MARINUS LINK

LANDOWNER INFORMATION PACK

DECEMBER 2020

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1 MARINUS LINK

Marinus Link is a proposed 1500 megawatt (MW) capacity undersea and underground electricity and telecommunications connection between Victoria and Tasmania to increase energy exchange throughout the National Energy Market (NEM), as Australia continues its transition to cleaner energy. Marinus Link will also incorporate significant optical fibre capacity, strengthening data connectivity between Victoria and Tasmania.

By increasing energy exchange between Tasmania and Victoria, Marinus Link will unlock renewable energy generation opportunities and cost-effective energy storage, supporting affordable, reliable and clean energy in Victoria, Tasmania and beyond.

With Marinus Link in operation, Victoria will have greater access to clean, hydro-electric long duration 'battery' capacity in Tasmania, allowing excess energy generated by Victorian renewables to be transferred and stored in Tasmania, ready to be used by Victorian customers when needed. The project will add an estimated $1.5 billion of direct value to the Victorian economy, creating approximately 1,400 direct and indirect jobs during peak construction. Peak construction is estimated to last approximately four years.

The Australian Government has provided funding support to progress the project. TasNetworks is progressing the design and approval phase of the project, via its subsidiary Marinus Link Pty Ltd, and working with Victorian communities, businesses and authorities to deliver a successful project, with long lasting relationships.

2 WHO ARE TASNETWORKS AND MARINUS LINK PTY LTD?

TasNetworks plans, owns and operates the electricity transmission and distribution networks in Tasmania. TasNetworks also provides telecommunications services to customers within and beyond the electricity sector in Tasmania. TasNetworks is fully owned by the State of Tasmania.

TasNetworks completed a full feasibility and business case assessment for Marinus Link, with funding support from the Australian Renewable Energy Agency (ARENA). This analysis showed that the link was technically and commercially viable. TasNetworks has worked with the Australian Energy Market Operator, as the Victorian transmission planner and national market operator, to undertake the project analysis. The Australian Energy Market Operator reinforced the importance of Marinus Link as a key component of its 2020 Integrated System Plan for the future energy grid, with the link playing a key role in Australia's affordable and reliable energy transition.

Marinus Link is being progressed by TasNetworks, with financial support from the Australian and Tasmanian Governments. TasNetworks has established a subsidiary business, Marinus Link Pty Ltd, to progress the high voltage direct current (HVDC) interconnection between Victoria and Tasmania. Environment, planning and cultural heritage approvals for the HVDC interconnector project are proposed to be progressed by Marinus Link Pty Ltd, as will financial transactions relating to the link.

For simplicity, in this document we will refer to Marinus Link Pty Ltd, and the TasNetworks team supporting the Marinus Link work, as 'Marinus Link'.

Marinus Link is committed to working with Victorian communities, businesses and authorities to progress the project in a positive way that delivers benefits to energy customers and the community.

