

Australian Industry Participation (AIP) plan Summary – Project Phase

1. Project Details

Designated project proponent: Snowy Hydro Limited

Project name: Snowy 2.0

Description of the project:

The Snowy 2.0 pumped hydroelectric scheme (“**Project**”) is a large scale pumped hydro-electric storage and generation project that will increase the generation capacity of the Snowy Hydro Scheme by up to 2000 megawatts, and at full capacity, will provide approximately 350 000 megawatt hours of energy storage. The key features of the Project are:

- exploratory works including an exploratory tunnel and portal to the proposed main cavern location;
- the construction or upgrade of access roads, bridges and lay down areas;
- construction of tunnels linking the existing Tantangara and Talbingo Reservoirs;
- a 2000MW power and pump station, located approximately 1km underground and all associated construction;
- excavated rock management; and
- establishment of workers camps and other ancillary facilities/supplies including but not limited to laydown areas, construction power, water and sewage infrastructure.

The Project will be delivered by way of an Engineering, Procurement, Construction turn-key contract (“**EPC Contract**”) entered into between Snowy Hydro Limited (**Snowy Hydro**) and a construction contractor (“**Contractor**”). The electrical and mechanical (“**E&M**”) works inside the power station will be delivered by a world-leading pumped hydro expert, who will be a nominated subcontractor under the EPC Contract.

Following an extensive and collaborative tender process, Snowy Hydro has appointed Future Generation, an unincorporated joint venture involving Salini Impregilo S.p.V., The Lane Construction Corporation (a subsidiary of Salini Impregilo S.p.V) and Clough Projects Australia Pty Ltd as the Contractor for the Project. Voith Hydro GmbH & CO. KG is the nominated subcontractor for the E&M works.

The Project will be delivered by the Contractor in two stages:

1. Early Works - design, planning and some exploratory construction works; and
2. Main Works – main construction and delivery of the Project, including all civil works and all E&M works. This stage will not commence until Snowy Hydro issues a “Notice to Proceed” under the EPC contract, which requires the satisfaction of a number of conditions precedent, including obtaining relevant environmental approvals.

The Early Works will now commence after execution of the EPC contract on 5 April 2019 with Future Generation and Main Works will commence in 2020. It is anticipated that the Project will be completed between 2025 and 2026.

Estimated project value: \$4.5bn

Project location: Kosciuszko National Park, New South Wales

Link to project information: <https://www.snowyhydro.com.au/our-scheme/snowy20/>

Project contact for procurement information: Dean Thomson, phone: 0418 227 496,

email: dean.thomson@snowyhydro.com.au

Other project proponents involved in the project: N/A

2. Opportunities to supply Goods and Services

Expected opportunities	Opportunities for Australian entities*	Opportunities for non-Australian entities
Goods		
Heavy vehicles and construction equipment	Yes	Yes
Power generation/ pumping 'Francis unit'	Yes	Yes
Main inlet valves and specialist control equipment	Yes	Yes
Power generation associated equipment	Yes	Yes
High voltage equipment	Yes	Yes
High voltage cables	Yes	Yes
Workers accommodation and associated facilities	Yes	Yes
Power	Yes	No
Quarry products	Yes	No
Reinforced concrete materials and additives	Yes	No
Tunnel boring machines	No	Yes
Explosives and blasting materials	Yes	Yes
Services		
Geotechnical Investigations and testing	Yes	No
Survey	Yes	No
Environmental management services	Yes	No
Consulting	Yes	Yes

Owners advisors	Yes	Yes
Road and bridgeworks	Yes	Yes
Camp accommodation and services	Yes	Yes
Environmental works	Yes	Yes
Exploratory works	Yes	Yes
Civil works	Yes	Yes
Marine works	Yes	Yes
Tunnelling	Yes	Yes
Electrical & mechanical works	Yes	Yes
HV works	Yes	Yes
Transport	Yes	Yes

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

Explanation for item(s) in list above where it is indicated ‘No Opportunities for Australian entities’

The tunnel boring machines required for tunnelling work on the Project are complex heavy machines that are designed and built to order. Under the EPC contract, the Contractor will be responsible for procuring delivery of tunnel boring machine(s). Australian entities do not have the capability to produce tunnel boring machines, which means that they will need to be designed, manufactured and supplied by a leading international provider.

3. Standards to be used in the project

Snowy Hydro will ensure that the Project is delivered in accordance with Australian market best practice, which in turn is international best practice. Snowy Hydro has developed its “Employer’s Requirements” with respect to the Project and continues to engage with the Contractor in relation to the content of the Employer’s Requirements. Those requirements specify relevant Australian standards as the primary standards to guide the design, supported by recognised International Standards where necessary. Snowy Hydro engaged SMEC Australia Pty Limited as its “Owner’s Engineer” and worked with SMEC Australia to finalise and clearly communicate the standards for the Project. The Contractor will then need to ensure that those standards are met with respect to key goods and services. It is anticipated that Australian entities will have the ability to meet the required standards.

4. AIP activities to be undertaken by the Project Proponent

Snowy Hydro will:

- contractually require the Contractor to comply with the Project’s AIP Plan, collect evidence and retain records of AIP Plan implementation;
- ensure best practice record-keeping across the Project;
- utilise Snowy Hydro’s robust information management procedures, which have been developed for the broader Project;
- develop ongoing monitoring and reporting systems with respect to participation by Australian entities in the Project; and
- allocate internal resources to ensure compliance and monitor compliance with the AIP Plan.

5. AIP activities to be undertaken by procurement entities

Under the EPC contract, the Contractor will have primary responsibility for procurement in relation to the Project.

The Contractor will maintain a publicly accessible website that will include the following information:

- opportunities for Australian entities to participate in the Project;
- detailed pre-qualification requirements for participation in those opportunities;
- the required standards for key goods and services in connection with those opportunities, and if those standards are not Australian or international standards, an explanation of the standards; and
- contact details for a procurement contact officer for Australian entities to approach with enquiries.

Furthermore, the Contractor will:

- offer training, including workshops, demonstrations and technical skills sessions, and advice to Australian entities where the Contractor identifies skill or capability shortages relevant to the Project and where the Project could benefit from such training;
- work with Australian industry to share knowledge and provide for technology transfer in a way that is beneficial to the Project;
- encourage Australian entities to participate in innovation and development programs;

- provide feedback to unsuccessful Australian entities on the strengths and weaknesses of bids and how to improve competitiveness, including recommendations for relevant training and capability development activities;
- encourage Australian entities to adopt best practice standards, and where Australian entities do not meet those standards, provide guidance on how they can; and
- provide guidance to local workforce on training required to meet project requirements.