



# Media statement

28 October 2019

## Basslink statement

Basslink Pty Ltd. (Basslink) has received Hydro Tasmania's pricing instruction as set out in Hydro Tasmania's Market Statement dated 18 October 2019, according to Basslink CEO Malcolm Eccles.

"The pricing instruction given by Hydro Tasmania is unnecessary as it is based on multiple assumptions, hypotheticals and disputed information. In Basslink's opinion, the pricing instruction may result in a series of deviations to various compliance responsibilities and legal requirements of Hydro Tasmania," he said.

Basslink notes that Hydro Tasmania received a preliminary recommendation on **24 July 2019** from DNV GL to limit the interconnector's capacity as part of an initial evaluation that has not been validated, is based on assumptions, and is subject to ongoing analysis by DNV GL.

In response, Basslink provided Hydro Tasmania an independent response from its experts, Cable Consulting International (CCI), which expressed concerns (a) about the reliability of the information used by DNV GL to come up with its recommendation, and (b) that the restriction of Basslink's capacity by use of the pricing instruction is unnecessary. Despite these concerns, Hydro Tasmania has not provided Basslink with any further work or investigation conducted by DNV GL beyond the preliminary evaluation three months ago.

The pricing instruction by Hydro Tasmania will further restrict Basslink's import and export limits and will result in a number of adverse consequences:

- Reducing availability from the National Electricity Market (NEM) on a sustained basis;
- Lessening the competition in the NEM impacting supply and pricing; and
- Impacting Tasmania's energy security as summer approaches.

While Basslink is able to make the interconnector available at 500 MW (from the sending end), it has no choice but to comply with and bid in accordance with Hydro Tasmania's pricing instruction under the Basslink Services Agreement.

The pricing instruction does not affect Basslink's telecoms cable (providing broadband services to internet service providers) and will not affect the fees payable to Basslink under the Basslink Services Agreement.

-Ends-

**For further media enquiries on Basslink, please contact:**

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**About Basslink** [www.basslink.com.au](http://www.basslink.com.au) The Basslink Interconnector enhances security of supply on both sides of Bass Strait; protecting Tasmania against the risk of drought-constrained energy shortages while providing Victoria and southern states with secure renewable energy during times of peak demand. The Basslink Interconnector is the world's second longest undersea electricity cable. Owned by Keppel Infrastructure Trust, Basslink delivers excellence in the areas of safety, reliability and performance.

Basslink has a number of fibre optic assets which carry high speed telecommunication traffic. Basslink Telecoms offers a range of wholesale transmission services between Tasmania and Victoria.