Election Costing Request Form

Details of request	
Party:	Liberals and Nationals Government
Name of Policy:	Clean Energy Superpower Fund
Date of request:	28 February 2023

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	The policy establishes the $1.5 billion Clean Energy Superpower Fund.
Has the policy been publicly released yet?	

Your estimated costing of the policy[1]						
	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000	2026/27 $'000	Total $'000
Impact on General Government Sector (GGS) net operating result[2]						
Impact on GGS capital expenditure[3]		100,000	100,000	100,000	75,000	375,000
If different from above, impact on total State Sector net financial liabilities[4]						

Note: Has the policy been costed by a third party? No
If yes, can you provide a copy of this costing and its assumptions?

[1] Amounts should be expressed in nominal dollars. GGS - General Government Sector.
[2] Negative for a saving that reduces expenditure
[3] Negative for a reduction in capital expenditure.
[4] Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	Not applicable
What assumptions have been made in deriving the financial impacts in your estimated costing? *(See checklist)*	See Attachment A
Is there a range for the costing or any sensitivity analysis that you have undertaken?	See Attachment A
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	See Attachment A
Are there significant costs or savings **outside** the forward estimates period which should be considered in costing this policy?[5]	See Attachment A

Administration of policy	
Intended date of implementation:	See Attachment A
Intended duration of policy:	See Attachment A
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	See Attachment A
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	See Attachment A
Are there transitional arrangements associated with policy implementation?	See Attachment A

If the policy is mainly an expenditure[6] commitment	
Demand driven or a capped amount:	See Attachment A
Eligibility criteria or thresholds:	See Attachment A

If the policy is mainly a revenue commitment	
Transaction based or capped:	Not applicable
Thresholds and/or exemptions:	Not applicable
Collection method:	Not applicable

[5] Particularly important for large projects with long lead times, policies with a delayed timetable for implementation, or policies where up-front investment is required to achieve long term savings.
[6] Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

Additional expenditure associated with collection:	
If the policy is mainly a capital costs[7] commitment	
Nature of Capital Spending	
Type of work, size and capacity:	Not applicable
Proposed start and completion date of work:	Not applicable
Intended construction schedule/cashflow:	Not applicable
Associated asset sell off (if any):	Not applicable
Recurrent Impacts	
Offsetting expenditure savings:	Not applicable
On-going maintenance, depreciation and operational expenses:	Not applicable
Third party funding involvement:	Not applicable
Delivery model[8]	Not applicable

[7] Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance.

[8] There is a range of possible delivery models, e.g. built, owned and operated by a NSW government agency; built and transferred to a private operator; privately built for public operation; privately built and operated with government assuming risk or providing a guarantee in relation to future income (often applicable to public/private partnership arrangements), and so on. The policy should provide assumptions about the proposed delivery model.

Attachment A – Clean Energy Superpower Fund

The policy is about establishing the $1.5 billion Clean Energy Superpower Fund, comprising:

- The existing Transmission Acceleration Fund (TAF), which has a maximum limit of $1.2 billion in net outlays (already budgeted).
- A $300 million increase to the TAF's maximum limit

The increase to the TAF's maximum limit, from $1.2 billion to $1.5 billion, will provide additional recoverable funding for transmission, renewable energy storage and grid security projects, such as pumped hydro and batteries.

As the TAF invests, recovers and recycles funding based on regulated recovery mechanisms, the policy assumes the additional $300 million limit will unlock $375m in net capital expenditure, based on the profile in the table below. The policy assumes the financial profiles of existing and new projects will be revised to accommodate this change, based on the new capital expenditure envelope.

A further $23 million will be invested to kick-start regulatory reforms to expand the legislation underpinning the Electricity Infrastructure Roadmap (the *Electricity Infrastructure Investment Act* 2020) to support distributed energy resources, such as rooftop solar and small-scale/community batteries as well as distribution grid upgrades to unblock local constraints that will allow more people to produce and share energy locally.

The cost of the $23 million will be absorbed from within the Investment and Capacity Building stream of the Clean Technology Fund out of the Climate Change Fund's existing budget. As such, the fiscal impact of this part of the policy is nil.