



Consumer Advisory Panel (CAP)

Workshop #5 summary report

30 March 2023



Action	Name and title	Date
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Responsibilities

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1 Introduction

1.1 Engagement purpose

The Consumer Advisory Panel (CAP) provides the key forum for engaging National Electricity Market (NEM) customers on the Marinus Link Revenue Proposal. The CAP aims to be broadly representative of NEM customers. Its purpose is to:

- Provide consumer representatives with a real opportunity to participate in the Marinus Link Revenue Proposal, especially on elements where consumer feedback can have the greatest impact.
- Provide a forum for members to raise questions and concerns on behalf of the consumers they represent.
- Help Marinus Link to ensure that consumers' views and preferences are reflected in the revenue proposal.

The CAP members are:

- Gavin Dufty, Manager policy and research, St Vincent de Paul Society
- John Pauley, Chair, Tasmanian Policy Council, COTA Tasmania
- Professor Richard Eccleston, Director, Tasmanian Policy Exchange, University of Tasmania
- Anne Nalder, Founder & CEO, Small Business Association of Australia
- Elizabeth Skirving, Deputy Chair, Council of Small Business Organisations of Australia.
- Leigh Darcy, Tasmanian Minerals, Manufacturing and Energy Council representative
- Andrew Richards, CEO, Energy Users Association of Australia
- Stephen Durney, Senior Policy Officer, Tasmanian Council of Social Services.

1.2 Workshop objectives

The objectives of the workshop were to:

- Provide the CAP with an overview of the Marinus Link Environmental Impact Statement / Environmental Effects Statement, associated Environmental Performance Requirements (EPRs), and related management measures.
- Seek initial CAP feedback on the EPRs and management measures, with the aim of providing the CAP's feedback to the CAP procurement representative, for the representative to be aware of as they observe the procurement process.

1.3 Preparation

Prior to this workshop, CAP members were provided with a series of fact sheets providing summaries of the potential environmental impacts and proposed environmental performance requirements.

2 Engagement methodology

CAP members were invited to participate in a two-hour, online workshop led by an independent facilitator from RPS.

The workshop consisted of three parts:

➤ Introduction

As part of the workshop introduction, Ben Wagner was introduced to the CAP as the new Head of Customer Projects for Marinus Link and the incoming CAP observer for Marinus Link. Additionally, Ben provided the CAP with an update on the Regulatory Process for Marinus Link.

➤ Overview of EIS/EES and EPRs

This session consisted of a presentation overview of the EIS/EES, EPRs and proposed management measures, delivered by Sarah Harris, Marinus Link and Katie Watt, Tetra Tech Coffee, as well as a Q&A with the CAP.

➤ Consideration of EPRs and management measures

In two breakout groups, the CAP considered the EPRs and proposed management measures, and potential flow on impacts to consumers, and identified aspects the CAP thought were 'smooth sailing' (comfortable), 'rough waters' (uncomfortable), or surprising. The CAP was also encouraged to suggest any opportunities or risks they spotted that might require investigating by Marinus Link.

3 Engagement outcomes

This section summarises the outcomes of the workshop and how Marinus Link is responding or intends to respond.

3.1 Introduction

Ben Wagner, Head of Customer Projects for Marinus Link presented to the CAP with an update on the Regulatory Process for Marinus Link, including timing for the Revenue Determination Process, and timing for parts A and B of the revenue proposal.

Ben also provided the CAP with an update on the CAP procurement representative, noting the following:

- The scope for the CAP representative was circulated to CAP members, which the CAP responded to with suggestions.
- As per CAP feedback, the representative will be an observer rather than a decision maker in the procurement process.
- One CAP member suggested a candidate for the role.
- As agreed with the CAP, the next steps will be for Marinus Link to provide the CAP with a shortlist of candidates, from which the CAP will choose and approve their representative.
- Tenders for the project cables and converter stations will close in June, and Marinus Link is seeking to award these tenders by November 2023.

