above, a typical or commercially standard FID recommendation would be expected to demonstrate that all critical path elements are present and major risks have been considered and addressed to the extent practicable. Any residual conditions should then be either within the control of the developer or have a high likelihood of being resolved without requiring unreasonable commitments from owners.

This assessment has evaluated the nature, rigour and completeness of the FID recommendations provided by both MLPL and TasNetworks, including whether any conditions to the FID are reasonable and resolvable within expected timeframes. The assessment also considers the implications of any unresolved conditions and whether they materially impact the Government's ability to progress the project to Financial Close.

Table 6: Criterion 2 Assessment

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet mitigated rating
2 Acceptable FID recommendation from MLPL and TasNetworks Clearly met – Positive FID recommendations from both MLPL and TN that rigorously address residual risks and uncertainties. Partially met – Positive or Conditional FID recommendations from either company that do not satisfactorily address risks and uncertainties, but the conditions have a reasonable likelihood of being satisfactorily met. Not met – Conditional or Negative FID recommendation from either company that cannot be satisfactorily mitigated by government(s).	Not Met	Partially Met	Agreement between the state and TasNetworks on the manner in which conditions regarding equity commitments and Treasurer's borrowing guarantee can be resolved)..

Summary of Assessment

Current recommendations from both MLPL and TasNetworks are positive but conditional, owing to the unique nature of FID where many of the Project's critical path activities are outstanding (for example approvals, revenue, procurement).

For MLPL - the conditions are manageable and can be categorised as partially met.

For NWTG – TasNetwork's FID recommendation is highly conditional and includes a number of matters requiring Government support. Some of these conditions cannot be addressed by Government immediately but may be resolved prior to Financial Close expected by the end of Q1 2026.

For these reasons, this criterion is currently rated as *not met* but is expected to move to a rating of *partially met* ahead of NWTG Financial Close in March 2026 as the State works with TasNetworks to resolve the conditions.

Criterion inputs

This criterion draws on the FID recommendations made by the boards of MLPL and TasNetworks. Both recommendations are critical inputs to inform the Tasmanian Government's investment decision and have been assessed on the basis of the extent to which they provide a clear and acceptable basis for progressing to the next phase of the Project. This includes consideration of both MLPL and TasNetworks' ability to manage outstanding risks and conditions, and the extent to which those conditions are resolvable.

Marinus Link FID Recommendation:

MLPL provided its board-endorsed FID recommendation to shareholders on 30 May 2025 [REDACTED]

[REDACTED]. The Board noted the following:

- The Board of MLPL has resolved to recommend that the shareholders make, via a Super Majority Shareholders' Resolution, a final investment decision to proceed with the construction phase of Stage 1 of the Marinus Link Project.
- A comprehensive risk assessment and financial analysis has been undertaken to support an informed FID. While risks exist, they are manageable, and in the Board's view, there is a sound financial and economic investment case to recommend a Positive Stage 1 FID.
- In making its recommendation, the Board has formed a view on the investment case for Stage 1 based on MLPL's assessment of forecast costs, revenue, and risks as at the date of writing, including as reflected in the FID Document.

While the Board recommended taking a positive FID, it is subject to conditions outlined below. [REDACTED]

Table 7: Marinus Link conditional FID

Condition	Able to be satisfied	Pathway to resolution
1 Shareholder equity and financier debt commitments <i>(note this incorporates Conditions A, B and the equity cap matters in the MLPL FID Recommendation letter dated 30 May 2025 – attached)</i>	Shareholders need to provide binding commitments to equity that both ensure ongoing solvency of MLPL and ensure that MLPL can demonstrate it has sufficient funding [REDACTED] [REDACTED] Debt financing agreements also need to be finalised [REDACTED]	• Execution of the Shareholder Equity Contribution Agreement • A shareholder resolution to give effect upon a positive Stage 1 FID to the increased Pre-Stage 1 FID Equity Cap or other arrangements to ensure the company is kept solvent. • Signing of debt agreements.
2 Timing	MLPL claims that a Shareholder FID is required by no later than 15 July 2025 for it to progress its financing arrangements [REDACTED] [REDACTED] This date is approximately two weeks earlier than the prior date advised by MLPL of no later than 1 August 2025 which was outlined in the Illustrative FID Assessment.	• FID needs to be taken by 15 July 2025. • The Tasmanian Government FID is planned for 8 July 2025 and the Government cannot be delayed beyond this point without putting project timelines in peril.
3 Execution of necessary FID authorisations and documentation	A range of amendments have been made to ensure the SHA is fit-for-purpose for the construction phase including the setting of funding arrangements and revised governance arrangements.	

TasNetworks FID Recommendation:

On 29 May 2025, the TasNetworks Board resolved to continue with Stage 1 of the NWTG through to Financial Close and recommended the State proceed to its FID on Project Marinus (TasNetworks, 2025). This recommendation is subject to a number of conditions.

Engagement between TasNetworks and the State has clarified a pathway to resolve a number of conditions, many of which can now be met as part of, or shortly after, the Government's FID. Importantly, TasNetworks has confirmed that some conditions can be amended or timing shifted to accommodate caretaker issues and the current inability to contribute equity. Some conditions will require further negotiation or are expected to be met only by FC.

The State will continue to work with TasNetworks to resolve or refine outstanding conditions prior to FC, expected end of Q1 2026. Table 8 below outlines each condition, its status, and pathway to resolution:

Table 8: NWTB has made a conditional Stage 1 FID recommendation

Condition	Able to be satisfied	Pathway to resolution	Timing
A Confirmation of state and MLPL FID	Yes	Confirmation of positive FID by Government	Government FID (8 July)
B C Concessional Finance (CPA1)	Yes (CPA1 Only)	TasNetworks (TN) is required to finalise CPA1 terms with CEFC, then seek the Treasurer's exemption and a Special Resolution.	Post-TasNetworks confirmation (date)
D State Equity Contribution	No	The State Budget includes an equity commitment but formalising it into an agreement may take time. CPA2 terms are unresolved and risk allocation discussions are ongoing.	By or prior to Financial Close (Q1 2026)
E TasCorp debt availability	Requires discussion	[REDACTED]	By or prior to Financial Close (Q1 2026)
F Directions re lower return	Yes	Can be provided at State FID if aligned with policy intent	Government FID (8 July)
G Customer price impact and direction	Requires discussion	Direction can be provided as part of state FID upon assurance that TN is progressing in accordance with the government's policy intent.	Government FID (8 July)
H SBP Scheme and land acquisition	Requires discussion	SBP policy position is being finalised [REDACTED] However, it is anticipated it will achieve the objective sought by the Board.	By or prior to Financial Close (Q1 2026)

Benefits, risks, mitigations and policy responses

The FIDs being taken at this time largely results in additional risks and require mitigations to be in place. Shareholders also completed their own independent technical due diligence on the project that assessed its deliverability and preparedness to take a FID. The due diligence concluded that while MLPL has either acknowledged risks or indicated that mitigations have been adopted towards addressing the risks, there is no assurance that they would result in a successful mitigation.

For this reason, [REDACTED] and for appropriate governance and oversight to manage project delays. Refer to Section 6 for a more detailed outline of the strategic and project-level risks and mitigations.

A future government may need to consider if a formal direction is required to overcome the current impasse relating to condition E.

One positive of this FID approach is that the project delivery slot of early 2030 has been secured in the tight supply market. Without this approach, the project may not have been able to be delivered until the mid-to-late 2030s or later. The FID being taken now provides confidence to existing renewable energy investors that the Project has been 'greenlit' and is planned for delivery in the early 2030s. Importantly, the FID being taken now ensures that the benefits of the Project, in particular the increased Hydro Tasmania returns (refer to Criterion 5), are unlocked as early as possible and are not foregone or materially delayed.

██████████ includes a detailed description of the status of critical path elements for both projects at FID and the mitigations being put in place to deal with not having key elements confirmed. While the mitigations do not extinguish the risks, they provide a level of comfort that the elements will be delivered. For example, Marinus Link has the Australian Energy Regulator as an observer on its Balance of Works procurement process to provide the Regulator with visibility of rigour behind its work with the intent it will lead to costs being accepted when it submits its updated revenue proposal.

Conclusion

Both the TasNetworks and MLPL Boards have provided FID recommendations outlining that they are willing to proceed with Stage 1 of the Project Marinus subject to acceptance by shareholders of certain conditions.

This conditionality is due to the unique nature of FID and key risks that the projects face which the Boards cannot address in their own right. In some instances, the conditionality of the FID recommendations can be addressed prior to or following Financial Close, while in other instances there will need to be an acceptance of increased risks.

Ultimately the FID issues and conditionality identified will need to be addressed by the businesses (either voluntarily or by direction) or accepted by the shareholders, for the projects to proceed.

It is considered that the Marinus Link FID recommendation is partially met and the NWT D FID recommendation can be partially met following mitigations, leading to an overall ***partially met*** rating for this criterion. For this criterion, the nature of the project FIDs occurring prior to completion of critical path activities means that a clearly met rating was not possible.

Criterion 3: Acceptable equity exposure

The Project Marinus Taskforce assessed criteria 3 as currently being not met as there is no current provisioning of equity requirements for Project Marinus. The Taskforce assessed Criterion 3 as partially met with mitigations in place (providing for equity through a renegotiated agreement), along with potential for cost overruns in the NWT D project requiring further equity injections that are assessed as manageable.

Why are we assessing this and what are we assessing?

As a shareholder of Marinus Link and TasNetworks, if the State takes a positive FID, it would ordinarily be exposed to a level of equity funding in proportion to its shareholding to allow for funding of the engineering, construction and commissioning phase of both projects. Consequently, it was determined that a criterion was required that assessed whether the State could afford to make the equity investments and that the assessment should consider the affordability in light of possible future calls for further equity.

It was determined that assessment of this criterion would be based on whether there was a firm commitment through the State Budget for the known equity required at the current project costs, coupled with an assessment of the likelihood of cost over-run and the ability to meet such a commitment should it be required.

Table 9: Criterion 3 Assessment

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet mitigated rating
3 Acceptable equity exposure Clearly met – provision in the State Budget is available and the risks of further equity, financial support and/or government guarantees being required is judged as low. Partially met – provision in the State Budget is available and any additional equity, financial support and/or government guarantees likely required is considered manageable in the context of the State Budget. Not met – additional equity, financial support and/or government guarantees likely required is not considered manageable in the context of the State Budget.	Not Met	Partially Met	Marinus Link: Execution of amendments to the Marinus Link shareholders agreement that allows for Tasmania's equity contribution to be capped at our existing investment of \$103.5m and for Tasmania's shareholding to be diluted as further equity is contributed by other shareholders. TasNetworks: An incoming government would need to include funding (of \$191 million) in the State Budget for the NWT D, and provide an equity contribution agreement (or similar) noting that TasNetworks and the State bears the risk of project cost overruns.

Summary of Assessment

Criterion 3 was initially assessed as not met because Project Marinus equity was not provisioned when the 2025-26 Budget Bills were not passed before the Tasmanian Government entered caretaker arrangements. The Budget had sought provision for equity payments totaling \$296.1 million for both Marinus Link and the NWT D projects, with \$103.5 million already contributed for Marinus Link.

These commitments were based on project costs of [REDACTED] for Marinus Link and approximately [REDACTED] for NWTG (which has since been updated to [REDACTED]).

Subsequently, negotiations with the Australian Government reached agreement that, in respect of Marinus Link, the State's equity commitment would be capped at the already contributed equity amount of \$103.5 million. Further equity contributions to the project would be met by the other shareholders in Marinus Link and lead to a dilution of the State's 17.7 per cent shareholding. The assessment of this criterion has been based on the acceptance of this offer from the Australian Government and as such this criterion is assessed as 'clearly met' for Marinus Link.

In respect of the NWTG, Financial Close will not occur until the end of the first quarter of 2026. This allows time for an incoming government to pass a Budget and ensure provisioning of the \$191 million is available. However, with the cost estimate for the NWTG project continuing to be revised, it is considered there is a potential for cost escalations on the NWTG that may require further equity provisioning [REDACTED]

[REDACTED] For this reason, the NWTG is assessed as partially met.

When considering both components of Project Marinus the assessment is partially met.

Criterion inputs

Previous commitments from the Australian Government led to agreement that the construction of Marinus Link be funded [REDACTED] per cent through debt (provided by the CEFC) and [REDACTED] per cent through equity from its shareholders the Australian Government (49 per cent owner), the Victorian Government (33.3 per cent) and the Tasmanian Government (17.7 per cent).

A similar commitment was made by the Australian Government to debt fund the NWTG. This commitment is for [REDACTED] per cent of the total project construction cost, with the other [REDACTED] per cent to be funded by equity from the state of Tasmania as sole shareholder of project developer TasNetworks. [REDACTED]

As noted under Criterion 1, the concessional debt provided by the CEFC is crucial to reducing the annual regulated cost of Project Marinus Stage 1 to be paid for by Tasmanian electricity customers.

Marinus Link Financial Considerations

Under the arrangements prevailing at the time of the release of the 2025-26 State Budget, a positive FID on Project Marinus would have required the Tasmanian Government to contribute an additional equity investment of \$98.5 million in MLPL.

As documented above, with the 2025-26 State Budget lapsing, negotiations with the Australian Government [REDACTED] were held to find an avenue to relieve the State of needing to contribute its equity. This led to the Australian Government agreeing that the State

need not contribute any further equity to the project. The arrangement agreed will still allow the State to maintain a seat on the Marinus Link Board and have veto over key decisions like pursuing Marinus Link Stage 2 and will see its 17.7 per cent ownership share diluted as the other shareholders meet future equity calls.

While the State's equity commitment is preserved at \$103.5 million, any cost overruns on the project that are considered prudent and efficient by the Australian Energy Regulatory can still be recovered from customers, impacting Criterion 1.

The State had previously negotiated a Put Option to sell its shares to either the Australian or Victorian governments which can be tabled post-commissioning of Marinus Link, subject to a valuation process. The revised shareholders' agreement will maintain this option.

North West Transmission Developments Financial Considerations

As the sole shareholder, Tasmania is responsible for the [REDACTED] per cent equity contribution to the NWTB. No equity has been provided to date. The full amount is likely to be required when the NWTB reaches Financial Close at the end of Q1 2026. As discussed above, the 2025–26 State Budget had sought to appropriate \$197.6 million to meet the equity requirement and an incoming government will need to formalise this appropriation.

[REDACTED] which would lead to a \$191 million equity requirement. Due to timing delays in the updated cost estimate, a planning figure of \$1.235 billion, reflecting a 30 per cent contingency above the then P50 estimate of \$950 million, was adopted for Budget purposes earlier this year (with a provisional budget allocation of \$197.6 million included in the 2025/26 Budget which did not pass through Parliament prior to Caretaker).

TasNetworks has a [REDACTED]

[REDACTED] As such a cost overrun is considered possible, particularly given the NWTB continues to refine its cost estimate and complete its development and approvals phase.

One of the key conditions of the TasNetworks Board FID resolution (see Criterion 2) was that the State provide written confirmation of the form, treatment and timing of the State's equity contribution. An incoming government will need to progress the necessary comfort to TasNetworks in this respect, which will certainly require a Budget appropriation, but potentially finalised in a further agreement. The State's equity commitments to the NWTB will need to be finalised in advance of the NWTB Financial Close by the end of Q1 2026.

