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AEMO Services nation leading tender and contract design delivers for NSW

The successful projects from AEMO Services' first competitive tender have been announced, with NSW consumers set to benefit from some of the lowest prices ever secured through similar tender processes in Australia.

The projects, selected as part of the NSW Electricity Infrastructure Roadmap, will help accelerate a new wave of electricity infrastructure that will power NSW businesses and households over the coming decades following the retirement of the state's ageing coal-fired generation fleet.

AEMO Services Executive General Manager Paul Verschuer said that together, the successful projects would deliver enough electricity to power 700,000 homes and represent more than \$2.5 billion in total investment in NSW's renewable energy infrastructure.

"This is a highly successful outcome for the first Roadmap tender process: three renewable generation projects with a capacity of 1,395MW (4,009 GWh), alongside one long-duration storage lithium-ion battery project with a continuous discharge capacity of at least 8 hours, all of which have comprehensively demonstrated their financial value to NSW electricity consumers and benefits to their host communities.

"The indicative generation target for this tender round was around 950MW (2,500Gwh), and due to the quality and value of bids we've been able to exceed that projection.

"There is clearly a strong appetite for private sector investment in generation, storage and firming assets which capture the enormous economic opportunity of the energy transition, and we're incentivising that investment through this tender process."

AEMO Services examined each bid against a set of merit and eligibility criteria, looking closely at each project's social licence commitments and track record, alongside the projected financial value to NSW energy consumers.

"This tender round has brought forward a range of innovative and considered initiatives from proponents, including ambitious projects to secure employment outcomes for First Nations people, careful and creative site selection, and other community benefits.

"A key feature of the tender design was a two-stage process – the first assessed a project's social licence commitments, deliverability and quality of proponent. The second assessed a project's financial value.

“The successful bidders have balanced price-competitive energy delivery with investments in other initiatives that contribute to broader community and economic benefits for host regions.

“Our tender process allows projects that passed the first stage but were ultimately unsuccessful to submit new, more competitive financial bids at minimum cost in future tender rounds. We’re confident many of these resubmitted bids will be well placed for selection,” Mr Verschuer concluded.

AEMO Services Chair Dr Paul Moy said that the incentive of long-term energy service agreement (LTESA), offered through the tender process, was working as expected to deliver better value for both NSW electricity consumers and project proponents.

“Greater certainty around key aspects of their investment decision will give proponents the confidence to bring projects forward, providing consumers earlier access to clean, reliable and more affordable power.

“Contract innovations embedded in the LTESA include binding social licence obligations and a new form of financial contract that is designed to be cheaper for consumers than the traditional Contract for Difference used in other schemes

“The generation LTESA strike prices are around 40% lower than the levelized cost of energy¹ and an equivalent Contract for Difference and are amongst the lowest prices secured in any similar tender anywhere in Australia. This means NSW consumers will pay less for new generation infrastructure.

“In terms of specifics – we secured strike prices below \$50/MWh for wind (2023 real) and below \$35 for solar (2023 real).

“The strong support from project proponents and the consumer outcome secured are excellent results. By establishing a rolling 10-year plan for biannual tenders, the Roadmap has provided the right environment for proponents to plan whilst providing scope for innovative tender and contract design.”

The generation capacity of the selected projects is expected to be delivered by 2025/26, a key moment for the energy transition in NSW, and Dr Moy said that build trajectory was one of the key factors in AEMO Service’s decision making.

Projects selected by AEMO Services remain subject to normal planning approval processes, including community consultation, although social licence criteria - including community benefit sharing, employment and workforce development, local supply chain development, first nations outcomes and land use – formed an important part of the tender assessment.

¹ [CSIRO’s most recent GenCost report.](#)

Table of projects

Project name	Company	Capacity MW	Available GWh p.a	REZ	Type
Stubbo Solar Farm	ACEN Australia	400MW	1,135	Central West Orana	Generation
Coppabella Wind Farm	Goldwind Australia Pty Ltd	275MW	870	Non REZ	Generation
New England Solar Farm	ACEN Australia	720MW	2,004	New England	Generation
Limondale BESS	RWE Renewables Australia	50MW/400MWh+		South West REZ	Long Duration Storage

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For more information

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