



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Capacity Investment Scheme

Market Brief on Capacity Investment Scheme - National
Electricity Market – Generation Tender 1

May 2024



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Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.

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Purpose

The purpose of this market brief is to provide information to potential proponents (proponents) about the upcoming **Capacity Investment Scheme (CIS) – National Electricity Market – Generation Tender 1** (Tender 1) expected to open for bids on 31 May 2024.

Tender 1 will invite bids in respect of renewable electricity generation projects in the National Electricity Market (NEM)¹, with an indicative target of 6 GW renewable capacity. Tender Guidelines will be published at the commencement of the Tender 1 process.

Potential proponents should note that:

- The Australian Government will engage the Australian Energy Market Operator (AEMO) to assist with the administration of the Tender 1 process.
- Tender 1 process is not a procurement for the purposes of the *Commonwealth Procurement Rules*.

This market brief provides an overview of the planned key design elements of the Tender 1 process, including the proposed Eligibility Criteria and proposed Merit Criteria that the Australian Government anticipates proponents will be required to satisfy.

Please note that the information provided in this market brief is indicative only and intended to provide high-level guidance for potential proponents. Further information will be published in the Tender Guidelines and the draft Generation Capacity Investment Scheme Agreement (CISA). Please see the disclaimer on Page 2 of this document for more information.

Stage	Indicative key dates
	Registration opening date 16 May 2024
	Tender 1 process commencement date and Tender Guidelines released 31 May 2024
	Registration closing date 19 June 2024
	Stage A – Project Bid closing date 1 July 2024

¹ NEM interconnects five regional market jurisdictions – Queensland, New South Wales (including the ACT), Victoria, South Australia, and Tasmania. (Western Australia and the Northern Territory are not connected to the NEM.) For further information see: [AEMO | About the National Electricity Market \(NEM\)](#)



Context

The objective of the CIS is to incentivise the deployment of 32GW of renewable and clean dispatchable capacity by 2030. The CIS is designed to support system reliability as ageing coal power stations retire and to help deliver the Australian Government’s 82% renewable electricity by 2030 target. The CIS will involve regular competitive tenders held approximately every six months until 2027 and will seek to deliver a total of 23 gigawatts (GW) of renewable capacity and 9 GW of clean dispatchable capacity.

Tender 1 will seek to deliver 6 GW of renewable capacity across the NEM. This will include the following targets in NEM jurisdictions:

Jurisdiction	Minimum capacity target ² (GW)
New South Wales	2.2*
South Australia	0.3
Victoria	1.4
Tasmania	0.3
Unallocated	1.8
Total capacity target	6.0

* NSW capacity will be capped at no more than 3.7 GW.

These specific jurisdictional allocations form part of the Australian Government’s Renewable Energy Transformation Agreements with state and territory governments to provide incentives for investment in new renewable energy projects and achieve shared objectives in the transition to renewables dominated electricity generation. The remaining 1.8 GW of renewable capacity may be allocated to projects across the NEM, based on a merit assessment of the projects.

The primary consideration in awarding a CISA in respect of successful tenders under the CIS will be value for money, which extends beyond cost considerations.

Projects will be assessed based on their:

² Subject to the assessed merit of projects.

- expected timeframe for delivery
- system benefits
- ability to deliver strong benefits to the local community – including support for local communities, local jobs and local content
- culturally aware engagement with First Nations groups – including shared economic and social benefits with impacted First Nations communities.





The CIS aims to deliver sufficient support to allow projects to proceed and operate sustainably in an environment with high levels of renewables penetration.

What to know for the Tender 1 Process

Key element	Description
Location	Projects in this tender process must be located in a participating jurisdiction of the NEM as defined by the National Electricity Law.
Technology type	Projects must generate electricity from a fuel source that is an eligible renewable energy source. Proponents should refer to Eligibility Criteria 10 (EC10 in table 2 below) for information on eligible fuel sources and ineligible technologies.
Target Commercial Operation Date	The Target Commercial Operation Date (Target COD) is not an Eligibility Criterion and will be merit assessed, see Merit Criterion 2. Projects with a Target COD of 31 December 2028 or earlier may be considered of higher merit.
Social Licence commitments	<p>The Australian Government has a strong expectation that, as the energy transition evolves, genuine economic and social partnerships will emerge between industry and communities to better support and seize the opportunities of a net-zero economy.</p> <p>Social licence commitments will be assessed against Merit Criteria 4 and 7 and commitments will become contractually binding and are subject to monitoring and enforcement conditions should a proponent be successful in Tender 1 process.</p> <p>Merit Criteria 4 and 7 will be weighted 25% each compared to 20% each for the CIS South Australia-Victoria tender. Projects assessed as having low merit against any individual Merit Criteria (including social licence) may not be further assessed and may not be progressed to the financial value shortlist.</p>
First Nations engagement and benefits	<p>First Nations people are important partners in the clean energy transformation. The Australian Government is committed to meaningful engagement with Aboriginal and Torres Strait Islander peoples to achieve our priorities, while contributing to Closing the Gap.</p> <p>First Nations engagement and commitments will be assessed against Merit Criteria 4 and 7, to form contractually binding commitments. The assessment is looking for evidence of respectful and productive engagement with First Nations communities, and for First Nations groups to be afforded genuine social and economic opportunities through the CIS.</p>
Capacity Investment Scheme Agreement (CISA)	The CISA will be a contract between the project owner and the Australian Government. The CISA will provide partial revenue support (90%) if a project's revenue falls below an agreed floor. In turn, the CISA will also require projects to pay a percentage of revenue to the Australian Government (50%) if revenue exceeds an agreed ceiling. These payments are subject to an annual payment cap. The CISA will include an option to enable the operator to opt out of the CISA revenue support arrangement for the following 5 years.

