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Scoping study is a welcome step towards a more connected energy future

Energy Networks Australia today welcomed the announcement of a detailed scoping study for a second Interconnector across Bass Strait between Tasmania and the mainland grid.

Energy Networks Australia CEO, Andrew Dillon said a second interconnector could boost Tasmania's contribution to the National Energy Market (NEM) and Australia's transition to a cleaner energy system.

"For Tasmanian and mainland customers, a second interconnector could bolster supply, providing a safety net in times of great demand, whilst allowing more renewable energy to be fed into the national grid," Mr Dillon said.

"We congratulate TasNetworks, the Australian Renewable Energy Agency (ARENA) and the Australian and Tasmanian Governments on this important collaboration.

"A more connected system is a more reliable system and we can't compromise on security and reliability as we transition to a low carbon energy future."

Mr Dillon said that greater interconnection in the NEM can improve market competition by unlocking lower-cost generation at times of high demand and allow mainland customers to connect with cleaner sources of generation, while benefiting from the back-up provided by a reliable grid.

"Where the cost-benefit analysis stacks up, more interconnection can support a competitive wholesale market in addition to supporting reliability of the energy system and maintaining power security," he said.

The detailed feasibility and business case assessment is expected to cost \$20 million and will be jointly funded by TasNetworks and ARENA.

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Media Contact: Sharon Kalina: 0416 317 183, (02) 6272 1555

Energy Networks Australia represents Australia's electricity transmission and distribution networks and gas distribution networks. Our members provide energy to virtually every household and business in Australia.