Benefits, risks, mitigations & policy responses

As indicated above, there will need to be a Budget appropriation for the NWTB's equity and, with the project still going through a detailed early contractor involvement phase to firm up its project cost estimate, there may be a need for provisioning further than contemplated by the current government's 2025-26 Budget.

The actions being put in place to manage this risk include the \$346 million grant secured to TasNetworks' existing regulatory asset base that will help offset the costs to customers from any further NWTB cost escalations (Australian Government, June, July 2025). A range of governance arrangements outlined in Section 9 are also contemplated, which will help maintain shareholder oversight on the progression of the NWTB project. This includes providing greater visibility for the other owners of Marinus Link, given the inherent links and risk between the projects.

No further action is required in respect of Marinus Link's equity requirements, other than executing an updated shareholders agreement that confirms the commitment provided to the State by the Australian Government. However, it should be noted that under the conditions of the renegotiated equity arrangements, there is still an exposure to the cost of exiting the project if it were abandoned before the end of 2026.

Break fees at this time would need to be met by shareholders in their equity percentages at this time. For Tasmania, the exposure would be reduced relative to previous arrangements as our shareholding will have been diluted by that time (\$343 million versus \$208 million),

In addition, the State retains its option to sell its shares in the Marinus Link project post-commissioning via a 'Put Option' (this requires other shareholders to buy the State's shares, following an agreed outcome from a valuation process). This provides the State with an important option to exit the project post-commissioning and recycle its invested capital, while the State bears no real further upside equity exposure for the project,

Given the State's challenging fiscal situation as outlined in the 2025 Pre-Election Financial Outlook report, this is considered a very important outcome which both mitigates increased risks and preserves benefits. As the Marinus Link project is expected to be financially sustainable (refer Criterion 2), the value of the Put option is expected to at least return to the State its \$103.5 million equity investment in the project.

Conclusion

Criterion 3 is assessed as **partially met** due only to the potential for cost over-run on the NWTB project, but these are assessed as manageable.

Criterion 4: Individual projects financially sustainable

The Project Marinus Taskforce assessed Criterion 4 as currently being partially met, with a mitigated rating of partially met due to the positive financial returns on the Marinus Link Stage 1 component of Project Marinus outweighing the negative financial returns for the NWT D component of Project Marinus.

Why are we assessing this and what are we assessing?

Project Marinus is comprised of two distinct projects, being progressed by different developers. As transmission projects, they are both regulated by the Australian Energy Regulator and under the model of regulation should earn stable, certain regulated returns.

The concessional financing arrangements and debt term overviewed in Criterion 1 are non-standard and cause complications for the regulated model. This required both Marinus Link and TasNetworks to consider the implications for the sustainability of project finances.

Ideally, both projects would provide positive returns to their owners over the life of their assets. In assessing this criterion, the expected annual level of returns to the state as an owner was considered, as was the internal rate of return for the project.

As Hydro Tasmania does not have to make an investment decision to derive its increased returns, it is not assessed as a project and therefore not assessed under this criterion (see Criterion 5 for the detail on Hydro Tasmania's expected improved returns to the State with Project Marinus).

Table 10: Criterion 4 Assessment

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet future rating
4 Individual projects financially sustainable Clearly met – both projects are financially viable and produce revenues that exceed costs in almost all years throughout the project life. Partially met – both projects are financially viable and produce revenues that exceed costs in many years over the project life. Not met – both projects are not financially viable and do not produce revenues that exceed costs in many years over the project life.	Partially Met	Partially Met	The Marinus Link remains financially sustainable. The NWT D financial model is reviewed to improve outcomes, noting this could be at the expense of passing on concessional financing benefits to customers.

Summary of Assessment

Based on advice in the WoSBC, Marinus Link is expected to deliver concessional returns above its costs, and is therefore assessed as 'clearly met' at project level. It is expected to deliver returns to the State as shareholder in the order of \$12 million per annum.

In contrast, NWTB delivers materially negative returns for the first 25 years, with positive returns only emerging in the long-term (see Criterion Inputs below). This results in a 'not met' assessment for NWTB. These data are sourced from TasNetworks' financial model for the NWTB which was provided to Treasury for review.

On balance, Criterion 4 is considered partially met for Project Marinus.

Criterion inputs

Marinus Link will return a positive internal rate of return (IRR) of [REDACTED] (nominal post tax) from commissioning date in 2031, which equates to a return of around \$12 million per annum to the State [REDACTED]

Renegotiated outcomes have seen the State's equity commitment to the project being capped at \$103.5 million. As such, the predicted returns to the Tasmanian Government will likely be much less than those considered in the Marinus Link FID documentation because the State's shareholding in Marinus Link (and therefore, proportion of distributions received) will likely be less than the State's current 17.7 per cent shareholding.

The TasNetworks Board has formed the view that the NWTB project is sustainable over the 60-year life of the project with an IRR of [REDACTED] per cent (TasNetworks, 2025) which is above the implied concessional rate of return of [REDACTED] per cent.

While this has allowed the TasNetworks Board to recommend progressing to Financial Close, the NWTB is not without issues. The project's financial model demonstrates that it will not provide positive returns for the first 20 years post-commissioning and will see losses of around \$93 million in returns from TasNetworks pre-commissioning. Lost returns to government are then projected to be \$205 million in aggregate over the next 20 years to 2050 (Treasury and Finance, 2025).

These significant losses could be regarded as a 'trade off' for the concessional financing outcomes which deliver much lower customer impacts (refer Criterion 1) than would otherwise be the case.

Given the enabling role that the NWTB plays for other returns to government (see Criterion 5 regarding returns from Hydro Tasmania) and given at a corporate entity level there will still be positive returns from TasNetworks, not being financially sustainable at a project level may be considered an acceptable outcome when considering the overall outcome to government.

Benefits, risks, mitigations and policy responses

The forecast losses from the NWTD financial model may be reduced by passing on less of the concessional financing benefit to customers or via increasing revenue recovery in the early stages of the project, noting that both options have an increased impact on customer bills.

It is recommended that the NWTD financial model be reviewed in the lead up to financial close in Q1 2026 to understand the impacts on customers of improving the outcome to a future Government.

Marinus Link delivers a positive return to its shareholders. In addition, and as discussed in Criterion 3, the state's Put Option provides Tasmania with an important exit strategy from Marinus. It is expected that post commissioning in 2030, the Put Option will be worth at least the cost of the state's \$103.5 million invested equity. This may be a valuable financial return should a future government wish to table the Put Option post-commissioning in the early 2030's.

Conclusion

Criterion 4 is considered ***partially met*** for Project Marinus because the Marinus Link financial returns are clearly met, but the NWTD returns are not met.

Criterion 5: Acceptable impact on State finances, budget & credit rating

The Project Marinus Taskforce assessed Criterion 5 as currently being clearly met, with a mitigated rating holding at clearly met, due to the expected uplift in returns to Government from Hydro Tasmania distributions. This is a key criterion that supports the recommendation for a positive FID.

Why are we assessing this and what are we assessing?

Taking a FID on Project Marinus may have a number of consequences for the State in respect of its own finances. These may materialise in changes in revenues to government from its ownership in the energy business of Marinus Link, TasNetworks and Hydro Tasmania (in the form of dividends, income tax equivalents and guarantee fees). There may also be requirements for equity contributions, the need for further government sector borrowings through the State's energy businesses, and possible resultant impacts on the State's credit rating (which can flow through in changes to the State's borrowing rates and interest servicing costs for non-Project Marinus-related activities).

The financial challenges facing Tasmania, as outlined in the recent 2025 Pre-Election Financial Outlook report, highlight the need to maintain careful oversight of future returns and risks to those returns that may impact state finances, the State Budget and credit rating outcomes.

As such, this criterion seeks to assess whether the aggregate change in returns to government from pursuing Project Marinus Stage 1 is positive, whether any increased debt is self-sustaining (revenues for a project are enough to cover its debt repayments) and whether there is the potential for negative impact on the State's credit rating as assessed by ratings agencies Moody's and Standard and Poor's.

Table 11: Criterion 5 Assessment

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet mitigated rating
5 Acceptable impact on State finances, budget and credit rating Clearly met – strong modelled aggregate total returns to government from all energy businesses and the additional debt is considered to be self-sustaining. There is likely to be no material impact in the long-term on the state's credit rating. Partially met – high variability in the modelled aggregate total returns to government from all energy businesses, meaning net positive Net Operating Balance questionable in many years (including having regard to pressures on the Budget for	Clearly Met	Clearly Met	That Project Marinus costs do not materially increase, which would likely impacts returns from MLPL and TasNetworks and that Hydro Tasmania returns do not materially worsen.

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet mitigated rating
financial support for customers). There is a risk of the additional debt not being considered to be self-sustaining and there is the potential for a negative impact in the long-term on the credit rating. Not met – modelled weak total returns to government from all energy businesses and the additional debt in not considered to be self-sustaining. There is likely to be a negative impact in the long-term on credit rating.			

Summary of Assessment

This criterion is assessed as clearly met predominantly on the expected uplift in returns to Government from Hydro Tasmania distributions. These returns are relative to a world without Marinus and are modelled at an average of an additional \$470 million¹⁴ per annum over the period 2031 (Hydro Tasmania, Hydro Tasmania Advice, June 2025)



NWTD project (Treasury and Finance, 2025).

The WoSBC assesses that there will be no negative impact on the State's credit rating as a result of the increased borrowings to fund Project Marinus (WoSBC, 2025).

For this reason, this criterion is assessed as clearly met and is assessed as the key benefit to the Government as part of pursuing Project Marinus.

Criterion inputs

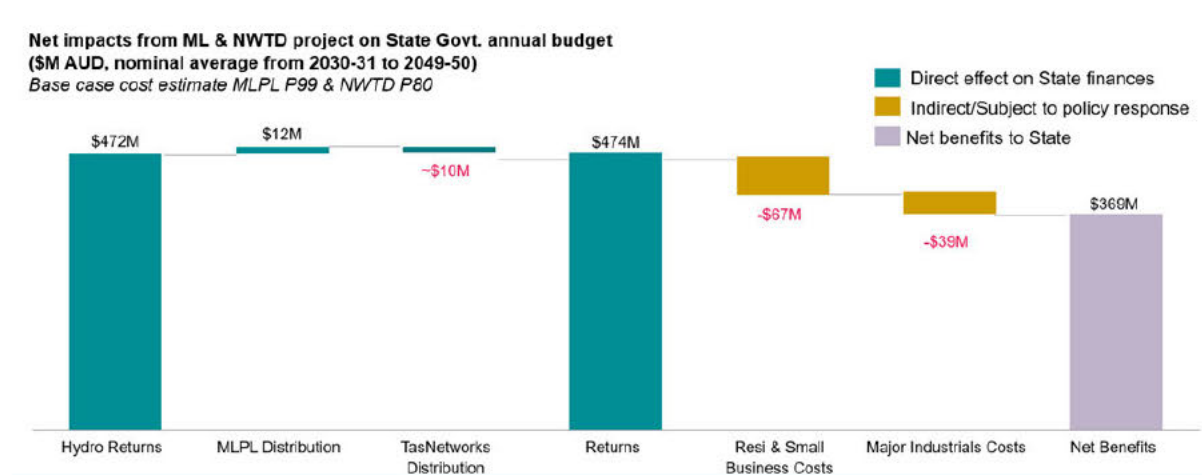
The overwhelming majority of returns to Government from pursuing a positive FID are modelled to come from Hydro Tasmania (Hydro Tasmania, Hydro Tasmania Advice, 2025). These returns come through increased trading revenues and, in turn, profits as Hydro Tasmania utilises Project Marinus to provide further electricity into the NEM at times of low supply and high demand. As mainland NEM transitions away from coal-fired generation it will increasingly rely on renewable sources like wind and solar, but these do not produce when the wind isn't blowing or the sun isn't shining and this is when Hydro Tasmania's deep storages can fill the gap.

¹⁴ The forecast returns to the government cover a long period (up to 20 years) and are shown in future dollar values. Because they include the effects of inflation over time, the numbers may appear large compared to today's values. In addition, while they are presented as average outcomes, they are expected to vary significantly from year to year based on prevailing conditions (such as market prices and inflows).

The Central Case estimate completed in this analysis suggests that relative to a world with no Project Marinus Stage 1, Hydro Tasmania's returns to Government will, on average, be around \$470 million higher per annum between 2031 and 2050, with net benefits to the Tasmanian community at around \$370 million per annum when removing the annual transmission cost impact to Tasmanian electricity customers. This scenario assumes a central case [REDACTED] project cost for Marinus Link [REDACTED] nominal) and a [REDACTED] estimate for the NWTD [REDACTED] real 2023-24).

The net Tasmanian community outcome has been improved by the \$346 million grant to TasNetworks, which will reduce the value of the existing transmission regulatory asset base. This will help offset the NWTD cost increases that have occurred over time. This grant reduces the regulated transmission Maximum Allowable Revenue paid by customers by around \$15 million per annum.

Figure 10: Net impacts from ML and NWTD project on State Government annual budget (base case cost estimate)¹⁵

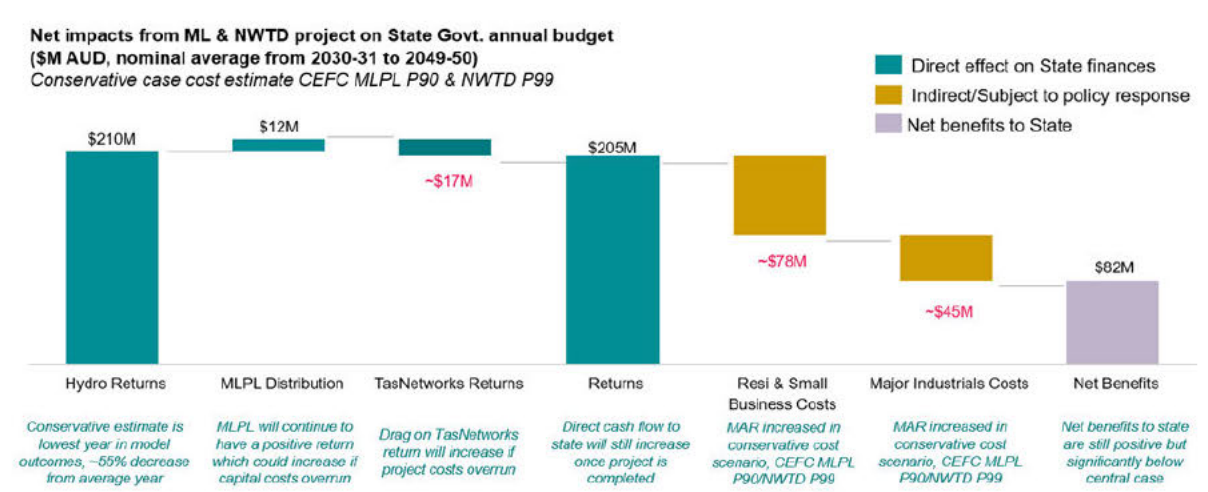


While it must be recognised that these returns are modelled and there is likely to be considerable year-to-year volatility around this average, modelling completed by both Hydro Tasmania and by Deloitte for the WoSBC both suggest that a materially positive increase in Hydro Tasmania returns is highly likely.

