

Attachment A

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**From:** [REDACTED]@pm.gov.au  
**Sent:** Monday, 14 December 2020 4:46 PM  
**Subject:** Under embargo until 10.30pm tonight - Prime Minister Joint Media Release signing of the Battery of the Nation and Marinus Link projects [SEC=UNOFFICIAL]

Hi all

As discussed tomorrow the Prime Minister is in Launceston for the signing of the Battery of the Nation and Marinus Link projects.

**DETAIL:**

The Government has signed an initial bilateral energy and emissions reduction agreement with Tasmania to improve Tasmanian energy security, reliability, affordability, and to reduce emissions.

The agreement will provide a \$93.9m boost to Tasmania's interconnection with mainland Australia and the National Electricity Market.

The state and territory governments have a critical role in implementing initiatives to support energy security, reliability and affordability.

State deals are an opportunity for them to leverage Commonwealth support for transmission, storage and generation projects.

Commonwealth support for Marinus Link's design and approvals phase will play a key role in COVID-19 recovery by providing economic and job opportunities, and contribute to lower costs, particularly in regional Tasmania.

If fully constructed, Marinus Link will generate significant economic benefits for both Tasmania and Victoria, with up to \$2.9 billion during the project's construction and operation phase, and up to 2,800 jobs during the peak construction phase.

In addition, the Tasmanian agreement includes a commitment to continue working together on the Battery of the Nation (BotN) pumped hydro initiative. Both these projects will provide additional dispatchable electricity and energy storage to the eastern seaboard.

A press release including quotes and background information is below.

All information is embargoed until 10.30pm tonight.

Thanks  
[REDACTED]

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**ENERGY AND EMISSIONS REDUCTION DEAL WITH TASMANIA**

The Morrison and Gutwein governments have signed a State Energy and Emissions Reduction Deal that will create thousands of jobs and deliver secure, reliable and affordable power to the state and the broader National Electricity Market (NEM).

Under the agreement, the governments will work closely to deliver Battery of the Nation and Marinus Link projects to better connect Tasmania with mainland Australia and the NEM, while improving energy security, keeping prices low and reducing emissions.

Prime Minister Scott Morrison said delivering the Marinus Link and Battery of the Nation projects are a key part of the Federal Government's JobMaker Plan to ensure affordable and reliable energy in the east coast energy grid.

"These two projects will maintain downward pressure on electricity prices, so households can keep more of what they earn," Prime Minister Morrison said.

"They will also develop the backbone of a reliable, lower emissions National Electricity Market for the next decade and beyond.

"These projects will create 2,800 jobs which will be crucial as Tasmania continues to recover from the COVID-19 pandemic."

Minister for Energy and Emissions Reduction Angus Taylor said this deal with Tasmania demonstrates the Morrison Government's commitment to ensuring households and businesses in every corner of the country can access affordable and reliable power.

"Projects like Marinus Link and Battery of the Nation can help deliver a more reliable energy system, reducing the risk of blackouts and electricity price volatility.

"Marinus Link will provide the additional interconnection needed to export the electricity generated by the Battery of the Nation projects to the mainland. In doing so, it will unlock a pipeline of new renewable energy investment, including pumped hydro energy storage.

"Energy projects like this also represent a massive economic opportunity for Australia as we recover from the COVID-19 recession."

Premier Peter Gutwein said the MOU between the State and Federal Governments will underpin our plans to rebuild a stronger Tasmania.

"The MOU will help to further unlock Tasmania's renewable energy potential, with thousands of jobs and over \$7 billion in economic activity set to flow as a result," the Premier said.

"Having already achieved 100 per cent self-sufficiency in renewables, Tasmania is already punching above its weight in generating low cost, reliable, clean energy for the nation, and this will help us achieve our target to double our renewable generation to 200 per cent of our current needs by 2040."

Tasmanian Minister for Energy Guy Barnett said it confirms Tasmania's reputation as a global leader in renewable energy.

"The anticipated increased energy interconnection between mainland Australia and Tasmania will also improve energy security and help put downward pressure on power prices, while enhancing our growing reputation for renewable energy production."

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The Commonwealth and Tasmanian governments have previously provided a combined \$95 million to advance these projects.

Key components of the Tasmanian State Energy and Emissions Reduction Deal include:

- The Morrison Government will contribute a further \$93.9 million as part of the agreement for the Marinus link project;

- The creation of a joint special purpose corporate vehicle (62.5 per cent shares to Commonwealth & 37.5 per cent shares to Tasmania) that will progress the Marinus Link transmission through to a Final Investment Decision; and
- The agreement as part of the Morrison Government's Underwriting New Generation Investments (UNGI) program to a scoping and development process for underwriting the first Battery of the Nation pumped hydro site at Tarraleah that will provide additional dispatchable electricity and energy storage to the mainland.

Battery of the Nation and Marinus Link go hand in hand. Marinus Link will enable the export of an additional 1,500 megawatts of capacity to the mainland.

The Tarraleah redevelopment is a \$650 million project that could see early works commence in 2021 and is expected to create 100 new ongoing jobs and 250 jobs during peak construction.

The governments expect to announce more emissions reduction projects as part of the deal in 2021.

The economic benefits of Marinus Link for Tasmania and Victoria are estimated at \$2.9 billion.

The Government is working with state and territory governments to establish agreements that accelerate cooperation on energy and emissions reduction projects.

