

New Tasmanian Pumped Hydro

The Turnbull and Hodgman Governments will begin expanding the Tasmanian Hydro System to provide affordable, reliable electricity as we transition to a lower emissions future.

The Australian Renewable Energy Agency (ARENA) will work with Hydro Tasmania on feasibility studies to assess several new pumped hydro energy storage schemes that could deliver up to 2,500MW of storage capacity for the National Electricity Market, as well as examining expansion of the Tarraleah and Gordon Power Stations.

ARENA will examine four large projects: Mersey Forth-1, Mersey Forth-2, Great Lake and Lake Burbury – with capacity of around 500-700 MW each – and an alternative of nine small scale sites totalling 500MW.

Prime Minister Malcolm Turnbull said an expanded hydro system in Tasmania could provide enough electricity to power 500,000 homes. Federal Environment and Energy Minister Josh Frydenberg and his Tasmanian counterpart Matthew Groom will continue to work on the project.

The proposed expansion comes on the back of plans for Snowy 2.0 and supports the Turnbull Government's technology neutral approach to affordable, reliable electricity.

Enhancing Tasmania's considerable hydroelectric and renewables potential will provide new economic opportunities.

Pumped hydro can further stabilise the National Electricity Market and underpin additional wind investment in the State.

Tasmanian Premier Will Hodgman said the opportunity to expand the hydro system is enhanced by the fact that over the next 10 years Tasmania will invest around \$1 billion in maintaining and refurbishing the State's existing hydropower assets.

This will maximise renewable energy potential in Tasmania helping the national electricity market transition to a low carbon future. The Hodgman Government's vision is for Tasmania to become the renewable energy battery for Australia and it will continue to actively promote further renewable energy opportunities in Tasmania.

The ARENA supported work builds on the study by Dr John Tamblyn, released today, into a second interconnector. Dr Tamblyn's report finds another interconnector might be beneficial, but will depend on the ongoing development of the electricity system in Tasmania and the National Electricity Market.

After taking into account all these changes, the Tasmanian Government will consider the recommendation to accelerate a detailed business case for a second interconnector.