



Snowy 2.0

→ Project Benefits Analysis

Snowy Hydro Limited

October 2026



IMPORTANT NOTICE: This report has been prepared by GHD solely for Snowy Hydro Limited for the purpose agreed between GHD and Snowy Hydro Limited. It does not constitute advice to any other person and has not been prepared for, and must not be relied on by, any person other than Snowy Hydro Limited. The estimates and projections in this report are based on information supplied by Snowy Hydro Limited and third parties that GHD has not independently verified, and are subject to the assumptions, limitations and disclaimers set out in this report.

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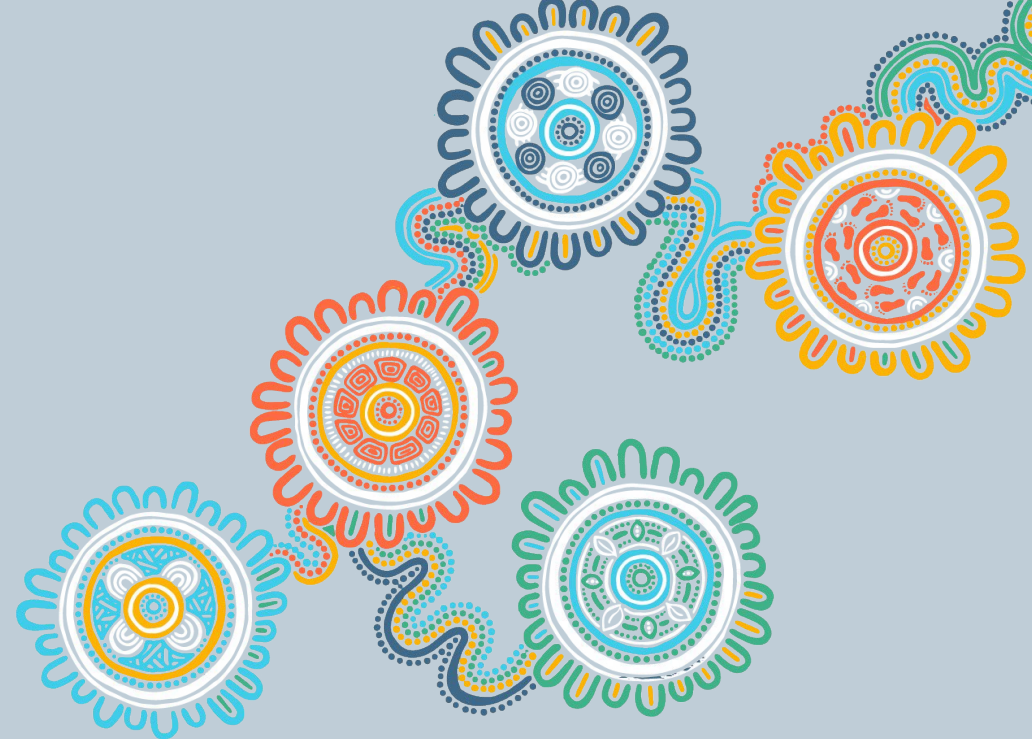
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Acknowledgement of Country

GHD acknowledges Aboriginal and Torres Strait Islander peoples as the original Custodians of the lands and water throughout Australia. We recognise their strength, diversity, resilience, and deep connections to Country and sky as nurtured across generations. We pay our respects to Elders, past and present, as they hold the memories, knowledges and spirit of Australia.

GHD is committed to partnering with and learning from Aboriginal and Torres Strait Islander peoples as we continue to foster sustainability in water, energy and communities for the prosperity of future generations.

Merinda Walters is a proud Kamilaroi Yinarr (Aboriginal woman). After joining GHD in 2019 as an intern through the CareerTrackers program, she went on to become an Environmental Scientist and Stakeholder Engagement Consultant based in our Cairns office. She has now joined CareerTrackers as Program Manager for the Young Indigenous Women in STEM Academy. Merinda specialises in contemporary Aboriginal art using acrylic paints; her work reflects her passion for nature and conservation, as well as her culture and connection to Country.

Snowy 2.0 – estimated benefits for Australia

Snowy 2.0 is a renewable energy project of national significance, and the economic benefits and impacts it is estimated to deliver are expected to reach far beyond the Snowy Mountains.

Analysis of the key economic benefits and impacts associated with the construction and operation of Snowy 2.0 indicates that, subject to the assumptions and limitations set out below, it is expected to deliver significant outcomes to Australia.

Key limitations of this report

- GHD has relied on information as supplied by Snowy Hydro Limited, Future Generation Joint Venture (FGJV), Voith and third-party modellers (including Baringa and Marsden Jacob Associates) and has not independently verified or validated the accuracy, completeness or reliability of the underlying data.
- The findings in this report should not be read as a formal economic appraisal, cost-benefit analysis or investment evaluation of Snowy 2.0. The economic impact figures in Part B are gross input-output estimates and do not account for displacement of activity from other projects or the opportunity cost of the investment.
- All figures are estimates or projections that depend on assumptions about project completion, commissioning (expected late 2029), transmission augmentation, market conditions and government policy, all of which may change. Actual outcomes may differ materially from those estimated.
- Headline figures are central or upper-range estimates; the ranges, assumptions and methods are set out in the body of the report and the figures should be read together with them.
- This report has been prepared solely for Snowy Hydro Limited. It does not constitute advice to any other person and must not be relied on by any person other than Snowy Hydro Limited.

~3 million

homes could be powered for a week from Snowy 2.0 storage capacity

~70%

lower prices than a battery alternative during extended low renewable generation*

~18,700

FTE jobs supported across Australia at peak construction in 2027

~\$7 billion

of estimated savings to electricity customers (present value to 2075)

102,000

one-year jobs estimated to be supported nationally (gross input-output estimate)

\$18.3 billion

estimated to be added to the Australian economy (gross value added)

\$2.1 billion

in direct value added to the regional economy

6,600 MW

of new wind and solar estimated to be enabled

** Based on a modelled 2041 week of low wind/solar generation after the retirement of coal when comparing maximum spot prices against an equivalent GW battery energy storage system (BESS). Source: The role of deep storage in our electricity system – Baringa Partners white paper P15*

A more reliable and more affordable national grid

Once operational, Snowy 2.0 is expected to be the largest source of stored, dispatchable energy in the NEM. Its spinning turbines provide inertia, frequency control and black-start capability, which inverter-based renewables cannot. Its location between New South Wales (NSW) and Victoria lets it move power to where the network needs it most. Batteries typically cover hours, but Snowy 2.0 is expected to be able to run at full output for up to a week. This gives the grid resilience through long periods of low wind and solar output.

Snowy 2.0 is expected to help lower wholesale electricity prices by making extreme price spikes less frequent and less severe. Savings to electricity customers are estimated at approximately \$7 billion in present value terms to 2075. One modelled scenario is a winter week with little wind and solar, after coal has left the NSW market. In that week, Snowy 2.0 is estimated to deliver peak wholesale prices almost 70% lower than an equivalent battery solution.

Supporting the energy transition

By firming wind and solar output, Snowy 2.0 is expected to enable an estimated 6,600 MW of new wind and solar capacity. It is also expected to help coal-fired generators retire while supporting grid stability. This supports Australia's legislated pathway to net zero by 2050.

Over a decade of economic impacts across Australia

Construction of Snowy 2.0 draws on labour, materials, manufacturing, transport and professional services from across the country. The expenditure profile of the project's construction program will:

- Support the equivalent of approximately 102,000 full time equivalent (FTE) job-years nationally
- Add approximately \$18.3 billion in gross value added to the Australian economy
- Generate an estimated \$9 billion in wages and salaries.

Activity is expected to peak in 2027, when the project is estimated to support approximately 18,700 FTE jobs across Australia. In the surrounding region, the project is estimated to directly support approximately 7,840 FTE job-years and add around \$2.1 billion in value. Of this, an estimated 6,140 FTE job-years and \$1.5 billion are in the local Snowy Mountains economy.



Introduction

Snowy 2.0 is a renewable energy project of national significance and is expected to deliver benefits and outcomes across Australia. To better understand the type, scale and range of benefits and outcomes Snowy 2.0 is expected to deliver across Australia, GHD has been engaged to prepare this Snowy 2.0 Project Benefits Analysis Report (Report).

To prepare this Report, GHD followed a four-stage process using publicly available and commercial-in-confidence information from Snowy Hydro and Principal contractor Future Generation Joint Venture (FGJV) and delivery partner Voith.

1. Gather all relevant information about the project and associated works.

2. Analyse received and publicly available information to identify direct and indirect benefits and outcomes expected to be generated by the construction and operation of Snowy 2.0.

