

**19 December 2023**

## **NSW Roadmap tenders delivering real progress to transforming our energy system**

AEMO Services has selected five more energy infrastructure projects, representing 750 megawatts (MW) of renewable energy generation and 524 MW (4,192 MWh) of long-duration storage to be fast-tracked under the state's Electricity Infrastructure Roadmap incentive scheme.

The successful bidders include one solar project, one wind project, two lithium-ion battery energy storage system projects, and one advanced-compressed air energy storage system.

AEMO Services Executive General Manager Paul Verschuer said the results of the latest tender round out a significant year for AEMO Services and the NSW Electricity Infrastructure Roadmap tender program.

"AEMO Services has delivered three highly successful tenders throughout 2023, helping to bring-forward more than \$8.5 billion private sector investment in NSW's future energy system," Mr Verschuer said.

"Participation in our tenders demonstrates the market value and fit of our innovative financial contract, which offers projects exposure to market upside and reduces risk and cost to consumers compared to traditional schemes.

"AEMO Services will continue to deliver biannual tenders for at least the next decade, incentivising private capital for new infrastructure investment by 2030 to meet the state's minimum targets of 12 GW of renewable energy and 2 GW of long-duration storage over that timeframe."

Mr Verschuer also made the point that the state tender program was driving confidence in the NSW energy transition with both investors and consumers.

"We provide those projects with flexible financial security they need to accelerate their completion.

"From the strength of the response to the first year of our tender process, it's clear that the insurance provided by the LTESA contract is working to address a key market risk that might otherwise delay or discourage investors from participating in the transition.

Mr Verschuer said that a range of innovative technologies and considered community initiatives had been proposed in this tender round, including community benefit programs, creation of local workforce programs, support for local supply chains, and opportunities for First Nations people.

"Some proponents also bid to reduce the incentives in their contract to reflect their specific needs, which reduces the final cost and risk to electricity consumers and validates the competitive mechanism we've put in place.

"Financial bids in the tender were very competitive and were substantially below the estimated levelised cost of energy. Some bidders also cut options from the contract or have the LTESA in place for only a part of the project, reducing the size of the subsidy they could receive and providing better value for NSW consumers.

Mr Verschuer said that whilst they were pleased with participation levels in the first year of tenders, the state would need to continue development at or near record levels to remain on track to meet minimum investment objectives.

"We are looking forward to building on the momentum of this year, and we encourage prospective tender bidders to contact us to learn more about the immense investment opportunity the NSW energy transition presents."

## Successful projects in Tender Round 3

Project name	Proponent	Technology	Capacity	REZ / Location
Ungula Wind Farm	Squadron Energy	Wind	400 MW	CWO REZ Twelve Mile
Culcairn Solar Farm	Neoen Australia Pty Ltd	Solar	350 MW	Culcairn
Silver City Energy Storage	A-CAES NSW Pty Ltd	Advanced-compressed air energy storage system (A-CAES)	200 MW 1,600 MWh 8-hour storage	Broken Hill
Goulburn River BESS	Lightsource Development Services Australia	Lithium-ion BESS as part of a hybrid project	49 MW 392 MWh 8-hour storage	Merriwa
Richmond Valley BESS	Ark Energy Projects	Lithium-ion BESS	275 MW 2,200 MWh 8-hour storage	Myrtle Creek

## Location of projects awarded LTESAs in Tender Round 3



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### For more information

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