



Tarraleah – a hydropower icon in Tasmania

The Tarraleah scheme was a visionary project built in the 1930s. It has been generating clean energy for more than 85 years. It plays an important role in Tasmania's energy system, generating 7.3% of Tasmania's energy every year.

The scheme is approaching the end of its operational life, and there is no 'do nothing' option. As we plan for the scheme's future, we have the opportunity to transform Tarraleah – ready to deliver clean, reliable energy for another generation and return even more value to Tasmania.

Because it is ageing, there are three main issues to address:

- **Environmental:** The canals and pipelines that carry water many kilometres from Lake King William to the station are reaching the end of their operational life. A failure could impact the adjacent World Heritage Area.
- **Value:** It takes a long time to ramp energy generation up or down because of the scheme's aged conveyance technology. In the fast-paced energy market, demand changes every 5 minutes but the Tarraleah scheme is slow to respond. We miss opportunities to generate revenue and value for Tasmania.
- **Reliability:** Due to its age, there are frequent outages and high maintenance costs.

Reimagining Tarraleah for a bright future

After carefully reviewing several options, Hydro Tasmania determined that fully redeveloping the scheme would provide the most value to Tasmania.

Investing in the scheme's future means we can deliver more energy and flexible capacity to meet growing demand in the state, address the risks posed by ageing assets and increase revenue and value that can be returned to Tasmanians.



The proposed Redevelopment at a glance

- Building a new, higher capacity power station next to the old one
- Replacing the old existing canals and penstocks with a new pipeline to carry water
- Connecting the new pipeline to a new water intake currently under construction at Lake King William
- Upgrading transmission infrastructure
- Preserving the historic power station in its original location.

What this means for Tasmania

- **More clean energy:** A new power station will provide more than double peak capacity and generate 30% more electricity from the same amount of water. That means there will be more energy to power Tasmanian homes, businesses and industries.
- **More revenue:** More efficient use of water means we can turn the station on and off quickly to respond to fluctuating market demand. That brings greater revenue opportunities by generating when the energy is most valued.
- **More jobs & local investment:** There will be around 250 jobs during construction, a boost to local investment and lasting benefits for communities.
- **More returns to Tasmania:** Greater Hydro Tasmania profits mean greater returns as dividends to support schools, hospitals and housing.

What will it cost?

The estimated cost of Redevelopment is \$1.96 billion (2024 dollars). Our cost estimates are now based on more detailed planning and geotechnical work since the 2023 Preliminary Business Case (PBC) and provide greater confidence. Estimates for construction costs and inflation have also risen since the PBC.

The revenue projections have also improved and detailed commercial analysis is showing that the Tarraleah Redevelopment stacks up financially and delivers the strongest estimated returns of all options considered.

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:

- Market testing the cost estimate and procuring the right contractors
- Continued consultation with community and stakeholders
- Progressing Local, state and federal approvals
- Seeking approval from the Tasmanian Parliament.



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