3 PROPOSED ROUTE

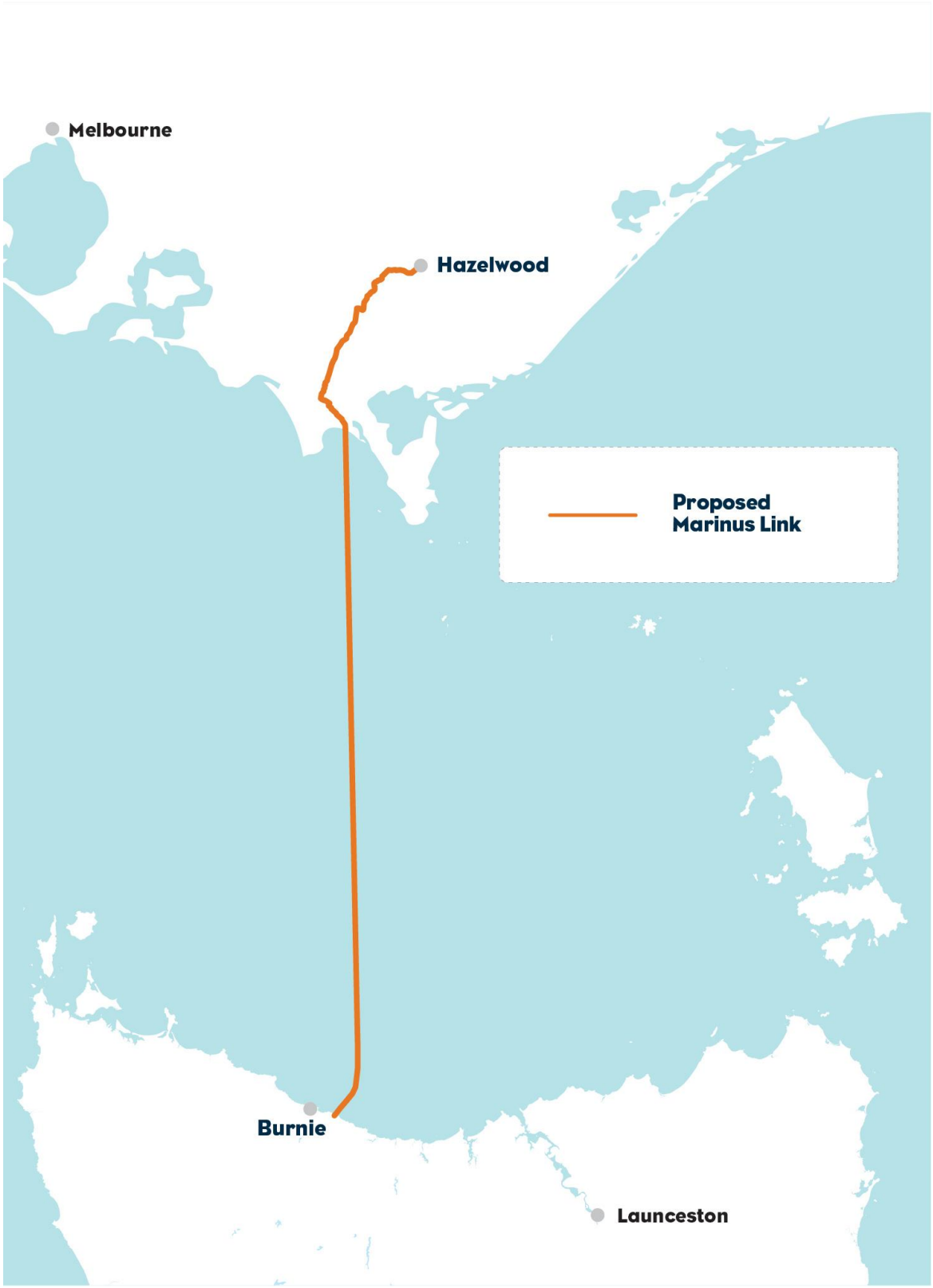
Marinus Link has undertaken analysis to identify a proposed interconnector route between Victoria and Tasmania. Marinus Link will now engage on the proposed route, and undertake field and further marine studies to understand whether any modifications are required before the proposed route is agreed for environmental and planning purposes.

Route and site selection are guided by technical, environmental and social criteria, and financial and commercial constraints. Technical criteria include the project energy transfer objectives and engineering considerations for constructing and operating an interconnector cable and converter stations, and connecting to the existing transmission network. Environmental and social criteria include the existing values that are important to ecological health, people, communities and regulators.

Marinus Link will shortly publish the Marinus Link Route Options Report, to provide further information for landowners, the community and other stakeholders about the process used to identify and evaluate potential route options, including the proposed route. The full Marinus Link Route Options Report will be available to download from our website, marinuslink.com.au.

3.1 Where does the proposed route go?

The proposed route for Marinus Link is between Hazelwood in Victoria's Latrobe Valley and Heybridge in North West Tasmania. This route starts at the Hazelwood Terminal substation, with nearby converter stations connecting to the existing Victorian transmission network. A converter station is a highly sophisticated electrical asset that converts large amounts of direct current (DC) electricity to alternating current (AC) electricity that we use in houses, businesses and industry. A land cable then traverses underground in a southerly direction within a 20m wide easement for approximately 90 km to Waratah Bay on Victoria's south coast. A sea cable crosses Bass Strait, buried beneath the sandy bottom, to the coastal Heybridge converter stations site just outside Burnie on the Tasmanian North West coast. The Tasmanian converter stations connect to an augmented North West Tasmania transmission network, to support the increased power flows across the link.


