

# TasNetworks Revenue Determination 2024-2029

Thank you for the opportunity to make this submission with regards to the AER draft decision on TasNetworks Electricity Transmission Determination 2024 to 2029 and TasNetworks Revised Proposal.

I would like to express a view on the Draft Decision not to accept the Waddamana-Palmerston Transfer Capability Upgrade contingent project, stating that projects required to connect new generation should be delivered through AEMO's ISP.

Currently in Tasmania, large customers<sup>1</sup> looking for new energy supply find it extremely difficult to contract energy from existing generators and will therefore need to source energy from new generation projects. One of the critical issues for investment in new generation is grid connection. Proponents must be confident that their grid connection will be relatively unconstrained and reliable both at the time of connection and in the event of other projects connecting to the same shared network in the future. Where network congestion remains high risk, developments are less likely to proceed. Having a fixed MW, objectively assessable, trigger for this contingent project will increase developers' confidence to proceed with their projects in the Central Highlands REZ, unlocking some of the best wind resources in the NEM<sup>2</sup> to facilitate industrial growth in the State.

A material risk of solely relying on the AEMO ISP process is the two-year cycle could cause material delays (For example, if generation is committed in the next few months and the next ISP isn't due until 2026). The industry is heavily hampered by delays in planning approvals and transmission construction, so any reasonable steps that can improve this situation should be taken.

It would also be counter-productive and somewhat disjointed to have Marinus Link commissioned and renewable energy projects delayed when that could be sensibly avoided.

The ability to decarbonise in line with the various climate change targets including the Tasmanian Government's Renewable Energy Target stand to greatly benefit from the implementation of sensible improvements to approval processes such as this.

Given the current energy constraints in Tasmania and imperative to decarbonise our economy, including this project as a contingent project will provide the most efficient and timely path to transmission investment should the trigger be met.

For these reasons 4C Energy strongly supports TasNetworks Revised Proposal to use a fixed 660 MW of committed new generation as the first trigger for the Waddamana-Palmerston Transfer Capability Upgrade project.

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<sup>1</sup> Established businesses looking to expand or electrify their operations and prospective new loads.

<sup>2</sup> Draft 2024 ISP Inputs, assumptions and scenarios workbook, Capacity Factors tab, 15 December 2023, [https://aemo.com.au/-/media/files/stakeholder\\_consultation/consultations/nem-consultations/2023/draft-2024-isp-consultation/supporting-materials/draft-2024-isp-inputs-and-assumptions-workbook.xlsx?la=en](https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2023/draft-2024-isp-consultation/supporting-materials/draft-2024-isp-inputs-and-assumptions-workbook.xlsx?la=en)

## ABOUT 4C ENERGY

4C Energy Pty Ltd provides specialised professional services in commercial trading and risk management strategies as applied to the National Electricity Market (NEM) in Australia. 4C Energy Managing Director and Principal Consultant, Gerard Flack has over 30 years' experience in the energy industry. Gerard was heavily involved in Tasmania's NEM entry and establishment of Hydro Tasmania's renewable energy portfolio as a mature participant in the NEM.

### 4C Energy:

- assists existing or intending market participants to establish and/or optimise their portfolios, trading strategies and risk management frameworks.
- Provides knowledge and advice on power purchase agreements and energy supply agreements covering energy, gas, and market ancillary services on either the sell or buy side of the transactions.
- Has a particular interest to help facilitate energy supply agreements that include demand-side participation to maximise value for clients as it sees scope for significant innovation in this space as Australia makes the transition to net zero emissions.

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