Key element	Description
Interactions with the NSW Roadmap tender processes	<p>The NSW Electricity Infrastructure Tender Round 5 process for South West (SW) Renewable Energy Zone (REZ) access rights (NSW Tender 5) and EnergyCo’s process for Central West Orana (CWO) REZ access rights will be implemented in parallel with the Tender 1 process.</p> <p>Those processes will be implemented under an existing NSW legislative framework as part of the NSW Electricity Infrastructure Roadmap. NSW Tender 5 is run by AEMO Services in its capacity as the NSW Consumer Trustee pursuant to the <i>Electricity Infrastructure Investment (EII) Act 2020</i> (NSW). NSW Tender 5 will not include Generation Long Term Energy Service Agreements. The CWO REZ access right process is run by EnergyCo in its capacity as the NSW Infrastructure Planner.</p> <p>The CIS aims to complement existing state schemes, and proponents that are in the process of seeking a SW REZ or CWO REZ access right for their project, may consider bidding for a Generation CISA in the Tender 1 process.</p>

Proposed key stages in the Tender 1 process

Proposed key stages in the Tender 1 process	
 <p>Registration</p>	<p>Registration is the first step in the Tender 1 process. A proponent must create an account in the Online Portal on the tender partner’s website to register for the CIS and to register a project.</p> <p>Registrations are planned to open on 16 May 2024 and will close 8 business days before Stage A - Project Bid submissions close. A Stage A - Project Bid can only be submitted following Registration.</p>
 <p>Stage A - Project Bid</p>	<p>Project Bids are assessed against the proponent and project Eligibility Criteria. Proponents and projects for the Tender 1 process must demonstrate compliance with the eligibility criteria before being competitively assessed against Merit Criteria 1-4. Proponents that do not meet all eligibility criteria will cease to be further considered in the tender.</p> <p>The purpose of the Project Bid assessment is to select a shortlist of Project Bids to progress to Stage B – Financial Value Bid.</p> <p>Bids that are assessed as low merit against any of Merit Criteria 1-4 may not be assessed further during Stage A and may not be shortlisted for progression to the Financial Value Bid stage.</p>
 <p>Stage B - Financial Value Bid</p>	<p>Financial Value Bids are assessed against Merit Criteria 5-7.</p> <p>The purpose of the Financial Value Bid assessment is to develop a financial value shortlist to progress to Stage C – Due Diligence and Recommendations.</p> <p>At Stage B, projects will be assessed against the Merit Criteria to determine a financial value shortlist. Bids that are assessed as being of low merit against any Merit Criteria 5-7 may not be considered for the financial value shortlist.</p>
 <p>Stage C - Due Diligence and Recommendations</p>	<p>Due diligence may be undertaken.</p> <p>A recommended list of bids will be provided by the tender partner to the Australian Government based on the outcomes of the merit assessment, due diligence and CISA contract negotiations. The Minister for Climate Change and Energy (the Minister), on behalf of the Australian Government, will approve the proponents and projects to receive revenue support under the CIS, based on the recommendation of the tender partner.</p>

Proposed Tender Process Deed Poll

Proponents who wish to submit a bid will be required to execute a Tender Process Deed Poll and include it with their Project Bid.

The Tender Process Deed Poll will include, amongst other things:

- an acknowledgment that the relevant entity accepts and is bound by the Tender Guidelines,
- a warranty that the relevant entity has complied with the Tender Guidelines in respect of its participation in the Tender 1 process, and
- a warranty as to the truth and accuracy of the information submitted by the relevant entity in its bid.

Proposed Eligibility Criteria

The proposed proponent and project Eligibility Criteria are listed in **Table 1** and **Table 2**, respectively. The proposed Eligibility Criteria are largely similar to the [CIS South Australia-Victoria Tender process](#). Key changes relate to specific requirements for projects in NSW, and to requirements relating to project development approvals. Project Bids submitted by proponents that do not meet all Eligibility Criteria will cease to be further considered.

Table 1 – Proposed proponent Eligibility Criteria

Item	Criteria
EC1	The proponent must: <ul style="list-style-type: none"> a) at the time of submitting the Project Bid, hold an Australian Business Number (ABN) and b) be either: <ul style="list-style-type: none"> • an Australian entity incorporated under the <i>Corporations Act 2001</i> (Cth) • a Commonwealth entity, as described in section 10 of the <i>Public Governance, Performance and Accountability Act 2013</i> (Cth) • an Australian state or territory owned (wholly or partly) corporation or a subsidiary of a state or territory owned (wholly or partly) corporation, or • an Australian local government or council or an Australian organisation that has the purpose of representing and supporting local governments or councils.
EC2	The proponent must not have had a judicial decision relating to employee entitlements made against it (not including decisions under appeal), in respect of which the proponent has failed to pay any amounts required to be paid following that judicial decision.
EC3	The proponent must not be named as an organisation that is currently not complying with the <i>Workplace Gender Equality Act 2012</i> (Cth) (WGEA). The Applicant must make a declaration in the application form to demonstrate that it understands and meet its obligations, if any, under WGEA.
EC4	The proponent must not, within the previous 10 years, have been subject to an inquiry by the National Anti-Corruption Commission, or an equivalent body in a jurisdiction in Australia, where a finding has been made against the proponent (including a finding that the proponent has engaged in corrupt conduct).
EC5	The proponent must not be named as an organisation on the Consolidated List maintained by the Australian Sanctions Office within the Department of Foreign Affairs and Trade.
EC6	If the proponent is a 'reporting entity' under the <i>Modern Slavery Act 2018</i> (Cth), the proponent must have complied with its obligations under that Act, including (if applicable) registering a Modern Slavery statement with the Attorney General's Department.
EC7	The proponent must propose one bid Entity.