Melbourne
Hazelwood
Proposed
Marinus Link
Burnie
Launceston

4 What is proposed to be built?

Marinus Link involves approximately 250 kilometres of undersea High Voltage Direct Current (HVDC) cable and approximately 100 kilometres of underground HVDC cable. The link also includes converter stations in Tasmania and Victoria that convert alternating current (AC) to direct current (DC) and back again. The link uses a relatively new form of conversion technology, known as voltage source conversion (VSC) technology. The link is supported by approximately 220 kilometres of High Voltage Alternating Current (HVAC) transmission network developments in North West Tasmania, that will be progressed by TasNetworks.

Marinus Link has a proposed capacity of 1500 MW to be built in two 750 MW stages, with commissioning of each stage proposed to be separated by two to three years. Each stage will involve a set of HVDC cables between Heybridge and the Latrobe Valley, and converter stations at each end. It is proposed that converter stations for each stage will be located at Hazelwood and Heybridge, and that land cables for each stage will be located in a common easement.

4.1 Why underground HVDC?

Underground cables have been selected for the sea and land sections of Marinus Link due to a range of factors, including:

HVDC uses fewer and more compact cables to transfer large volumes of energy over long distances of land and sea, compared to HVAC cables. However, it is expensive to connect new energy generation projects into HVDC cables, with converter stations being required for each connection. HVDC cables therefore tend to be used to transport energy from ‘point to point’ at high volume over long distances.

HVDC is the only viable technology for the approximately 250 km of subsea cable required for the Bass Strait crossing. It is viable to use on land as well, however a choice needs to be made as to where the converter stations connect to the HVAC transmission network.

The site of converter stations needs to be carefully selected, including taking into account energy transfer requirements, and whether other generation and load sources may wish to connect to the transmission network:

In Victoria, engagement with AEMO indicates that bringing the HVDC cable right into the Latrobe Valley represents the best balance between energy transfer, and connection of forecast new generation and load. This reflects that the Latrobe Valley, and Hazelwood Substation, have sufficient capacity to accommodate forecast generation and load in the area. It is therefore more efficient to transport energy at HVDC right into the Latrobe Valley, and then convert to HVAC.

In Tasmania it has been assessed that locating the converter station near the landfall at Heybridge, and a new connection to an upgraded AC transmission network, will provide the best balance of energy transfer, and the efficient connection of forecast new energy generation projects and load.

For the Victorian HVDC land section, use of overhead HVDC transmission lines were considered, however would require more expensive VSC converter lightning protection schemes, and wider easements. Analysis therefore shows that underground HVDC cables, rather than overhead cable, is the preferred option for this route section.

What does this mean for you?

5 Field surveys and investigations

As part of the route selection process, Marinus Link has completed a range of detailed desktop technical studies to understand the potential impacts of the proposed route. These studies included consideration of ecology, cultural heritage and geomorphology, values and characteristics. The desktop findings will be tested by field surveys and 'on-ground' investigations over the coming months.

The field surveys and investigations will further inform design, and will help Marinus Link to identify and mitigate impacts where feasible, and to manage impacts that cannot be prudently avoided.

5.1 **Ecology field surveys**

Ecology field surveys for the proposed project will support information for the Victorian and Australian Governments' environmental assessment processes.

Marinus Link is seeking access to your property so that ecologists can undertake field investigations.

5.1.1 Who is undertaking the ecology surveys?

Expert and experienced consultants will conduct the ecology surveys on behalf of Marinus Link. These consultants are highly qualified in assessing the potential environmental impacts of a project of this scale.

