



Capacity Investment Scheme (CIS) Tender 4: National Electricity Market (NEM) – Generation Stage A - Project Bid Q&A Responses

This document provides a compilation of responses to de-identified questions received from Registered Proponents for CIS Tender 4: NEM – Generation (**CIS Tender 4**). New Q&As are added to this document in chronological order and shaded in pale green. All Q&As are allocated to categories aligning with the Q&A form: Eligibility Criteria; Merit Criteria (MC) 1 – Contribution to system reliability and system benefits; MC 2 – Project deliverability and timetable; MC 3 – Organisational capability to deliver project; MC 4 – First Nations engagement; MC 5 – Community engagement; Draft Project Documents; and other.

All responses and correspondence by AEMO regarding the Q&A Process in CIS Tender 4 are subject to the Tender Conditions set out in Section 4 of the CIS Tender 4 [Tender Guidelines](#) (published 12th December 2024).

Important notice: Registered Proponents are reminded of Sections 4.5 (No warranty), 4.6 (No representations), 4.13 (Requests for clarification and further information) and 4.19 (Proponent to perform own due diligence) of the Tender Guidelines. AEMO and the Australian Government reserves its rights not to respond to any question or request. The responses provided are for information purposes only and neither AEMO or the Australian Government make any warranties or representations with respect to the completeness, accuracy, adequacy or currency of the responses. The responses do not take into account individual circumstances and Registered Proponents should ensure they perform their own due diligence.

Version Release

Version	Release date	Changes
1	15/01/2025	Release 1 including 3 responses
2	20/01/2025	Release 2 including 2 additional responses
3	22/01/2025	Release 3 including 2 additional responses
4	03/02/2025	Release 4 including 6 additional responses
5	06/02/2025	Release 5 including 4 additional responses
6	07/02/2025	Release 6 including 3 additional responses
7	13/02/2025	Release 7 including 5 additional responses

Project Bid Q&A

Q&A Release 7		Distributed 13/02/2025	
#	Category	Question	Answer
21	Eligibility Criteria	If a Proponent believes it meets the underlying intent of Eligibility Criteria 16 (EC 16), but the relevant pathway as outlined in the Tender Guideline's 'Table 8 State/Territory specific requirements for EC 16' remains unresolved due to recent state specific updates, how should the Proponent complete the Project Bid form? Should the Proponent select 'Yes (eligible)' or 'No (ineligible)' for EC 16 in the Project Bid form?	<p>As per Question 1 in Q&A Release 1:</p> <p>The policy intention of EC 16 is to verify that Projects are sufficiently progressed in the planning approvals process to support a competitive bid.</p> <p>If a Proponent believes it has achieved an equivalent status of planning progression as that listed in the Tender Guideline's 'Table 8 State/Territory specific requirements for EC 16', the Proponent should provide evidence of their advanced planning progression.</p> <p>Proponents must ensure their Bid form responses are accurate and compliant with the Tender Guidelines.</p> <p>The Australian Government and AEMO have absolute discretion to accept or reject a Bid that does not comply with the requirements of the Tender Guidelines (section 4.28 Discretions of the Tender Guidelines).</p>
22	Draft Project Documents	Is it the intention that, in some circumstances, the inclusion of 'PFME Generation' in the calculation of Notional Quantity will result in Project Operator being required to pay to the Commonwealth 50% of revenue it has not actually received?	AEMO Services recommends Proponents seek independent legal advice on the entirety of the terms of the Draft CISA.

Q&A Release 7		Distributed 13/02/2025	
#	Category	Question	Answer
23	Draft Project Documents	If the planned technology / OEM provider changes between Stage A and Stage B, how would this change be processed by ASL?	<p>The Project parameters submitted as part of a Proponent's Bid in Stage A will form the basis of AEMO's Stage A assessment. To the extent that a Proponent intends to amend any of such parameters, that Proponent may not do so following its Bid submission unless invited or permitted to do so by the Australian Government or AEMO (as per Section 4.22 of the Tender Guidelines).</p> <p>Additionally, if any circumstances arise which may affect the accuracy or currency of any information provided in, or in connection with, the Bid, the Proponent must notify AEMO and the Australian Government as soon as possible through the Online Portal using the dedicated 'CIS T4 Notification or Clarification to AEMO' form. Upon receipt of such notice AEMO and the Australian Government reserve the right, in accordance with Section 4.33 of the Tender Guidelines, to invite the Proponent to amend its Bid accordingly or terminate the further participation of that Proponent in the Tender Process. AEMO and the Australian Government will, amongst other things, give regard to probity considerations in exercising its discretion.</p>