Table 2 – Proposed project Eligibility Criteria

Item	Criteria
EC8	The project must be registered or must state in its application that it intends to register, with AEMO for the central dispatch process under the National Electricity Rules (NER) in relation to a region of the NEM.
EC9	The project must have a registered capacity of not less than 30MW.
EC10	The project’s fuel source must be an eligible renewable energy source, as described in section 17 of the <i>Renewable Energy (Electricity) Act 2000</i> (Cth) and must be eligible to create large-scale generation certificates under that Act. Projects that use native forest wood waste are not eligible.
EC11	<u>For projects in Queensland, Victoria, Tasmania, South Australia and ACT:</u> The project was not identified as committed or existing, in the AEMO Generation Information page published on 29 January 2024, unless it is an expansion project to an existing storage or generation asset, or the project involves the addition of new storage or generation assets to existing shared infrastructure. <u>For projects in NSW:</u> the project is not identified as committed or existing in a generation information page published by AEMO on or before 14 November 2019.
EC12	The project must not be party to (or have been awarded) a long-term (10 years or more) revenue underwriting agreement with the Australian Government, or a state or territory of Australia under which: <ul style="list-style-type: none"> a) 50% or more of the project’s nameplate capacity is contracted for a purpose under that revenue underwriting agreement, and b) the project receives or is or will become entitled to receive either periodic or ongoing payments under that revenue underwriting agreement (Revenue Support). For the purposes of this Eligibility Criterion, Revenue Support excludes: <ul style="list-style-type: none"> a) non-concessional funding provided by the Clean Energy Finance Corporation (CEFC) b) revenue associated with certificates created or received under an Australian Government, State or Territory capacity, generation or green certificate scheme c) financial incentives or payments received from an Australian Government, State or Territory to alter electricity consumption to influence electricity demand d) investment received from an Australian Government or State or Territory government body e) grants from an Australian Government or State or Territory government body, whether repayable or not f) any new policy announced to support the development of renewable energy projects (i.e. funding from the proposed NSW Energy Security Corporation) g) payments for services awarded or appointed by EnergyCo in relation to REZ’s, network infrastructure projects, or priority transmission infrastructure projects.
EC13	The project must: <ul style="list-style-type: none"> a) have received a network service provider response to a connection enquiry b) have executed a connection agreement, or c) be in the process of seeking to amend an existing connection agreement. <p>Note: <i>This Eligibility Criterion does not apply to projects that are seeking to bid for access rights for SW or CWO REZs.</i></p>
EC14³	The Project must have received a Project Assessment Decision or alternatively, if Project Assessment Decision is not required, have lodged a Development Approval application under the relevant State Planning Legislation in relation to the Project. The tender partner may require the proponent to provide evidence, to the reasonable satisfaction of the tender partner, of the Project Assessment Decision or the Development Approval application in relation to the Project.

³ Further details relevant to each jurisdiction will be provided in the Tender Guidelines.

Merit assessment and criteria

Similar to the CIS South Australia-Victoria Tender process, projects will be assessed against seven Merit Criteria across Stage A and Stage B, followed by Due Diligence in Stage C:





- **Stage A - Project Bid assessment** will assess a project’s technical, commercial First Nations and community engagement merit.
- **Stage B - Financial Value Bid assessment** will require shortlisted projects to submit pricing bid variables, commercial departures, and social licence commitments.
- **Stage C - Due Diligence** may be undertaken on bids that are on the financial value shortlist.

The purpose of merit assessment is to select projects that can demonstrate the highest levels of merit compared to other projects in the tender. Successful projects will be required to demonstrate strong performance against all the Merit Criteria outlined in the relevant CIS Tender Guidelines.

Stage A and Stage B Merit Criteria will be weighted. The final weightings will be provided in the Tender Guidelines.

Proposed Merit Criteria – Stage A

The proposed Project Bid Merit Criteria and a description of how it is anticipated that proponents can demonstrate the merit of their project are listed below.

	Merit Criterion 1 – Contribution to system reliability and system benefits
	Merit Criterion 2 – Project deliverability and timetable
	Merit Criterion 3 – Organisational capability to deliver project
	Merit Criterion 4 – First Nations and community engagement

Merit Criterion 1 – Contribution to system reliability and system benefits

This criterion will be used to assess the impact each project may have on the electricity system, including congestion, reliability, and the project’s ability to provide essential system services and/or contribute to system strength.

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> • A project’s potential impact on network congestion and/or ability to provide additional system benefits. This includes the project’s effects on other projects connected or expecting to connect to the network prior to the project. • A project’s contribution to system reliability and its impact on the electricity system. 	<ul style="list-style-type: none"> • Technical information about the project’s connection point, connection type, project size and technology type. • Basic specifications relating to system strength (fault current), voltage management (reactive power), frequency management (ramping capability) and system restoration capability (black-start). 	<ul style="list-style-type: none"> • Projects intending to locate: <ul style="list-style-type: none"> – in strong areas of the network, or – with a connection that is not likely to lead to material curtailment and/or congestion of the project’s own generation or the generation of nearby renewable projects.

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> • A project's contribution to system security services, including system strength, voltage control, frequency management and system restoration where relevant. • This analysis may refer to materials published by AEMO and apply it to the assessment. 	<ul style="list-style-type: none"> • Information provided by the relevant network service provider such as a Connection Enquiry Response (CER) about the risk of the project's generation being constrained in different dispatch scenarios. 	<ul style="list-style-type: none"> • Projects capable of providing essential system security benefits, targeting the automatic access standard defined in the NER, including contributing to system strength, voltage control, frequency management, and additional services such as system restoration support.

Merit Criterion 2 – Project deliverability and timetable

This criterion will be used to assess the project's ability to be operational by its Target COD. Proponents that can provide detailed evidence to demonstrate their ability to deliver each milestone, with clear articulation of strategies for mitigating delivery risks, are likely to be assessed more favourably. Successful proponents will have the target financial close, COD, and other key dates scheduled as milestones in the final CISA.

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> • A project's progress towards achieving key development milestones and feasibility of reaching its targeted financial close and COD. This includes: <ul style="list-style-type: none"> – Alignment between the target date for achieving financial close and the plan to achieve COD. – Understanding of key development and construction risks (including mitigation strategies) to achieve COD. • Financing strategy and financial capacity to support the development, construction and operation of the project. • Contracting strategy and progress in securing partners and suppliers to deliver the project. 	<p>Development pathway</p> <ul style="list-style-type: none"> • A project development plan and schedule (including a Gantt chart). • Site map of the project, including project site and all relevant easements, with cadastral ID, and proponent land tenure rights, infrastructure and/or construction needs. • Planning approval documentation (e.g. Environmental Impact Assessment, Development Application lodgement, notification, Development Consent decision notice). • If applicable, progress towards approvals required under the <i>Environment Protection and Biodiversity Act 1999</i> (Cth). • Evidence of connection approval progress, such as: <ul style="list-style-type: none"> – CER under the NER. – Grid connection studies, payment of fees to progress grid connection application. – Evidence of progress of the Generator Performance Standards (GPS) package with AEMO. – Section 5.3.4 letter(s) (pursuant to section 5.3.4 of the NER). – Evidence of progress of AEMO registration process. – Network (Grid) Connection Agreement (or any related documentation). • Note: For projects seeking to bid for access rights for South-West or CWO REZs, a CER is not required. However, 	<p>Development pathway</p> <ul style="list-style-type: none"> • Land tenure rights secured for all of the project site (e.g. ownership, leases, or options), including the connection route if the connection route is the responsibility of the project⁵. • Advanced grid connection progress with the relevant network service provider and AEMO in relation to the project (not relevant for projects seeking an access right). • Evidence of progress towards securing all relevant planning and regulatory approvals and a pathway for securing any outstanding approvals required. • A clear understanding of the project risks (including risks to securing grid connection, reaching COD, construction risks and financing risks) and identified appropriate mitigants to resolve or reduce the associate risks.

