

ESTABLISHMENT OF FUTURE ENERGY FUND TO SUPPORT SINGAPORE'S INFRASTRUCTURE INVESTMENTS

1. Power generation accounts for about 40% of Singapore's emissions today, with 95% of our electricity generated from natural gas. To decarbonise our power sector, we will be importing electricity from the region and exploring low-carbon alternatives such as hydrogen.
2. The global energy transition from fossil fuels to low-carbon energy is a complex process which will require significant investments by all countries. Singapore is further challenged by our lack of domestic renewable energy resources. It is thus imperative that we plan ahead and set aside resources for Singapore's energy transition including for new infrastructure depending on technological developments.
3. The Government will therefore set up a Future Energy Fund to support infrastructure investments for our energy transition towards a net-zero future. These projects may involve nascent technologies or require high upfront capital expenditures, and furthermore exposed to significant commercial and geopolitical risks. The establishment of the Future Energy Fund ensures that the Government is ready to provide financial support to catalyse energy transition projects to secure low-carbon energy supplies to meet Singapore's decarbonisation ambitions. This will better prepare our businesses and economy for a low-carbon future and allow Singapore to remain an attractive investment destination.
4. Examples of energy transition infrastructure which could be supported by the Future Energy Fund include undersea cables to import low-carbon electricity as well as new hydrogen terminals and pipelines if we decide to adopt and scale up the use of hydrogen. Such infrastructure will be needed to meet our goals of sustainability and long-term economic competitiveness, while continuing to safeguard our energy security.
5. The Future Energy Fund will be established by the end of 2024 via amendments to relevant legislation.

**MINISTRY OF TRADE AND INDUSTRY
ENERGY MARKET AUTHORITY OF SINGAPORE**