Fact Sheet

A new era of hydropower at Cethana

Tasmania's energy demand is growing. New wind and solar farms will complement our hydro network to help power our lives, business and industries. But what happens when the wind doesn't blow and the sun doesn't shine?

Storing energy will be the key to a secure, reliable energy system that powers Tasmania for generations to come.

Hydro Tasmania is proposing to build the State's first pumped hydro power project at Cethana – storing vast amounts of energy, ready for when it's needed. It will not only support Tasmania's growing energy network but help Australia transition to renewable energy.

Delivering value to Tasmania

This is a big project which means lots of jobs during construction and a boost for the local economy.

- More capacity, to help power Tasmanian homes, businesses and industries
- More local jobs and investment
- More value to Tasmania, through greater profits returned as dividends to support schools, hospitals and housing.

What's planned?

- Building a new upper storage above Lake Cethana
- Utilising the existing Lake Cethana as the lower storage
- New underground tunnels to connect the two storages
- A new 750MW underground power station
- A new transmission line connection from the power station switchyard to TasNetworks' proposed new Staverton Substation.

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What will it cost?

The estimated cost of the Cethana Pumped Hydro Project is $2.6 billion (CY2023 real dollars). Our cost estimates are now based on more detailed planning and design work and provide greater confidence. Estimates for construction costs and inflation have also risen since our original estimate in 2020.

Detailed commercial analysis demonstrates a compelling case for the proposed Cethana pumped hydro project, given the market need for storage along with the enhanced revenue opportunities and benefits to Tasmania.

Next steps

It takes a lot of work to get a project of this scale to a Final Investment Decision (FID) and the project will only proceed if there is a strong commercial case and it benefits Tasmania. Next steps are:

- Further geotechnical studies
- A detailed business case, with further analysis of commercial and technical viability
- Planning for a Workforce Accommodation Facility that would house the construction workforce
- Continued consultation with community and stakeholders
- Progressing Local, state and federal approvals
- Seeking approval from the Tasmanian Parliament.

What is pumped hydro?

The national electricity market is moving away from fossil fuel and relying more on clean sources of energy like wind and solar. That's great news for the environment and future generations but it creates challenges. Wind and solar don't generate all the time. You need something to 'fill the gaps' to make sure supply stays reliable for consumers. That means you need lots of energy in storage, ready to use when needed.

Hydropower - and particularly pumped hydro - are excellent examples of energy in storage and work hand-in-hand with wind and solar, keeping supply reliable.

Stay up-to-date:
https://connect.hydro.com.au/cethana-pumpedhydro

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