⁵ For projects in the CWO REZ access scheme, this does not include the land tenure rights for the direct project connection route that is to be delivered by the network operator.

What is assessed?	What is required?	What are we looking for?
	<p>details of the status of its application will be required⁴.</p> <ul style="list-style-type: none"> • A project risk register that outlines key risks and relevant mitigants (i.e. risks to securing grid connection, risks of future transmission network augmentations not occurring as planned, risk of not achieving financial close and/or COD as planned, construction risks and financing risks). 	
	<p>Financing and revenue strategy</p> <ul style="list-style-type: none"> • A corporate structure diagram of the project/entity, outlining the relevant parent, subsidiary, and related entities, and detailing relevant financial arrangements at each level. • A financing strategy or plan and a revenue contracting strategy or plan, including: <ul style="list-style-type: none"> – Evidence of financing progress (e.g. approved development funding, approved early construction budget). – A detailed plan for raising capital, including outline of resources with demonstrated track record of raising capital. – Proponents intending to utilise equity financing or corporate level debt facilities should provide details on the current availability of such facilities and the level of organisational endorsement and/or approvals for using such facilities concerning the Project (e.g. evidence of engagement with debt/equity financiers, firm financial commitments/contracts). – Project revenue strategy including contracting plan and (when relevant) status of offtake agreements. 	<p>Financing and revenue strategy</p> <ul style="list-style-type: none"> • A clear pathway and detailed steps to financing the project and achieving the target dates for financial close and COD. <ul style="list-style-type: none"> – For those projects also seeking a REZ access right in NSW, the pathway to achieving financial close by the project's target date and to achieving COD in line with the access rights network energisation date (with a reasonable buffer to mitigate the risk of any acceptable delays) must be demonstrated. • Evidence of progress towards finalising capital raising activities, substantiated through supporting documentation.
	<p>Construction contracting</p> <ul style="list-style-type: none"> • Project delivery contracting structure and/or commercial delivery model in diagrammatic representation, including all relevant works packages and activities related to procurement and construction of the project. • Evidence of engagement with construction contractors and equipment manufacturers, such as: <ul style="list-style-type: none"> – EPC contractor and/or major equipment manufacturer engagement (e.g. correspondence, term sheet, early works contracts). – Technical design summaries, and/or other activities related to procurement and construction of 	<p>Construction contracting</p> <ul style="list-style-type: none"> • Demonstrates a clear understanding and has identified the required commercial delivery model to develop the project. • Demonstrates progress toward securing relevant project agreements (e.g. construction contracts).

⁴ The tender partner may verify this information with the relevant authority responsible for allocating access rights at any stage during the tender process.

What is assessed?	What is required?	What are we looking for?
	the project.	

Merit Criterion 3 – Organisational capability to deliver the project

This criterion will be used to assess the track record, capability and capacity of the proponent and its delivery partners involved in the project to provide assurance that the project can be delivered as outlined in the Project Bid.

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> The capability and track record of the proponent (including its management and personnel) and its key delivery partners (including consortium members, suppliers, and contractors) involved in the project. Experience in engaging with relevant stakeholders required to deliver the project, including public authorities, communities, regulatory entities, and contractors). The capacity of the proponent and its delivery partners to dedicate the necessary resources to deliver the project on time, and to meet quality requirements and budget. 	<ul style="list-style-type: none"> Diagrams showing the corporate structure for the direct and indirect equity owners of the proponent and Bid Entity and the contracting structure and/or delivery model for each of the Construction Period and Operations Period and/or commercial delivery model. An overview of the credentials and capabilities of the proponent (and/or Consortium) and its personnel responsible for the delivery of the project, including information on the track record of the proponent's relevant projects delivered and/or operated in the last five (5) years. Roles and responsibilities of key resources required to deliver the project, including consultants, advisors, and delivery partners. 	<ul style="list-style-type: none"> Proponent and its delivery partners demonstrate a track record in delivering comparable projects (e.g. details of comparable projects, list/summaries of previous projects delivered). Proponent demonstrates a detailed and thorough understanding of the skills and experience required to deliver the project and a plan for procuring them and includes detailed information about the availability of these resources and a strategy for securing them, if not already secured.

Merit Criterion 4 – First Nations and community engagement

This criterion will be used to assess the proponent's approach to:

- engagement and understanding of First Nations communities
- local community engagement strategies, implementation and benefit sharing initiatives.

First Nations engagement

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> The proponent's approach to engagement with First Nations communities. Level of understanding of any impacts of the project on First Nations communities and the approach to minimise and offset any impacts of the relevant electricity infrastructure on affected First Nations communities. 	<p>Understanding First Nations communities:</p> <ul style="list-style-type: none"> Demonstrated understanding of local First Nations communities. Detailed approach to First Nations engagement. Description of community acceptance for site selection and project layout, including consideration of community consultation and interests. <p>Understanding of impacts:</p> <ul style="list-style-type: none"> Approach to minimise and offset the Project's impact on First Nations communities. 	<ul style="list-style-type: none"> Clear identification of impacted First Nations communities and an understanding of their views, issues or the impacts faced by them, supported by evidence of appropriate engagement to date and evidence of early engagement. Evidence of First Nations better practice engagement and place-based design, when appropriate to the site, including demonstration of culturally aware engagement that has led to, or is intended to establish, trust and meaningful relationships with relevant representative bodies.

What is assessed?	What is required?	What are we looking for?
	<ul style="list-style-type: none"> • Summary of consultation with First Nations communities' that has occurred to date. • Summary of the identified impacts that the Project will have, or may be expected to have, on First Nations communities. • Evidence of having considered or incorporated the feedback from First Nations communities during project design, development, and future implementation. 	<ul style="list-style-type: none"> • Evidence of building trust with impacted First Nations communities. • Projects that demonstrate stronger commitments to First Nations communities may be found to be of higher merit.