Q&A Release 7		Distributed 13/02/2025	
#	Category	Question	Answer
24	Other: Hybrid Projects	Can a Hybrid Project change from being Assessed to Non-Assessed or vice versa later into the CIS Tender 4 process?	<p>Per the Tender Guidelines (page v), a Hybrid Project participating in this Tender 4 Process can submit either:</p> <ul style="list-style-type: none"> • An Assessed Hybrid Project Bid, in which both the Project and the Associated Project (i.e. dispatchable component) are assessed against the Merit Criteria; or • A Non-Assessed Hybrid Project Bid, in which only the Project (i.e., generating asset) is assessed against the Merit Criteria, and not the Associated Project. <p>Per section 4.22 of the Tender Guidelines, a Proponent may not amend its Bid after it has been submitted, unless invited or permitted to do so by the Australian Government or AEMO (including as permitted by section 4.33 below).</p> <p>If a Proponent for a Hybrid Project is uncertain on whether it will deliver the Associated Project, it should carefully consider whether to submit an Assessed or Non-Assessed Hybrid Project Bid. Importantly, if an Assessed Hybrid Project Bid is ultimately awarded a CISA, the Proponent will be required to deliver the whole Hybrid Project (i.e., both the Project and the Associated Project).</p>
25	Process Deed Poll	Are the references to capitalised entities in the Process Deed Poll (such as 'Related Bodies Corporate') intended to capture those Related Bodies Corporate involved in the project or do these references capture the entire corporate group?	<p>In the Process Deed Poll, capitalised terms that are used but not defined in the Process Deed Poll have the meaning given in the Tender Guidelines. Proponents are encouraged to review the relevant definitions, including the definition of "Related Body Corporate", as set out in the Tender Guidelines. Proponents are also encouraged to seek independent legal advice in respect of how defined terms apply throughout the Process Deed Poll.</p>

Q&A Release 6		Distributed 07/02/2025	
#	Category	Question	Answer
18	MC2	In Merit Criterion 2, section 6.1.6 of the bid form, should Proponents provide the development and approvals status of both the Project site and the Project connection route?	<p>Per the Tender Guidelines, Merit Criterion 2 will be used to assess the Project's progress and feasibility to reach Financial Close and commercial operations. Proponents that can provide detailed evidence to demonstrate their ability to deliver each milestone, with clear articulation of strategies for mitigating delivery risks, may be considered of higher merit.</p> <p>As such, Proponents should provide all relevant development and planning approvals documentation in their submission to demonstrate their ability to deliver the full Project.</p>
19	Other: Hybrid Projects	If a Non-Assessed Hybrid Project Bid was awarded a Generation CISA, could the Associated Project (i.e. the storage asset) bid for a CISA in a future dispatchable CIS tender?	<p>Per section 3.5 of the CIS Tender 4 Tender Guidelines, a Proponent may enter into either a Generation CISA or a Dispatchable CISA in respect of a Hybrid Project, but not both.</p> <p>Per Eligibility Criteria 17 of the CIS Tender 4 Tender Guidelines, a CISA or a LTESA must not have been awarded in respect of the Project, or the 'Associated Project' (if applicable).</p> <p>Tender Guidelines for future dispatchable tenders will be developed and released in time.</p>
20	Draft Project Documents	Can the units be clarified and reiterated for variables within formulas in Schedule 1 of the CISA?	This feedback will be taken on notice in the development of the CISA product.