3.1.1 What we heard

Feedback included:

- Several members of the CAP enquired about cost allocation modelling for Marinus Link, particularly about how Marinus Link will be recovering costs under the current model, and the cost to Tasmanian consumers in comparison with cost to Victorian consumers. CAP members noted that under current modelling, Tasmanian consumers stand to benefit less than Victorian consumers, but carry more of the cost.
 - One CAP member noted that Basslink has a jurisdictional allocation of 10/90, with 90% covered by Victoria, and expressed that it would be disappointing for Marinus Link to move forward with a 15 (Tas) / 85 (Vic) allocation.
 - Ben explained that Marinus Link will not recover any costs from customers until the transmission line is in service, even following a revenue determination for Early Works. If the project does not

proceed, there is zero cost recovery from customers and therefore Marinus Link Pty Ltd is carrying this risk as the project owner.

- Ben also explained that cost allocation between Tasmania and Victoria is yet to be agreed, noting that current modelling is approximate and will need to be refined over time.
- Ben added that Marinus Link has secured agreement from the Commonwealth for concessional debt, which will flow through to consumers and not be retained by Marinus Link. For this to be the case, the Commonwealth government is required to implement a rule change and this has not yet occurred.

➤ There were no questions or feedback from the CAP regarding the CAP procurement representative.

3.1.2 How Marinus Link will respond

An update on pricing has been scheduled for 18 April 2023.

3.2 Overview of the EIS/EES and EPRs

Sarah Harris, Marinus Link, and Katie Watt, Tetra Tech Coffey, provided a presentation on the EIS/EES, EPRs, and proposed management measures. Key topics covered in the presentation included:

- The environment and planning approvals process
- An introduction to the performance-based management approach
- The studies undertaken, potential impacts identified and associated mitigations proposed. Study areas discussed included:
 - Noise and vibration
 - Air quality
 - Traffic management
 - Groundwater and surface water
 - Potential contaminated land and acid sulphate soil
 - Agricultural production
 - Ecology (terrestrial and marine)
 - Cultural heritage (on land and underwater)

3.2.1 What we heard

Following the presentation, the CAP was encouraged to ask questions about the EIS/EES, EPRs and management measures during a Q&A session.

- A CAP member enquired about whether Marinus Link has completed studies to understand potential impacts of Electromagnetic Fields (EMF) on livestock businesses and noted that this is likely to be a point of interest for livestock farmers near the alignment. The CAP member suggested that Marinus Link be proactive with key messaging about impacts to agricultural businesses, to avoid being swept up in the negative sentiment growing around other transmission projects in Victoria.
 - The CAP member also noted that a point of frustration for communities impacted by other transmission projects is the lack of a “front door” or point of contact such as a physical shop front, phone number or email address, and that when people enquire about those projects they are “handed from group to group”.
 - The CAP member encouraged Marinus Link to talk to Basslink to understand where the project intersects within the same communities and manage cumulative impacts and benefits.
 - Katie and Sarah explained that studies were conducted on EMF and Electromagnetic Interference (EMI) for the EIS/EES and that EMF/EMI from Marinus Link is highly unlikely to impact agricultural operations.
- A CAP member asked whether studies investigated potential excessive heat from HVDC cables under ground and whether this is likely to impact surface soil quality for agricultural uses.
 - Ryan Mazengarb, Senior Project Engineer for Marinus Link, explained that while the HVDC cables do run hot (at about 70-80 degrees Celsius at installation level), the temperatures are lower at topsoil level to match ambient temperatures of around 25 degrees Celsius. Ryan added that he has not seen any evidence nationally or internationally of farmers reporting difficulty in growing pastures or grass over a HVDC alignment.
 - Katie explained that studies for EMF included heat modelling and that there will be thermal backfill added for heat dissipation.
- A CAP member asked about what strategies, objectives or targets Marinus Link has in place to reduce the project’s own carbon emissions during construction and operation.
 - Sarah explained that Marinus Link has recently finalised its own Sustainability Framework, and that the tender includes an imperative to reduce carbon emission by a certain percentage. Successful tenderers must respond to the framework, including this emissions reduction objective.
- CAP members praised Marinus Link’s commitment to assessing cultural heritage across the Bass Strait and asked who the traditional owner/s are for that land. CAP members also asked about the distinction of cultural heritage for Commonwealth waters vs State waters (near the shore) and how Marinus Link is required to manage the multiple jurisdictions.

