

Pre-Feasibility study into Curtis Island LNG Electrification

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule													
Parties	Commonwealth Queensland												
Duration	This Schedule is expected to expire on 30 June 2022.												
Purpose	Under the Supporting Reliable Energy Infrastructure program, this Schedule will support investigation of the merits of electrifying liquefied natural gas (LNG) plant processes on Curtis Island, Queensland.												
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to Queensland of \$1.5 million in respect of this Schedule.</p> <table border="1"> <thead> <tr> <th>Table 1 (\$ million)</th> <th>2021-22</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>1.5</td> <td>1.5</td> </tr> <tr> <td>Less estimated National Partnership Payments</td> <td>1.5</td> <td>1.5</td> </tr> <tr> <td>Balance of non-Commonwealth</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table>	Table 1 (\$ million)	2021-22	Total	Estimated total budget	1.5	1.5	Less estimated National Partnership Payments	1.5	1.5	Balance of non-Commonwealth	0.0	0.0
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Estimated total budget	1.5	1.5											
Less estimated National Partnership Payments	1.5	1.5											
Balance of non-Commonwealth	0.0	0.0											
Additional terms	Nil.												

Table 2: Performance requirements, reporting and payment summary

Outputs	Performance milestones	Report due	Payment
Project scope and delivery strategy	<p>Document outlining the scope and delivery strategy for each component of the project. The document will include, but not be limited to, the following:</p> <ul style="list-style-type: none"> • A risk management and probity plan which includes a framework for addressing process risks and governance matters. • Proposed costings for each component of the project. • Name of proposed supplier/s undertaking each component of the project. 	30/11/2021	\$0.5 million
Technical connections study	<p>A document outlining the business case for, and technical and commercial feasibility of, connecting Curtis Island to mainland Australia, including the merits, costs, and barriers.</p> <p>The proposed lead for this component of the project has been identified as the Queensland transmission company, Powerlink. Powerlink will conduct and deliver their technical connections study report independent of the Queensland Government.</p> <p>Non-transmission system elements of this work program, such as on-island considerations of transferring liquefaction process from gas driven to electric driven, may be carried out by third party consultants or one or more of the consortia.</p>	31/03/2022	\$0.5 million
Energy markets study and Final report	<p>A comprehensive study examining the broader benefits, costs and additional considerations for domestic gas and electricity markets if Curtis Island were connected to the mainland (NEM).</p> <p>A final report which draws together all components of the project and outlines the viability of pursuing electrification of LNG facilities on Curtis Island and identifies the amount of natural gas that would be freed up through this process (including potential mechanisms to ensure delivery of freed up gas into the domestic market). The report will, based on independent modelling and technical expert assessment, contain options for both Governments to consider and provide advice on the practical steps for delivery.</p>	10/06/2022	\$0.5 million

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

[Day] [Month] [Year]

16 11 21

*Signed for and on behalf of the
State of Queensland by*



The Honourable Michael de Brenni MP

Minister for Energy, Renewables and Hydrogen

[Day] [Month] [Year]

27 4 2022