5.1.2 What do ecological surveys look for?

To understand the potential ecological impacts of the proposed transmission developments, Marinus Link needs field information on the existing ecological values. Deeper information on existing ecological values is identified through these surveys.

The ecologists conducting the surveys will be recording plants and animals that exist along the proposed route and identifying those that are protected under Victorian and Commonwealth law. Should the developments proceed, it is likely that some areas of vegetation will need to be disturbed or cleared. This can have an impact on these protected plants and animals.

5.1.3 What do ecology surveys involve?

Target areas within the survey corridor will be identified and surveyed using a 'meander search method'. This involves walking over the survey area in a random manner to record all plant species encountered and targeting habitats and vegetation communities that are likely to hold threatened plants and animals.

Collection of plant specimens may be required, for which the necessary permits are held by the ecologists engaged to conduct the survey. No trapping or invasive survey techniques are planned for this survey.

5.1.4 Cultural heritage field surveys

Marinus Link is seeking to access your property to enable cultural heritage specialists to complete field surveys. The specialists will look for Aboriginal and historic cultural heritage values. Representatives from local Aboriginal communities may be in attendance to assist.

5.1.5 What are they looking for?

Proposed developments like Marinus Link trigger application of State legislation, which requires us to survey areas that may be impacted by the project and assess the potential impacts.

The aim of the cultural heritage field surveys is to identify Aboriginal and historic cultural heritage sites and areas of potential archaeological sensitivity that may be present within a survey corridor. These surveys will contribute to an overall assessment of the Aboriginal and archaeological values and sensitivity of the area potentially impacted by the proposed development.

5.1.6 What happens if something is found on my property?

If we find archaeological and cultural heritage values, further investigations may be required. If this is the case, these requirements will be discussed with you.

5.1.7 Who will conduct the surveys?

The field investigations will be undertaken by archaeologists and in some situations representatives of local Aboriginal communities. They will investigate the area for the presence or absence of Aboriginal and historic cultural heritage values and provide advice on the ongoing management of these values, if found.

5.1.8 What do the surveys involve?

The surveys will involve walking a series of survey transects along the entire length of the proposed route and any other areas that have been identified for potential use or disturbance (eg access tracks). If further investigations are required beyond this survey, we will contact you directly to discuss next steps.

5.2 Geotechnical investigations

Marinus Link will also undertake geotechnical investigations to inform design and construction requirements for the project. These investigations are undertaken to determine soil, rock and other ground conditions to inform site suitability for construction and progress more detailed designs and cost estimates.

If geotechnical investigations are proposed on your property, we will contact you directly to provide you with further information.

Common fringe-myrtle Calytrix tetragona

Photo: Paul Asman and Jill Lenoble

6 Land access and easement compensation

The following pages will outline the different stages involved in land access and compensation, and how easement compensation will be determined.

6.1 **Stages involved**

The following pages outline the different stages involved in land access and compensation discussions, and how easement compensation will be determined.

There are four key stages involved in determining land access and easement compensation:

1. Access for site investigations, including access licences.
2. Confirmation of route for the proposed transmission cables.
3. Negotiate Easement Option Agreement (valuation, offer letter, negotiation and agreement).
4. Easement Option exercised (registration of easement, payment of easement compensation and construction of infrastructure).

6.1.1 **Stage 1**: Access for field surveys and investigations

During the planning stages, we will be investigating a proposed route for the transmission cable. This will allow us to establish the most effective connection path with that minimises impact on landowners, the local community and environment.

In order for Marinus Link to determine the suitability of your property for new infrastructure, we will firstly need to conduct field surveys and investigations.

Prior to commencing field surveys and investigations, Marinus Link or Marinus Link representatives will meet with landowners to discuss, agree and document all relevant land access, survey and rehabilitation protocols. Marinus Link will repair and reinstate any damage to the property caused by these activities.

An access licence is an agreement which legally grants another party access onto privately owned land for a specified period of time, subject to a number of conditions.

Marinus Link recognises that the Access Licence may place some restrictions on your use of the land for a specified period. To compensate for this, we will provide for a licence fee which will be paid to you for

entering into the Access Licence. The licence fee payment is separate to easement compensation, which is agreed at Stage 3 if the property is found to be suitable and an Easement Option Agreement is entered into.