- Sarah and Katie explained that Marinus Link does not yet know who the traditional owners are for the Bass Strait and is currently seeking guidance from the Commonwealth government on this point. Sarah and Katie noted that the land based traditional ownership ends where the land meets the water.
- Sarah and Katie explained that the requirement to do a cultural heritage assessment of the Bass Strait is new since Bass Link was developed, so Marinus Link is unable to seek information from Bass Link on this matter.
- Sarah and Katie noted that because the legislation is new, it includes little guidance on how projects should conduct this assessment, and expect the AER to be seeking feedback on how to make the legislation clearer.
- Katie added that Marinus Link is currently not taking a jurisdictional view on cultural heritage across the Bass Strait, instead focussing on cultural heritage values.
- A CAP member suggested that Marinus Link reach out to the Blue Economy Research Centre for information, which works in offshore aquaculture and has been addressing some offshore jurisdictional matters with the Commonwealth government.

3.3 Consideration of the EPRs and management measures

Following the presentation and Q&A session, the CAP broke into two groups online for 20 minutes to discuss what members heard, consider potential cost to consumers based on the proposed management measures, and identify areas of comfort and discomfort. The CAP was also encouraged to suggest any opportunities or risks it spotted that might require investigation by Marinus Link.

The CAP's feedback from this session will be provided to the CAP procurement representative when they are onboarded.

3.3.1 What we heard

General feedback included:

- ✔ The CAP expressed that without seeing the exact costs associated with the proposed management measures it could not comment on cost impacts to consumers.
- ✔ The CAP also noted that EPRs and management measures are not an area of expertise for CAP members.

Areas of comfort included:

- ✔ The CAP is supportive of the performance-based management approach.
- ✔ The CAP is supportive of using Horizontal Direct Drilling (HDD) to reduce risk to cultural heritage.

Areas of discomfort included:

- The CAP expressed that Marinus Link's relationship with on-island wind development is a risk for the project.
- The CAP noted that there is large cost associated with securing social license, as well as reputational risk in not doing it successfully. The CAP agreed that processes need to be set up early to secure social license to avoid costs associated with not doing this correctly.
- The CAP noted that "contagion" is a risk (people blaming Marinus Link for enabling other projects)
 - The CAP also noted a risk in Marinus Link's proximity to offshore wind development.
- The CAP noted that there might be groups who want to explore the early history of the Bass Strait, which might become more difficult following construction of Marinus Link, and suggested this be considered a risk.

Risks or opportunities identified by the CAP for Marinus Link to look out for

- Potential to not get value for money from specialists who are brought on to assess cultural heritage across the Bass Strait, but are not experienced in this area.
- Important for Marinus Link to have a strong understanding of the Victorian legislative landscape, and secure Victorian government buy-in and understanding of the project early (use strong communication tools like fact sheets).

3.3.2 How Marinus Link will respond

The CAP's feedback will be provided to the independent procurement observer. It is anticipated that this feedback will be helpful in assessing tenderers' proposed responses to the environmental performance requirements.

4 Engagement evaluation

Workshop participants were invited to complete an evaluation at the end of the workshop to provide feedback about their experience of the workshop. Only one response was received.

The respondent praised the presentation and the breadth of effort being put into planning but said they were unclear about the purpose of the discussion about the EPRs and management measures and it was hard to comment on this without being presented with costs.