These agreements will help deliver affordable and reliable energy to consumers, while reducing emissions and creating jobs.

In addition to Marinus Link, the Morrison Government is progressing Project EnergyConnect, VNI West, Humelink and the QNI Interconnector upgrade. This means we are accelerating all major priority transmission projects, creating thousands of new jobs, putting downward pressure on prices and shoring up the future of the grid.

## BACKGROUND INFORMATION

### KEY DETAILS OF THE DEAL

- Key components of the agreement include:
  - o A further \$93.9m investment from the Commonwealth to the Marinus Link project;
  - o The creation of a joint special purpose corporate vehicle that will progress the Marinus Link transmission through to a Final Investment Decision; and
  - o The agreement to a scoping and development process, in 2021, to underwrite the first Battery of the Nation pumped hydro site at the Tarraleah redevelopment that will provide additional dispatchable electricity and energy storage to the mainland.
- The agreement also provides a framework to include more projects in the future to invest in priority technologies such as hydrogen and low carbon industrial materials in 2021.
- The Commonwealth has already provided a grant of \$56 million towards these costs to Tasmania in 2019.
- This includes a further Commonwealth contribution via a convertible loan to a special purpose vehicle of \$93.9 million, subject to a due diligence process, and a Tasmanian contribution of \$39 million (previously announced).

### Special Purpose Vehicle

- The Parties agree to establish an SPV to progress the Project and ensure the mutual requirements of governance and decision-making are met
- The Parties agree to work towards a target date of 31st March 2021 for the SPV to be operational.
- The SPV shall be geographically domiciled in the State and the management team of the SPV shall be geographically based in the State, where possible.
- The two Governments will own the Marinus SPV in the following shares upon its creation:
  1. The Commonwealth will own 62.5 per cent; and
  2. Tasmania will own 37.5 per cent.
- The SPV will have a Board comprising four members. Two members of the Board will be appointed by the State and two members of the Board will be appointed by the Commonwealth.

- In consultation with the State, the Commonwealth will appoint the Chair of the Board and the Chair will have a casting vote.
- The SPV will have a CEO, appointed by the Board.
- The SPV will report to both Parties through Shareholding arrangements for each government.

#### Battery of the Nation

- The State will deliver a project scoping document for Tarraleah redevelopment by Q4 2020 to the Commonwealth Government for the suite of potential BotN hydropower projects.
- By Q1 2021 initial underwriting options for the BotN hydropower projects will be scoped by the Governments.
- The Commonwealth Government will finalise options, including where possible through the CEFC and GRF, to provide adequate underwriting and/or financing support to enable a commercial final investment decision(s) on the agreed BotN hydropower projects.
- The Tarraleah redevelopment is a \$650 million opportunity that could see early works commence in 2021 with 100 new jobs and 250 jobs during peak construction. The redeveloped power station would provide additional flexible, dispatchable capacity aligned to the first Marinus Link cable.

#### HISTORICAL CONTEXT

- On 15 September 2020, Prime Minister Scott Morrison announced a \$250 million Australian Government investment to accelerate critical interconnector projects including the Marinus Link project, to deliver new dispatchable energy capacity and provide reliable and affordable energy to consumers.
  - o The Marinus Link announcement forms a central part of the Commonwealth-Tasmania Energy and Emissions Reduction Agreement.
- The Commonwealth supported Marinus Link as part of the Climate Solutions Package, partnering with Tasmania and committing an initial \$56 million in February 2019 to begin the D&A phase (early works)..

#### OTHER CONTEXT

- The Commonwealth has signed a range of bilateral energy and emissions reduction agreements with state and territory partners, including:
  - o A \$2b Commonwealth/NSW MoU in January 2020
  - o An initial underwriting agreement for VNI West with Victoria
  - o Agreements with WA on key energy battery and microgrid development projects.
- Negotiation on bilateral energy and emissions reduction agreements continue with state and territory partners. The Commonwealth expects further agreement and project announcements in 2021.

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**From:** [Medhurst, Chris](#)  
**To:** [Ellston, Rebecca](#)  
**Subject:** FW: Runsheet - Marinus [SEC=OFFICIAL]  
**Date:** Monday, 14 December 2020 5:11:00 PM

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**From:** [REDACTED]@pm.gov.au>  
**Sent:** Monday, 14 December 2020 5:07 PM  
**To:** Medhurst, Chris <chris.medhurst@dpac.tas.gov.au>  
**Subject:** Runsheet - Marinus [SEC=OFFICIAL]

### OFFICIAL

#### RUNNING ORDER:

**10.00 am** **Prime Minister arrives**  
*Met on arrival by Bridget Archer MP*

*Prime Minister undertakes temperature test and puts on PPE*

**10.05 – 10.30 am** **Power Station Tour**  
*Led by [REDACTED] – Acting Production Manager*

***NOTE:** Media to pre-position in underground Turbine Bays to capture Prime Minister beginning the tour*

**10.30 – 10.35 am** **Pre-Brief**

**10.35 – 11.00 am** **Press Conference**

**11.00 am** **Prime Minister departs**

[REDACTED]  
Office of the Prime Minister, the Hon Scott Morrison MP  
MG 8, Parliament House, Canberra ACT 2600  
p. [REDACTED] | m. [REDACTED]  
e. [REDACTED]

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