A conservative scenario, that sees higher project costs for Project Marinus Stage 1 [REDACTED] and [REDACTED]) and lower annual returns from Hydro Tasmania based on the lowest expected return in any year in its central case, (\$210 million per annum) still shows a positive net benefit to the State at around \$80 million per annum. This suggests that positive returns to the State are robust to downside assumptions, albeit at a lower but still material level.

¹⁵ The forecast returns to the government cover a long period (up to 20 years) and are shown in future dollar values. Because they include the effects of inflation over time, the numbers may appear large compared to today's values. In addition, while they are presented as average outcomes, they are expected to vary significantly from year to year based on prevailing conditions (such as market prices and inflows).

Figure 11: Net impacts from ML and NWTB project on State Government annual budget (conservative case cost estimate)¹⁶

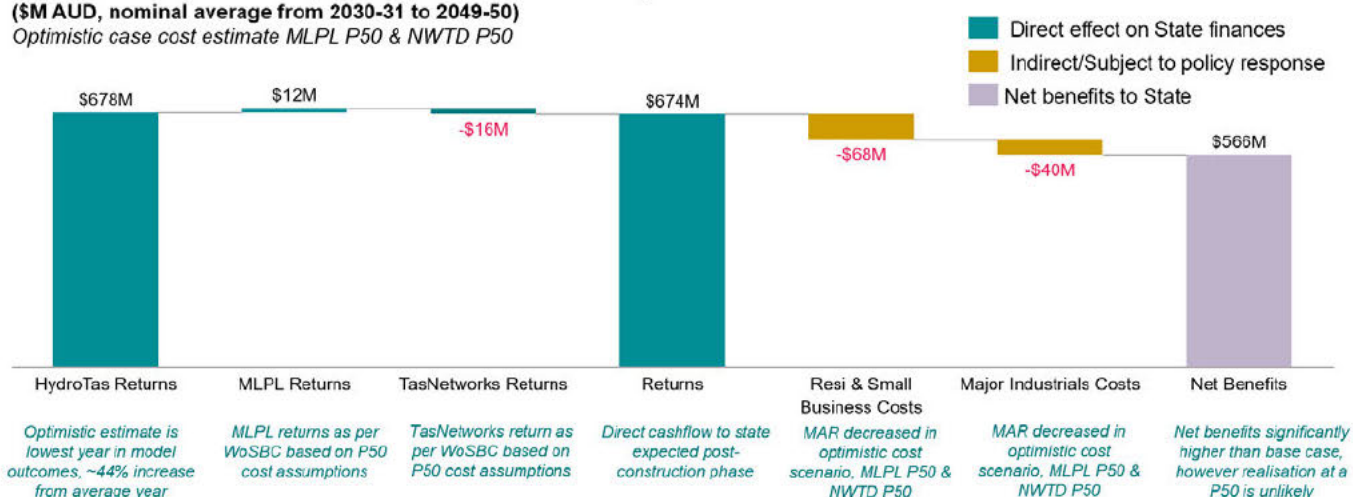


An optimistic scenario, which assumes the unlikely event of a commissioned cost of Project Marinus at the P50 estimate for both project scopes [REDACTED] and [REDACTED] and Hydro Tasmania distributions at an average of the highest year in its central case, shows returns increased by around 40 per cent compared to the central scenario and net benefits of around \$570 million per annum.

Figure 12: Net impacts from ML and NWTB project on State Government annual budget (optimistic case cost estimate)

An optimistic case delivers over 600M of incremental Hydro distributions in the best year with approximately 100M of incremental customer costs

Net impacts from ML & NWTB project on State Govt. annual budget
(\$M AUD, nominal average from 2030-31 to 2049-50)
Optimistic case cost estimate MLPL P50 & NWTB P50



¹⁶ The forecast returns to the government cover a long period (up to 20 years) and are shown in future dollar values. Because they include the effects of inflation over time, the numbers may appear large compared to today's values. In addition, while they are presented as average outcomes, they are expected to vary significantly from year to year based on prevailing conditions (such as market prices and inflows).

Marinus Link and NWTB returns

Project Marinus will deliver concessional returns well below standard regulated returns as a deliberate ‘trade off’ to reduce customer impacts. This is an outcome of the concessional debt and equity arrangements, in particular the high gearing, low debt costs, and concessional equity returns locked in for the life of both projects.

While the projected financial returns are low for Marinus Link and currently negative for the NWTB (at least for the first 25 years), these arrangements allow for a large amount of concessional benefits to flow to the broader Tasmanian community.

While the intent of these concessional arrangements is to pass on benefits to customers and lower costs, the intent is not for either MLPL or TasNetworks to be in a prolonged loss-making situation. Financial modelling provided by TasNetworks indicates that NWTB Stage 1 is not currently financially sustainable. The project delivers negative financial impacts to TasNetworks for the first 25 years, with estimated losses of approximately \$300 million over that period. While long-term NWTB returns are positive, 20 years of negative impacts to the TasNetworks portfolio are not considered acceptable. In combination with the highly concessional financing arrangements, this results in a capped after-tax IRR of [REDACTED] per cent. On a fully commercial basis, the IRR should be 6.7 per cent.

A number of factors drive this outcome – the concessional debt and equity return, the peculiarities of incorporating these features into the AER regulated revenue model and the sculpting of debt repayments over a [REDACTED] year term (which leads to stronger financial results in the latter 20 years of the project life). However, the TasNetworks Board also appears to have made choices that have maximised the value of the concessional benefits passed on to customers at the expense of the financial performance of the broader business and have sought direction from the Government as its shareholder that this is appropriate as part of its FID resolution.

While the project does break even due to higher returns in the very long run, it generates large losses in the short-to-medium-term that flow through the broader business and will dramatically drag down profitability, dividends and tax payments to Government at a time when the Budget is under considerable pressure and ahead of MLPL and Hydro Tasmania returns, modelled to be delivered post 2030.

As it stands, the current parameters result in negative returns to government (reduced profits of around \$16 million per annum in nominal terms over the period 2031-2050) and must be clearly acknowledged as part of this decision. TasNetworks did not articulate the negative impacts clearly to government in its FID recommendation. This analysis has been prepared by the Department of Treasury and Finance based on the financial model provided by TasNetworks subsequent to its FID recommendation (Treasury and Finance, 2025).

Marinus Link

Returns from Marinus Link to Tasmania are modest but positive at around \$12 million per annum over the period 2031 to 2050. The project’s base case financial model

shows a minimum after-tax [REDACTED] This IRR is higher than the cost of equity and debt for the project, which is the basis of its positive returns

[REDACTED]
Marinus Link is therefore assessed to be financially sustainable as detailed further under Criterion 4.

The positive returns from Marinus Link are more than offset by the current forecast distribution reduction from TasNetworks. In this respect, the Marinus Link and NWTDT projects can be thought of as being enabling for the significant Hydro Tasmania returns, rather than a material source of distributions themselves.

Borrowings and Credit Rating

The analysis of the WoSBC suggests that both components of Project Marinus will be able to cover their debt repayments (and therefore will have no detrimental impact on the State's credit rating), albeit as discussed above, while servicing the debt will lead to a loss-making position at a project level for the NWTDT.

Benefits, risks, mitigations and policy responses

As noted, the NWTDT project has a long period of losses and does not, at the time of writing, meet the parameters that individual projects be financially sustainable. As a result, FID Criterion 4 ('individual projects financially sustainable') is assessed as 'not met'.

However, initial lost returns from TasNetworks may be able to be improved through adjustments to the NWTDT financial model post-FID (subject to higher customer contributions). Treasury will work with TasNetworks to consider options to improve the viability of the project and this will be a choice for an incoming government to pursue.

It should also be noted that the returns to Government will be eroded by the policy commitment of the current Government to offset the cost impacts of Project Marinus on customers directly connected to the transmission network (approximately \$39 million per annum in nominal terms across the period 2031 to 2050).

Hydro Tasmania has confirmed that its modelling for future returns assumes a maximum of 800 MW of new wind and solar generation is commissioned through to 2034 and any generation beyond this level may reduce (crowd out) returns to Hydro (Hydro Tasmania, Hydro Tasmania Advice, 2025).

While there is a large pipeline of private sector generation projects seeking approvals in the State, and a number of projects are actively seeking financial underwriting support through the Australian Government's Capacity Investment Scheme (CIS), a future government will need to consider whether further policy intervention is required to ensure the new renewable generation arrives at the scale and timing required, which may also be at the expense of some of the returns.

[REDACTED]

[REDACTED]

Other potential policy options could be considered to ensure the new generation arrives, including building further new transmission to assist new generation projects, directing Hydro Tasmania to enter into power purchase agreements with new generation projects and developing a state-based environmental offsets policy.

No further policy mitigation or action is considered necessary to improve this criterion at this time.

Conclusion

The modelled annual net benefits of Project Marinus in the central case is [REDACTED] [REDACTED] (which includes the sum of Hydro, MLPL and TasNetworks distributions, minus the transmission cost impact to electricity customers). If these returns materialise it would take less than [REDACTED] years of average net benefits to pay back the equity injection to the NWTB (\$191 million) and cover the ~\$300 million loss in returns from TasNetworks. From then Project would be cash positive for the Tasmanian community. In the conservative scenario where net benefits are ~\$80 million per annum, the payback period is [REDACTED] years.

This criterion is assessed as overwhelmingly positive and ***clearly met*** and is a key determinant of the overall recommendation.

Criterion 6: Tasmanian economic impacts

The Project Marinus Taskforce assessed Criterion 6 as currently being clearly met, with a mitigated rating holding at clearly met, due to the strong positive impact on the State's economy with an increase in both GSP and employment, and broader economic stimulus. This is a key criterion that supports the recommendation for a positive FID.

Why are we assessing this and what are we assessing?

This criterion evaluates the scale and nature of the economic benefits that Project Marinus is expected to deliver for Tasmania. As a major infrastructure investment, the project has the potential to generate substantial economic activity, including through construction expenditure, job creation, and supply chain impacts.

This evaluation assesses both the magnitude and the distribution of economic impacts, including their timing and alignment with Tasmania's broader renewable energy development objectives.

Table 12: Criterion 6 Assessment

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet mitigated rating
6 Tasmanian economic impacts Clearly met – very strong positive impact on jobs and economic activity. Partially met – modestly positive impact on jobs and economic activity, or material impacts on a small number of sectors (some crowding out). Not met – only short-term economic impacts from construction activity, with high crowding out for other sectors.	Clearly Met	Clearly Met	That the investments which drive economic and employment figures are realised at the scale and timing currently envisaged.

Summary of Assessment

Criterion 6 was assessed as being 'clearly met' due to the strong positive impact on the State's economy, with:

- approximately \$1.8 billion increase to Gross State Product (GSP) (WoSBC, 2025)
- approximately 2,000 jobs created during peak construction for Project Marinus and an additional 700 jobs in year average terms over the decade from 2025-26 (WoSBC, 2025)

- economic stimulus as a result of additional investment into Tasmania in the order of \$4.4 billion (real \$2022-23) (WoSBC, 2025).

Criterion inputs

The assessment of this criterion is underpinned and informed by the Whole-of-State Business Case (WoSBC) as a key input, which provides a point-in-time analysis of the economic, social and financial impacts of Tasmania's major energy projects based on information as at December 2024 (WoSBC, 2025). In developing the WoSBC, Treasury engaged [REDACTED] to undertake economic impact analysis which seeks to understand the stimulus impact of these large projects in both construction and operational phases.

Given the unprecedented scale of these investments for the State, it is not surprising that they will have a material impact on the State's economy, in particular the North and North West regions. While the WoSBC analysis did not provide regional level data, the majority of the stimulus will flow to these regions and will provide a sustained injection into those economies for a decade or more.

The WoSBC looked at three key measures in assessing the economic impact of Project Marinus Stage 1:

- the value of new investment into the State
- the addition to GSP (a measure of economy-wide activity)
- employment impacts.

The WoSBC economic impact analysis had a Project Marinus Stage 1 scenario, but it included the stimulus effects of the redevelopment of the Tarraleah power station by Hydro Tasmania. As such, the numbers provided below may overstate the base impact of Project Marinus, but they also do not provide the impact of any new renewable generation (wind or solar farms) that might be expected to be built in the state once Project Marinus is committed.

The modelling indicates Project Marinus will deliver substantially increased employment and economic opportunities in Tasmania. The Project is expected to deliver approximately 2,000 additional full-time and part-time jobs in the peak year of construction and around \$4.4 billion in increased investment into Tasmania (\$2022-23) over the decade from 2025-26 (WoSBC, 2025).

The project will also increase Tasmania's international exports if a green hydrogen plant were to progress and will increase GSP by approximately \$1.8 billion over the decade from 2025-26, which equates to around 4.4 per cent of the 2023-24 GSP (WoSBC, 2025).

Benefits, risks, mitigations and policy responses

While this criterion is assessed as being overwhelmingly positive, the WoSBC (April, 2025) analysis indicates the scale of projects throughout construction can have some adverse impacts.

For example, there may be some material 'crowding out' of other sectors (the impact of government activity can detract from private sector expenditure and investment).

In addition, it notes that with unemployment rates at historically low levels, the required employment may need to come from interstate or intrastate and this can put pressure on other areas, like higher housing demand, which can lead to rental inflation.

Government mitigations and supporting actions may be required to ensure positive outcomes overall from the stimulus, including for impacted communities. See the discussion in Criteria 7 for potential policy responses by a future government.

Conclusion

This Criterion is assessed as ***clearly met*** because of the very strong employment and economic outcomes unlocked by Project Marinus.

Criterion 7: Tasmanian social and environmental impacts

The Project Marinus Taskforce assessed Criterion 7 as currently being partially met with a mitigated rating held at partially met. This is due to the varied social and environmental benefits and impacts, which are largely dependent on the timing and scale of new renewable energy developments outside of Project Marinus, along with acknowledgement that even with mitigations in place it will not be possible to avoid all issues associated with the prolonged construction phases of Project Marinus.

Why are we assessing this and what are we assessing?

Including environmental and social impacts as part of the FID assessment ensures that projects are not evaluated on financial and technical grounds alone but are considered in the broader context of sustainability and community responsibility. It also helps to identify potential risks such as regulatory delays, reputational damage, or stakeholder opposition, that could threaten the success of Project Marinus or increase its costs.

This criterion encompasses wider strategic objectives, including emissions reduction and energy targets. It also considers community outcomes that can help secure the Project's long-term viability like community acceptance, and social licence to operate, which are increasingly critical to successful energy infrastructure project delivery. This criterion captures how the Tasmanian community will experience Project Marinus 'on the ground', especially during the construction phase.

It is therefore important that potential environmental and social impacts are thoroughly assessed and mitigations considered to minimise disruption and maximise local benefits.

Table 13: Criterion 7 Assessment

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet mitigated rating
7 Tasmanian environmental and social impacts Clearly met – Strong positive social benefits and manageable environmental impacts, as evidenced by the project-level approvals, and supporting strong community outcomes and contributing meaningfully to state and national energy and emissions reduction objectives. Partially met – Social and environmental impacts are mixed due to variable community, economic, or environmental benefits, and only partial progress toward securing necessary project level approvals. It enables some renewable energy	Partially met	Partially met	The scale of investment will have mixed outcomes and may require future consideration from government.

