

Tasmanian Energy Situation Frequently Asked Questions

As at 15 June 2016

1. What happened and why?

Tasmania has recently experienced a challenging set of circumstances in relation to energy supply as a result of an extreme water shortage caused by the lowest spring rainfall on record and below average summer rainfall.

This situation led to historically low levels in Tasmania hydro-electric dams.

We rely heavily on hydro power to generate the energy that Tasmania needs and low dam levels, combined with the outage of the Basslink cable, meant Tasmania experienced an energy situation.

2. What is the situation now?

In the past week much of the North and North-West of Tasmania experienced record breaking rainfall with some areas receiving more than three times the average monthly rain in a 24-hour period.

The Basslink interconnector has now been repaired providing Tasmania with energy access assurance throughout the high energy demand winter months.

The recent heavy winter rains has increased the hydro-electric water storages to 27.1 per cent.

Hydro Tasmania and the Government continue to work closely together to ensure the electricity needs of Tasmanian households, communities and business are met.

We have turned a corner but it is not time to become complacent.

3. What is the Tasmanian State Government doing now?

The Tasmanian Government will continue to deliver the state's Energy Supply Plan to ensure the state's energy needs are met.

Although the increase in dam levels are a welcome improvement to Tasmania's energy security it will take time for the dams to fully recover and Hydro Tasmania will continue to manage inflows prudently.

In addition to the Government working with Hydro we will also continue to work in tandem with others across government including Aurora Energy and TasNetworks.



Hydro Tasmania and the Government will continue to provide regular updates on the Energy Supply Plan.

For more information on the Energy Supply Plan visit Hydro Tasmania's website: www.hydro.com.au/energy/energy-supply-situation-and-response

4. What do I need to do about this?

The Government's Energy Supply Plan ensures our energy needs continue to be met.

We invested heavily in significant gas and temporary diesel generation so that small businesses and households were not forced to cut back on their energy use or purchase additional generation themselves.

Tasmania's hydro-dams will take time to refill to satisfactory levels. We can all play our part to assist water levels to increase as quickly as possible by being energy efficient to help conserve water in Tasmania's dams, as well as keep power bills down.



5. Will there be any changes to power prices?

The Government is committed to keeping power prices as low as possible.

Any direct costs associated with the Energy Supply Plan will be borne by Hydro Tasmania and will not be passed on to households, communities or small business.

Regulated power prices, which cover households and most small businesses, are set independently by the Economic Regulator each year. Any increase to regulated power prices, as determined by the Economic Regulator from 1 July this year, is expected to be modest and not as a result of the current situation.

Concessions for vulnerable customers will go up if there is an increase in prices for residential customers, and this process will not change.

We encourage business customers on market contracts to contact their retailer to discuss their projected energy needs.

6. Will this happen again?

Tasmania experienced a unique set of circumstances. However, there are always lessons that can be learnt especially amid changing weather patterns.

To future-proof Tasmania against a similar situation happening again, an independent Energy Security Taskforce has been established to review the key decision-making related to the present energy situation and report back to Government with recommended actions in regard to ensuring future energy security for Tasmania.

Key facts at a glance

- Lowest spring rainfall ever recorded.
- First ever extended Basslink outage.
- Recent rains have increased water storage.
- The Energy Supply Plan successfully slowed the decline in water levels.
- Basslink interconnector has returned to service.
- New energy efficiency initiatives being developed.