

Helping secure Australia's energy future

Designed to operate for 150 years, Snowy 2.0 will be a national asset owned by every Australian to help secure our energy sovereignty.

Like the iconic Snowy Scheme, which still underpins reliable energy to homes and businesses today, this next phase will power Australia for generations to come.

Snowy 2.0 is one of the most complex and challenging feats of engineering underway in the world.

Essentially a giant battery, the project will store excess power from wind and solar and deliver it to homes and businesses across the grid at times it's needed most.

Snowy 2.0's world-leading 350,000MWh of energy storage is enough to power 3 million homes for a week, the storage equivalent of 26 million home batteries.

Independent modelling from Baringa Partners has confirmed Snowy 2.0 is critical to maintaining reliable electricity

supply and market stability after coal-fired power stations retire.

This white paper underscores that without the deep storage offered by Snowy 2.0, the National Electricity Market (NEM) faces a critical reliability gap short-duration batteries cannot bridge.

When complete, Snowy 2.0 will help to enable a reliable, lowest-cost energy system for Australian homes and businesses.



Equivalent to **26 MILLION** home batteries



\$18.3 BILLION added to the Australian economy



\$2.1 BILLION added to the local economy



5,000+ jobs during peak construction



700+ local jobs



80% of expenditure spent locally



~\$7 BILLION of estimated savings to customers



Enables **6,600 MW** of new renewables

*present value to 2075

Revised budget and commissioning date

Following a line-by-line reforecast by principal contractor Future Generation Joint Venture (FGJV) and rigorous independent verification, Snowy Hydro has updated the project's target cost to \$22.2 billion while allowing for a cost scenario of up to \$25 billion, given Snowy 2.0's uniqueness, risk and technical complexity.

Target completion date for Snowy 2.0 is late 2029.

The cost reassessment found the primary reasons for the increased project cost were:

- Detailed technical analysis continuing to identify the scale and nature of the design immaturity of the project when the final investment decision was made, driving additional cost.
- Construction complexities contributing to principal contractor FGJV not meeting productivity targets.
- Cost and planning underperformance by FGJV leading to previous underestimating of the delivery scope.
- Global cost escalation for equipment, services and people exceeding allowances made at the 2023 contract reset.

Snowy Hydro has taken action to strengthen the project's delivery and cost performance, including:

- Directing FGJV to establish a project control office with enhanced data and analytics to drive site productivity and identify emerging risks early, which is now in place and operational.
- Embedding independent infrastructure delivery and cost experts in the project to bolster delivery oversight.
- Establishing a new board oversight committee including external megaproject advisors to monitor and take action on progress and risk.
- Driving changes in FGJV's leadership on the project, including a new Project Director, responsible for daily cost and schedule performance on the ground, and a broad uplift with more senior, globally experienced megaproject leaders.

DELIVERING FOR THE NATION AND THE GRID

An independent economic analysis by GHD highlights Snowy 2.0's significant contribution to both Australia's energy grid and the national economy.

GHD's analysis finds that the project will add \$18.3 billion directly to the Australian economy, with over 80 per cent of total expenditure spent locally to support more than 5,000 direct jobs at peak construction.

Snowy 2.0 is expected to help lower wholesale electricity prices by making extreme price spikes less frequent and less severe.

The report says savings to electricity customers are estimated at approximately \$7 billion to 2075, in present value terms.

Independent modelling from Baringa Partners confirms Snowy 2.0 is an indispensable insurance policy for Australia's future energy mix.

Baringa's white paper underscores that without the massive 350GWh of deep storage offered by Snowy 2.0, the NEM faces a critical reliability gap short-duration batteries cannot bridge.

A scenario mapped by Baringa, when ageing coal-fired plants are retired, shows having short-duration batteries as the NEM's only form of storage would place unprecedented stress on grid stability and drive increases in wholesale prices during wind and solar droughts.

With Snowy 2.0, which can generate continuously for a week, as part of the energy mix, the system remains stable and average wholesale prices are suppressed by \$7,095/MWh.

snowyhydro



Scan the QR code for more information about Snowy 2.0