MARINUS LINK

Fact Sheet

Financial Close & Notices to Proceed

What has happened?

Marinus Link has passed another two landmark milestones in transitioning to the project's Manufacturing, Construction and Commissioning phase.

Financial close

Financial Close has been achieved with the project's debt financier, the Clean Energy Finance Corporation (CEFC). This means that financing agreements and terms are now finalised.

The CEFC's commitment is expected to be $3.8bn ($nominal), inclusive of capitalised interest during construction. The final amount of concessional finance is subject to the regulator's final determination on project costs.

This is a pivotal milestone for Marinus Link Stage 1, which is now fully funded, following equity commitments from the Commonwealth, Tasmania and Victoria, as part of a Final Investment Decision.

Notices to proceed

At the same time, MLPL has issued notices to proceed for its high-voltage direct current (HVDC) cable and converter technology suppliers, Prysmian Powerlink and Hitachi Energy, who will now finalise engineering designs and commence pre-construction activities.

Hitachi Energy

In May 2024, Hitachi Energy was contracted to supply its HVDC Light® voltage source converter stations for Marinus Link Stage 1. These will convert alternating current (AC) to direct current (DC) for efficient, long-distance transmission and DC to AC, where the electricity is returned to the grid.

The advanced converter technology will also help to stabilise the grid and enable the integration of more renewable energy.

Hitachi Energy pioneered commercial HVDC technology 70 years ago and has delivered more than half of the world's HVDC projects. Today, the company has the largest installed base of HVDC in the world.

Prysmian Powerlink

In August 2024, Prysmian Powerlink was contracted to design, manufacture, supply and install the project's HVDC and fibre optic cables for Stage 1.

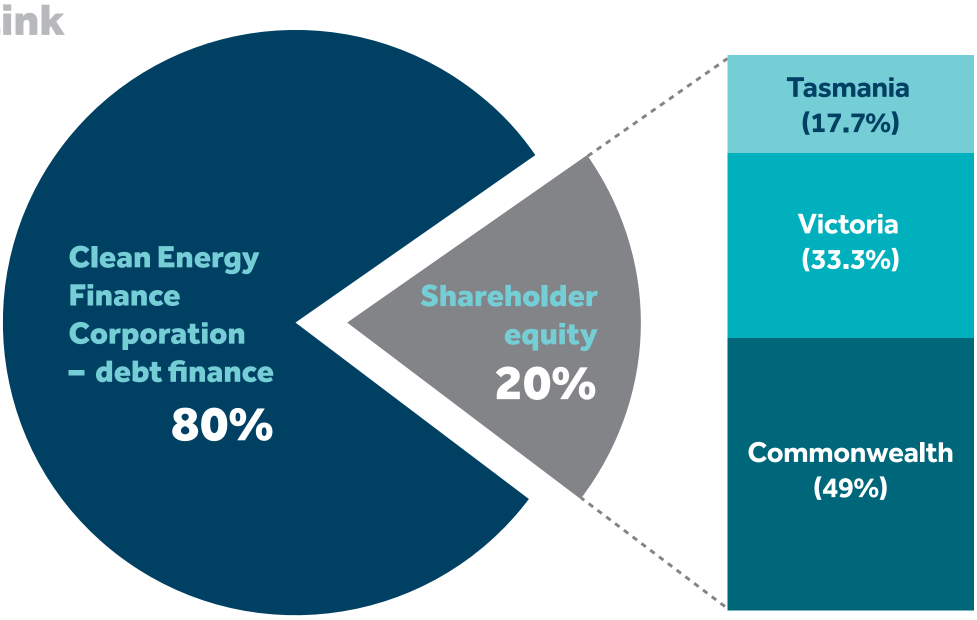
Prysmian is an Italian company and the world's largest cable manufacturer.

The project's cables span 345 kilometres (km). This includes 255 km of undersea cables across Bass Strait and 90 km of underground cables in Gippsland, Victoria.

Marinus Link's HVDC submarine cables will be manufactured at Prysmian's Arco Felice factory in Naples and laid by the Leonardo Da Vinci – Prysmian's most advanced cabling vessel.

The land cables will be manufactured in a different factory in Gron, France.

Marinus Link
Stage 1



How does the financing for Marinus Link work

Marinus Link is a nationally significant project, jointly owned by the Commonwealth, Tasmania, and Victoria, with commitments to fund 20 per cent of Stage 1 in low-returning equity. This is broken down further by each shareholder's equity stake.

The remaining 80 per cent will be funded with a concessional loan from the Clean Energy Finance Corporation, under the Australian Government's Rewiring the Nation program.

What are the benefits of concessional debt finance and low-return equity?

Revenue regulation

Marinus Link's costs and benefits have been subject to extensive, evidence-based and independent scrutiny since the initial feasibility assessment.

The project has been found to be in the long-term interests of energy consumers, meaning the future grid will be more affordable, reliable and lower emissions with Marinus Link than without.

As such, Marinus Link can be considered a 'regulated' network investment whereby its costs are shared amongst the electricity consumers who benefit from it.

These costs will flow to electricity consumers in Tasmania and Victoria through transmission network charges on power bills. This process is managed through a transparent regulatory framework by the independent Australian Energy Regulator, which ensures that all project costs are necessary, prudent, and efficient.

Concessional benefits

With the upfront investment for Marinus Link paid for by CEFC's long-term **concessional** debt finance and shareholders' **low-returning** equity, the recovery of costs through power bills is significantly lower than would be required through alternative financing arrangements.

This is expected to deliver $900 million in savings to Tasmanian and Victorian electricity consumers during the first five years of the project's operation alone, equivalent to a 45 per cent reduction in the impact of transmission-related consumer costs.

More information

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