Q&A Release 5		Distributed 06/02/2025	
#	Category	Question	Answer
14	Other: NSW Access Rights	<p>If a project currently participating in the access right process for South West REZ has been notified that AEMO Services is recommending to EnergyCo to award an Access Right for a capacity that is less than the Access Right Maximum Capacity of the Project (Recommended Capacity), should the Project bid in this CIS Tender Round 4 at the Recommended Capacity or Access Right Maximum Capacity?</p>	<p>The Proponent should provide a Project Bid based on the expected Access Rights capacity for the Project. This could be informed by an indication from EnergyCo NSW.</p> <p>As set out in Section 4.33 of the Tender Guidelines, a Project may increase or decrease its capacity where the change in the Maximum Capacity is less than 15%, provided that the relevant notification has been made to AEMO and the eligibility criteria continue to be satisfied. If the change is equal to or greater than 15%, the Proponent may only increase or decrease the capacity if invited to do so by AEMO.</p> <p>Accordingly, where the Proponent elects to Bid its Recommended Capacity and the Access Rights ultimately granted are more than the Recommended Capacity by 15% or greater, the Proponent will need to apply to AEMO to amend its bid.</p>
15	Other: Hybrid Projects	<p>Where a Project has separate Connection Points for a hybrid asset (generation asset and storage asset):</p> <p>1) could this Project be considered a single Hybrid Project and eligible for one generation CISA, or</p> <p>2) would this be considered as two Projects and the Proponent would be required to bid for a Generation CISA for the generation asset and a dispatchable CISA for the storage capacity asset in a future tender.</p>	<p>Per section 3.5 of the Tender Guidelines, Hybrid Projects are defined as co-located generation and storage assets, in which both assets share a 'common' Connection Point.</p> <p>Projects that have 'separate' Connection Points for generation and storage capacity assets (respectively) are considered separate Projects for the purposes of the Tender 4 Process. The generation components of these Projects will be eligible to bid for a Generation CISA under the Tender 4 Process, subject to satisfying the Eligibility Criteria.</p> <p>Proponents can only register and submit one Project Bid per Project. If a Project has multiple potential configurations or designs, it is a matter for the Proponent to select its preferred configuration prior to registering and submitting a Project Bid.</p>

Q&A Release 5		Distributed 06/02/2025	
#	Category	Question	Answer
16	Draft Project Documents	<p>Do revenue adjustments apply only to the Project, or are they also calculated considering the Associated Project’s energy flows?</p> <p>If energy that would have been exported (but was curtailed) is instead used to charge a battery, does that energy still count as Lost Generation for PFME calculations?</p>	<p>The response provided in Question 4 of this document notes Sent Out Generation is measured as energy generated by the Project (i.e. generation component) at the sub-meter, regardless of whether that energy is sent to the Network via the Connection Point or to the Associated Project. Any subsequent dispatch from the Associated Project is not captured in the calculation of Sent Out Generation nor Notional Quantity.</p> <p>Proponents are encouraged to seek legal advice on the full Draft CISA, including the following definitions “Project”, “Sent Out Generation” and “PFME Generation”.</p>
17	Other: PFME Generation and related payment obligations	<p>Can you clarify the calculation of PFME Generation and how it impacts the related payment obligations?</p>	<p>AEMO Services recommends Proponents seek independent legal advice on the entirety of the terms of the Draft CISA.</p>

Q&A Release 4		Distributed 03/02/2025	
#	Category	Question	Answer
8	Other: Bid Attachments	We have documents we would like to attach to the Bid Form, in addition to those requested (e.g. a Project summary), but cannot find appropriate locations. Where should we attach these?	<p>Please attach additional documents where you deem most appropriate within the Project Bid Form. Proponents can also make references to attached document names through their responses in the Bid Form.</p> <p>Depending on the content of the 'Project summary', it may be most appropriate to attach it to section 6.1.1 of the Project Bid Form, as an addition to the 'Project development plan and schedule' file attachment option.</p>
9	Draft Project Documents	Under Clause 10 of the CISA, how is a 'Material Alteration' defined? Does this mean a Proponent would be obliged to seek prior written consent from the Commonwealth for any change to the Project's capacity, availability or generation profile, even temporary or immaterial changes?	<p>A 'Material Alteration' is defined under section 1.1 of the CISA as:</p> <ol style="list-style-type: none"> an alteration to the Project's generating system that affects the Project's capacity, availability or generation profile, but not including a repair of the Project; the installation of a new generating system, energy storage system or load [(other than the Associated Project)] behind the Connection Point (but excluding repairs or replacement of an existing system by an equivalent system); or [a change to the metering arrangements of the Project or the Hybrid Project]. <p>Projects seeking to make a Material Alteration to their Project will require prior written consent from the Commonwealth Government in line with the terms of the CISA.</p> <p>Proponents are encouraged to seek legal advice on the full Draft CISA, including the Maximum Capacity, Accepted Capacity Tolerance and Minimum Generation.</p>
10	Eligibility Criteria	What are the constraints on project capacity to be eligible for CIS Tender 4? Can Proponents seek exemption on this?	Per section 3.1 of the Tender Guidelines, a Project must have a registered capacity of not less than 30 MW.

