

7 November 2025

Australian Energy Regulator (AER)

Submitted via marinuslink2025@aer.gov.au

Dear Mr Garbutt,

Consultation on Marinus Link's revised Stage 1, Part B (construction costs) revenue proposal

Hydro Tasmania welcomes the opportunity to provide feedback on Stage 1 Part B of Marinus Link's construction costs. As Australia's largest generator of renewable energy, Hydro Tasmania has played a key role in supporting the National Electricity Market (NEM) for nearly two decades.

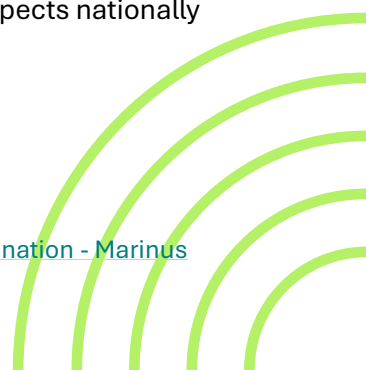
Hydro Tasmania considers Marinus Link to be a transformative investment that will deliver substantial and enduring benefits to the NEM. By unlocking Tasmania's clean dispatchable resources, Marinus Link can enhance system flexibility, reliability, and affordability. It facilitates the efficient sharing of energy and capacity across regions, supports the timely retirement of thermal generation, greater utilisation of new variable renewables and underpins broad decarbonisation objectives.

Hydro Tasmania supports Marinus Link's revised revenue proposal, and in particular, maintaining the inclusion of enabling works for Stage 2 within the construction costs for Stage 1. This is a crucial step toward delivering the full Marinus Link project at an efficient cost, which will unlock 1500 MW of interconnection and play a key role in supporting Australia's transition to a net zero future.

Importantly, the Australian Energy Market Operator's (AEMO) current Integrated System Plan (ISP) includes Stage 2 of Marinus Link in all scenarios, only the timing of its development varies. Given this, and the relatively modest cost of the enabling works, we consider early investment to be prudent and efficient. It will result in better cost outcomes for consumers overall given the cost would be materially higher if done later, and maintaining the option value associated with Stage 2, which is expected to proceed in time. Marinus Link Pty Ltd's (MLPL) analysis to their initial proposal also demonstrates that undertaking enabling works for Stage 2 as part of Stage 1 construction will result in lower total costs for consumers and minimise disruption for landholders.¹

Given the current uncertainties surrounding the development of the transmission network envisioned by the ISP, and challenges bringing on-line new large scale renewable generation prospects nationally

¹ For more information see: [Marinus Link Pty Ltd - Submission - 2025-30 Transmission Determination - Marinus Link - April 2025.pdf](#).



(including offshore wind), approval of this early works expenditure provides a foundation for timely and coordinated infrastructure delivery and broader project enablement in both Tasmania and Victoria. We consider this approach supports investor confidence, enables better planning across jurisdictions, and will ensure that critical interconnection capacity is available when needed to support the NEM as it continues its transition to net zero.

Should you require any further information or wish to discuss the contents of this submission, please contact shannon.culic@hydro.com.au.

Yours sincerely



Alex Beckitt
Head of Strategic Policy