We also recognise that you may wish to obtain legal advice about what the Access Licence will mean for you. To assist with this, Marinus Link will contribute to legal costs up to a capped amount if you enter into an Access Licence with us. Any legal costs you may choose to incur above this amount will be at your own cost.

6.1.2 **Stage 2**: Confirmation of route for the proposed transmission cable

Once we have completed the site investigations and confirmed whether your property is suitable for new infrastructure, we will determine the most appropriate route for the proposed transmission cable.

6.1.3 **Stage 3**: Negotiation of Easement Option Agreement

If Marinus Link identifies your property as being suitable for hosting transmission infrastructure, Marinus Link may ask you to enter into an easement option agreement ("Option Agreement"). An Option Agreement allows Marinus Link to acquire an easement across your property and construct the transmission line when required at a future point in time.

An electricity easement is a legal right over land for the development, maintenance and operation of electricity infrastructure.

The width of easements is proposed to be 20 metres. While ownership of the land remains with the property owner, Marinus Link would be the owner of the easement. This gives us the right to construct, operate and maintain infrastructure on the site, access it whenever required and implement necessary safety controls and actions (including vegetation management). Property owners can continue to use the land, provided there's no interference with our operation of the assets or potential safety risk.

Restrictions apply to activities like erecting structures and buildings, storing materials, undertaking excavation work and lighting of fires within the easement.

At this point Marinus Link or Marinus Link representatives will contact you discuss the impact of the easement on your property to assist in assessing compensation payable for that easement.

A fee will be payable to you on entry into the Option Agreement. The Option Agreement will also include an agreed compensation sum for the easement that would become payable on Marinus Link exercising the Option.

Marinus Link may also determine during investigations that your land is not suitable. In that case, no Option Agreement or easement will be required, and Marinus Link will advise you of this.

6.1.4 Easement Compensation

The Option Agreement will include an agreed compensation sum for the easement that would become payable on Marinus Link exercising the option and registering the easement.

Marinus Link's compensation offer to each landowner will be a fair and reasonable compensation offer based on the Land Acquisition and Compensation Act 1986 (Vic) compensation principles. Further information on the relevant categories of compensation are set out below.

6.1.5 Impact on market value of property

The impact on the market value of the property will be determined through an assessment of the value of the land by an appropriately qualified, licenced and experienced valuer. In assessing this value the valuer will look at the value of the property with and without the easement and assets, with the difference being the impact on the market value of the property.

6.1.6 Severance and depreciation in value

In determining the compensation, where applicable, Marinus Link will also have regard to any reduction in the market value of any other land of the owner which is separated as a result of the easement.

6.1.7 Landowners' other loss or expenses

You may also be eligible to claim compensation for other losses or expenses reasonably incurred as a result of the easement acquisition, including:

- professional costs incurred in negotiating the Option Agreement, including legal costs and valuation fees, and
- compensation for business interruption caused by the easement and related construction activities. e.g. loss of crops.