Q&A Release 4		Distributed 03/02/2025	
#	Category	Question	Answer
11	Other: multiple expansions project	We intend to deliver our project over multiple expansion phases. Is this considered a Staged Project? Should we submit a different Bid for each expansion phase, and if so, would we require a split in all documentation?	<p>Per section 3.5 of the Tender Guidelines, a Staged Project is defined as co-located generation assets, where a 'Project' expands the generation capacity of an 'existing generation asset', with both the Project and existing generation asset sharing a common Connection Point.</p> <p>The 'Project' is defined as a generation asset that is built, or intended to be built, in connection with which a Generation CISA is sought in this Tender 4 Process, including any Shared Infrastructure.</p> <p>If a Proponent intends to deliver a program of projects over multiple expansion phases, they are encouraged to read the Draft CISA, and sections 3.1 and 3.5 of the Tender Guidelines, and seek legal advice on how to bid their Project appropriately.</p>
12	Other: Staged Projects	How is a 'Staged Project' assessed, relative to other Projects?	<p>Per section 3.5 of the Tender Guidelines, if a Proponent proposes a Staged Project:</p> <ul style="list-style-type: none"> • the Project excludes the existing generation asset; • the Project will need to, in its own right, satisfy the Eligibility Criteria; and • benefits in each Merit Criterion will be assessed for the Project only, and not the existing generation asset or existing infrastructure.
13	Draft Project Documents	Does the Capacity Investment Scheme Agreement (CISA) provide financial compensation for curtailment caused by network Binding Constraints (definition of AEMO), such as thermal constraints on the transmission network?	AEMO Services recommends Proponents to seek legal advice for consideration of the clauses in the CISA.

Q&A Release 3		Distributed 22/01/2025	
#	Category	Question	Answer
6	MC2	In section 6.1.4 of the bid form, what is the difference between the two questions that request Proponents to outline their progress towards securing land tenure rights on the connection route?	<p>The first question in section 6.1.4 of the bid form (<i>“Outline your progress towards securing land tenure rights for the Project site, including the connection route”</i>) intends to focus on land tenure rights for the ‘Project site’.</p> <p>The later separate question (<i>“Outline your progress towards obtaining land tenure rights for the Project’s connection route”</i>) intends to focus on land tenure rights for the ‘connection route’.</p>
7	Eligibility Criteria	Are standalone BESS projects eligible for participation in CIS Tender 4?	<p>CIS Tender 4 is a ‘generation’ tender process, seeking to secure renewable energy generation.</p> <p>Standalone Battery Energy Storage System (BESS) projects are not eligible for CIS Tender 4.</p> <p>To be eligible for CIS Tender 4, Projects must generate electricity from a fuel source that is an eligible renewable energy source (page v of Tender Guidelines).</p> <p>Per Eligibility Criterion 11 of the CIS Tender 4 Guidelines: The Project’s fuel source must be an eligible renewable energy source, as described in section 17 of the Renewable Energy (Electricity) Act 2000 (Cth) and must be eligible to create large-scale generation certificates under that Act.</p> <p>Standalone BESS projects can seek to participate in CIS ‘dispatchable’ tenders.</p>

Q&A Release 2		Distributed 20/01/2025	
#	Category	Question	Answer
4	Draft Project Documents	<p>How are the revenue and charging costs for the Associated Project (e.g. BESS) of an Assessed Hybrid Project Bid considered when calculating 'Quarterly Net Operational Revenue(s)'?</p> <p>How is the Associated Project considered in the calculation of Notional Quantity?</p>	<p>As provided in Schedule 1, section 3.3 of the Tender 4 – Draft Capacity Investment Scheme Agreement (Draft CISA), the calculation of Quarterly Net Operational Revenue is based on the sum of Spot Market Revenue, Green Product Revenue, Other Market Revenues and Eligible Wholesale Contract Revenue for the quarter. These revenue streams are calculated based on the Notional Quantity and Trading Intervals for the Project's Sent Out Generation.</p> <p>For Hybrid Projects, Sent Out Generation is measured as energy generated by the Project (i.e. generation component) at the sub-meter, regardless of whether that energy is sent to the Network via the Connection Point or to the Associated Project. This will be captured in the Notional Quantity calculation and will thus be included in the Quarterly Net Operational Revenue calculation.</p> <p>Any subsequent dispatch from the Associated Project will not be captured in the calculation of Notional Quantity or Quarterly Net Operational Revenue.</p> <p>Per Schedule 1, section 3.9 of the Draft CISA, Hybrid Projects are also required to apply a discount factor in the calculation of Notional Quantity. This accounts for the additional losses between the sub-meter (at which Sent Out Generation is measured) and the Connection Point.</p>