3. Identify and define the direct and indirect economic benefits and outcomes expected from Snowy 2.0.

4. Estimate the identified direct and indirect economic benefits and outcomes expected from Snowy 2.0.

The key economic benefits and outcomes that construction and operation of Snowy 2.0 are expected to deliver are outlined in the following sections.

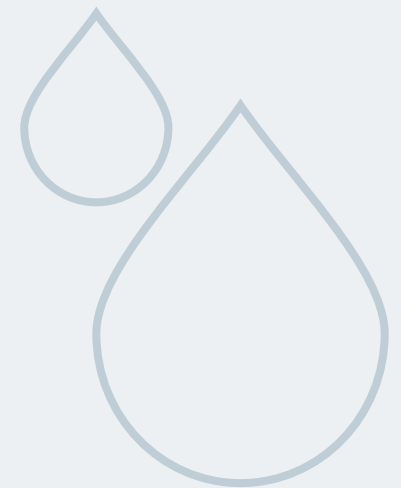
Part A – Snowy 2.0 in the National Electricity Market

Part B – Snowy 2.0 Economic Impacts and Regional Development

About this report

The key limitations of this report are set out at the front of this report under “Key limitations of this report” and in the disclaimer at the end of this report.

The report should be read as an analysis of the key estimated benefits and outcomes expected to be generated by construction and operation of the Snowy 2.0 project and interpreted in the context of the assumptions, information sources and limitations described throughout the document.



Project overview

Snowy 2.0 is a renewable energy infrastructure project of national significance that is expected to play an important role in Australia's energy transition. By providing large-scale, long-duration energy storage and dispatchable renewable power, the project is expected to improve the reliability and resilience of the National Electricity Market (NEM) and to deliver enduring economic and energy benefits across the country and areas surrounding the project.

The Snowy 2.0 project includes the construction and operation of:

- A new pumped hydroelectric power station at Lobs Hole located 800 metres underground.
- 27 km TBM tunnels to link the Tantangara and Talbingo reservoirs.
- Six reversible pump-turbines to pump water to the upper dam to store energy.
- A 250-metre-deep upstream surge shaft.

Construction of Snowy 2.0 commenced in 2019, with commissioning expected in late 2029. Once fully operational, Snowy 2.0 is designed to provide:

- 2,200 megawatt (MW) capacity.
- 350 gigawatt hours (350 GWh) of energy storage that can be released when the electricity network is under pressure.
- More than half of the deep dispatchable energy storage projected to be required in the NEM to reach net zero by 2050, according to Snowy Hydro, drawing on the Australian Energy Market Operator (AEMO) Integrated System Plan.¹

2,200 megawatt capacity

350 gigawatt hours of energy storage

~3,000,000 homes powered for a week by Snowy 2.0's energy storage

6,600 megawatts of new wind and solar energy estimated to be enabled

Source: Snowy Hydro, "Snowy 2.0 About", accessible via Snowy Hydro's website or [click here](#) and GHD's analysis of construction activity to date.

Part A

Snowy 2.0 in the National
Electricity Market



Part A

Snowy 2.0 in the National Electricity Market

Once operational, Snowy 2.0 will supply energy into the NEM, an integrated wholesale electricity market, that connects the states and territories of eastern Australia and South Australia. In 2025, the NEM accounted for approximately 80% of Australia's total electricity demand, the most recent full-year data available.²

Electricity in the NEM is traded through a centralised spot market operated by the Australian Energy Market Operator. Generators submit offers to supply electricity and AEMO dispatches the lowest-cost combination of generation needed to meet demand while maintaining system security. Prices are determined every five minutes and settled at the regional level, although electricity can flow between regions through interconnectors, subject to network constraints.³

As of 1 July 2026, the NEM's Market Price Cap – the highest allowable spot price in any dispatch or five-minute trading interval – is \$23,200/MWh.⁴ There is also a Cumulative Price Threshold calculated over seven days, to ensure that prices moderate across longer periods. The current cap effectively requires an average price/MWh across seven days to average under \$1,105/MWh.

Both these caps are significantly higher than average MWh prices, which were typically between \$78 and \$103/MWh in 2025 across the NEM. The caps are intended to provide investment incentives and encourage sufficient generation during periods of scarcity.⁵

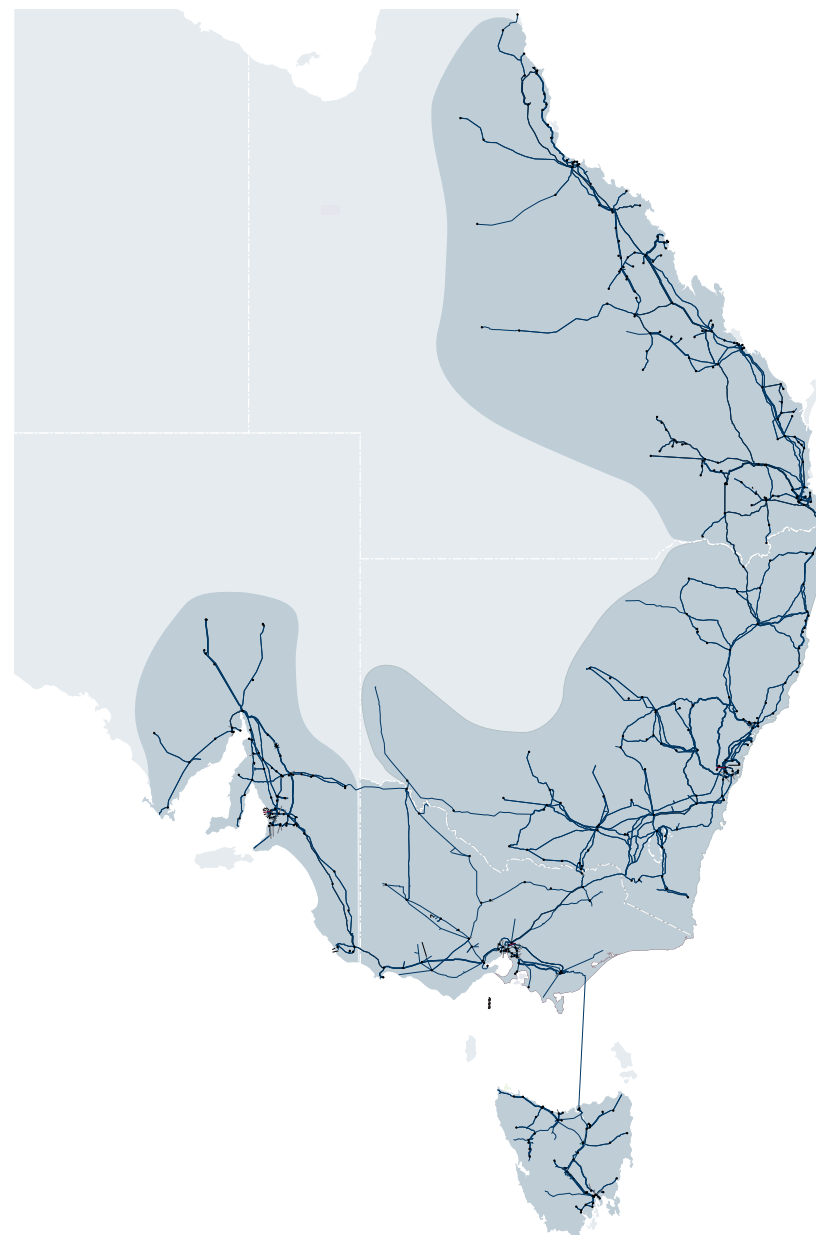


Figure 1 National Electricity Market

Source: Australian Energy Market Operator 2024, "Regional boundaries for the National Electricity Market", accessible via AEMO's website or [click here](#)

How Snowy 2.0 will operate in the NEM

With 2,200 MW of generating capacity and 350 GWh of storage, Snowy 2.0 is expected to be the largest source of stored dispatchable energy in the NEM, with sufficient stored energy to power approximately three million homes for a week.

Its key intended functions are to:

- Firm intermittent wind and solar generation.
- Absorb surplus renewable generation during periods of low demand, reducing curtailment and supporting investment in new wind and solar generation.
- Provide peak-load generation during periods of high demand.
- Supply energy during prolonged periods of low wind and solar output.
- Provide ancillary services such as frequency control, inertia and system security support.
- Help reduce extreme wholesale price spikes by adding substantial supply when the market is stressed.