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet mitigated rating
investment, however, the scale or consistency of investment may limit the realisation of broader energy and emissions reduction outcomes.			
Not met – The project fails to generate sufficient community, or environmental benefits, and lacks progress on securing necessary project-level approvals, resulting in poor social outcomes. It does not enable meaningful renewable energy investment and does not align with state or national energy or emissions reduction objectives.			

Summary of Assessment

Criterion 7 was assessed as partially met overall due to the varied social and environmental benefits and impacts.

Project Marinus is expected to have positive social impacts through the creation of approximately 2,000 jobs during peak construction for Marinus Link and NWTB (as set out in Criteria 6). Employment opportunities are an important measure of social impact given the value placed by many in society on being gainfully employed.

However, such an influx of workers into the region has the potential to cause other challenges. There is a risk that demand for skilled labour will outstrip supply, leading to inflated labour prices and a possible shortage of tradespeople for other activities. The WoSBC notes concerns about the impact on local housing demand in an already tight market and the potential this has to put upward pressure on rental prices (WoSBC, 2025).

Other potential negative social impacts include increased road safety risks and transport congestion during the construction phase, as well as pressure on social infrastructure such as schools, childcare and health services.

Somewhat mitigating these impacts will be the MLPL and TasNetworks community benefit schemes that will deliver value back to the region. An example is the Marinus Link 10-year, \$400,000 Community Partnership Program with the Burnie City Council.

Environmental impacts were assessed as manageable at the project level. While there appear to be risks to the timely delivery of environmental approvals, the developers have not raised concerns with the Tasmanian Government that there are environmental matters of material concern.

Project Marinus will contribute meaningfully to state and national energy and emissions reduction objectives and are seen as another strong environmental benefit

contributing to the assessment of this criteria (Marinus Link, Marinus Link: Greenhouse Gas Assessment, 2024) (WoSBC, 2025).

Criterion inputs

The WoSBC (represents the key document that assesses potential social impacts associated with Project Marinus should it proceed.

The WoSBC notes that opportunities are likely to result in broad improved socio-economic outcomes for the State and see an increase skills and training particularly in north west Tasmania. There are expected to be flow-on benefits to local communities as a result of increased employment opportunities and demand for goods and services supplied by local businesses.

It also notes the potential for rental costs to be driven up by greater regional demand for housing, particularly in the event that other renewables projects currently in the development pipeline are committed in the region.

As noted in Criterion 2, MLPL and TasNetworks are still in the process of securing environmental approvals for their projects. Briefings have been received from both parties to understand in more detail the status of these processes. Parties continue to engage with regulators in the relevant jurisdictions. While there have been some delays, from an approval standpoint, proponents are yet to raise concerns that there are environmental conditions or matters of national environmental significance that cannot be overcome.

This is evidenced by a recent decision by the Victorian Minister for Planning, who concluded in respect of the Marinus Link project, that the environmental effects of the project can be acceptably managed.

Despite existing bilateral agreements that aim to coordinate across state and national environmental approvals processes, a recent focus of national environmental approvals has been environmental offsets, which are setting rather onerous land-based offset conditions for new wind farm projects.

The Project Marinus EAP also noted in its advice to government that a key strategic risk of progressing Project Marinus and the renewable generation projects recommended (over the next 5-10 years), will be the cumulative impacts of these developments on Tasmania's resources and community (EAP, June 2025).

To mitigate this, the Panel recommended significant attention from government to ensure developments are sequenced and coordinated to minimise impacts to communities, local industry, housing supply and the workforce. A key risk identified was that the large development pipeline may place upward pressure on the cost of resources such as housing, training, roads, bridges, ports and health services.

Benefits, risks, mitigations and policy responses

A future government could consider a range of policy responses to the issues identified above. The key areas are detailed below and could lead to improvements

in the overall assessment of this criterion, though that will depend on the level of any intervention.

Housing supply

The construction of major infrastructure projects can have a material impact on the host towns and regions as a growing workforce seeks accommodation in an already tight rental market, utilises local roads and ports, and workers draw on local services.

TasNetworks has appointed Genus as its head contractor for the NWTD and has already commenced discussions with them regarding minimising such impacts. With crews likely to work across the length of the NWTD between Palmerston and Burnie, the ability to spread impacts on housing between population centres is likely more achievable.

However, TasNetworks is envisaging a mixed model. A large proportion of the workforce is expected to come from within the region, but there will be a need to supplement local housing supply for intrastate and interstate workers.

The current development pipeline includes other renewable energy projects, as well as mining and manufacturing proposals, each of which could have substantial construction workforces. While operational workforces are material, they aren't of the same magnitude and don't require the same planning.

Should the predicted demand materialise, it will require significant private investment (from the project developers and/or third-party accommodation developers).

Third-party investment requires confidence in land supply, and accurate information on the number, type and location of housing required.

Both the WoSBC and the EAP the importance of considering the workforce housing needs of the energy agenda. This needs to occur in the broader context of regional accommodation demand, and that any solutions are developed in consultation with local governments and other major project developers. This would not only improve the opportunities for lasting positive community benefits but also improve the chances of a smooth passage through assessment and approvals processes (thereby reducing the risk of delay).

The Government will continue to monitor the pipeline. While project developers can and should plan for their own needs and consult with communities on solutions, the Government can also bring parties, like those who build prefabricated accommodation, into the conversation. The Government may also need to play a more active role if there are multiple projects in a single region which would otherwise have greater cumulative impacts.

Roads and Bridges

Renewable energy project developers are already talking with the Department of State Growth and local councils regarding the construction phase needs of their projects, particularly for oversize or overmass truck movements. Upgrades to the road and bridge network to allow for the transport of large items like wind turbine

blades, tower sections, or transformers are often required, and these may come in the form of bridge upgrades, road pavement strengthening and widening, or changing the alignment of existing roads.

State Growth is considering the project pipeline and thinking about the most efficient route for multiple projects in a region to minimise upgrades and disruption.

Developers are expected to fund upgrades required for their projects. However, the state will likely be asked to consider if it can leverage developer funding and additional state roads funding to deliver upgrades that benefit a project and the broader road and bridge network or consider models to share costs across multiple developers.

For Project Marinus itself, aside from the movement of the converter stations (likely from Burnie port to the Heybridge site), the impact on the local road network may be minimal as most movements for the NWTD will be on smaller loads, using smaller vehicles.

Community Benefit Schemes

In 2024, ReCFIT published *The Guideline for Community Engagement, Benefit Sharing and Local Procurement*, designed to establish best practice standards in community benefits schemes, engagement and local industry participation for renewable energy development across the State. The guideline aims to ensure that local communities are meaningfully involved and directly benefit from renewable energy projects in Tasmania.

The Government has already commenced consultation on the need to implement a mandated community benefits sharing scheme as part of its Renewable Energy Zones policy, which has envisaged pooled regional funds. However, it is noted that as a matter of best practice, most developers already set aside a community benefits budget and look to deliver value back into their host community over the life of their project.

Need for new renewables

Project Marinus has the potential to enable Tasmania to meet its Tasmanian Renewable Energy Target (TRET) and reduce emissions, however, it does not guarantee that new energy generation projects will be built.

Tasmania currently has a significant number of new generation projects in various stages of planning and approvals. The NWTD is necessary to enable electricity from new generation in Tasmania to be transmitted across the Tasmanian electricity network.

The Government has already created a case management team under the Renewable Energy Approval Pathway initiative to help project developers through the approvals and permitting processes in the State. Each developer has a dedicated ReCFIT resource to help them manage issues for their projects.

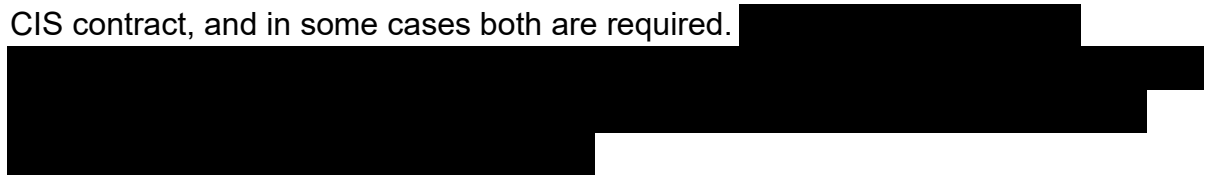
The Government also recently executed a Renewable Energy Transformation Agreement with the Australian Government. This has provided the State with a 1200-megawatt allocation under the Australian Government's CIS. This scheme provides financial support for renewable generation projects that help achieve national renewable energy and emissions reductions targets.

ReCFIT has been working with Tasmanian-based developers on their bids to maximise this opportunity.

Hydro Tasmania has shown an appetite to support new generation if it makes commercial sense. The business has recently entered into a power purchase agreement with the Northern Midlands Solar Farm, a 288MW solar farm outside Cressy.

Hydro Tasmania has also recently released its new market engagement approach which sets out its considerations for further support of new generation projects.

However, the trend across the broader NEM is that new generation is not committed without underwriting support, either in the form of a power purchase agreement or a CIS contract, and in some cases both are required.



Given the essential nature of new renewable generation to the increased returns to Tasmania, a future government may have to consider further policy intervention in this area.

Summary of possible policy initiatives

Policy responses to manage social and community impacts may include:

- undertaking a cumulative impact study relating to housing and broader social issues in anticipation of multiple new generation projects committing in the north or North West (or in any other region in number)
- working with developers and local councils to identify suitable land for accommodation development, including considering how such housing could provide legacy accommodation (such as conversion to aged care or private rental stock post construction)
- considering the need to supplement state or local roads budgets to provide strategic route upgrades for overmass and oversize, transport movements
- as part of the cumulative impact study proposed above, consider the labour force requirements for multiple new generation projects
- mandating a community benefits scheme that developers are required to contribute to with an intent to use pooled funds to provide regional benefits further than those possible from individual developers acting alone
- establish a senior taskforce of Heads of Agencies to plan and coordinate policy actions across transport, housing and labour initiatives to avoid constraining energy project development

- progressing a state offsets policy and updating the existing bilateral assessment arrangements under the *Environmental Protection and Biodiversity Conservation Act 1999* to assist wind farm projects gain environmental approvals
- Tasmanian Government auction for long-term energy contracts for the supply of its own electricity use
- Hydro Tasmania being directed to enter a PPA with new renewable generation (noting that this will erode some of its returns as it currently assumed the new renewables will come without incentives)
- Hydro Tasmania being directed to build its own renewable generation – wind or solar (noting this may have competition law impediments to overcome)
- investing in further transmission, such as the Burnie to Hampshire Hills transmission line, to provide certainty to new generation
- demand scenario modelling to understand the optimal build-out of new renewable generation to coincide with the commissioning of Project Marinus
- offering alternative forms of financial support to reduce developer costs (for example, Transmission Use of System discounts).

While this is an area where Government could consider multiple interventions to mitigate some of the negative impacts, policy responses will likely come at a cost to government and are not guaranteed to fully mitigate all negative impacts. While there may be some lead time to manage these issues, further planning is necessary in the event multiple new projects commit in a particular region.

Conclusion

The project contributes meaningfully to both state and national energy and emissions reductions objectives such as the TRET. The social impacts are likely to be positive, given the skills and employment stimulus. However, there are likely to be ‘growing pains’ given the scale of development will likely result in some housing shortages and other issues (but also provide significant regional stimulus). The final impact on environmental and social issues will be determined in a large part by the timing and scale of new renewable energy developments outside of Project Marinus.

On balance, this criterion is assessed as **partially met** and is likely to remain so even with mitigations as it will simply not be possible to avoid all issues associated with the prolonged construction phases of Project Marinus and related projects.

Criterion 8: Acceptable outcomes for the Tasmanian energy market

The Project Marinus Taskforce assessed Criterion 8 as currently being clearly met with a mitigated rating holding at clearly met due to the significant improvement to energy security that Project Marinus delivers for Tasmania.

Why are we assessing this and what are we assessing

This criterion ensures Project Marinus, in particular Marinus Link, delivers outcomes that strengthen the functioning of the Tasmanian electricity market. It captures whether the project supports technical reliability, improves or maintains security of supply, and encourages greater liquidity and competitiveness in the Tasmanian electricity contract market. It also considers the Project's broader consequences for the future development and adaptability of the Tasmanian electricity system. By including this criterion, the assessment recognises that projects should not only meet immediate needs, but also contribute positively to the long-term resilience, flexibility, and efficiency of Tasmania's electricity network.

Summary of Assessment

Table 14: Criterion 8 Assessment

Criteria and parameters	Current rating	Mitigated rating	Conditions to meet mitigated rating
8 Acceptable outcomes for the Tasmanian energy market Clearly met – unquestionable improvement in energy security, contract market liquidity, few if any technical implications and a positive path forward for the future development of the energy system. Partially met – mixed outcomes for energy security, contract market liquidity, creation of new barriers for future development paths or material technical implications for the network Not met – weakening of energy security	Clearly met	Clearly met	No material adverse technical implications arise that materially change the assessment undertaken at FID.

The assessment concluded that Project Marinus would provide an unquestionable improvement to Tasmania's energy security. This position was also validated by the EAP.

It was noted there are some technical risks and challenges to be addressed by commissioning that are not resolved at FID. In particular, the current projected import limit capacity of Marinus Link (750MW) in Tasmania is presently limited to 480MW, though Marinus Link is expected to largely be operated (on average) with Tasmania exporting to Victoria (MLPL & TasNetworks, 2024). The EESC noted that the potential departure of an existing Major Industrial customer may lead to excess energy that could be utilised for export via Marinus Link, providing a solution for that electricity which may otherwise have been constrained.

The WoSBC modelling indicates that Marinus Link Stage 1 will 'unlock' a substantial increase in generation capacity (in particular, wind) that would not occur without the project (██████ Marinus Link Electricity Market Modelling - Final Report, 2024). Therefore, it was agreed that Project Marinus would provide a path to market for many private sector developers who are progressing wind, solar, and storage projects in Tasmania, while also improving our energy security by diversifying our electricity generation sources. It was noted that these renewable energy projects may require further support for them to come online (see analysis in Criteria 5 and 7).

While energy security was the predominate focus of this criterion, it is also noted that Project Marinus would provide further contract market liquidity (that is, a greater pool of participants who can contract with each other to manage the risks of supply and demand for electricity) in the Tasmanian market and may also allow market participants to contract between the Tasmanian and Victorian regions.

Criterion inputs

Tasmania has long been 'energy constrained' and not 'capacity constrained', which means that we have enough capacity to generate electricity to meet our demand but at times we are constrained by the levels of rain (or 'inflows') to fuel electricity generation from our hydro-electric power stations that generate most of the State's electricity. Droughts and other impacts, such as a future Basslink outage, can impact our ability to generate enough electricity to meet our electricity demand, leading to poor outcomes for the State and the Tasmanian community.

Our existing interconnector Basslink has been a crucial investment that has allowed Hydro Tasmania to export when we have surplus energy or when the value of energy is highest, and to import when we need to. However, our energy supply and demand are finely balanced. We saw in 2015-16 that an outage of Basslink, combined with a long-term drought, had significant negative consequences for the State. Further interconnection from Marinus Link and further renewable energy on-island (from wind or solar) unlocked by Marinus Link will be a significant boost to our energy security arrangements.

