

1 July 2024

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee,

RE: Canberra hearing of the Middle Arm industrial precinct inquiry

Thank you for the opportunity to present to the Committee on Monday 17th June in Canberra.

Please find detailed here responses to the question presented on notice during the hearing as well as a correction of evidence on solar build times in Australia, as well as detail on the potential cost of the Tamboran offtake deal struck by the NT government.

Questions on notice and corrections:

Solar build times in Australia

I would like to correct the record of evidence presented during the hearing. **Solar farms currently take 13 months on average to proceed from construction commencing to first energy.** This evidence is from the *Waiting to generate: An analysis of onshore wind and solar PV project development lead-times in Australia* report published by Lachlan Clapin and Thomas Longden , researchers at the Australian National University and Western Sydney University, in 2024. During evidence I inadvertently said 11 months rather than 13 months.

Research available at:

<https://www.sciencedirect.com/science/article/pii/S0140988324000458?via%3Dihub> (Table 4)

Estimated cost of the Tamboran deal struck by the NT government

During the questions, I referenced basic calculations on the potential cost of the 9 year offtake deal struck by the NT Government with Tamboran for the reported provision of [40TJ of gas per day](#) from 2026. Due to the NT Government not revealing the cost of the deal, the following three scenarios are to illuminate what the potential total cost of the deal presents to the NT.

The most likely price is the “Mid” scenario based on discussion with NT energy sector professionals. The “low” scenario of \$10.5/Gj is from modeling undertaken by [Tamboran and provided to investors](#). While the “high” is what the cost would look like if prices rises above current rates again.

	Low	Mid	High
Potential cost of gas (\$/GJ)	10.5	14	16
Cost over 9 years	\$1,379,700,000	\$1,839,600,000	\$2,102,400,000
Cost over 9 years plus 6.5 year extension	\$2,376,150,000	\$3,168,200,000	\$3,620,800,000

Questions on notice: Bass Strait producers statement

On 27th May, 2024, the Sydney Morning Herald ran this story entitled "['No shortage': Producers reject minister's gas supply claim](#)".

The story goes on to state "Victoria's gas companies have declared there is no shortage of local reserves to fill impending shortfalls" and "gas producers say there is enough supply in the pipeline to avoid long-term shortfalls for decades".

Full article available at:

<https://www.smh.com.au/politics/federal/no-shortage-producers-reject-minister-s-gas-supply-claim-20240527-p5jgut.html>

Thank you again for the opportunity to present to the enquiry.

Yours sincerely,

Tom Quinn

Managing Director

Springmount Advisory