AEMO estimates that 35 GW of shallow and medium storage is needed by 2050 for intra-day firming, with 33 GW needed by 2030. A further 5 GW of deep storage (like Snowy 2.0) will be needed for seasonal demands and renewable lulls.¹

Snowy 2.0 is expected to sell electricity when sale prices rise meaningfully above the cost of pumping water to its upper dam (undertaken when electricity prices are lower) after accounting for round-trip efficiency losses within the system, a standard factor in pumped hydro systems. Its value lies in arbitraging large price spreads to provide reliability during periods of system stress. Figure 2 shows this inverse relationship.

When prices are high (up against the vertical axis), Snowy 2.0 is expected to typically be generating electricity and selling it into the NEM. At prices between the top 10% and bottom 35%, Snowy 2.0 may undertake both generation and pumping. When prices are in the lower 45% of the price range, Snowy 2.0 is expected to generally pump water to its upper reservoir to restore stored energy for future generation.

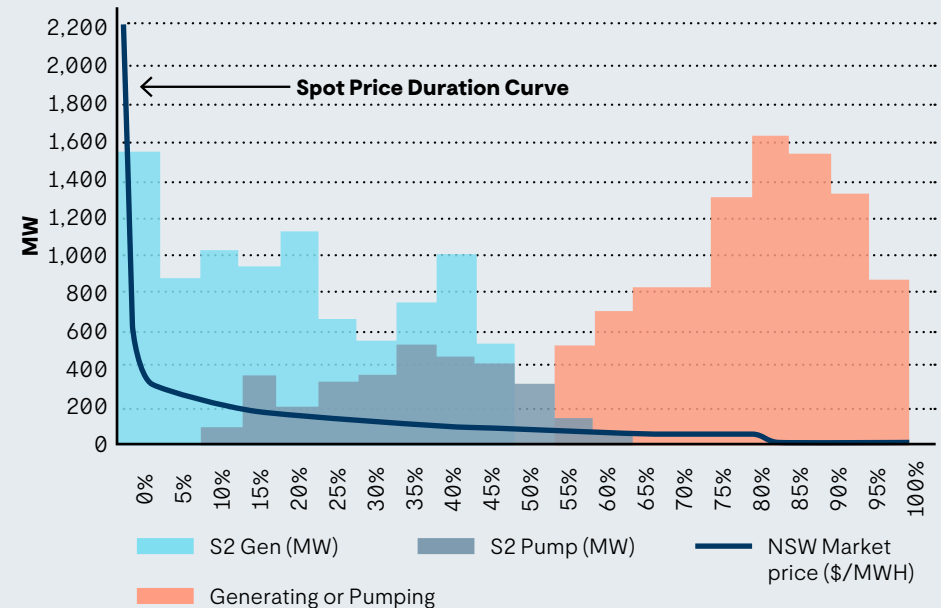
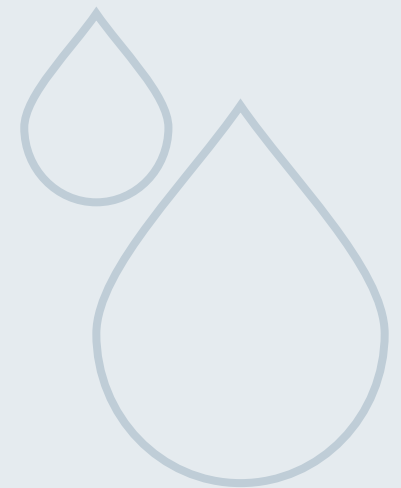


Figure 2 Generation and pumping patterns for Snowy 2.0

Source: Snowy Hydro. (2024 May 24). Snowy 2.0 Updated Business Case. Accessible via Snowy Hydro's website or [click here](#)



This means the upper dam is likely to be recharged in times when renewables are plentiful and can be purchased to pump water to the upper dam. This typically occurs during the daytime when an oversupply of solar energy leads to very low energy prices. Snowy 2.0 would then typically discharge in times of extremely high demand during the evening peak when solar production falls, in a phenomenon described as the “duck curve”. This pattern is illustrated in Figure 3.

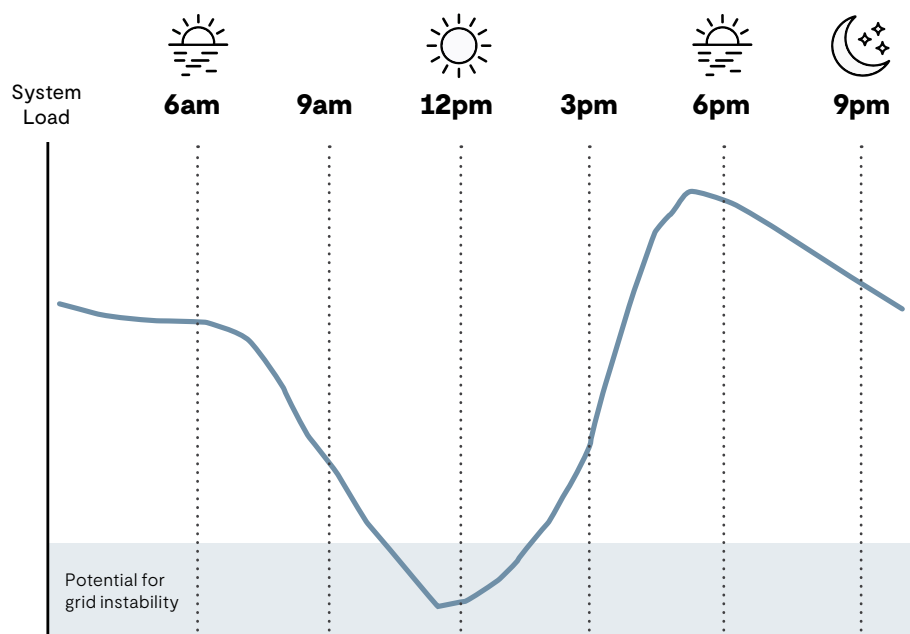


Figure 3 Illustrative example of the duck curve pattern

This example of the duck curve also illustrates how over-production of solar can create grid instability, a challenge Snowy 2.0 is expected to help address, which we will return to later.

Why pumped hydro?

Pumped hydro addresses a need for long-duration storage for multi-day supply gaps.

Grid-scale battery energy storage systems (BESS) provide back-up for periods, typically up to 8 hours, when electricity supply is otherwise under strain during short outages but are less useful through long periods of “solar drought” such as periods of low wind or poor sunlight. BESS without grid-forming capability do not typically provide the same physical inertia-based grid stability that pumped hydro can, because BESS lacks turbines that help maintain grid frequency through physical inertia.

Fossil-fuel power generation through gas, coal, diesel, oil, combined-cycle gas turbine or open-cycle gas turbine can provide interim firming for electricity.

Pumped hydro, as discussed in detail in the sections that follow, can provide the firming and grid stability to help Australia to reduce its fossil fuel reliance, provide confidence in the expansion of renewables, and to maintain stability in the grid while keeping pricing within more balanced ranges, particularly during renewable energy droughts.



Snowy 2.0 covers renewable variability

Renewable energy sources such as solar and wind are weather dependent and more variable than traditional fossil fuel power stations. There can be multi-day periods when the wind does not blow or there is little sunshine.

To reach Australia's goal of net zero by 2050, AEMO predicts the NEM will require around 660 GWh of dispatchable stored energy by 2050. More than half of this energy storage is expected to come from Snowy 2.0, as highlighted in Figure 4.

The value of Snowy 2.0 is its deep storage capability in terms of supporting the electricity market in times of scarce supply. AEMO defines deep storage as "able to dispatch electricity for more than 12 hours continuously" while the Baringa report defines it as more than 16 hours of dispatch capability.⁶

AEMO has modelled a typical year (assumed to be 2040) to illustrate how deep storage, dominated by the Snowy 2.0 project, is projected to maintain balance in the electricity network. Captured in the "Storage" categories in Figure 5, Snowy 2.0 is the largest deep storage project and will support electricity supply in times when traditional hydro, solar and wind energy are scarce.