Various sources demonstrate the likely benefits of pursuing Project Marinus from a Tasmanian electricity market point of view.

Whole -of -State Business Case (WoSBC, 2025)

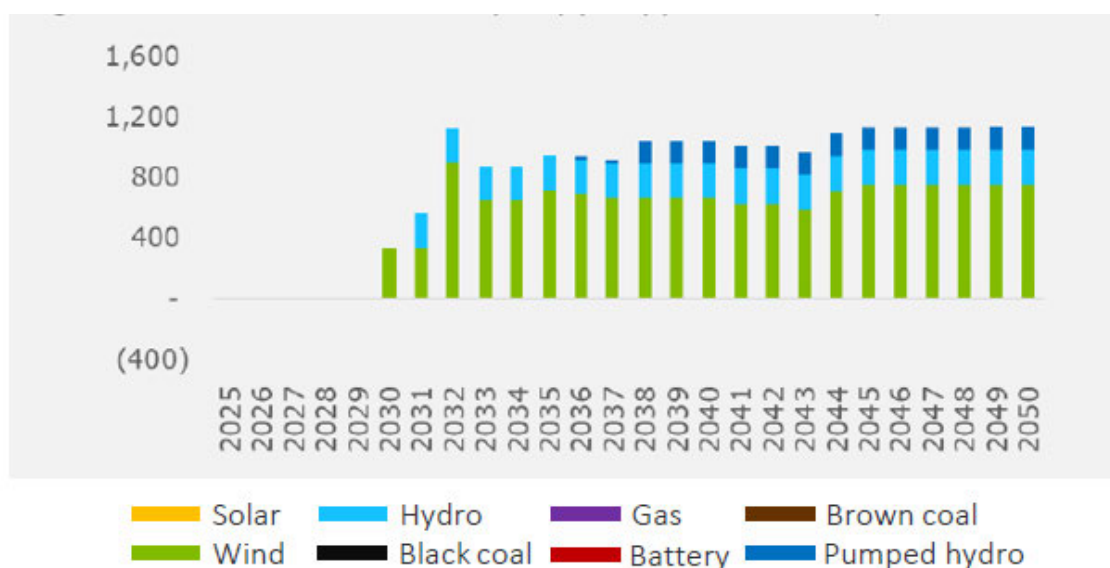
The WoSBC sets out a number of findings in respect of the impact on the Tasmanian market. In respect of retail competition, it notes Project Marinus has the ability to increase competition and the competitiveness of Tasmania’s energy contract market. With regards to future generation capacity and interconnector flows, it notes a positive path forward for the future development of the energy system, in particular, the expected growth in variable renewable energy projects (such as wind and solar), which can be unlocked by Project Marinus. Lastly, in respect of energy and system security it will result in an unquestionable improvement in energy security.

██████ – Marinus Link Electricity Market Modelling – Final report, undertaken to support the Department of Treasury and Finance’s WoSBC (██████, Marinus Link Electricity Market Modelling - Final Report, 2024)

██████ undertook modelling on interconnector flows, electricity buildout in Tasmania, and wholesale electricity pricing outcomes to support the WoSBC. Two key insights are highlighted below regarding renewable energy buildout and interconnector flows. The impacts vary depending on the scenario used, but the FID Assessment has used the analysis from the ‘step change’ scenario which is considered to be the most likely scenario to occur within the 2024 Integrated System Plan.

██████ modelling shows that in some scenarios, Marinus Link could enable up to (approximately) 900MW of new wind by early 2032 and 230MW of new hydro (noting hydro investments are not the focus of this advice) relative to a no Marinus scenario, as outlined below in Figure 13.

Figure 13: Difference in Installed Capacity (MW) | M1SF - NMSF | Tasmania



Source: ██████ – Marinus Link Electricity Market Modelling – Final Report (December 2024)

also undertook modelling under a ‘progressive change’ scenario which sees fewer development of renewables in Tasmania. This shows the inherent uncertainty about the future state of the Tasmanian energy market and the NEM more broadly. The modelling shows that in most scenarios, Tasmania would become a significant net exporter of electricity to Victoria via Marinus Link and Basslink in the early 2030s.

By extension, this means Tasmania has sufficient (indeed, surplus) generation to meet its demand while also exporting significant amounts of electricity, which delivers a materially improved energy security position from the present-day.

modelling shows that in some years aggregate exports to Victoria were as high as 8,000GWh – to put this into context, this is approximately 70 per cent of Tasmania’s demand in 2023-24 FY. This is demonstrated in Figure 44 on page 31 of the report. The actual energy market outcomes can vary wildly depending on the availability of generation, demand, and pricing outcomes between NEM regions.

Figure 14: M1SF Relative Aggregate Transmission Flows (GWh)



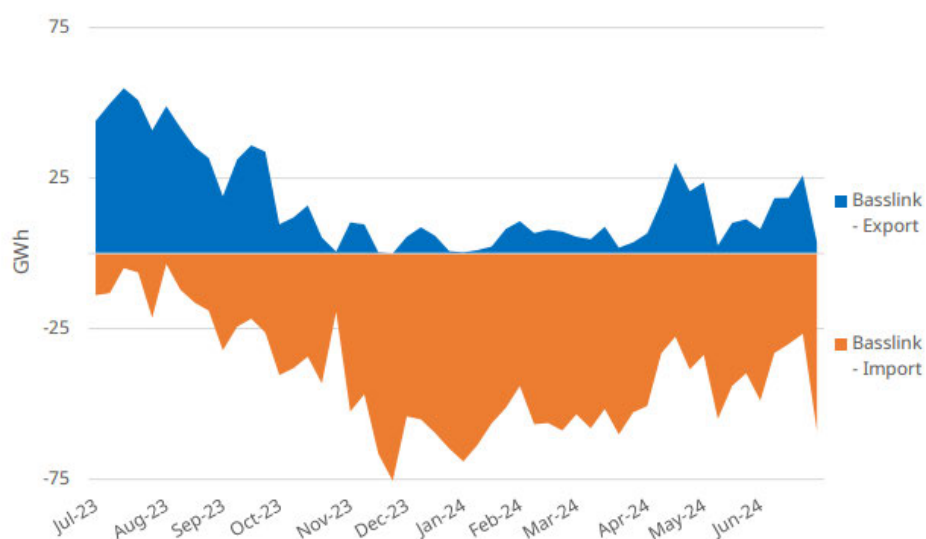
Source: – Marinus Link Electricity Market Modelling – Final Report (December 2024)

For context, the chart at Figure 15 sourced from the *Energy In Tasmania Report 2023-24* shows that Basslink flows in 2023-24 saw Tasmania as primarily a net importer of electricity due largely to reduced inflows (rain) to storages (dams). However, the flows of electricity to and from Basslink vary widely between years based on a range of factors. For example, from 2019-20 to 2023-24 Tasmania was a net exporter of electricity to Victoria. During those years, the maximum amount of electricity exported to Victoria was ~1,400GWh as compared to modelling which demonstrated up to ~8,000GWh exports in some years.

The modelling demonstrates a step-change increase to electricity exports which underpins the unquestionable increase to energy security in this criterion and also the increased Hydro Tasmania returns from greater access to the NEM and higher market prices (Criterion 5).

Figure 15: Basslink flows 2023-24

Figure 2.4 Basslink flows: 2023-24



Source: *Energy In Tasmania Report 2023-24*

Interconnector import capability post Marinus Link Stage 1, September 2024, MLPL (MLPL & TasNetworks, 2024)

This technical study outlines the challenges to achieving theoretical maximum import limits in Tasmania from both Basslink and Marinus Link. Due to a range of factors, the present-day arrangements would result in a total import capacity from Basslink and Marinus Link of 980MW, being 500MW for Basslink (full import) and 480MW from Marinus Link. This results in a constraint on Marinus Link imports of 270MW. The import capacity may improve over time, subject to resolution of a range of technical challenges, including frequency services, inertia, and load-tripping arrangements.

FID Recommendations

Both the NWTD and Marinus Link FID recommendations outline information regarding the technical implications of the projects. Both FID recommendations noted that Project Marinus was “technically viable and feasible” and did not raise any major concerns that could not be overcome regarding system security or other technical challenges.

The EAP (June 2025) found that Tasmania needs Project Marinus as soon as possible to provide energy security to the State. The Panel noted it would be catastrophic for the NEM if Project Marinus Stage 1 was not delivered on time. This is due to the impending closure of coal-fired power plants across the NEM to meet emissions and renewables targets, which requires rapid VRE development, long and short duration storage and gas firming across the NEM, particularly in Tasmania and Victoria.

Benefits, risks, mitigations and policy responses

There are clear energy security benefits unlocked by Project Marinus as outlined above. In terms of risks, as with most things for Project Marinus, there have been a number of assumptions made about the future operation of both the Tasmanian electricity market and the broader NEM.

Potential risks include not enough new renewable generation being built on-island, or the load/supply balance on-island is not maintained. This would see greater import via Marinus Link rather than the assumed export-focused model, with resultant impacts on reduced Hydro Tasmania returns (refer to Criterion 5), but this would still see increased energy security arrangements compared to a no Marinus Link scenario. A future government could consider mechanisms to ensure new generation is brought on at the scale and at the time required.

As recommended by the EAP (June 2025), timing of new load should be sequenced with the commissioning of new renewable generation.

Another key risk is the technical challenge of integrating Marinus Link into the Tasmanian network. Marinus Link is a very large interconnector, and its connection to the Tasmanian electricity network may prove challenging. Imports are currently limited below the technical rating and if not addressed or further worsened, then this could impact projected benefits. A mitigation for this issue is to ensure robust governance is in place between TasNetworks (as the Tasmanian jurisdictional planner) and MLPL and that any issues are appropriately addressed and, where relevant, escalated to shareholders. However, this is ultimately a technical matter for TasNetworks and MLPL to resolve.

Conclusion

Overall, this criterion is **clearly met**. The progression of Project Marinus is expected to have an unquestionable improvement on Tasmania's energy security, it will increase the State's contract market liquidity, and it will also support a positive path forward for the future development of the energy system. While there are some technical challenges, it is assumed that these will be addressed by the commissioning phase later this decade or are otherwise able to be tolerated without material adverse impacts.

Section 5 – Project Benefits

While outlined under the relevant criteria, this section consolidates the benefits of pursuing Project Marinus.

The Project is expected to deliver substantial economic, social, and energy benefits for Tasmania, including strong returns to Hydro Tasmania and the State, as well as a concessional regulated return on the State's equity investment in Marinus Link. It will enable further renewable energy development, stimulate regional economic activity and employment, and materially improve the State's energy security.

Project Marinus delivers both financial and strategic benefits for the state

Figure 16: Financial and strategic benefits of Project Marinus¹⁷

Financial benefits for Tasmania



>\$1.8b economic benefit in first 10 years

- Measured as Gross State Product on base case progressive change scenario
- \$4.4Bn project investment with incremental investment in generation and load



~\$470m p.a. average incremental distribution

- Returns are variable with a forecast of minimum of \$210m
- Benefit excludes Tarraleah project impact



Equity capped & positive returns

- Renegotiated position caps Tasmania's equity exposure and impact on State Budget
- Estimated returns to shareholders of [REDACTED] will deliver positive returns to Tasmania proportional to shareholding (\$12 million at 17.7 per cent – but will diminish over time)

Strategic benefits for Tasmania

Project Marinus enables

- T-RET goal of producing 150 per cent 2020 demand with renewables, by supporting 21,000 GWh renewable energy generation by 2039-40

Social benefits

- ~2,000 jobs created during construction for the Marinus Project
- Increased skills & training in region

Energy security and resilience

- Valuable backup for spare energy if a MI closes or when Basslink, now midway through its asset life, fails or is decommissioned

Consumer Cost off-set

- Concessional finance significantly reduced consumer costs
- Australian Government negotiated outcomes have Victorian's paying 72.4 per cent (secured 2023) with a \$346 million grant reducing costs for NWTD (secured 2025)

¹⁷ The forecast returns to the government cover a long period (up to 20 years) and are shown in future dollar values. Because they include the effects of inflation over time, the numbers may appear large compared to today's values. In addition, while they are presented as average outcomes, they are expected to vary significantly from year to year based on prevailing conditions (such as market prices and inflows).

Significantly increased Hydro Tasmania returns (Hydro Tasmania, Hydro Tasmania Advice, 2025)

Hydro Tasmania's existing hydro generation assets are well placed to capitalise on future NEM uncertainty, with the majority of the coal-fired power stations in mainland NEM regions expected to retire in the next decade. The gap created needs to be filled with significant new sources of generation (largely variable renewable energy such as wind and solar) and firmed by storage (like batteries and dispatchable hydro) and other on-demand generation (such as gas). Hydro Tasmania's electricity supply will be very profitable as it will target times where the prices in the mainland NEM are highest.

Hydro Tasmania (June, 2025) has provided modelling which indicates the returns to the business in 'with Marinus' and 'without Marinus' scenarios. In both scenarios, its returns are set to materially increase from the present day due to the predicted mainland NEM wholesale electricity price increases as coal-fired power stations retire and the lack of supply to meet demand, which increases prices in the market.

In the 'without Marinus' scenario, the returns to Government are forecast to be on average [REDACTED]. For context, the dividends paid to Government from Hydro Tasmania in 2024-25 were \$122 million. In the 'with Marinus' scenario, Hydro Tasmania's additional returns to government are modelled to be approximately \$470 million¹⁸ per annum (on average across FY 2031 – 2050 in nominal terms) or [REDACTED] greater returns to Government than expected without Marinus Link. The total average annual returns to Government with Marinus are modelled to be approximately [REDACTED]

The FID Assessment focuses on the difference between the 'with' and 'without' Marinus Link returns to Hydro Tasmania to isolate the benefits that Project Marinus (specifically, Marinus Link) brings to Hydro Tasmania. All figures sourced from Hydro Tasmania in June 2025. These outcomes are displayed in Figure 17 below.

¹⁸ The forecast returns to the government cover a long period (up to 20 years) and are shown in future dollar values. Because they include the effects of inflation over time, the numbers may appear large compared to today's values. In addition, while they are presented as average outcomes, they are expected to vary significantly from year to year based on prevailing conditions (such as market prices and inflows).

[REDACTED]

Hydro Tasmania's updated modelling, based on its central case, is outlined above.

All modelling is inherently uncertain, and the Government should be aware that it is indicative only. A Conservative Case scenario was developed based on Hydro Tasmania's lowest return year in its central case to demonstrate that returns are robust even in a conservative return scenario.

In this conservative scenario, the incremental benefits are still significant (average \$210 million per annum on average) and there is sufficient headroom to deal with higher project cost scenarios (which convert into higher transmission cost increases for customers of \$138 million per annum). Therefore, the overall positive investment case to proceed with Project Marinus remains. The central case estimate is a net benefit to the Tasmanian community of ~\$370 million per annum and around ~\$80 million per annum in the conservative scenario.

Under the central case, the \$191 million equity investment into the NWTD and the ~\$300 million in lost distributions from TasNetworks would be paid back within two years (assuming two average years of returns materialise). Under the conservative scenario, it may take five-six years to pay back a higher equity of [REDACTED] for the NWTD and the lost distributions from TasNetworks.

