

Energy and Emissions Reduction – Western Australia

FEDERATION FUNDING AGREEMENT - ENVIRONMENT

Formalities and operation of schedule																																									
Parties	Commonwealth of Australia; Western Australia																																								
Duration	This Schedule is expected to expire on 30 June 2021.																																								
Purpose	This Schedule will support the development of Western Australia's South West Interconnected System (SWIS) Big Battery project and extend the existing WA-based Microgrids Program for remote communities .																																								
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to Western Australia of \$28.5 million towards two grants: \$15 million for the SWIS Big Battery project and \$13.5 million for the Microgrids program extension.</p> <table border="1"> <thead> <tr> <th colspan="4">SWIS Big Battery</th> </tr> <tr> <th>Table 1A (\$ millions)</th> <th>2020-21</th> <th>2021-22</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>155.0</td> <td>0</td> <td>155.0</td> </tr> <tr> <td>Less estimated National Partnership Payments</td> <td>15.0</td> <td>0</td> <td>15.0</td> </tr> <tr> <td>Balance of estimated non-Commonwealth contributions</td> <td>140.0</td> <td>0</td> <td>140.0</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">MICROGRIDS</th> </tr> <tr> <th>Table 1B (\$ millions)</th> <th>2020-21</th> <th>2021-22</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>27.0</td> <td>0</td> <td>27.0</td> </tr> <tr> <td>Less estimated National Partnership Payments</td> <td>13.5</td> <td>0</td> <td>13.5</td> </tr> <tr> <td>Balance of estimated non-Commonwealth contributions</td> <td>13.5</td> <td>0</td> <td>13.5</td> </tr> </tbody> </table>	SWIS Big Battery				Table 1A (\$ millions)	2020-21	2021-22	Total	Estimated total budget	155.0	0	155.0	Less estimated National Partnership Payments	15.0	0	15.0	Balance of estimated non-Commonwealth contributions	140.0	0	140.0	MICROGRIDS				Table 1B (\$ millions)	2020-21	2021-22	Total	Estimated total budget	27.0	0	27.0	Less estimated National Partnership Payments	13.5	0	13.5	Balance of estimated non-Commonwealth contributions	13.5	0	13.5
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Additional terms	Within new market rules and structures developed through the Western Australian Government's Energy Transformation Strategy, Synergy and the Western Australian Government will endeavour to ensure that the SWIS Big Battery project provides essential system services to the market when most needed and offers services at appropriate market competitive rates.																																								

South West Interconnected System (SWIS) Big Battery project

Table 2: Performance requirements, reporting and payment summary

Objective: Design, install and commission a transmission connected Battery Energy Storage Solution with a total capacity of 100 MW/200 MWh for completion by 2022/23.

Output	Performance milestones	Report due	Payment
Design phase overview Project scope and delivery strategy	Provision of the following Big Battery project documentation: <ul style="list-style-type: none"> • Feasibility study and project design • Project scope, delivery timeline, risk management plan • Competitive tender process & timeframes • Copy of tender documentation. 	28/02/2021	\$5.0m
Final project scope	Provision of material required to confirm the final investment decision including: <ul style="list-style-type: none"> • Progress of competitive tender process • Detailed specifications of proposed battery, including anticipated performance and benefits: <ul style="list-style-type: none"> ○ Grid-scale synthetic inertia and fast frequency response capabilities ○ Active and reactive power voltage support ○ Response times to network outages ○ Storage and dispatch capabilities under different conditions. ○ Benefits to communities, including jobs created • Estimate of grid connection date 	14/05/2021	\$10.0m

WA-based Microgrids Program for remote communities

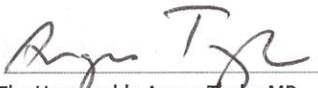
Table 3: Performance requirements, reporting and payment summary

Objective: Extend the WA-based microgrid program to install an additional 2.3 MW of solar and 3 MWh of battery storage across participating communities.

Output	Performance milestones	Report due	Payment
Phase 1 Feasibility Report Phase 2 Project design and implementation plan	<p>Phase 1: Provision of Feasibility Assessment report</p> <ul style="list-style-type: none"> ○ Confirmation of proposed communities and towns ○ Expected solar and battery sizing ○ Estimates of: <ul style="list-style-type: none"> ▪ \$ per MWh savings to be achieved ▪ Reduced Emissions - Tonnes of CO₂ saved ▪ Jobs to be created <p>Phase 2: Provision of implementation plan documentation covering project design and delivery strategy, scope of works, delivery timeline, Risk Management Plan, Communication and Stakeholder Engagement Strategy</p>	01/04/2021	\$5.0m
Progress Report and Performance Metrics	<p>Phase 3: Provision of Progress Report covering the period from 1 January 2021 to 31 April 2021, to include the progress on:</p> <ul style="list-style-type: none"> ○ Site specific project design documentation; ○ Agreements and approvals; ○ Community engagement; and <p>Report on procurement undertaken or underway.</p>	14/05/2021	\$8.5m

The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Angus Taylor MP
Minister for Energy and Emissions Reduction

13/1/21

[Day] [Month] [Year]

Signed for and on behalf of the
State of Western Australia by



The Honourable Bill Johnston MLA
Minister for Mines and Petroleum; Energy; Industrial
Relations.

02 FEB 2021

[Day] [Month] [Year]