Local community engagement and benefit sharing

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> • The proponent's approach to engagement with local communities to foster local community support. • Level of understanding of any impacts of the project on the community and the approach to minimise and offset any impacts of the relevant electricity infrastructure on affected communities through financial benefits sharing during construction and operation. • These commitments will become binding and will be subject to contractual monitoring and enforcement regimes if a proponent is successful in the Tender process. 	<p>Understanding community stakeholders:</p> <ul style="list-style-type: none"> • Detailed approach to local community engagement, including communications protocol and complaints management. • Demonstrated understanding of local community and stakeholders, including stakeholder mapping. • Description of community acceptance for site selection and project layout, including consideration of community consultation and interests. <p>Understanding of impacts:</p> <ul style="list-style-type: none"> • Approach to minimise and offset the Project's impact on local communities. • Summary of consultation with local communities' that has occurred to date. • Summary of the identified impacts that the Project will have, or may be expected to have, on the stakeholders. • Evidence of having considered or incorporated the feedback from the local community during project design, development, and future implementation. <p>Shared community benefit commitments:</p> <ul style="list-style-type: none"> • Shared community benefit commitments for the Project in the completed MC4 Returnable Schedule. 	<ul style="list-style-type: none"> • Clear identification of impacted communities and stakeholders and an understanding of their views, issues or the impacts faced by them, supported by evidence of appropriate local community engagement to date and evidence of early engagement. • Evidence of past community engagement activities, including who was consulted and what communication tools were used. • Evidence of building trust with impacted local communities. • Evidence of commitments and shared benefits established, or to be established, with local communities that have a long-lasting and meaningful economic and social impact on the beneficiaries. The quality and impact of initiatives will be valued over the quantum of initiatives. • Active involvement of local communities in the co-designing of benefit sharing schemes will be assessed favourably.

Table 3 outlines the policy intention for shared community benefit commitments and provides examples of commitments that could demonstrate merit and support higher quality bid responses.

Table 3 – Shared community benefit commitments




Policy intention	Examples of what we are looking for
To encourage the establishment of programs and/or initiatives that have long-lasting and meaningful impacts on the local community. The quality and impact of initiatives is valued over the quantum of initiatives.	<ul style="list-style-type: none"> Community co-ownership schemes. This can be utilised by projects in construction or already in operation. Inviting local community to coinvest in the project and profits are to be shared with the community members. Virtual storage tariffs that allow local community members to opt-in to virtual hedging products for storage projects and receive cost-saving benefits. Optimised infrastructure to benefit neighbouring community upgrades to degraded land/waterways located near to the project. Commitments to minimise environmental impacts and maintain high biosecurity standards.

Note for NSW projects bidding for access rights in addition to a Generation CISA:

- The Community Benefits portion of the Access Fee paid by access right holders will be assessed as contributing towards MC4.
- Access rights projects will still be required to provide a Community Engagement Plan outlining their commitments and community engagement activities.

Proposed Merit Criteria – Stage B

Each proposed Financial Value Bid is expected to be assessed against the Stage B – Financial Value Merit Criteria, below.

	Merit Criterion 5 – Financial value
	Merit Criterion 6 – Commercial departures
	Merit Criterion 7 – First Nations and social licence commitments

Merit Criterion 5 – Financial value

This criterion will be used to assess financial value, based on the forecast cost of the CISA compared to the benefits associated with the project, including its effect on wholesale electricity costs, contribution to achieving 82% renewable energy by 2030, and contribution to reliability and system benefits.

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> The benefit that the project’s generation may have in the NEM, and the forecast cost of the CISA. This includes contribution of the project to the target of 82% renewable energy by 2030, and consideration of any contribution to improving reliability. Assessment will consider a range of energy market scenarios to test Financial Value Bids for their ability to demonstrate value 	<ul style="list-style-type: none"> Completed returnable schedule, that includes Key commercial terms. Technical information including: <ul style="list-style-type: none"> COD (target) Location of project and network connection point Maximum capacity and storage capacity (if applicable) Technology type 	<ul style="list-style-type: none"> Projects with potential to receive higher dispatch weighted prices Projects with a relatively high ability to contribute to reducing wholesale electricity market prices. Projects with a relatively low forecast cost. All else being equal, it is expected that the cost of a project will be reduced if it features:

What is assessed?	What is required?	What are we looking for?
across a diverse range of future outcomes.	<ul style="list-style-type: none"> – Modelled generation traces – Expected operational guarantee life – Degradation 	<ul style="list-style-type: none"> – Low Annual Revenue Floor – Low Annual Revenue Ceiling – Low Annual Payment Cap • Projects located in less constrained network locations with greater connection to load centres, particularly in high demand periods. • Projects that generate in periods where they can displace fossil fuel generation and contribute to meeting the target of 82% renewable energy by 2030.

Merit Criterion 6 – Commercial departures

This criterion will be used to assess the nature and extent of any commercial departures and the resulting risk-transfer from the proforma project documents, in particular the CISA.

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> • Materiality of changes to risk allocation and additional administrative burden from what is set out in the proforma project documents. 	<ul style="list-style-type: none"> • Completed departures table (returnable schedule), including the reason for requesting each departure. • Marked-up and clean version of the project documents in a form ready for acceptance, in both Word and pdf. • Where an alternative Financial Value Bid is to be submitted, only the bid variables in the project documents have been amended when compared to the project documents submitted as part of the default Financial Value Bid. • Clean versions of the project documents in a form ready for execution by the proponent (i.e. requiring no further changes, including parties' details and execution blocks) and will be considered capable of acceptance. 	<ul style="list-style-type: none"> • Bids which accept the pro forma with no changes to the Project Document risk allocation, i.e. minimal to no departures from the proforma Project Document. • If departures are proposed, they may be considered based on the nature and extent of the departure and its impact on: <ul style="list-style-type: none"> – the risk allocation to the Australian Government – the administrative burden and cost to the Australian Government – consistency with the Australian Government's policy objectives.

Departures from the proforma project documents that materially increase risk and administrative burden to the Australian Government are not expected to be assessed as high merit. Departures should be limited to those critical to the proponent's commercial or technical requirements. All cases should consider the impacts of changing the proposed risk and administrative position in the proforma project documents.

Merit Criterion 7 – Social licence commitments

This criterion will be used to assess the quality of the project's approach and strength of binding social licence commitments to improve First Nations economic and social outcomes, and regional economic development, including local supply chains and workforce.