It is important to recognise that future returns are modelled outcomes based on a number of assumptions, including that new renewable energy generation up to 800MW by 2034, comes online in the state to relieve Hydro Tasmania from its current role as a baseload electricity provider so it can act as a peaking generator¹⁹.

¹⁹ Hydro Tasmania confirmed its return modelling has assumed that no more than 800MW of new VRE is installed in Tasmania by 2035. The Whole-of-State Business case modelling undertaken by [REDACTED] indicated that in some scenarios the level of new VRE growth of approximately 800MW by 2034.

The Project Marinus Expert Advisory Panel (EAP June, 2025) also noted this requirement.

Hydro Tasmania returns are also reliant on the future development path and market operation of the NEM and this is challenging to accurately model. It is critical to note that this modelling assumes Hydro Tasmania trades on a fully commercial market basis with Tasmanian wholesale prices expected to reflect those of Victoria and the broader NEM. Regulatory or other intervention by Government (for example, 'delinking from the NEM') would materially change these outcomes. Further information on the challenges in modelling future NEM outcomes can be found in Hydro Tasmania's paper (Hydro Tasmania, Battery of the Nation: operation of storages without perfect foresight - developing a more accurate understanding of the operation of energy storages with a more realistic forecast of the future market, 2019).

While the Government is not being asked to consider investment in Hydro Tasmania's major projects like Tarraleah and Cethana, the returns outlined above would likely decrease in the early years should these projects be pursued, given their large size and debt repayment requirements. Such issues will be considered at the time of those project FIDs.

Economic Stimulus and Employment Benefits

Centre of Policy Studies, Victorian University (CoPS) modelling undertaken for the WoSBC indicates Project Marinus and subsequent renewable energy investments will deliver substantially increased employment and economic opportunities in Tasmania (██████ Modelling Assessment of the Economic Impacts of Project Marinus and Associated Projects, 2024). The Project is expected to deliver approximately 2,000 additional full-time and part-time jobs in the peak year of construction and around \$4.4 billion increased investment into Tasmania (real \$2022-23) (WoSBC, 2025).

The Project will also increase Tasmania's international exports if a green hydrogen plant progresses and will increase the GSP by approximately \$1.8 billion (WoSBC, 2025). However, new demand will need to be supported by new generation (e.g. wind) as the State's electricity supply/demand is currently finely balanced.

Over the first decade from 2025-26, employment is estimated to be approximately 700 jobs on average each year, compared to levels without Marinus Link (WoSBC, 2025). The WoSBC analysis indicates the scale of projects throughout construction will see material 'crowding out' of some sectors. Government mitigations and supporting actions may be required to ensure positive outcomes overall from the stimulus, including for local affected communities.

These estimates are for Project Marinus Stage 1 but include Hydro Tasmania's Tarraleah redevelopment proceeding and should be used with caution as they may over-represent the stimulus impacts. The WoSBC did not complete Project Marinus Stage 1-only modelling without Tarraleah.

Energy Security and Market Benefits

In addition to increased returns to Government and significant economic stimulus, the WoSBC qualitative analysis indicates Project Marinus significantly increases Tasmania's energy security relative to a 'no Marinus' scenario. Tasmania's existing interconnector, Basslink, was commissioned in 2006 and is an ageing asset with an expected end-of-life by 2046. The Australian Energy Market Operator (AEMO) forecasts increased electricity demand in Tasmania. Large demand, for example another major industrial locating to Tasmania, may struggle to be established without Project Marinus.

The AEMO 2024 Integrated System Plan (ISP) confirms Project Marinus is an actionable ISP project critical for the future development of NEM, and the EAP (June 2025) advised there is now an even greater need for Marinus Link. These sources independently confirm the project provides significant net market benefits to the transitioning NEM.

Additional benefits, though modest, may be realised through increased fibre optic telecommunications. Marinus Link's optical fibre system, installed for HVDC system control, will have excess capacity beyond what is required for operational purposes to manage the flows of electricity through the interconnector. This would allow for additional internet and telecommunications capacity in Tasmania and has several important benefits for the State. Marinus Link could also provide greater telecommunications redundancy in the event of future outages of existing telecommunications connections, for example Basslink.

Section 6 – Project Risks

The risks for Project Marinus are captured under the relevant criteria, however, this section draws together the key strategic level risks for the Government when considering its FID as a representative of the broader Tasmanian community, and the risks at a project level when considering its role as a shareholder in both Marinus Link Pty Ltd and Tasmanian Networks Pty Ltd.

Strategic-level risks and responses

The benefits outlined in the previous section are subject to a number of outcomes that could eventuate should risks not be adequately mitigated. Table 15 below demonstrates how the businesses and Government could manage such risks, with Section 9 specifically covering ‘Post-FID governance’. It is important to recognise that not all risks can be fully extinguished given the nature of this FID approach, and the Tasmanian Government will need to accept some residual impacts which it may have limited or no control over.

Table 15: Risks and responses

Risks and impacts	Response
Premature FID: [REDACTED] a decision without addressing all critical path activities, increasing the likelihood of issues emerging during delivery and causing delays and increased cost, increased shareholder equity risk. Project Delay: Potential project delays due to critical path activities (such as approvals) not completed by FID, which could lead to large cost overruns and delay financial benefits (for example Hydro revenues) and enabled projects (such as wind development). Cost overruns: Common for large capital projects, driven by schedule delays and limited interface with integrated delivery partners, for which Tasmania will be responsible up to its equity share.	• Ensure appropriate governance and oversight. • The State has secured a negotiated outcome to limit its equity commitment to Marinus Link at its existing \$103.5m invested capital. This removes equity funding exposure for Marinus Link. • [REDACTED] • Accept the risk because the overall benefits for Tasmania outweigh potential costs and the costs of not proceeding with the project.
Capability to deliver project: inability to deliver project on time and in budget could lead to delays and cost increases. TasNetworks has prior experience in project delivery but has not delivered a major project the scale of the NWTG in decades. There is a step change in level of competency and resourcing required for a project the scale of	• Ensure appropriate governance and oversight. • Ensure the business plan and workforce capability planning is suitable for a bespoke large-scale infrastructure project of this nature. • MLPL has engaged appropriate expertise to support project delivery.

Risks and impacts	Response
the NWT D. The current level of competency in-house to deliver the NWT D is unknown. It is important that the level of robustness in capability is upscaled to ensure success of the project. MLPL has no prior experience in project delivery but has a significant fit-for-purpose team engaged.	• Through renegotiation, the State's equity contribution for Marinus Link is capped at no greater than \$103.5 million. This absolves the state of putting in further equity contributions to fund the construction of the project or any cost overruns, noting that customers will still face increased costs if project costs increase. • Through renegotiation, the Tasmania has secured a grant from the Australian Government of up to \$346 million to reduce Tasmanian customer costs. This mitigates existing customer costs and any future cost overruns.
Lower than expected Hydro Tasmania returns: Possible scenarios that may impact government returns include changes to NEM development (such as more or less generation and/or load), non-commercial policy decisions (onerous PPAs with new developers, supply agreements with MIs at non-commercial rates) or on-island VRE not eventuating as modelled.	• Veto rights to Rule changes following the NEM review. • Scrutinise future investment decisions on Hydro Tasmania major projects. • Consider further measures to bring forward new VRE. • Avoid allocation or hypothecation of forecast profits/returns until they have occurred.

Project-level FID risks for Marinus Link and NWT D

As a shareholder in Marinus Link and the NWT D, the Government needs to be aware that many of the critical path items that would usually be desirable at FID are missing. A summary of their status is captured in Figure18 below.

Figure 18: Status of critical path activities at FID and FC

Status of critical path activities at FID and FC

Critical path activity	Typical FID	Marinus Link		NWTD	
		Status at FID	Expected Status at FC	Status at FID	Expected Status at FC
Financing	✓	!	≈	!	✓
Revenue	✓	!	≈	!	✓
Procurement & contracting	✓	!	≈	!	✓
Approvals (land, enviro, planning)	✓	!	≈	!	≈
Interface risk	✓	!	≈	!	≈ !

!	High risk, unresolved	≈	Medium Risk, requires close mitigation	✓	Low Risk, expected to be largely resolved by FC
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MLPL Project Risks

At FID, Marinus Link is subject to high residual risks across all critical path areas. Financing remains high-risk, with a number of conditions precedent to Financial Close outstanding, with only a draft, non-binding CEFC commitment in place and continued uncertainty around the final project cost envelope and required equity.

Revenue risk also remains high, despite a draft AER determination accepting 45 per cent of costs as prudent; the remainder is still under assessment.

Procurement risks are slightly reduced but remain elevated due to cost uncertainty and incomplete cost validation for the Balance of Works (BoW).

Unresolved Australian, Victorian and Tasmanian Government approvals pose significant delivery risk. Coordination risks between Marinus Link and NWTD also remain high, despite a cooperation agreement now being in place, as delays in one project can materially affect the other.

The State's FID is conditional on the following being met shortly after FID to achieve Financial Close (FC) for Marinus Link: completion of Conditions Precedent (CPs); and finalisation of the CEFC financing arrangements for Marinus Link on presently envisaged terms.

If these issues are not resolved, there is a risk that a positive FID is taken but [REDACTED], and the project cannot be taken forward. The financial impacts of this are estimated to be approximately \$100 million in sunk equity and approximately \$2 million in wind-up costs. Risks remain high at FC, given it is only one-month post-FID and issues haven't substantially changed.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

While there are a number of risks to making a FID on Marinus Link, the business has put in place plans that seek to mitigate these risks. In respect to its revenue, MLPL has the AER as an observer on its Balance of Works procurement process, which aims to provide the AER with comfort that the process results in an efficient and justifiable cost that can be approved. In respect of integration risks (and consequent cost overruns or delays) between the three major procurement packages, a delivery partner has been procured to manage between the suppliers.

Similarly, MLPL continues to engage frequently with regulators on environment and planning approvals. While the risk of appeals in this area has a potential for delay, there are options for the State to intervene if this impacts the critical path.

NWTD Project Risks

NWTD's project-level risks, while currently high at FID, are expected to reduce significantly by FC. Financing, revenue, and procurement risks are all expected to move to low by late 2025, reflecting a later financial close date that allows for better resolution of key matters.

AER approval for early works revenue has already been secured, and remaining revenue and financing details are expected to be resolved before financial close.

The NWTD benefits from a single-supplier delivery model, reducing procurement complexity and interface risks.

Environmental and planning approvals remain a risk but are progressing. The combined planning and environmental approval submission has now been lodged with the Tasmanian Planning Commission.

While coordination with Marinus Link still presents interface risks, with the later financial close, NWTD is generally in a stronger position to resolve critical path risks ahead of this time.

Basslink Case study

The Basslink interconnector project had significant approvals challenges that led to increased time and costs to complete the project from what was expected at FID. Like Marinus Link and the NWTD projects, the approvals workstream for Basslink was not finalised when FID was taken, and key approvals risks were realised. The Commonwealth's approvals requirements necessitated the Basslink project to materially adjust the project's engineering specifications.

Due to lodgment of appeals, the Victorian approvals requirements also resulted in undergrounding of transmission and changes to the route. These changes incurred a material increase in the cost to complete the project by about \$250 million (of a total \$750m) and extended delivery timeframes from those expected at FID.

The Basslink experience may prove a cautionary tale for the Marinus Link and NWTD Stage 1 FID given similar approvals risks at FID. Despite its project delivery challenges, the Basslink project remains crucial for the State's energy security, albeit it is now mid-life and has already had one significant fault in 2015 that led to a long outage and threatened the state's energy supply security.

Section 7 – Summary of potential policy responses

If a positive FID is taken, there are FID Criteria that are only ‘partially met’ and these have the potential to result in negative or challenging outcomes. While the analysis of each criterion has captured the potential policy responses to these outcomes, Table 17 summarises policy responses a future Tasmanian Government may wish to consider.

Table 17: Potential policy responses for future Government consideration

Policy issue	Impact	Response
Customer Impacts	Tasmanian customers’ share of additional transmission costs will be around \$79 million in 2031-32 (\$2023-24). The project is estimated to add \$107 to the typical residential bill, \$384 to an typical small business and \$29 million to major industrial and customers directly connected to the transmission network on average from 2030/31 to 2049/50 (real \$2024).	• Committing to delivering among the lowest or the lowest retail pricing in the NEM and consider how this will be delivered. • Offset the real cost increases directly associated with Project Marinus for customers directly connected to the transmission network. • Offset the real cost increases directly associated with Project Marinus for all customers impacted. • Committing to a review of the current wholesale pricing framework given its links to the Victorian contract price • Considering the mechanisms to deliver pricing relief, including through the planned 2028 review of the Renewable Energy Dividend.
Barriers to New Renewable Generation	Project benefits are premised on new renewable generation coming online in Tasmania. However, there are several challenges and barriers to delivering new generation to achieve optimal benefits.	• Tasmanian Government auction for long-term energy contracts for the supply of its own electricity use • Direct Hydro Tasmania to enter a Power Purchase Agreement with new renewable generation or build its own renewable generation. • Investing in further transmission, such as the Burnie to Hampshire Hills transmission line, to provide further certainty to new generation. • Introduce a state offsets policy and updating existing bilateral assessment arrangements with the Australian Government to help wind farm projects gain environmental approvals. • Demand scenario modelling to understand the optimal build out of new renewable generation to coincide with the commissioning of Project Marinus. • Offering alternative forms of financial support to reduce developer costs (for example Transmission Use of System discounts where new load brings with it new generation).
Community Impacts Through Construction	Major infrastructure projects may impact regional housing, services, and road infrastructure. Overlapping projects could amplify impacts.	• Conduct cumulative impact study on housing and social issues and consider strategic regional planning to support identified issues. • Work with developers and local councils to identify suitable land for accommodation development, including considering how such housing could provide legacy accommodation. • Consider funding road upgrades jointly with developers.

Policy issue	Impact	Response
		Implement schemes or programs which mandate local community benefits.
Workforce Availability	NWTD and other projects may require more interstate workers due to local skills shortages. Existing programs may be insufficient for scale and timing needed.	- Finalise and act on Workforce Needs Assessment. - Include workforce needs in cumulative impact study.
Sustainability of NWTD	While TasNetworks is intending to pass the concessional financing benefit of the NWTD to customers, it leads to significant losses over the first 20 years of the project.	The NWTD financial model will be reviewed ahead of Financial Close in Q1 2026 to identify options for a future government to improve outcomes for both customers and TasNetworks

Section 8 – Financial implications of a negative FID

While this paper largely focuses on the positive elements of the project and particularly the case for a Positive FID, it is important to understand the implications of the other option available – a negative FID.

Project Marinus

For Project Marinus overall, the sunk costs for the Tasmanian Government of a negative FID in July 2025 could be \$160 million or greater.

Marinus Link

There would be significant financial implications for a negative FID outcome for Marinus Link, largely in equity already contributed that would be sunk, and in additional contingent liabilities (which are largely covered by the Australian Government). The total quantum of the Marinus Link FID recommendation is \$105.5 million, as set out below:

- \$103.5 million in already contributed equity at FID.
- \$2 million in contingent liabilities (wind up costs).

This assumes a negative FID was taken prior to the issuance of Notices to Proceed (NTP) in August 2025.

The sunk costs are not recoverable from electricity customers if a negative FID is taken as MLPL would have no assets delivering an electricity supply to customers. This information has been sourced from the Marinus Link FID recommendation provided to the owners in May 2025.

