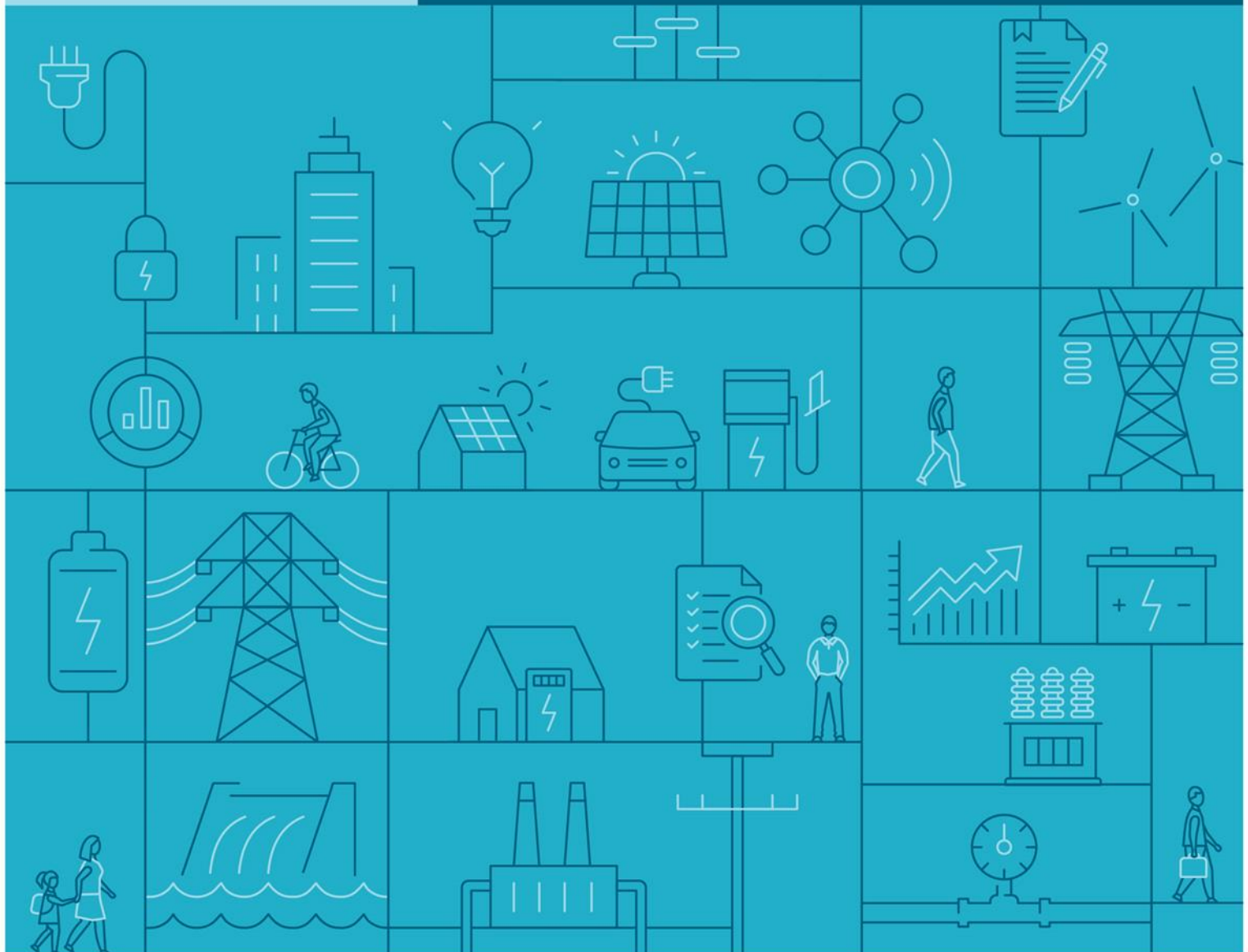




Update to implementation of the plan for competitive tenders in the December 2021 Infrastructure Investment Objectives Report

7 April 2022



1. Bring forward of investment - update to implementation of the tender plan

The NSW Government has developed a comprehensive plan to ensure that New South Wales continues to have reliable and affordable electricity following the planned closure of the Eraring Power Station. This includes the acceleration of the Electricity Infrastructure Roadmap. In its independent role, the NSW Consumer Trustee is providing an update to how it intends to implement its 10-Year Plan for conducting competitive tenders for LTES agreements to contribute to this acceleration.

2. Responding to external changes

The NSW Consumer Trustee provides these updates to deal with external changes in the energy market affecting the assumptions that underpinned the December 2021 report. This includes the acceleration to the scheduled closure date of Eraring Power Station. These updates are in accordance with the NSW Consumer Trustee's statutory responsibility under the EII Act to act in the long-term financial interests of NSW electricity customers.

The updates are consistent with three pieces of stakeholder feedback provided to the NSW Consumer Trustee since the original tender plan was released, specifically:

- ensuring that projects participating in the NSW Government's pumped hydro recoverable grants program have sufficient time to participate in the long-duration storage LTES agreement tender;
- ensuring the initial generation LTES agreement tender is sufficiently large to deliver value to NSW electricity customers; and
- allowing stakeholders more time to understand and effectively participate in the initial tender processes.

3. Market Briefing

The NSW Consumer Trustee has been focused on providing an opportunity for investors and developers to learn about the competitive tender process and the value of the products that will be offered. Following stakeholder feedback, the Q2 pilot tender will now be a Market Briefing.

The Market Briefing will be a series of engagements about:

- how the merit criteria will be assessed, including financial assessment, grid impacts and community and social licence. The intention of this is to help proponents bid successfully for LTES agreements and access rights;
- the characteristics of a project with 'outstanding merit' outside a REZ and how this will be assessed;
- how the access scheme will work for projects in connecting to new transmission infrastructure via access rights and to existing transmission infrastructure;

- the NSW Consumer Trustee’s planned approach to competitive tenders so proponents can produce high quality, competitive proposals.

Information on how to participate in this Market Briefing will be available on the NSW Consumer Trustee’s [website](#) in April 2022.

4. Update to implementation of tender plan

AEMO Services Limited acting as the NSW Consumer Trustee prepares the Infrastructure Investment Objectives Report under section 45 of the *Electricity Infrastructure Investment Act 2020* (NSW). The report was published on 7 December 2021 and is available on the NSW Consumer Trustee’s website [here](#).

The NSW Consumer Trustee provides the following updates to how it intends to implement its 10-Year Plan for conducting competitive tenders for LTES agreements (set out in section 4 of the Infrastructure Investment Objectives Report):

- **The Q2 2022¹ pilot tender will now be a Market Briefing (described above) to better prepare the market for an enlarged Q4 2022 tender.**
- The NSW Consumer Trustee now expects to run the first tender for LTES agreements in respect of generation infrastructure projects in Q4 2022 and at an increased indicative size **of 2,500 GWh p.a.**
- **The Q4 2022 tender is now expected to include the initial tender for LTES agreements in respect of long-duration storage infrastructure as well.**² The expected indicative size continues to be 600MW.

Further information on the NSW Electricity Infrastructure Roadmap acceleration is available [here](#).

¹ References to quarters are references to quarters in a calendar year.

² This tender is noted as the FY2022-23 contingent tender in the 10-Year Plan for long-duration storage LTES agreements.