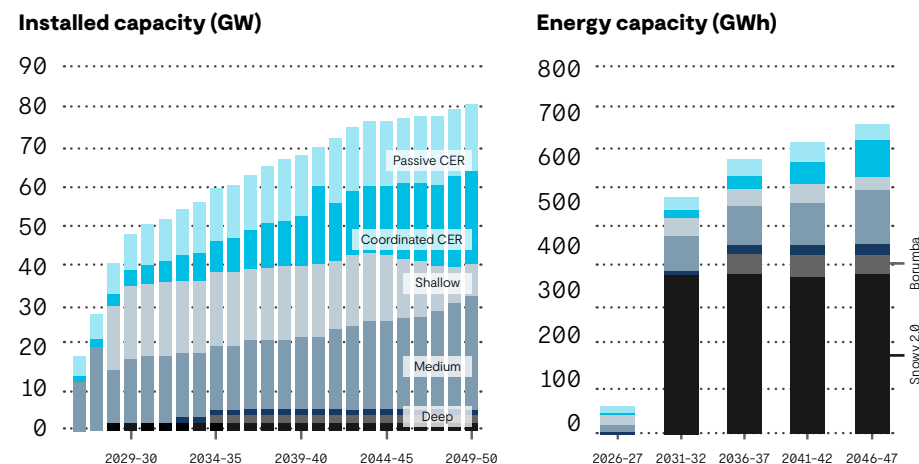


Figure 4 Projected storage installed capacity and energy storage capacity, NEM (2026-27 to 2049-50, Step Change)

Source: AEMO. 2026 Integrated System Plan for the National Electricity Market: A roadmap for the energy transition.

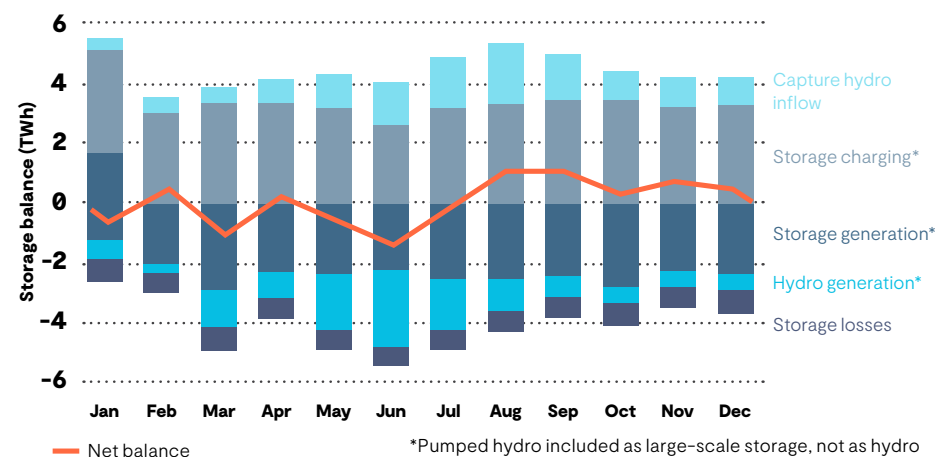


Figure 5 Storage and hydro energy balances, NEM (TWh, 2040, Step Change)

Source: AEMO. (2024 June 26). 2024 Integrated System Plan for the National Electricity Market: A roadmap for the energy transition.

Snowy 2.0 improves grid stability

Within the NEM, too much solar generation on mild, sunny days can create grid instability when demand is low but rooftop and large-scale solar output is high. This is increasingly becoming one of AEMO's key operational challenges.⁷

When rooftop solar, in particular, has high penetration rates, it can meet more than 60% of total electricity demand on sunny days. A recent record in October 2025 is shown in Figure 6, where demand for electricity from the grid fell to just 9.7 GW across the NEM.⁸

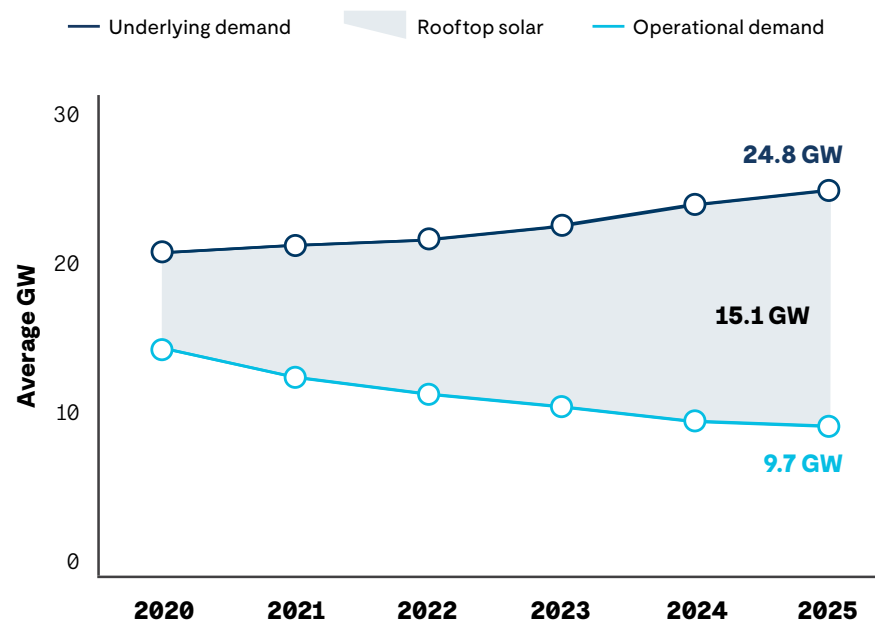


Figure 6 Minimum operational demand record by year

Source: Heynes, G. (2025, October 8). Australia's NEM sets minimum demand record as rooftop solar reaches 15 GW. PVTech.

When solar output is very high, conventional generators are forced to reduce output or shut down because there is insufficient demand for their electricity. The result is that the grid may have enough energy but insufficient essential system services, threatening secure operation of the NEM.

Traditional generators (coal, hydro or gas) resist sudden frequency changes because of their rotating mass (inertia). Solar is inverter-based and contributes little physical inertia unless paired with advanced controls or batteries. Consequent risks include:

- Frequency can change more rapidly after faults (departing from the 50Hz target frequency in the network).
- The system becomes more vulnerable to disturbances.⁹

Large concentrations of inverter-based generation can create voltage management challenges and reduce system strength if traditional generators are not operating nearby. Weak system strength can lead to:

- Inverter instability.
- Generator tripping.
- Reduced transfer capability across the network.⁹

Grid instability can cause generators and industrial equipment across the economy to automatically disconnect to protect themselves. This can trigger a cascade of outages and potentially widespread blackouts, significantly disrupting manufacturing and other energy-intensive businesses across the NEM affecting production and reducing gross domestic product (GDP).

Snowy 2.0 is expected to provide the largest opportunity in the NEM for an energy storage solution that can absorb large amounts of excess renewable energy in times of oversupply. This reduces the likelihood that traditional generators will need to shut down, leading to a lower probability of grid instability.

Snowy 2.0 improves network resilience

Snowy 2.0 is expected to significantly improve the resilience of the network beyond storing electricity or providing firming for uncertain renewables supply. The four key ways it is expected to improve the resilience of the network include:



1. Backs up large generators and reduces frequency instability

If a large coal generator, transmission line or interconnector trips unexpectedly, Snowy 2.0 is designed to rapidly increase output to help replace lost generation. This can reduce the risk of:

- Load shedding.
- Cascading outages.
- Blackouts.
- Frequency instability.

Pumped hydro uses generators with large spinning turbines, allowing it to respond quickly while also providing important grid stability services (including maintaining the frequency of the grid at 50 Hz). Not only can Snowy 2.0 absorb excess solar energy during the day so traditional generators don't have to shut off, but it can help slow frequency changes following disturbances (such as a major generator tripping) to give AEMO more time to restore system balance. As more coal stations retire, these services become invaluable.

2. Acts as a shock absorber between major electricity markets

Snowy 2.0 sits strategically between NSW and Victoria and is expected to be connected through the HumeLink transmission project to the Sydney Ring South and Victoria to New South Wales Interconnector West (VNI West) upgrades. Once completed, these connections are expected to enable energy to be:

- Moved from renewable-rich regions to major load centres.
- Redistributed when transmission assets are constrained.
- Supplied from multiple directions during line outages.

In effect, Snowy 2.0 is expected to act as a large “shock absorber” for the grid.

3. Supports black-start capability

Following a major blackout, some generating stations require external power before they can restart. Snowy 2.0 is expected to be able to provide black-start services, helping restore sections of the grid and accelerate recovery from large-scale outages.¹⁰

4. Provides multi-day resilience

The biggest difference between Snowy 2.0 and most batteries is duration. While most battery systems are designed to provide several hours of energy, Snowy 2.0 is designed to be capable of operating at maximum capacity for up to a week, subject to reservoir levels and transmission availability. This is expected to provide substantially more time to resolve major outage issues across the network than short-duration storage options.

Snowy 2.0 supports national resilience

Electricity shortages can pose a significant national risk because modern economies, governments and defence systems depend on reliable power. Without deep storage such as Snowy 2.0's pumped hydro capability, shortages could rise as fossil fuel plants are phased out.

