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



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Mr Daniel Westerman Chief Executive Officer Australian Energy Market Operator ISP@aemo.com.au 2 2 FEB 2022

Dear Mr Westerman Daniel

I understand submissions on the Draft 2022 Integrated System Plan (Draft ISP) closed on 11 February 2022 and both Hydro Tasmania and TasNetworks provided detailed input. I wanted to reaffirm my support of the Draft ISP and its findings. In particular, I strongly support the status of Marinus Link in the Draft ISP as part of the optimal development path and am encouraged that the Step Change scenario is considered to be the most likely. Marinus Link is shown to be a key driver of net market benefits and would provide the National Electricity Market with increased access to Tasmania's renewable dispatchable capacity and high quality wind resources.

Marinus Link, with associated renewable energy projects in Tasmania, will contribute strongly to Australia's emissions reduction goals, and will maintain reliability and the secure provision of electricity in the National Electricity Market - especially as coal retires in the near future.

Importantly, Marinus Link would provide significant system-wide benefits, extending beyond Tasmania and Victoria. However, the existing cost allocation arrangements do not appropriately reflect the benefits provided by inter-regional transmission such as Marinus Link and would result in Tasmanian customers paying a disproportionate share of costs.

The Tasmanian Government, through Renewables, Climate and Future Industries Tasmania, is continuing to progress our significant renewable energy agenda - including Marinus Link, establishment of our Renewable Energy Zones, and development of a green hydrogen industry. In delivering this agenda and working with the industry, we will ensure it is beneficial to the State and the Tasmanian community, to the National Electricity Market, and indeed globally - particularly in terms of emissions reduction and green hydrogen.

I look forward to continuing to work with you towards the final ISP and congratulate you and the ISP team on your work and engagement to date.

Yours sincerely

Hon Guy Barnett MP

Minister for Energy and Emissions Reduction