Q&A Release 2		Distributed 20/01/2025	
#	Category	Question	Answer
5	Draft Project Documents	Should the Associated Project (e.g. BESS) revenues be considered when setting the Annual Floor, Annual Ceiling and Annual Payment Cap Bid Variables?	<p>As outlined in section 3.2.2 of the Tender Guidelines for the MC6 – Financial value and system benefits assessment, for Assessed Hybrid Projects, benefits will be assessed for both the generation component (the Project) and the Associated Project. Net CISA Costs modelling will consider the dispatch/DWAP of the generation component (the Project) only.</p> <p>For Non-Assessed Hybrid Projects, only the Project (i.e. the generation component) is assessed against the Merit Criteria.</p> <p>The calculation of competitive Annual Revenue Floor, Annual Ceiling and Annual Payment Cap Bid Variables is to be determined by the Proponent as part of their Stage B Financial Value Bid.</p>

Q&A Release 1		Distributed 15/01/2025	
#	Category	Question	Answer
1	Eligibility Criteria	If a Proponent believes it meets the policy intent of Eligibility Criteria 16 (EC 16), despite not having met the Tender Guideline's 'Table 8 State/Territory specific requirements for EC 16', how should the Proponent complete the Project Bid form? Should the Proponent select 'Yes (eligible)' or 'No (ineligible)' on the Project Bid form?	<p>The policy intention of EC 16 is to verify that Projects are sufficiently progressed in the planning approvals process to support a competitive bid.</p> <p>If a Proponent believes it has achieved an equivalent status of planning progression as that listed in the Tender Guideline's 'Table 8 State/Territory specific requirements for EC 16', the Proponent should provide evidence of their advanced planning progression.</p> <p>Proponents must ensure their Bid form responses are accurate and compliant with the Tender Guidelines.</p> <p>The Australian Government and AEMO have absolute discretion to accept or reject a Bid that does not comply with the requirements of the Tender Guidelines (section 4.28 Discretions of the Tender Guidelines).</p>
2	Eligibility Criteria	For Eligibility Criteria 16 (EC 16), what is the deadline for receiving the relevant planning approvals listed in Table 8 of the Tender Guidelines?	Proponents must provide their evidence for complying with EC 16 by the date of their Stage A Project Bid form submission (Closing Date and Time: 18 February 2025 at 5pm AEDT).

Q&A Release 1		Distributed 15/01/2025	
#	Category	Question	Answer
3	Other	<p>What is the benefit of submitting a 'Non-Assessed Hybrid Project Bid' instead of submitting a Project Bid for a generation-only project (e.g. solar farm) and later installing a storage asset (e.g. BESS)?</p> <p>If a Non-Assessed Hybrid Project Bid is submitted and the capacity of the Associated Project (e.g. BESS) changes at a later date, would the Proponent be required to follow the Material Alteration process?</p>	<p>The definition of Material Alteration in the draft CISA includes “<i>the installation of a new generating system, energy storage system or load [(other than the Associated Project)] behind the Connection Point (but excluding repairs or replacement of an existing system by an equivalent system)</i>”.</p> <p>It is expected that Proponents seek legal advice in regard to treatment of Non-Assessed Hybrid Projects in the draft CISA, including the definitions of Material Alteration and Associated Project. The risks and benefits of a particular development pathway is a matter for the Proponent to consider in conjunction with that advice.</p>

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

© Commonwealth of Australia 2025

Unless otherwise noted, copyright (and any other intellectual property rights) in this document is owned by the Commonwealth of Australia (referred to as the Commonwealth).

All material in this document is licensed under a [Creative Commons Attribution 4.0 International Licence](#) except content supplied by third parties, logos and the Commonwealth Coat of Arms.