From a national resilience perspective, energy shortages do not just create inconvenience; they can undermine the functioning of multiple interconnected critical infrastructure sectors simultaneously, reducing Australia's ability to respond effectively to crises.

The Australian Government classifies electricity as part of the nation's critical infrastructure because disruptions can affect communications, transport, health services, financial systems, defence operations, water supply and emergency response capabilities.¹¹

Prolonged electricity shortages can increase the risk of:

- Disruption to critical services such as hospitals, telecommunications networks, water and wastewater systems, and transport infrastructure.
- Reduced resilience during natural disasters, cyber-attacks or other emergencies, when reliable electricity is needed to maintain communications and emergency response.
- The Australian Government's energy resilience work is specifically focused on strengthening electricity infrastructure against natural hazards, cyber-attacks and other threats.¹²
- Economic and social disruption, as interruptions to energy supply can affect business continuity, service delivery and broader national resilience.

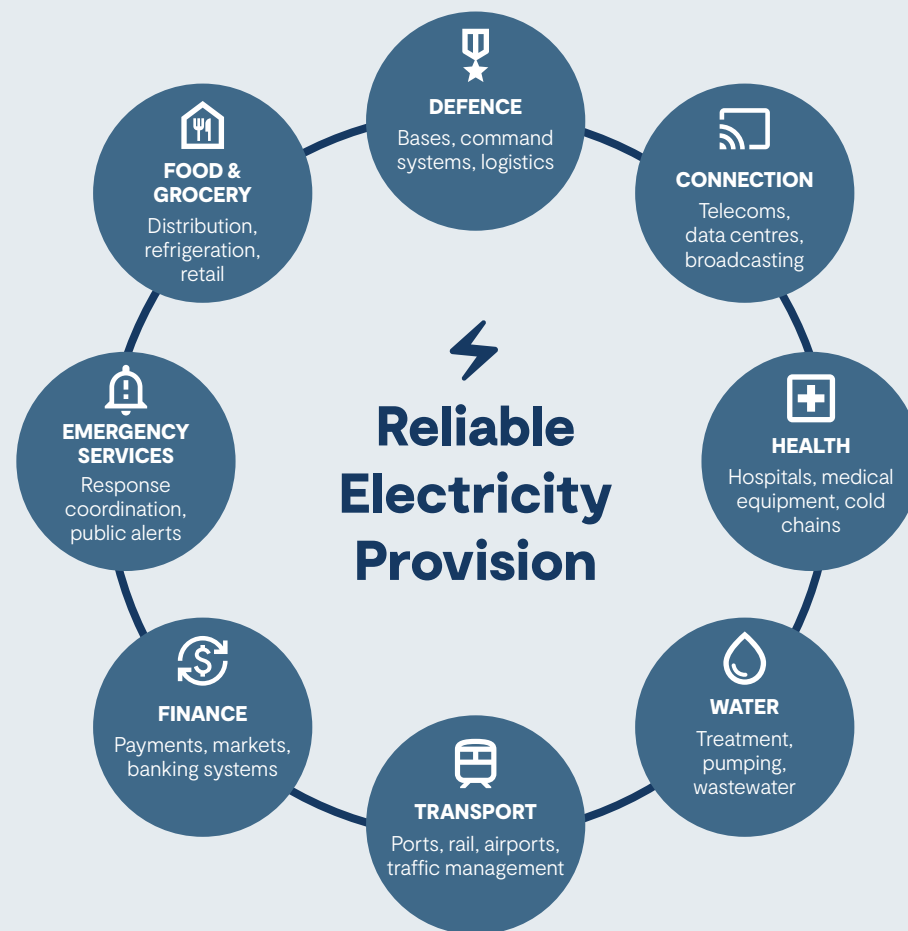


Figure 7 How electricity security supports national resilience

Source: GHD

Snowy 2.0 lowers market prices

Recent modelling by Marsden Jacob Associates indicates that Snowy 2.0 would lower prices compared to a scenario in which it was not constructed. By delivering electricity into the market during periods of high demand and elevated prices, Snowy 2.0 is expected to reduce price volatility and to help moderate wholesale electricity prices.

By 2027, the NEM is assumed to demand 180,000 GWh of electricity a year, rising to 270,000 GWh by 2053.

As a result of this stabilisation role, electricity prices are expected to operate within a narrower band more often. While Snowy 2.0 will increase electricity demand for pumping and may slightly raise base prices, its more significant effect is expected to be to reduce the frequency and severity of extreme price spikes. On this basis, the modelling indicates that electricity customers would, overall, pay less for electricity than in the absence of Snowy 2.0.

The recent modelling assumes that electricity use remains similar across the counterfactual (no Snowy 2.0) and the factual (Snowy 2.0 exists). GHD considers this assumption to be relatively conservative. Lower electricity prices tend to stimulate more demand, and more electricity use is strongly correlated with economic output.

It should be noted that the estimates here only capture the lower electricity cost, not the potential flow-on impacts to economic output. These figures therefore may not capture the wider economic benefits of lower electricity prices supported by Snowy 2.0.

Nevertheless, over the period to 2075, keeping annual cost savings flat from 2056 and discounting future benefits by 7%, the **savings to electricity customers are estimated to be around \$7 billion in present value terms.**

One anomaly in the modelling is that because it assumes that the same amount of electricity is provided regardless of Snowy 2.0 (i.e., other generators are used to fill the gap), there is an unusual bend in the graph shown in Figure 8.

Without Snowy 2.0, the alternative is a development that would include an NSW plant that is assumed to be able to operate at full capacity before Sydney Ring South is completed. In comparison to this alternative, Snowy 2.0 provides price reductions both before 2034 and after 2034 when the new transmission connecting South/Central NSW to Sydney (referred to as Sydney Ring South) is in service. Snowy 2.0's impact was assessed as lower to the alternative in the year 2034 due to this being before the Sydney Ring South is completed (post which it can deliver its entire capacity into the reference node). To the extent that the alternative development has similar constraints in being able to deliver its entire capacity into the reference node, the observed bend in the curve in 2034 would not be present.

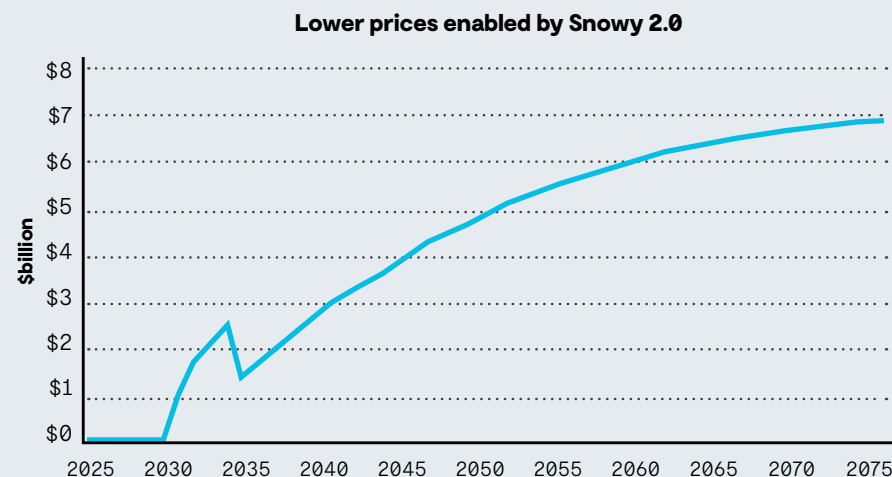


Figure 8 Cumulative present value of lower prices enabled by Snowy 2.0 (\$ billion)

Source: GHD calculations based on model run provided by Marsden Jacob Associates. (2026). Bespoke modelling undertaken for GHD on Snowy 2.0 customer electricity price impacts.

Snowy 2.0 stabilises market prices better than alternatives

As Snowy 2.0 is able to store energy when there is an oversupply of cheap electricity and generate when there is excess demand, it is expected to play a significant role in stabilising prices. Not only is it expected to reduce the times when solar prices may turn negative, which would otherwise disincentivise further renewables investment, but modelling indicates that Snowy 2.0 has the ability to substantially reduce maximum prices paid for electricity. In the modelled scenario described below, Snowy 2.0 outperforms an equivalent battery energy storage system (BESS) (Baringa, 2026).

Figure 9 illustrates that in a realistic modelled week in winter 2041 (based on an actual week in 2013/14) of low renewable generation after coal-fired power stations exit the New South Wales market, Baringa's modelling indicates that Snowy 2.0 would lead to maximum spot energy prices almost 70% lower than with a BESS solution.

