

NSW and Commonwealth partnership to more than double the scale of firming infrastructure tender

AEMO Services has welcomed the announcement that the firming tender round of the NSW Electricity Infrastructure Roadmap will be significantly augmented through the first funding commitment of the Commonwealth Capacity Investment Scheme.

Executive General Manager Paul Verschuer said the Commonwealth support for up to an additional 550MW of firming infrastructure enables AEMO Services to increase the indicative tender size from its original minimum of 380MW.

“We’re very pleased that the State and Commonwealth governments are working together to capture the potential of the infrastructure projects in this tender pipeline,” Mr Verschuer said.

“The tender processes we designed for NSW are attracting strong interest from the market, and the projects bidding for this round represent a combined firming capacity of more than 3,300MW.

“This is a clear sign that the Roadmap tenders can deliver the investment NSW needs to meet consumer demand and create an efficient, cost-effective energy system that works in the long-term financial interest of energy consumers,”

“It is an extraordinary chance to fast-track a large suite of firming infrastructure which will provide stability and reliability to underpin new renewable energy generation in NSW, and we’re glad that both governments are committed to realising that opportunity.”

AEMO Services Chair Paul Moy said that NSW energy consumers should be encouraged that such a strong market response was emerging so early in the Roadmap’s tender schedule.

“This is an outstanding level of participation for our tender for firming infrastructure, and builds upon the inaugural tender for generation and long duration storage that was around five times oversubscribed.”

AEMO Services uses a two-stage tender process – the first assesses a project’s social licence commitments, deliverability and quality of proponent. The second assesses a project’s financial value.

Dr Moy said that the process is designed to select the best value projects on behalf of NSW consumers.

“Our duty to act in the long-term financial interests of consumers will always be paramount, and this additional investment from the Commonwealth and increased tender size won’t affect that scrutiny.

“We provide guidance to the market on the size of infrastructure we are seeking to support, but ultimately, we can award more or less if it is in the long-term financial value of consumers. This is exactly what we did in our first tender for generation and long duration storage,” Dr Moy concluded.

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AEMO Services has assessed all proponent bids to form a shortlist, which will shortly be invited to submit a financial value bid. Further information will be provided to tender participants over the next few weeks to enable them to prepare for the next stage of the tender.

This is the second tender run by AEMO Services, with the third tender, seeking approximately 950 MW of generation and 550 MW of long duration storage, closing this week to project bids.

For more information on the firming tender, please visit the AEMO Services website or contact aslmedia@aemoservices.com.au or on 0403 706 438.