Projects in NSW must provide commitments towards achieving the baseline requirements and/or stretch goals from the NSW Renewable Energy Sector Board (RESB) Plan. They will also need to demonstrate alignment to the NSW [First Nations Guidelines](#) regarding consultation and negotiation with local First Nations communities. Further details on NSW specific requirements will be provided in a Social Licence Market Briefing.

First Nations commitments

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> The key areas to be assessed for implementing positive change and the greatest level of impact will be the effect of projects on First Nations communities. Commitments to be implemented by proponents for First Nations communities. Strategies and processes in place to ensure that commitments will be achievable. 	<ul style="list-style-type: none"> Commitments that consider and seek to address identified issues in the specific local community context as well as the project-specific impacts within the community. Strategies and activities to demonstrate how commitments will be achieved. Completed First Nations component of the MC7 returnable schedule that includes all First Nations commitments. 	<ul style="list-style-type: none"> Commitments that have considered and incorporated feedback and interests in the design of the initiatives and are tailored specific to the First Nations communities. Projects that demonstrate stronger financial commitments to First Nations communities may be found to be of higher merit

Table 4, below, outlines the policy intentions for First Nations commitments and provides examples commitments that could demonstrate merit and support higher quality bid responses.

Table 4 – First Nations commitments

Element	Policy intention	Examples of what we are looking for
First Nations (MC7)	To provide First Nations people with opportunities to increase economic and social benefits.	<ul style="list-style-type: none"> Ownership, revenue sharing and energy offtake agreement models for Traditional Owner groups. Partnering with First Nations employment services during pre-construction to support hiring and ongoing management of First Nations workforce. Funding to subcontract with First Nations businesses. Scholarships with local universities to support individuals transitioning from agricultural and mining sectors to the energy sector. Funding to support work readiness (i.e. driver’s licence attainment, secure accommodation, pre-apprenticeship training).

Social licence commitments

What is assessed?	What is required?	What are we looking for?
<ul style="list-style-type: none"> The key areas to be assessed for implementing positive change and the greatest level of impact will be the effect of projects on local communities, employment, and content. Social licence commitments to be 	<ul style="list-style-type: none"> Social licence commitments that consider and seek to address identified issues in the specific local community context as well as the project-specific impacts within the community. Strategies and activities to demonstrate how social licence commitments will be achieved. Completed components of the MC7 returnable schedule that includes any: 	<ul style="list-style-type: none"> Commitments that have considered and incorporated community feedback and interests in the design of the initiatives and are tailored specific to the local communities. Commitments to local employment and training, including the training of apprentices, as well as high labour standards.

<p>implemented by proponents within the project's community.</p> <ul style="list-style-type: none"> Strategies and processes in place to ensure that commitments will be achievable. 	<ul style="list-style-type: none"> Commitments to local employment, including skills and training and labour standards adopted. Commitments related to use of local content, including locally sourced materials and suppliers that support the development of Australian supply chains, including in renewable components and materials (includes assessment of pre-COD CAPEX and post-COD OPEX). 	<ul style="list-style-type: none"> Commitments that demonstrate Australian supply chain benefits.
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Table 5, below, outlines the policy intentions for social licence commitments and provides examples commitments that could demonstrate merit and support higher quality bid responses.

Table 5 – Social licence commitments

Element	Policy intention	Examples of what we are looking for
Local Employment (MC7)	To encourage investment in local employment including skills, labour standards, and training, and capacity building to support the development of the renewable energy workforce.	<ul style="list-style-type: none"> Appointment of a regional economic development lead to engage with local businesses to maximise use of the local industry during the project life. Appointment of a renewable workforce participation lead who is employed to engage with the community in developing the design of initiatives, implement workforce skilling and pre-employment programs and initiatives, including for underrepresented and disadvantaged groups, and adopt and maintain labour standards. Contribution to, or funding of, locally based vocational education and training courses and actively working with existing government and industry bodies to deliver new training to meet industry need. Establishment of a learning hub for projects' local primary and high schools to support early-stage education on renewable energy concepts, during the operation of the Project. Funding scholarships for school leavers, internships, mentoring programs and return to work programs for women and mature age workers.
Local Content (MC7)	To maximise use of local content and to incentivise Projects to proactively source Local Content or incorporate local content when possible, including locally sourced materials and suppliers that support the development of local supply chains, including in renewable components and materials.	<ul style="list-style-type: none"> Funding research and development programs to drive innovation within local and Australian supply chains. Sourcing goods and services from local suppliers and SMEs. Funding to build the capacity of the local manufacturing sector.

Frequently Asked Questions

This Frequently Asked Questions section is intended to provide stakeholders with an update on the expected design features of the CIS following the design paper consultation process.

Final arrangements for Tender 1 will be published in the Tender Guidelines that will accompany the opening of bids, expected on 31 May 2024, and in the draft Generation CISA. That may include changes to matters set out below.

Contract design

1. How will the CIS maintain commercial incentives in the electricity market?

The CIS aims to preserve existing electricity market signals. This includes preserving a level of market price exposure in the underwriting settings for the CISA and allowing projects to participate in wholesale contract markets.

In contract years when the net operational revenue for the project is between the Annual Revenue Floor (bid annual floor (\$/MWh) multiplied by eligible generation (MWh)) and the Annual Revenue Ceiling (bid annual ceiling (\$/MWh) multiplied by eligible generation (MWh)), projects have full market price exposure. Any additional revenue which the project can achieve is retained by the project. Projects have strong incentives to enter wholesale market contracts if the expected revenue from the contract is greater than the expected revenue from the wholesale market.

In contract years when net operational revenue is greater than the Annual Revenue Ceiling, the CISA will require 50% of the net operational revenue above the ceiling to be paid to the Australian Government. Projects retain 50% of the marginal revenue benefit and hence are still incentivised to enter wholesale market contracts. Incentives to contract under these circumstances are reinforced by the fact that payment to the Australian Government is also capped by the project's annual payment cap which is a biddable parameter. Double liabilities are avoided by including net eligible contract revenue in the eligible revenue calculations.