Average prices across the week in this modelled scenario are \$7,000/MWh lower with Snowy 2.0 than with a BESS of equivalent maximum production scale as measured in GW. Compared with typical average prices of \$78-103/MWh, achieving a \$7,000/MWh lower average price in weeks when there is little solar and wind supply could make a substantial difference to overall energy prices in those periods.

Snowy 2.0's expected ability to stabilise energy prices is expected to support confidence for businesses and households in the decarbonisation push.

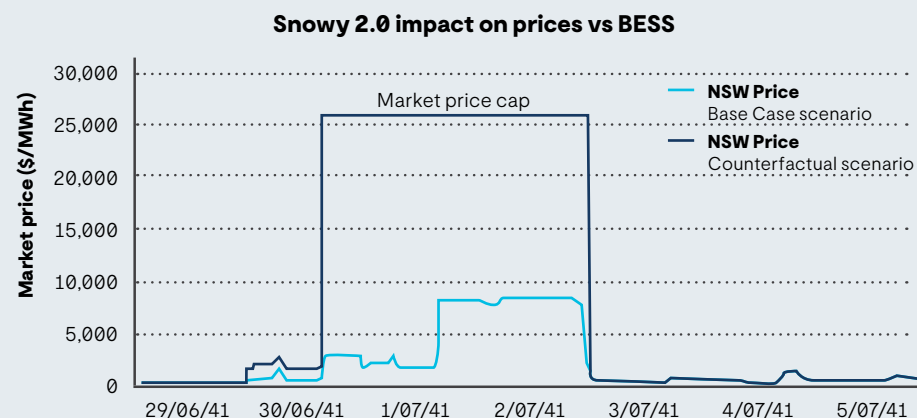


Figure 9 Impact of Snowy 2.0 on power prices compared to BESS

Source: Baringa. (March 2026). *The role of deep storage in our electricity system: White Paper*. Accessible via Snowy Hydro's website or this [click here](#)

Snowy 2.0 and the Energy Transition

Australia has a legislated commitment to achieve net zero greenhouse gas emissions by 2050 under the Climate Change Act 2022. The Act also commits Australia to reducing emissions to 43% below 2005 levels by 2030, with a subsequent government target of 62–70% below 2005 levels by 2035 as part of its pathway to net zero.

To achieve these targets, Australia needs to significantly expand renewable energy generation, invest in transmission networks and energy storage, electrify transport and industry, improve energy efficiency, and scale up clean fuels. The electricity sector is expected to play a central role, with renewable energy and firming technologies helping to replace emissions from fossil-fuel generation.



Snowy 2.0 enables transition away from fossil fuels

We have already covered how Snowy 2.0 is expected to help address the variability of renewable electricity generation and to improve grid stability. A further expected benefit is that because Snowy 2.0 is designed to support grid stability through its turbine system, it is expected to support a quicker transition away from fossil fuels.

For the NEM to transition away from coal-fired power stations, it needs to add non-fossil fuel power stations with turbines that can help maintain grid frequency at 50 Hz. Figure 10 provides an example of how coal-fired power stations are anticipated to exit the New South Wales market.

Without replacement projects such as Snowy 2.0, this pace of drawing down fossil-fuel power stations is likely to be much harder to achieve while maintaining grid stability.

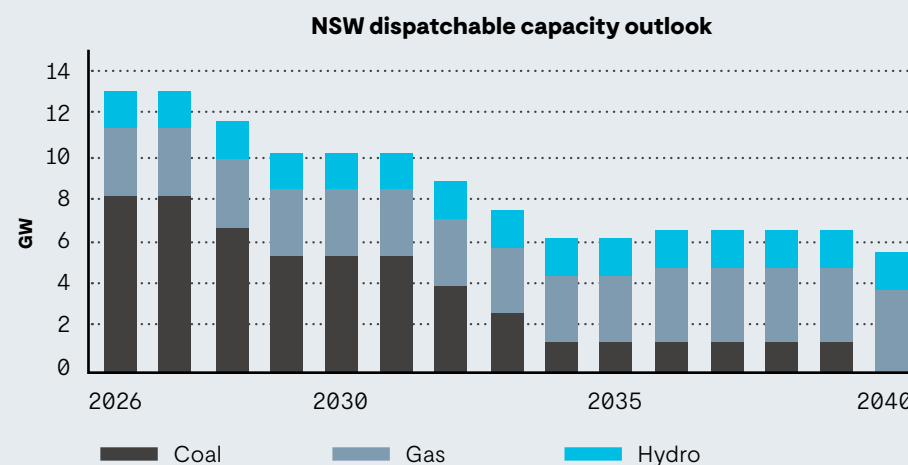


Figure 10 Illustration of coal-fired power station role in the NEM

Source: Baringa. (March 2026). *The role of deep storage in our electricity system: White Paper*. Accessible via Snowy Hydro's website or [click here](#)

Snowy 2.0 offers deep storage when renewables are uncertain

Snowy 2.0 is expected to offer deep storage when renewables are uncertain. Figure 11 illustrates that in a modelled week in winter 2041 of low renewable generation, after coal-fired power stations exit the New South Wales market, Snowy 2.0 would provide substantially more certainty of supply than a BESS of equivalent scale. Furthermore, Snowy 2.0 is anticipated to enable approximately 6.6 GW of renewables projects by its ability to firm intermittent wind and solar energy.

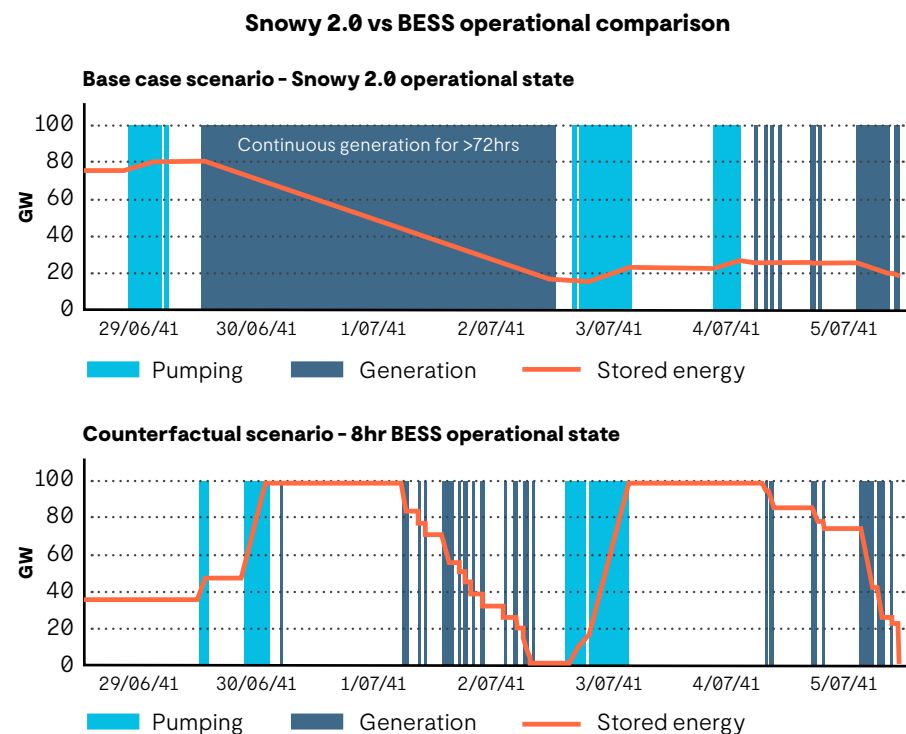


Figure 11 Baseload supply allows for more rapid transition to renewables

Source: Baringa. (March 2026). *The role of deep storage in our electricity system: White Paper*. Accessible via Snowy Hydro's website or [click here](#)



Part B

Snowy 2.0 Economic Impacts
and Regional Development



Part B

Snowy 2.0 Economic Impacts and Regional Development

Snowy 2.0 has generated and is expected to continue to generate a significant economic impulse through the Australian economy, not only as a potential resilient supplier of electricity, but also in economic growth and benefits across the 12-year construction period. The total gross economic impacts is estimated using input-output modelling, comprising direct and indirect effects, include:

- The equivalent of 102,000 (34,000 direct and 68,000 indirect) FTE job-years over the construction period across Australia.
- \$18.3 billion (\$5.8b direct and \$12.5b indirect) value added to the Australian economy.
- Approximately \$9 billion (\$3.0b direct and \$6.0b indirect, comprising \$3.8b supply-chain and \$2.2b consumption effects, consistent with Figure 14) in wages and salaries.