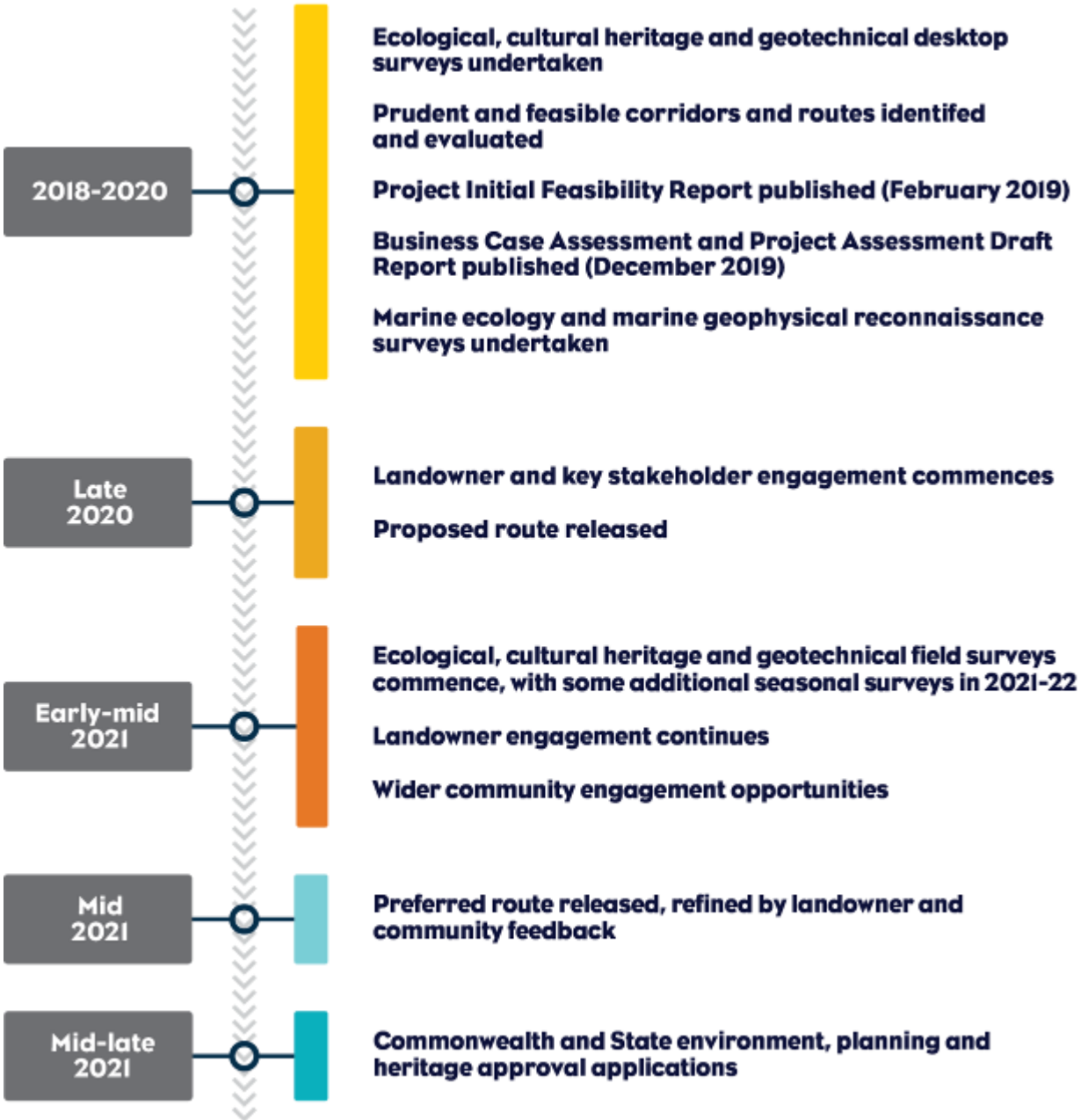
In the event that you do not agree with our proposed offer you will be given the opportunity to obtain your own valuation from a certified valuer with experience in the relevant area. Marinus Link will reimburse you the reasonable costs of this valuation.

6.1.8 **Stage 4**: Exercise of the Option

Once the final investment decision for the transmission cable is approved Marinus Link will seek to exercise the option. Exercising the option will enable Marinus Link to construct the transmission cables and register the easement over your property.

Marinus Link may not receive approval to proceed with the transmission cables, in which case the option would not be exercised and easement compensation will not be paid.

7 Engagement and survey timeline



8 What's next?

Marinus Link will use the proposed route to progress with planning, assessment and engagement activities.

Engagement sessions are planned for late 2020 and early 2021, so that landowners, surrounding communities and stakeholders in Victoria and Tasmania, and those with assets and interests in Bass Strait, will have multiple opportunities to comment on the proposed route and its potential impacts.

8.1 Get in touch

To learn more about Marinus Link we welcome you to contact us

visit **engage.marinuslink.com.au**

email **team@marinuslink.com.au**

call **1300 765 275**