The sunk costs scale upwards significantly should the project progress past FID and then be wound up at a later time. For example, if the project is not able to proceed due to the project approvals not being achieved, the level of financial impact on the State would be materially higher (for example by Q1 2026 the total quantum of sunk cost and liability will be [REDACTED] million for Tasmania). This information is derived from the MLPL FID recommendation document. However, this advice focuses on the impacts of a negative FID taken in July or August 2025.

NWTD

The TasNetworks FID recommendation does not outline the potential financial impacts of a negative FID. However, TasNetworks has an approved revenue determination to recover \$167.3 million for early works on the project, which are effectively the costs through to FC. This revenue determination was approved by the AER on 21 March 2025.

At a negative FID, no debt will have been drawn down from the CEFC. However, the financial consequences from terminating construction and associated project contracts are yet to be determined if NWTDD did not proceed.

The costs incurred up to the point of a negative FID are recoverable from Tasmanian customers. TasNetworks reporting on the NWTDD indicated that the total recoverable costs (net of grant funds) of progressing the NWTDD was \$58 million to the end of May 2025.

It may be challenging for TasNetworks (and the Tasmanian Government) to recover NWTDD costs from the Tasmanian customer base if the project is not taken forward.

Similarly to Marinus Link, it is assumed for the purposes of the NWTDD analysis that a negative FID is taken in July or August 2025. Should the NWTDD progress past an FID but subsequently not proceed, for example its FC is not achieved or critical path activities such as approvals are not met, then the sunk costs are materially higher, as the project will have continued to incur design and approvals phase costs and will likely have drawn down on its early works debt funding from the CEFC.

Broader impacts of a negative FID

Absent of Project Marinus, the Tasmanian Government would need to revise its broader energy strategy which is, in the main, underpinned by Marinus Link proceeding. For instance, analysis in the WoSBC indicates that the Tasmanian Renewable Energy Target (both interim and full target) will not be met without Marinus Link.

There are broader questions about energy security that would need to be addressed, and it is likely that new generation, such as wind or solar, is required to address future energy security challenges in the event of droughts irrespective of Marinus Link. The WoSBC analysis indicates that even without Marinus Link, additional generation is required on-island to support growth in Tasmanian electricity demand. More severe outcomes are Basslink outages (or, at worst, a combination of an outage with a drought) and the ultimate event of Basslink reaching end-of-life, which is expected by 2046.

Most of the broader project benefits outlined in this FID Assessment, such as economic and employment stimulus, would be foregone. Private sector investment in renewables, which is substantial, would face material uncertainties and it is likely that many projects would no longer be progressed without Marinus Link. The State's energy focus and vision of sustainable and renewable energy development would be severely compromised without Marinus Link.

Absent of further interconnection, the Hydro Tasmania return outlook would reduce. However, returns from the business are still projected to increase above today's returns and require no major investments to be unlocked (refer pg.85-86).

The Tasmanian Government may wish to revisit the idea of further interconnection with Victoria at a future point. However, the concessional arrangements, cost allocation agreement, and Australian and Victorian government support are unlikely to exist for a future project.

There remains a risk that the private sector progresses another interconnector absent of the Tasmanian Government which would be more costly to Tasmanian consumers. However, this is perhaps unlikely given the project challenges to date, as well as the need to co-ordinate with further upgrades to the Tasmanian electricity network and new renewable generation.

Section 9 – Governance and Assurance mechanisms

Governance and assurance to FID

Comprehensive internal and external assurance, due diligence and governance processes have been undertaken or are underway across MLPL, TasNetworks, and shareholders to support robust oversight in the lead-up to the Government's FID. These activities provide confidence that key risks and assumptions have been identified.

While these processes involve significant cost, with Marinus Link shareholder due diligence alone expected to exceed \$600,000, such investment is necessary to ensure decisions are well-informed and properly scrutinised. Total due diligence and assurance costs across both projects are expected to reach several million dollars.

In addition, formal coordination mechanisms are in place to support project oversight and manage interdependencies, including joint working groups, bilateral agreements, and shareholder-level committees. These include the TasMarinus Project and Steering Committees, the Project Cooperation Agreement and associated documents, MLPL–TasNetworks coordination forums, and multi-agency governance bodies such as the Major Energy Projects Program Coordination Group and Project Marinus FID Working Group.

However, these measures do not eliminate the residual risks associated with taking an FID prior to the completion of key critical path activities.

Post-FID governance

As outlined in the risks section (section 6), there will be ongoing strategic and project level risks post-FID that will require active management from the businesses and shareholders. There are a number of mechanisms proposed, including through an amended *Marinus Link Shareholders' Agreement* (SHA), and additional company and Tasmanian state-specific arrangements, to manage identified risks.

Proposed under an amended SHA for Marinus Link:

- **Budget Oversight Committee** to provide shareholders oversight of project spending and any budgetary issues.
- **Project Oversight Committee** to maintain oversight and engage with the delivery of the project.
- **Ongoing working groups**, including shareholder officer-level tripartite working group, senior official's shareholder forums, and company/shareholder communications group.
- **Stringent project reporting obligations, including (but not limited to)**
 - detailed project execution and management plans
 - monthly progress reports on scope, cost, schedule and risks

- key risks and mitigations, including NWTD-related risks that the business may be aware of (such as potential delays to revenue determination or contingent project applications)
- progress on satisfying conditions subsequent.
- **Shareholder Reserved Matters** in which shareholders have decision rights over key project matters.

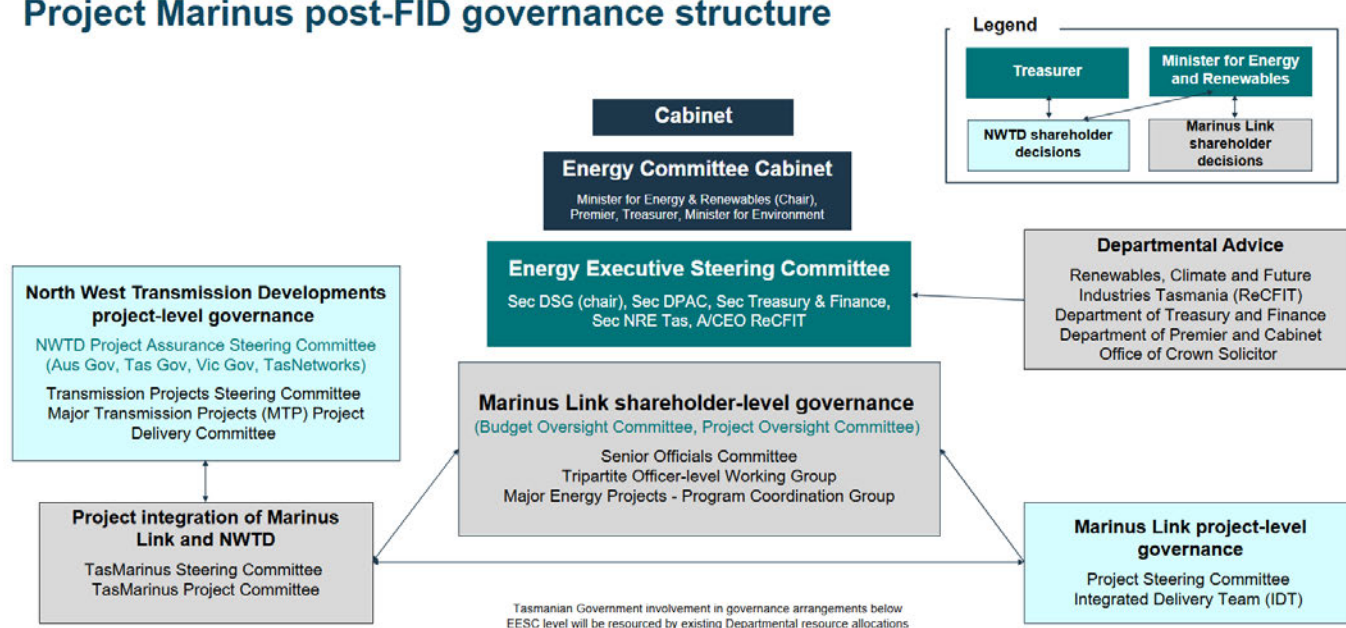
Company and state arrangements

- **Tripartite project oversight** arrangements between the Australian, Tasmanian and Victorian governments.
- **Shareholder Minister oversight** of TasNetworks and NWTD through existing processes.
- **Project integration of Marinus Link and NWTD** governance arrangements include a number of agreements and coordination forums to oversee and manage project interdependencies, into the construction and commissioning phase:
 - TasMarinus Project Committee and TasMarinus Steering Committee
 - Project Cooperation Agreement (and executed or under negotiation: Master Services Agreement, Interface Works and Commissioning Agreement and Network Interconnection Agreement)
 - MLPL-TN project workstream meetings and coordination (for example FID, engineering, regulation, town planning, community and stakeholder engagement, network operations planning)
 - Major Energy Projects Program Coordination Group (ReCFIT, Treasury, TasNetworks, Hydro Tasmania, MLPL and OCS)
- **Approvals of funding** - CEFC finance is subject to a rigorous reporting and oversight regime, which includes regular cost to complete tests aligned to drawdown of loan funds. [REDACTED]
- **Adequate resourcing within ReCFIT** to actively monitor project progress and associated risks, taking primary responsibility for the Government's engagement in all elements of project assurance and governance.
- **Ongoing engagement through the Energy Committee of Cabinet and the EESC**, to actively manage escalated project issues throughout construction to commissioning in early 2030s.
- **State-based Assurance Committee**, the Government has agreed that it will establish Assurance Committees, as needed, to provide it with advice on all major projects that involve more than one government business. This model is now in place for some key projects such as the Quaylink Steering Committee, established to oversee the delivery of Berth 3 (in relation to TT-line Spirit of Tasmania vessels and associated berthing infrastructure), and the already established Major Energy Projects Program Coordination Group. The

Assurance Committees will include representatives from relevant departments and government businesses and have a strategic leadership and oversight role, including coordination and provision of advice to the Government. This Assurance Committee model could apply to the NWTD and Marinus Link projects in future, but at the time of writing the FID Assessment no such committee existed.

Figure 19: Project Marinus post-FID governance structure

Project Marinus post-FID governance structure



Marinus Link Shareholder Due Diligence

The Marinus Link shareholders have progressed three independent and joint Due Diligence (DD) exercises for the Marinus Link FID. The joint due diligence included a review of project costs (undertaken by [REDACTED]), technical review of the project (undertaken by [REDACTED]), and a review of MLPL accounting, financial model, and tax (undertaken by [REDACTED]).

This work was undertaken in addition to the due diligence commissioned by MLPL as outlined in the MLPL FID recommendation and FID Decision document.

In many respects, the DD revealed much of what the shareholders were already aware of through the MLPL FID recommendations and gave confidence that the identified risks were real. In particular, the key findings are that the project is large, risky, and many risks remain even after posting mitigating actions. These are covered elsewhere in this report and largely result in the potential for increased project delays and costs or, at worst, could impact on the ability to take the project forward.

Project cost due diligence

The [REDACTED] cost due diligence final reports were provided to ReCFIT on 16 June 2025 [REDACTED] [REDACTED] undertook two scopes of work, the first of which was to review the existing project cost estimate with a particular focus on reviewing the assumed cost estimate for the Balance of Works (BoW) costs that are presently in procurement processes and not finalised [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Note: As outlined earlier, Tasmania has negotiated to retain its equity investment in Marinus Link to no greater than our existing \$103.5 million investment. The State's equity risk or exposure to Marinus Link is therefore considered to be 'managed'. Future project cost increases are therefore covered by the other shareholders and irrespective of the state's equity investment will have an impact on customer costs.

Technical due diligence

The [REDACTED] technical review final report was provided to ReCFIT on 16 June 2025 [REDACTED] [REDACTED] [REDACTED] found 34 matters, of which 14 are considered potentially significant for the project and its delivery. These issues have already been highlighted in MLPL's own risk analysis and within the FID Assessment project-level risks but give further credence to the fact that the existing risks are significant. The potentially significant issues include:

- Tight timing of FID and the impacts of a negative or delayed FID.

- NWTD dependency and associated NWTD project risks that may lead to project delays impacting Marinus Link.
- Supplier risks, including:
 - Balance of Works risks, coordination challenges in a complex project
 - converter supply risks and performance guarantees
 - cable system risks including
 - cable burial depth being non-compliant with insurer requirements
 - cable manufacturing slot risks
 - equipment, staff and vessel availability
 - Integrated Delivery Partner risks.
- Environment and planning risks, particularly the interdependency of approvals across jurisdictions (Tasmania/Victoria/national) and regulators.
- MLPL risk register outlines 106 risks, 30 of which are high and 68 of which are medium, even after mitigation/treatments are applied.
- There is a high residual risk rating across the entire project post-mitigation.

The [REDACTED] report has been provided to MLPL, and the company is now considering the report and whether any additional mitigations (not already planned) are required. At the time of writing the FID Assessment, it was expected that several of the key issues identified by [REDACTED] would be resolved/mitigated, but the majority would remain. This aligns with the project risks identified in the report and the finding that not all of these risks can be fully extinguished, and there will need to be ongoing close management of issues, and that residual risks are likely to be realised.

Tax and accounting due diligence

[REDACTED] has undertaken a tax and accounting review which identified several risks. The tax and accounting review was finalised and provided to ReCFIT on 20 June 2025 [REDACTED] 2025).

On tax, [REDACTED] found no material issues, though it was noted that many aspects of the project (for example the financial model) were not finalised at the time of the review. However, these do not pose material risks to the Tasmania as the Australian Government receives all company tax.

The accounting review found that Marinus Link is jointly controlled under relevant accounting standards. [REDACTED] highlighted that further work is required to ensure the project's assets are held at 'fair value' and that this is reflected in the project's financial model.

The Tasmanian Government did not undertake separate DD for the NWTD FID, but as outlined has progressed its own extensive governance and assurance processes.

Section 10 – Recommendation

The FID Assessment confirms that there is both a credible and strong investment case for the Tasmanian Government to consider taking a positive FID for Stage 1 of Project Marinus. There remains a task to develop appropriate mitigation policies, however, most of these issues are not expected to materialise until the project is commissioned in 2030-2031.

The FID is to be determined by the Tasmanian Government, and it is considered that there are two options available:

Option 1 – take a Positive FID for Project Marinus Stage 1: the State agrees to proceed on the basis of:

- i. Improved energy security outcomes for the State
- ii. Project Marinus enabling significant returns from Hydro Tasmania to the State, circa \$470 million²⁰ per annum on average over 20 years in nominal terms, but acknowledging this is based on modelling, there will be significant volatility between years and there are scenarios where returns will not be as favourable. However returns are still expected to be positive and exceed costs of the project to the Tasmanian community in the conservative scenario.
- iii. An extended construction stimulus for the north and north West of the State and resultant job opportunities
- iv. Measures that reduce the cost impact of Project Marinus on Tasmanian customers including:
 - An Australian Government grant of \$346 million to TasNetworks to reduce its existing transmission Regulatory Asset Base which equates to a reduction of customer costs of around \$15 million per annum.
 - A cost allocation arrangement for the Marinus Link component that will see Victorian customers pay 72.4 per cent of its annual transmission costs.
 - Deeply concessional debt financing for Project Marinus provided by the Clean Energy Finance Corporation.
 - Modest Tasmanian wholesale pricing reductions are modelled relative to a no Marinus world for residential and small business customers, noting wholesale prices increase in absolute terms under all scenarios.
- v. the benefits above outweighing and providing the ability to offset (if such a policy were pursued) the costs of the project which are primarily:

²⁰ The forecast returns to the government cover a long period (up to 20 years) and are shown in future dollar values. Because they include the effects of inflation over time, the numbers may appear large compared to today's values. In addition, while they are presented as average outcomes, they are expected to vary significantly from year to year based on prevailing conditions (such as market prices and inflows).