Measuring economic impacts

Snowy 2.0 represents one of Australia's largest infrastructure investments and has generated significant employment and value across construction, engineering, professional services, manufacturing, transport and operational support activities. Understanding how this stimulus flows through the economy is critical to quantifying the project's broader economic significance.

Using an industry-standard input-output approach allows the estimation of the economic effects of project investment by tracing the relationships between industries within an economy.

The results assist in quantifying the extent to which project expenditure supports businesses, employment opportunities, household incomes and economic growth beyond the immediate project.

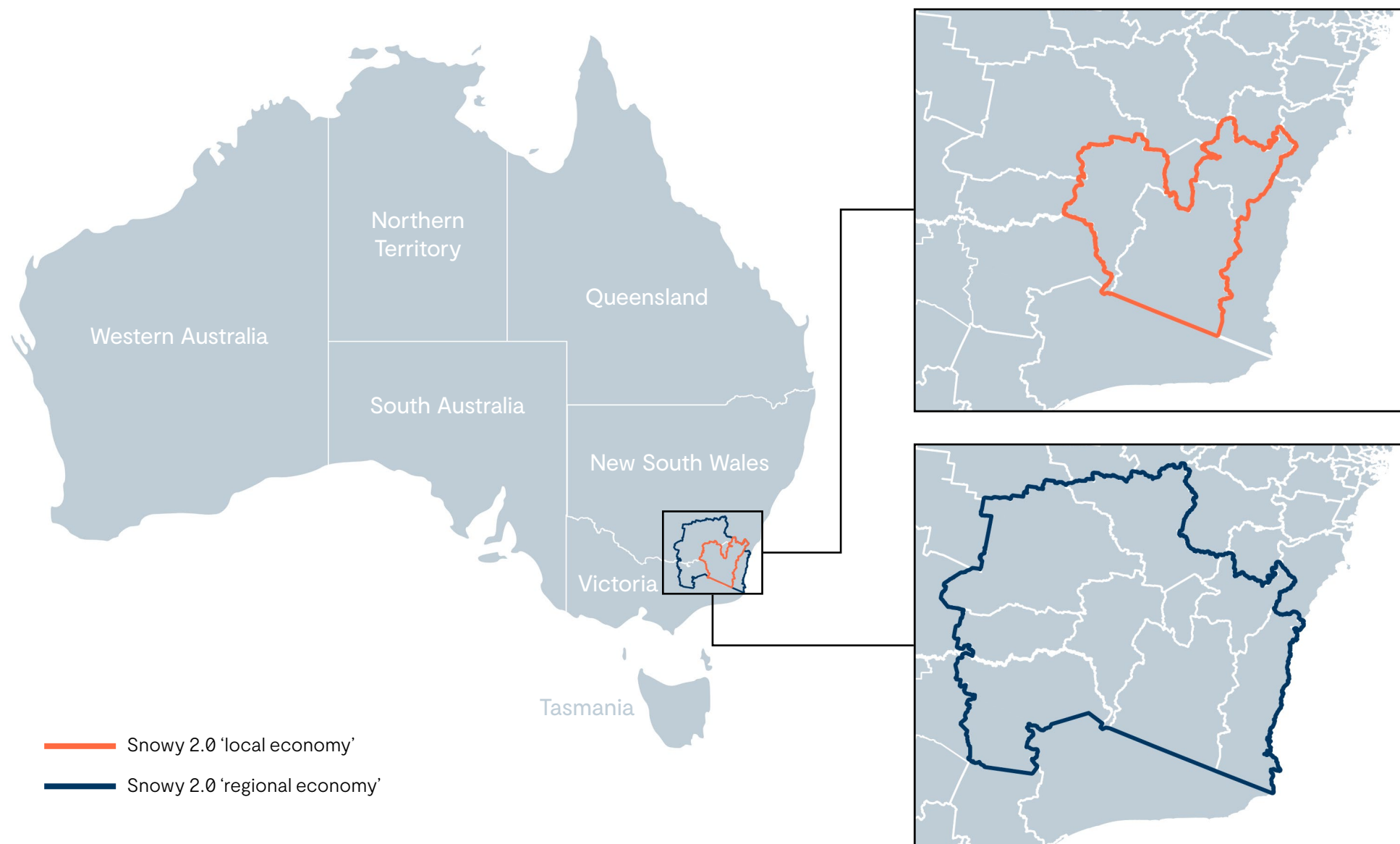
Input-output estimates are gross measures: they do not account for resources that would otherwise have been employed elsewhere in the economy, and may therefore overstate net economic impacts.

Specifically, the assessment considers two levels of economic impact – direct and indirect:

- **Direct impacts:** activity generated by project construction expenditure.
- **Indirect – supply chain impacts:** flow-on activity generated as suppliers increase production to meet project demand.
- **Indirect – consumption impacts:** additional economic activity created when workers spend income generated through direct and indirect employment.

The resulting analysis provides an estimated picture of Snowy 2.0's gross economic contribution, including impacts on jobs, wages and salaries, and value added (GDP). The analysis was undertaken at three levels:

- Australian economy
- Snowy 2.0 'regional economy' as defined by the following statistical area level 3s (SA3)
 - ◇ Tumut-Tumbarumba
 - ◇ Wagga Wagga
 - ◇ Young-Yass
 - ◇ Queanbeyan
 - ◇ Albury
 - ◇ Wodonga-Alpine
 - ◇ ACT (unincorporated ACT)
- Snowy 2.0 'local economy' as defined by the following SA3s
 - ◇ Tumut-Tumbarumba
 - ◇ Snowy Mountains
 - ◇ Queanbeyan

Regional/local economy map**Figure 12** Snowy 2.0 Economies of interest

Note: Snowy 2.0 local economy includes the SA3 of Tumut-Tumbarumba, Snowy Mountains, Queanbeyan

Snowy 2.0 regional economy includes the SA3 of Tumut-Tumbarumba, Wagga Wagga, Young-Yass, Queanbeyan, Albury, Wodonga-Alpine, ACT (unincorporated ACT)

Snowy 2.0 nationwide stimulus

The total forecast project cost is \$22.2 billion (as at the date of this report), the vast bulk of which (approximately \$17.8 billion) is expected to be spent in the Australian economy.

The wider economic impact analysis presented here is based on the direct expenditure profile of the Snowy 2.0 project, including project partners (FGJV and Voith), early spend expenditure, construction capital to-date and forecasted construction expenditure to 2030.

The impacts of construction of Snowy 2.0 are felt across a wide range of industries. Unsurprisingly, many of these are directly construction-related, but others such as transporting and warehousing also account for material shares of total spending.

Impact on nationwide employment

Over the 12-year construction period, Snowy 2.0 is estimated to support the equivalent of approximately 34,000 direct FTE job-years, many of which will be drive-in, drive-out (DIDO) from townships in the local area of (Cooma, Jindabyne, Tumut, Tumbarumba) and fly-in, fly-out (FIFO) across a much larger geographic area.

When supply chain and consumption effects are considered, the project is estimated to support the equivalent of more than 102,000 FTE job-years in total.

Jobs are expected to peak in 2027, with the equivalent of almost 6,600 full-time jobs supported directly by construction. However, once supply chain and consumption impacts are included, nearly three times as many workers are expected to be supported as a result of the stimulus effect of Snowy 2.0, including more than 7,000 in upstream supply industries and a further 4,900 supporting the workers involved in the project. In 2027, the total number of FTE job-years supported in any year of the project is expected to peak at approximately 18,700.

The employment multiplier (total direct & indirect impact) of Snowy 2.0 on the Australian economy is estimated at 2.99.

Impact on nationwide wages and salaries

Snowy 2.0 average wages/salaries are higher than across the economy in general as a result of the skill mix of roles on the project. Wages analysis of data supplied by project partners showed that the average annual wage across the project partners in 2024 was \$120,000 with the top quartile in excess of

\$162,200.

The 12-year average of \$87,991 across all three impact areas is higher than the averages across these areas more broadly.

Over the life of construction of Snowy 2.0, the wages and salaries supported across the economy is estimated to be \$9.0 billion with \$3.0 billion from those directly working on the project, \$3.8 billion in wages generated indirectly through supply chain impacts and \$2.2 billion in wages indirectly generated from consumption effects.

