

NSW Hydrogen Ready Gas Generation

FEDERATION FUNDING AGREEMENT – ENVIRONMENT


Formalities and operation of schedule																	
Parties	Commonwealth New South Wales																
Duration	This Schedule is expected to expire on 30 June 2024.																
Purpose	This Schedule will assist the New South Wales Government to support the development of EnergyAustralia's 316 MW Tallawarra B open cycle gas turbine power station ("Tallawarra B power station"), specifically work to ensure that the plant will be 'hydrogen ready'.																
Estimated financial contributions	<p>The Commonwealth will provide a total financial contribution to New South Wales of \$5.0m in respect of this Schedule.</p> <table border="1"> <thead> <tr> <th>NSW Hydrogen Ready funding (\$ million)</th> <th>2021-22</th> <th>2022-23</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>28</td> <td>8.5</td> <td>82.5</td> </tr> <tr> <td>Less estimated National Partnership Payments</td> <td>5.0</td> <td>0.0</td> <td>5.0</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>23</td> <td>8.5</td> <td>77.5</td> </tr> </tbody> </table> <p>Note: The total reflects the total amount of grant funding, which will be provided beyond 2022-23</p>	NSW Hydrogen Ready funding (\$ million)	2021-22	2022-23	Total	Estimated total budget	28	8.5	82.5	Less estimated National Partnership Payments	5.0	0.0	5.0	Balance of non-Commonwealth contributions	23	8.5	77.5
NSW Hydrogen Ready funding (\$ million)	2021-22	2022-23	Total														
Estimated total budget	28	8.5	82.5														
Less estimated National Partnership Payments	5.0	0.0	5.0														
Balance of non-Commonwealth contributions	23	8.5	77.5														
Background	<ol style="list-style-type: none"> EA Funding Agreement in Table 2 of this schedule refers to a document titled Funding Agreement for Dispatchable Capacity dated 30 April 2021 in relation to the Tallawarra B power station that the Crown in the Right of the State of New South Wales, acting through the Department of Planning, Industry and Environment (the "Department") and EnergyAustralia Tallawarra Pty Ltd ("EnergyAustralia") are parties to. EPC Funding Deed in Table 2 of this schedule refers to a document titled Engineering, Procurement and Construction contract dated 3 May 2021 in relation to the Tallawarra B power station that the Department, EnergyAustralia and GE Power Australia Pty Ltd and Clough Projects Australia Pty Ltd (together, the "EPC Contractor") are parties to. At the time of this agreement: 																

- | | |
|--|--|
| | <p>a) Milestone 1 set out in item 1.1 of Schedule 1 of the EnergyAustralia Funding Agreement has been achieved and as a result the Department has paid an amount of \$5.0m (exc. GST) to Energy Australia in accordance with clause 6.2 and item 2.2 of Schedule 1 of the EA Funding Agreement.</p> <p>b) Milestone 1 set out in item 1.1 of Schedule 1 of the EPC Funding Deed has been achieved and as a result the Department has paid an amount of \$4.0m (exc. GST) to the EPC Contractor in accordance with clause 6.2 and item 2.2 of Schedule 1 of the EPC Funding Deed.</p> |
|--|--|

Table 2: Performance requirements, reporting and payment summary		
Performance milestones	Report due	Payment
Provision by the New South Wales Government, to the satisfaction of the Commonwealth: <ul style="list-style-type: none"> Executed copy of the EA Funding Agreement and the EPC Funding Deed. Details of agreed project activities and support payments, including timing and value, for the Tallawarra B project to proceed to hydrogen readiness are set out in the EA Funding Agreement and the EPC Funding Deed. EnergyAustralia's draft hydrogen procurement plan. 	31/01/2022	\$5.00m
<ul style="list-style-type: none"> Delivery of all reports by EnergyAustralia and the EPC Contractor under the EA Funding Agreement and the EPC Funding Deed in relation to the Tallawarra B power station, including: <ul style="list-style-type: none"> project milestones achieved and payments made; remaining milestones to be achieved and associated payments; issues or delays with project progression; assessment of hydrogen readiness and remaining steps needed for this status to be reached; and key lessons learnt from the project to date. <p>All information must be provided to the Commonwealth by email to electricitycode@industry.gov.au. Any change in the requirements relating to the provision of information will be communicated by the Commonwealth in writing.</p>	Ongoing up to 30 June 2024	N/A

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 Industry, Energy and Emissions Reduction

15/12/ 2021

Signed for and on behalf of the State of New South Wales by



The Honourable Matthew Kean MP
Minister for Energy and Environment

17/12/ 2021