For contract years when net operational revenue is below the Annual Revenue Floor, the CISA will provide a top up of 90% of the revenue difference between the Annual Revenue Floor and the net operational revenue. When below the Annual Revenue Floor, projects remain exposed to 10% of the marginal revenue benefit. This mutes incentive for contracting purely on increased revenue per unit of dispatch. Incentives to contract under these circumstances are improved by the fact that payment from the Australian Government is also capped by an annual payment cap which is a biddable parameter. As noted below, projects retain negative price risk with prices below zero deemed at zero for net operational revenue calculations. This mitigates the risk of uneconomic dispatch of generation. Projects retain incentives to enter wholesale contracts to manage negative price risk.

2. What is included in the Net Operational Revenue calculation?

The Generation CISA will provide revenue underwriting for the eligible generation sent out by the project (in MWh, adjusted for Marginal Loss Factors and Distribution Loss Factors). Wholesale market revenue for periods when spot prices are positive will be included in the revenue calculation however dispatch at negative prices (below \$0/MWh) will be deemed at \$0/MWh for the net operational revenue calculations.

The net operational revenue calculation is intended to include all sources of revenue that relate to the economic value of the project, including potential future sources of revenue. Other revenue sources to be included in the net operational revenue calculation include (without limitation):

- Eligible Wholesale Contracts.
- Green Products and Capacity Products.
- Any other revenue contract that relates to the economic value of the project.

When any contracted revenues are assessed as ineligible, they will be replaced by the revenue the project would have made based on spot market sales if it had not entered the ineligible contract.

Green and capacity products whose value is not realised are proposed to be deemed at the market price for each product that is created or referred to the project over the support year.

Where net operational revenue divided by eligible generation is less than the project's annual revenue floor, the CISA will provide a top-up payment of 90% of the difference multiplied by eligible generation. Where net operational revenue divided by eligible generation is greater than the project's annual revenue ceiling, the project will be required to provide a payment equal to 50% of the difference multiplied by eligible generation.

3. What are Eligible Wholesale Contracts and how are these treated under the Generation CISA?

The CIS aims to encourage proponents to participate in the contracts market. However, there are some limitations on the type of contracts (Eligible Wholesale Contracts) that can be included in the CISA revenue calculation. These limitations are necessary to manage the verifiability of arm's length arrangements, and to avoid onerous administrative requirements for both proponents and scheme administration.

Eligible Wholesale Contracts must:

- be at an arm's length price
- not be with a related party (further discussed in Question 4)
- have fixed-for floating price structure (swap)
- have a generation-following profile
- be for a duration that is a multiple of 12-months
- not contain embedded optionality on the volume or price or the exercise of the contract itself
- require project Operator to sell, and not buy-back, any physical or notional quantity of electricity.

During the term of the CISA, projects may seek to sign contracts that have features that have not been included in this definition of Eligible Wholesale Contracts. However, the Australian Government reserves the right to consider and approve alternative types of contracts (on a case-by-case basis) to ensure they align with CIS policy objectives.

Note: the Eligible Wholesale Contract provisions discussed here refer to the Generation CISA product only and are not exhaustive. The Clean Dispatchable CISA will have a separate definition for Eligible Wholesale Contracts.

4. What are related party transactions and are they eligible?

A related party transaction is defined as any generation transaction with a related body corporate as defined in the *Corporations Act 2001* (Cth).

Related party transactions will be allowed. However, these will not be reflected in the revenue calculation for the project. The revenue calculation will use the wholesale spot market to calculate project revenue, without considering the impact of any related party transactions.

This will allow flexibility for different business models, while recognising that it would be highly onerous to monitor whether related party transactions are genuinely arm's length and therefore avoid the risk, or the perception, that revenues may be transferred to related parties to the detriment of taxpayers.

It is recognised that if the business model for a project features the inclusion of the value of its generation as part of a portfolio trading strategy, this will mean that the risk of 50% revenue 'clawback' above the contracted ceiling will need to be managed. The Australian Government recognises that proponents may factor this into their bidding strategies regarding floor and ceiling settings.

5. How are green certificates treated under the CIS?

The treatment of green certificates will depend on whether the CIS project has contracted for these certificates.

- If the CIS project has contracted for its green certificates (either as part of a bundled Power Purchase Agreement or a separate contract for green certificates only):
 - the sale must be at an arm's length price and not with a related party for the contracted price to be included in the revenue calculation as an Eligible Contract.
- If the CIS project has not contracted for its green certificates, or if the transaction is not considered to be at an arm's length price, or the transaction is with a related party:
 - the value of the green certificates could be based on the average closing spot price over a period of days across a number of market platforms specified by the Australian Government.

Green certificates whose value is not realised are proposed to be deemed at the market price for each product that is created or referred to the project over the support year.

6. How are negative prices considered under the CIS?

Negative wholesale prices are excluded from CIS net revenue calculations. Only positive wholesale prices contribute to the project's net revenue position – in other words, dispatch at negative prices (below \$0/MWh) are deemed at \$0/MWh for the net revenue calculations.

As discussed in Question 2 above, the Eligible Generation for CIS underwriting includes all of the project's generation sent out by the project (in MWh and adjusted for Marginal and Distribution Loss Factors), including during times when prices are negative.

7. How long is the period of CISA support?

Successful projects can receive CIS support for up to a maximum of 15 years. The length of the support contract is a biddable variable in the tender process. The CISA will include an option to enable the operator to opt out of the CISA revenue support arrangement for the following 5 years.

8. Why is a Special Purpose Vehicle required?

A Special Purpose Vehicle is required to be the operator of a CISA. This is necessary to establish a clear and transparent structure for the calculation of operational net revenue and provide clarity and safeguard the interests of all parties.

Eligibility

9. What technologies are eligible for this CIS tender?

The CIS is technology neutral amongst zero emissions technologies (noting that projects that use native forest wood waste are not eligible). The CIS also aims to support projects that will become operational in the period prior to 2030.

10. How are hybrid projects treated under the CIS?

Hybrid projects are eligible to bid in this generation tender process and are expected to be defined as co-located generation and energy storage assets, where both assets must have the same connection point and be owned by the same SPV.

Bidding as a hybrid project, despite only the generation asset receiving underwriting support, will mean that the storage asset can provide additional benefits to the market and deliver the project with higher expected revenues. Consequently, the project may demonstrate a higher expected financial value against Merit Criterion 5. In addition, a hybrid project may be able to provide greater system reliability and other system benefits, which may also contribute favourably towards the merit assessment against Merit Criterion 5 compared with non-hybrid projects.