- increased electricity bills to Tasmanian customers equivalent to an annual cost of approximately \$105 million per annum.
 - additional equity investments to TasNetworks totalling \$191 million and the risk of cost overruns on the NWTG requiring further equity injection
 - initial lost returns from TasNetworks of \$93 million over the five years to 2030 and a further \$205 million over the next 20 years to 2050, noting that these losses may be able to be improved through adjustments to the NWTG financial model (subject to higher customer contributions).
- vi. A Positive FID being subject to satisfaction of the following conditions:
- A Federal Financial Agreement being entered into with the Australian Government for the \$346 million grant.
 - The satisfactory finalisation of transaction documentation that can be executed by the Minister for Energy and Renewables and/or the Treasurer as appropriate.

This option is recommended.

Option 2 – take a Negative FID for Project Marinus Stage 1: the Government may elect not to take the project forward due to the following reasons and with the following consequences:

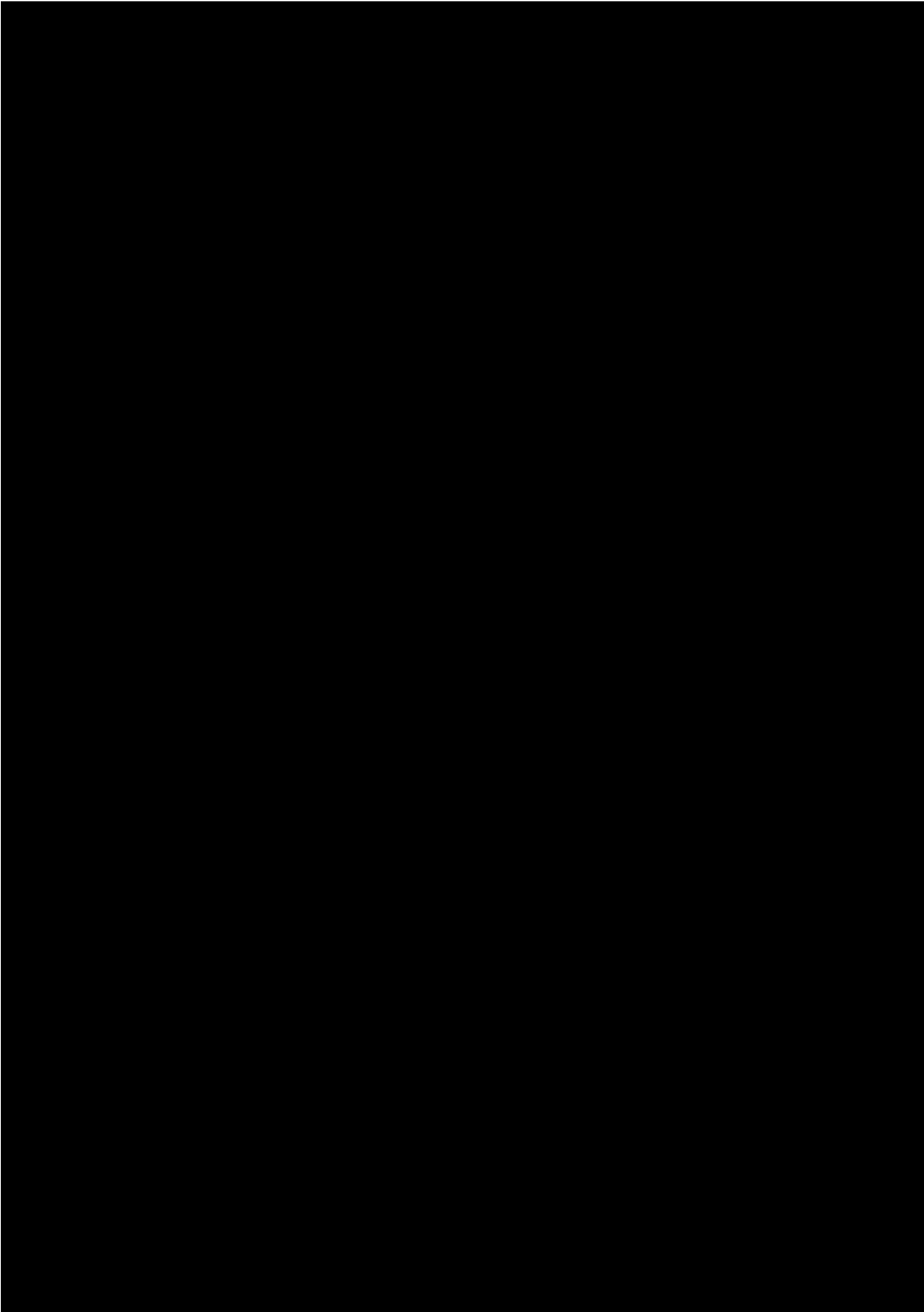
- i. The 2025 Pre-Election Financial Outlook confirms a fiscal position for the State which has no flexibility to deal with material additional cost.
- ii. The risks of cost overruns for mega projects such as the NWTG are high and additional equity would need to be met by the Government as shareholder.
- iii. Many elements that would normally be expected at a FID (e.g. final revenue determination, environmental approvals) are outstanding for Project Marinus with the State having little control over their delivery. There are material contract termination cost exposures for the shareholders if the project is cancelled [REDACTED] for the State if the project is wound up at the end of 2026).
- iv. Forecast returns to government will be volatile and based on modelled outcomes that are subject to many market variables that could change before commissioning and over the 40-year life of the asset. Other risks include sovereign, regulatory, technology and competition risks.
- v. While a negative FID triggers negotiations under the existing shareholders' agreement for Marinus Link that could allow the other owners to pursue the project, there is unlikely sufficient time for this to yield a path to the project proceeding.
- vi. Should the negotiations referred to in paragraph (v) not resolve a path forward and the project is terminated, then the following outcomes are likely to eventuate:

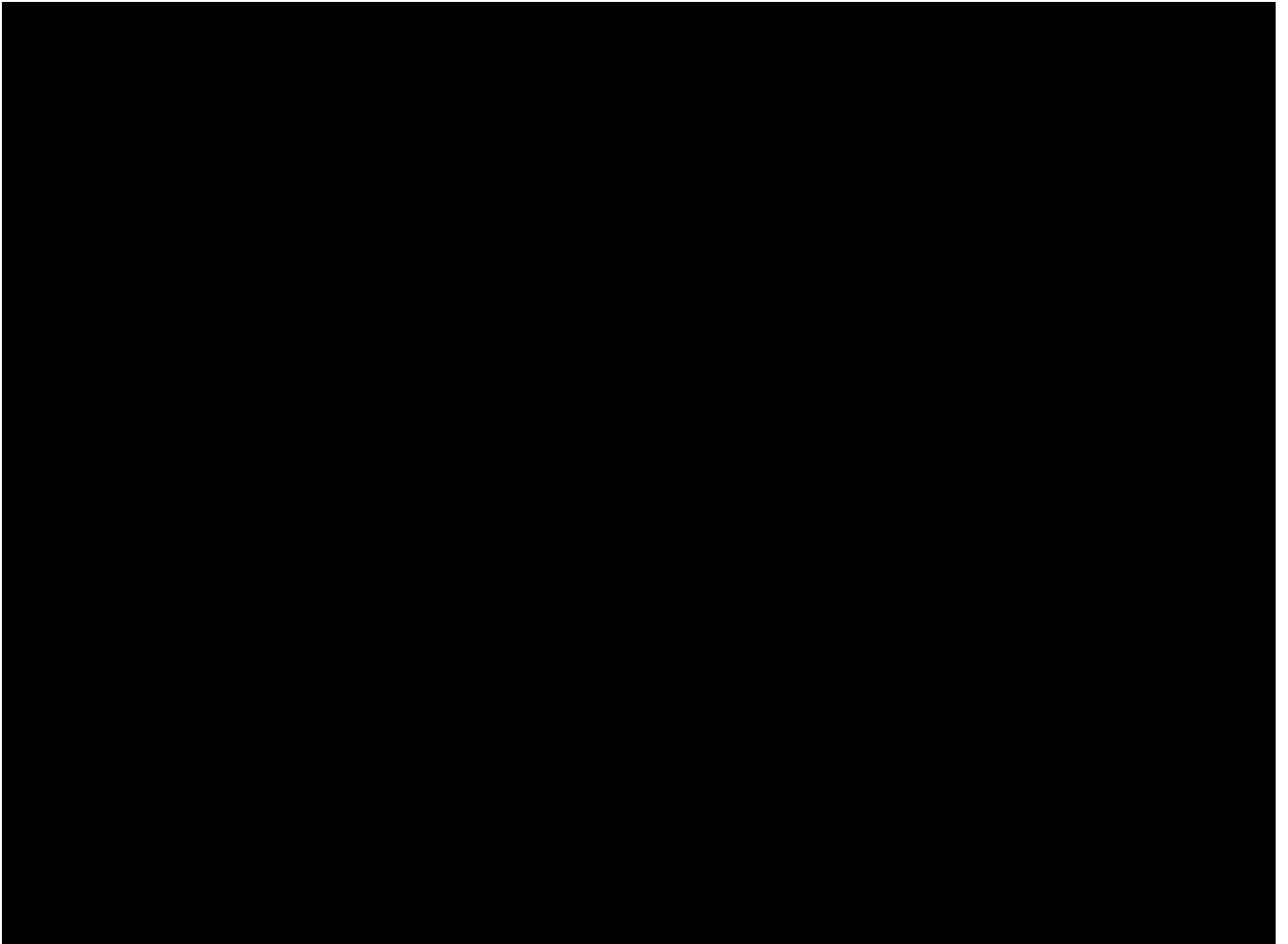
- The State's existing equity contribution at the time of FID of \$103.5 million in Marinus Link is sunk
- Additional wind-up costs of ~\$2 million for Marinus Link would be incurred by the State through its shareholding
- It is unlikely that such favourable concessional financing terms will be available if interconnection is considered again in the future as the NEM would have implemented other solutions to the renewables transition.
- Economic stimulus and modelled returns to Government are foregone.
- Increased risks to energy security in the event of an outage for Basslink and estimated end of life by 2046.

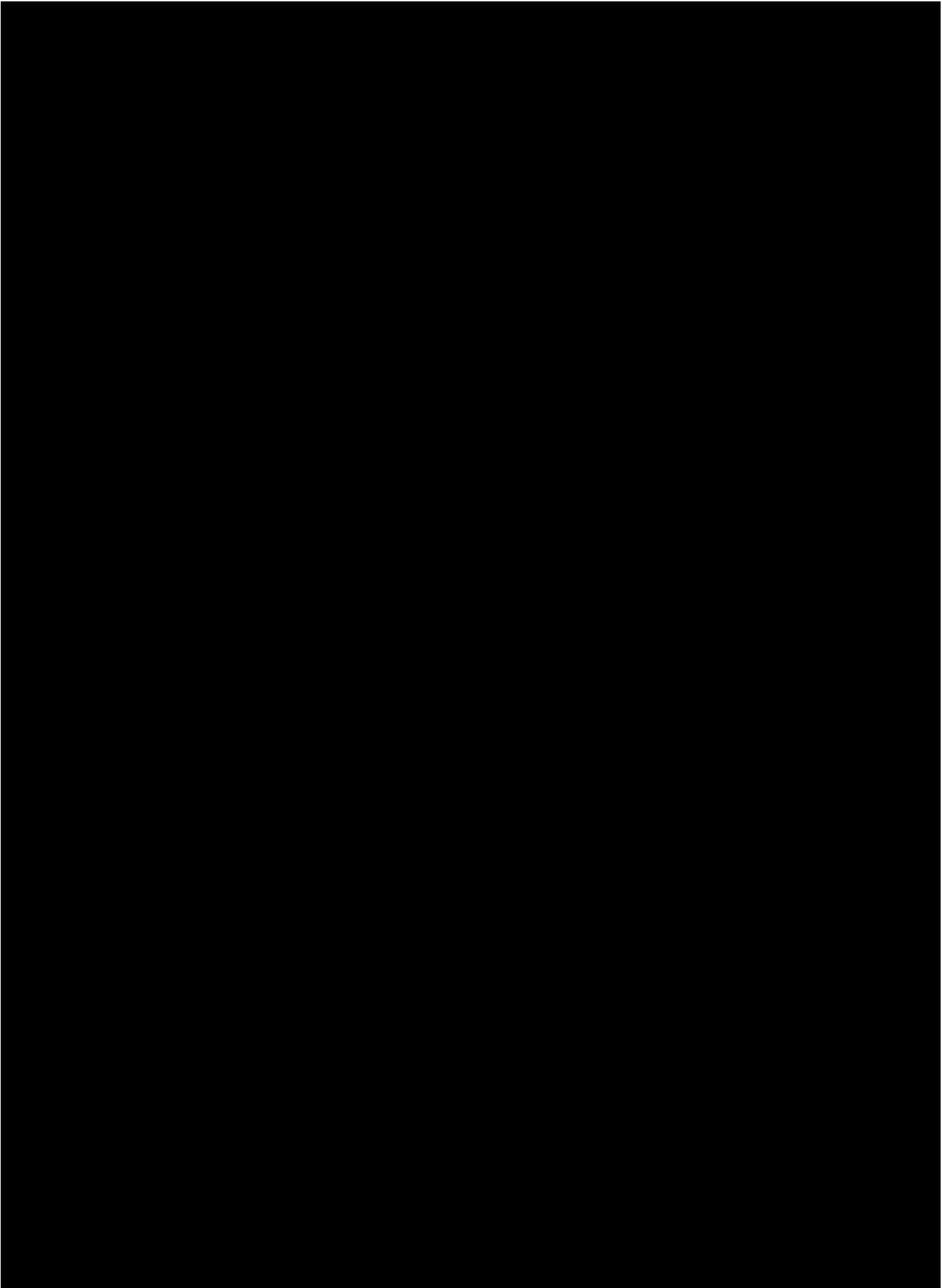
This option is not recommended

If Option 1 is taken, the Minister for Energy and Renewables (as shareholder in Marinus Link and TasNetworks) and the Treasurer (shareholder in TasNetworks), should finalise and execute all necessary transaction documents that will progress the positive FID, including, but not limited to:

- Marinus Link Shareholder Agreement amendments
- Equity contribution agreement for Marinus Link with MLPL and other Marinus shareholders
- Equity contribution agreement for TasNetworks
- TasNetworks exemptions and approvals to utilise non-TasCorp financing
- Marinus Link Equitable Share Mortgage Deed
- Cost allocation bilateral
- Formal responses to MLPL and TasNetworks Boards on their conditional FID recommendations.









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