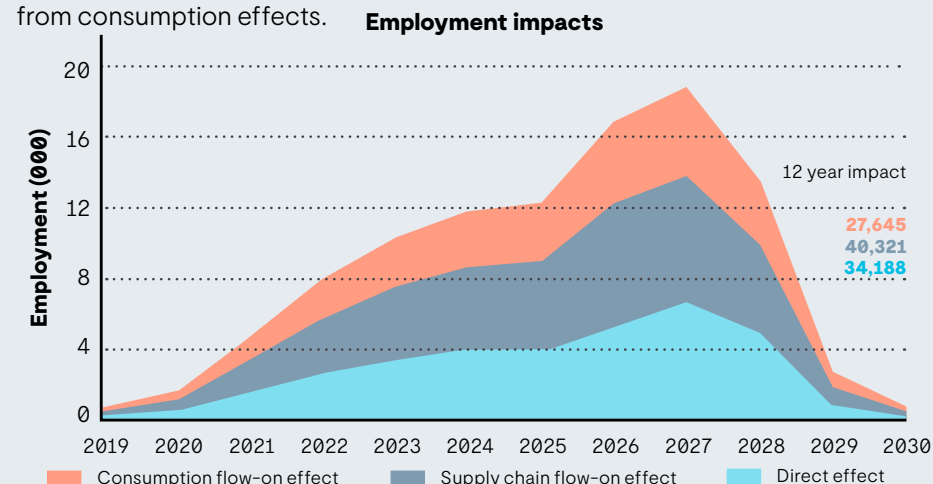


Figure 13 Impact summary employment (jobs)

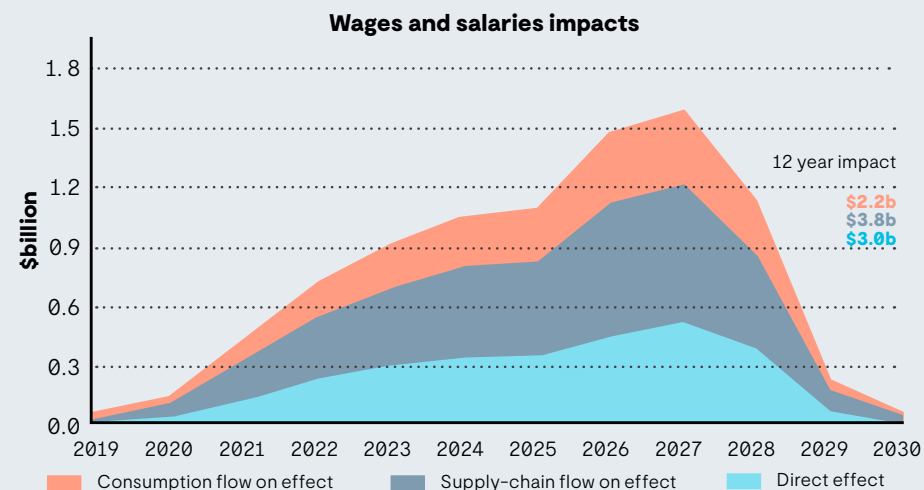
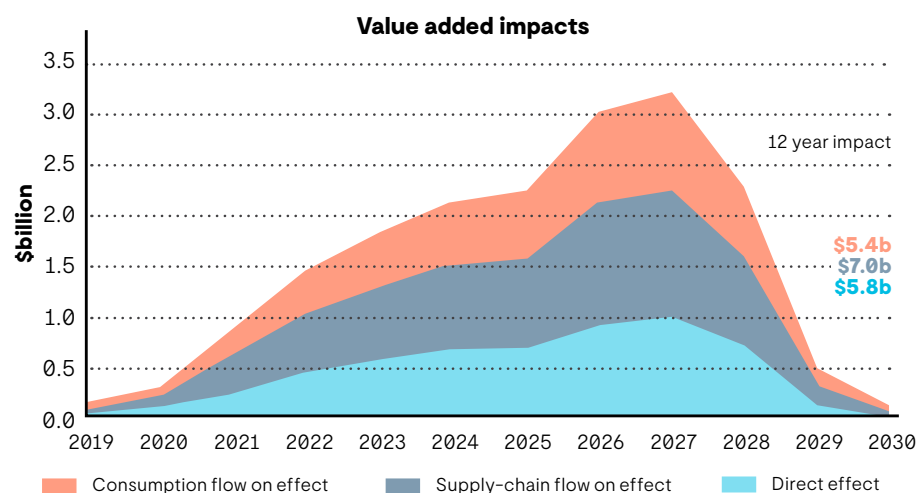


Figure 14 Impact summary wages and salaries

Impact on nationwide value added

“Value added” is the income generated within a defined geographic area, mainly in the form of wages paid to workers and profits earned by businesses. At a national level it is often referred to as “GDP” (Gross Domestic Product) while at a local level it is sometimes called Gross Regional Product.

The scale of Snowy 2.0 means it is expected to stimulate a large amount of business activity, generating wages and profits. These impacts, like employment, are expected to be felt across the Australian economy in direct, supply chain and consumption effects as the stimulus of construction flows through. The value-added multiplier (total direct & indirect impact) of Snowy 2.0 on the Australian economy is estimated at 3.13.



Note: Values have been rounded to one decimal place. As a result, component values may not sum precisely to the totals reported.

Figure 15 Impact summary value added

The direct impact of the construction of Snowy 2.0 is estimated to add \$5.8 billion in value through direct construction-related activity. But as this impulse flows through the supply chain and into workers’ consumption spending, more than three times the impact is achieved. In total, around \$18.3 billion in value is expected to be added to the Australian economy in today’s dollars.

As this value added to the economy follows the construction pattern, it is also expected to peak in 2027, with more than \$3 billion stimulated across the Australian economy that year.



Snowy 2.0 regional impact

By applying allocation rules to major industries involved in delivering the Snowy 2.0 project, we can estimate the potential role the project plays at a regional level.

Direct labour sourced from the regional economy is estimated at around 23% of the project's total direct labour force, or the equivalent of 7,840 FTE job-years over the construction period. These workers are estimated to earn approximately \$1.1 billion, a substantial share of which is expected to be spent in the regional economy, while almost \$2.1 billion of value is estimated to be added to the regional economy. The employment multiplier (total direct and indirect impact) of Snowy 2.0 on the regional economy is 2.58. The value added multiplier (total direct and indirect impact) of Snowy 2.0 on the regional economy is estimated at 2.06.

Direct (regional) impact summary over 12 years

Direct employment (FTE job-years)	7,840
Direct wages and salaries (\$billion)	\$1.1
Value added (\$billion)	\$2.1

Note: Figures represent cumulative direct impacts over the 12-year construction program, expressed in 2026 dollars and rounded to one decimal place.

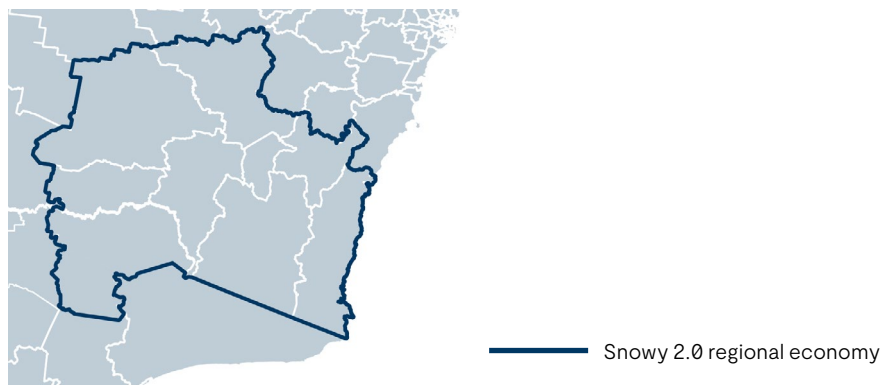


Figure 16 Snowy 2.0 regional economy

Snowy 2.0 local impact

In the same way, we can consider an even more localised impact of the economic stimulus in the Snowy Mountains area. Direct employment from the 'local' region is estimated at around 18% of the total, indicating that DIDO/ FIFO is a significant part of the overall labour force, adding to expanded economic activity well outside the 'local' economy.

An equivalent of 6,140 FTE job-years are expected to be directly supported locally over the construction period. These workers are estimated to earn \$800 million, a share of which is expected to be spent in the local economy, while \$1.5 billion of value is estimated to be added to the local economy in today's dollars. The employment multiplier (total direct and indirect impact) of Snowy 2.0 on the local economy is estimated at 3.61. The value added multiplier (total direct and indirect impact) of Snowy 2.0 on the local economy is estimated at 2.61.

Direct (local) impact summary over 12 years

Direct employment (FTE job-years)	6,140
Direct wages & salaries (\$billion)	\$0.8
Value added (\$billion)	\$1.5

Note: Figures represent cumulative direct impacts over the 12-year construction program, expressed in 2026 dollars and rounded to one decimal place.



Figure 17 Snowy 2.0 local economy

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