Bidding as a hybrid project may lead to project proponents bidding higher bid variables to meet their required return on investment in both the generation and storage assets. The interplay between these factors may determine how a hybrid project performs compared to non-hybrid projects.

For clarity, projects that combine multiple generation assets (e.g. wind and solar) that share a common connection point are not expected to be considered a hybrid project for the purposes of this tender. Instead, such projects will be treated as a single generation project for assessment and contracting purposes.

The Generation CISA will aim to accommodate multiple types of hybrid configurations and may require amendments and additional obligations to enable novel hybrid project configurations. These obligations are expected to require revenue-grade sub-metering for each of the components of the hybrid project.

11. Can staged projects and/or projects with multiple connections participate in the CIS?

Proponents with staged projects and/or projects with multiple connections may need to consider how to participate in the tender process. The definition of what constitutes a staged project has not been finalised and decisions in this regard may be made on a case-by-case basis during the assessment process. The following are indicators of a staged project:

- The project has multiple grid connections and/or AEMO registrations.

- Each stage of the project is in principle capable of being owned by different equity holders, financed by different debt providers, or built by different engineering, procurement and construction contractors.
- Stages of the project may share infrastructure, but an initial stage is not necessarily dependent on a subsequent stage. Projects that bid wholly in a single tender round will be assessed against the Merit Criteria and Eligibility Criteria as a single project.

12. Are Virtual Power Plants (VPPs) eligible?

Virtual power plants, demand response, and other virtual aggregation and flexible load technologies will not be eligible to bid in this tender round. However, the inclusion of these technologies in future clean dispatchable tender rounds is being considered and subject to the development of an appropriate methodology for valuing and comparing these technologies.

13. Are community energy projects eligible?

If a community energy project and associated project proponent meet the Eligibility Criteria (see Table 1 and Table 2), they will be eligible to participate in this tender process.

Assessment approach

14. Will the lowest floor price bid be guaranteed to receive a CISA?

No. The aim of the CIS is to attract the best quality projects based on a holistic value for money assessment. The overall expected cost of supporting the project will be assessed based on a number of electricity market modelling scenarios and will include projections of the dispatch weighted price to be received by the project. Therefore, a project with a higher floor but also higher expected dispatch weighted prices may be forecast to require less support than a project with a lower floor but even lower dispatch weighted prices.

The assessment process will also include factors such as timing, contribution to system benefits, deliverability, organisational capacity and community and First Nations engagement and shared benefits.

Proponents should aim to bid at a price that is both competitive and sufficient to allow projects to operate sustainably in an environment of high renewables penetration.

Projects will make their own decisions regarding financial structuring and gearing levels. Some projects may target their floor price to primarily cover their debt obligations to ensure that they are competitive. High quality projects that anticipate scoring well against key assessment criteria may choose to bid a floor price that potentially covers a component of both debt and equity to facilitate their project development. The assessment process will assess all bids against the assessment criteria rather than targeting a particular level of financial coverage.

15. How will the cap be assessed with reference to the floor?

All financial bid aspects, including the floor, ceiling, and annual support cap, as well as a project's expected revenue over the support period will be assessed to determine the total expected value of net support (or revenue sharing from the project) over the duration of the support period across a range of different wholesale electricity market modelling scenarios.

16. Will wind projects be competitive in this tender?

Wind projects are expected to be competitive in the CIS tender. Wind projects can provide important whole of system benefits by generating electricity at all times of day, including during periods of peak demand.

The CIS assessment process will adopt a holistic approach, considering a range of factors, beyond merely cost considerations. This includes assessment of the financial benefits, overall system benefits of a project as well as deliverability, organisational capability, and local and First Nations communities' benefits.

Projects with generation profiles more closely correlated with higher electricity prices (i.e. receiving higher dispatch-weighted prices) would be expected to generate more project revenue, and thus may achieve a lower estimated total cost despite a higher floor. As discussed in Question 14 above, the overall expected cost of supporting a project will be assessed based on a number of electricity market modelling scenarios and will include projections of the dispatch weighted price to be received by the project. Therefore, a project with a higher floor but also higher expected dispatch weighted prices may be forecast to require less support than a project with a lower floor but even lower dispatch weighted prices.

Community engagement and shared benefits

17. How is the CIS going to improve outcomes for First Nations people?

The Australian Government recognises that First Nations people are important partners in the Clean Energy Transformation and that the CIS represents a unique opportunity for First Nations participation, leadership, and shared economic benefits.

Proponents are required to demonstrate they have a well-developed understanding of the First Nations communities that will be impacted by their project and to provide details of their engagements to date with Traditional Owners and affected First Nations groups.

Both Merit Criteria 4 and 7 have specific First Nations elements that will be used to assess the level of First Nations engagement, and commitments to improve the lives of First Nations people who are impacted by the energy transition.

Leading approaches and projects that can demonstrate commitments to equity and/or revenue sharing and energy offtake agreement models for First Nations groups may be more favourably assessed. The Australian Government has heard from First Nations stakeholders that this is one area where there needs to be demonstrable improvement in the delivery of clean energy projects, and it is acting on this advice for this and successive tender rounds.

Between this tender and CIS Tender 3 in late 2024, the department will undertake further engagement and consultation with First Nations groups and stakeholders to improve assessment processes and to address First Nations policy considerations.

18. How is the CIS going to improve outcomes for the community and local economies?

Driving positive change in social licence outcomes is vital for the transition to a net-zero economy.

The Australian Government is committed to ensuring CIS supported projects are providing benefits to local communities, using local content and supply chains, and providing job opportunities.

The assessment of social licence outcomes for the previous tender process, centred on approaches to community engagement, and commitments to invest in local communities, and economies. These commitments become contractually binding for successful projects.

For this tender process, the Australian Government is ensuring proponents have clarity on the importance and expectations associated with social licence for successful bids. This is reflected through an increase in the weighting of social licence Merit Criteria, MC4 and MC7.

For the assessment of local content elements under MC7, bids for projects that have completed an Australian Industry Participation Plan may be assessed with higher merit.

Please note that 'social licence' covers a range of factors including local employment, use of local content, local community benefits, stakeholder engagement and participation. The Australian Government will provide additional information on the expectations for the social licence criteria through webinars, market briefing documents and the Tender Guidelines.

19. What environmental requirements are applicable to CIS projects?

CIS projects are expected to meet all necessary Commonwealth, and state or territory environmental and planning laws and requirements.