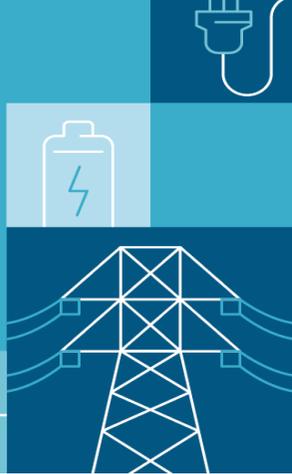


Q&A Responses

21 May 2025 Webinar

Tender Round 6



AEMO Services is publishing this document to provide written answers to questions received in the Tender Round 6 webinar Q&A session on 21 May 2025.

A significant volume of questions were received in the Tender Round 6 webinar. Due to this, all questions were not able to be answered in the allocated time. Table 1 below outlines all questions received during the Tender Round 6 webinar and the associated responses. Duplicate questions have been consolidated. All further questions for AEMO Services with respect to Tender Round 6 should be directed through the formal Q&A process which is available after registering for the tender.

Tender Round 6 is currently live. Proponents are required to adhere to the communication protocols outlined in section 5.40 of the [Tender Guidelines](#).

Important notice: These responses are for information purposes only. They do not necessarily represent the views of the decision maker for and on behalf of the Consumer Trustee (being the board of AEMO Services Limited) and should not be construed as binding the Consumer Trustee or limiting its statutory discretion. These responses are not intended to provide any advice. These responses may include assumptions about future policy outcomes and generalisations. They may not include important qualifications, details or legal requirements. The Consumer Trustee does not guarantee the accuracy, currency or completeness of any information contained in these responses and (to the maximum extent permitted by law) will not accept any responsibility for any loss caused by reliance on them.

To the extent of any inconsistency between these Q&A responses and the content of the Tender Guidelines, the Tender Guidelines will prevail.

Table 1 Q&A Responses

Question	Response
1. Is there a COD cut-off date for this tender? How would identical Projects with different CODs be assessed?	<p>There is no COD cut-off date, however, MC2 assesses, among other things, the ability of a Project to meet the targets identified in the IIO Report and/or in legislated targets. As such, Projects with CODs on or before these dates may be assessed more favourably.</p> <p>The Consumer Trustee will also consider a range of strategic considerations in developing the Financial Value Shortlist, which may include the LDS minimum objectives for 2030 and 2034, and the IIO Report and achievement of the development pathway (refer to Section 4.3 of the Tender Guidelines).</p> <p>For more information on consideration of CODs in previous Tender Rounds, please refer to the market briefings.</p>

Question	Response
2. Is there a minimum registered capacity for this Tender?	No, provided a Project can meet the 8-hour dispatch minimum at registered capacity per EC4 and is registered, or intends to register, with AEMO for the central dispatch process (EC5).
3. What level of detail is expected for Community Engagement Plans for Projects that are early in stage?	Please refer to MC4 in the Tender Guidelines, as well as the Social Licence Market Briefing Note on the Tender Round 6 website. Proponents are required to articulate and evidence their progress for the factors in this criterion, even if they are at an early stage.
4. Our Bid Entity will be established in the coming months. How do we register if we don't have the Bid Entity to be the Proponent?	<p>Proponents are required to nominate a Bid Entity in accordance with the Proponent Eligibility Criteria. As per Section 5.19 of the Tender Guidelines, if the Bid Entity is available for registration at the commencement of the Tender Round, then that Bid Entity is the Proponent.</p> <p>If the Bid Entity is not available for registration (e.g. an SPV is intended to be incorporated later) then the legal entity which registers will be the Proponent for the purposes of the Tender Round and accordingly will enter into the Tender Process Deed (provided no consortium ownership structure is proposed). This Proponent is then expected to satisfy the Proponent Eligibility Criteria.</p>
5. Is LDS technology agnostic? I.e., Could we develop using derated LIB energy storage technology? Is there a technology maturity cut-off, or merit consideration?	Yes, the LDS objectives are technology agnostic. Any Project can participate in Tender Round 6, as long as the Project and Proponent can meet the Eligibility Criteria. For more information on consideration of technology in previous Tender Rounds, please refer to the market briefings.
6. Can BESS currently being developed as 4h be submitted on the premise they will be converted to 8h if successful?	<p>As per EC4, a Project must consist of storage units with Registered Capacity that can be dispatched for at least 8 hours for the entirety of the contract term.</p> <p>Where a Project requires revised approvals/ connections agreements to accommodate a conversion, this should be clearly stated, and timelines should be developed incorporating the time taken for these activities.</p> <p>The MC assessment will take into account the progress of the eligible Project - i.e. MC2 assesses the approvals/permitting progress based on what has been achieved for the eligible 8-hour Project.</p>
7. Is it possible for us to propose a Project if we are based outside Australia and currently have only a small official presence in the country?	<p>According the EC14, the Proponent (and Bid Entity, if different) must hold (or when established, will hold) an Australian Business Number and be one of:</p> <ol style="list-style-type: none"> i. an Australian entity incorporated under the Corporations Act 2001 (Cth); ii. a Commonwealth entity under section 10 of the Public Governance, Performance and Accountability Act 2013 (Cth); iii. an Australian State or Territory owned (wholly or partly) corporation or a subsidiary of an Australian state or territory owned (wholly or partly) corporation; or iv. an Australian local government or council or an Australian organization that is purposed with representing and supporting local governments or councils.

Question	Response
	<p>In some limited circumstances, a legal entity other than those listed above may be accepted as an eligible Proponent. Any other entity that seeks to participate must seek approval from the Consumer Trustee prior to submitting a Bid, per the contact listed on the Consumer Trustee website.</p> <p>The Proponent may have an overseas ultimate holding company.</p> <p>Please refer to EC14 for the full details of Proponent Eligibility Criteria on this point.</p>
<p>8. Will AEMO Services assess longer duration storage (i.e., storage for longer than 8 hours) more favourably than ones that only operate for 8 hrs?</p>	<p>In MC5, a Project with longer storage duration could have higher Wholesale Market Benefits by dispatching for longer to reduce forecast market prices, and higher System Benefits by dispatching for longer during forecast events of unserved energy, all else being equal. The increase in benefits is particularly true for longer duration projects where scenario modelling results in events with extended high price, high volatility or risks of unserved energy. As MC5 also assesses cost, any higher costs required to support a longer duration Project will also be considered.</p> <p>For more information on consideration of duration in previous Tender Rounds, please refer to the market briefings.</p>
<p>9. How many Projects are you seeking to meet the 1GW capacity?</p>	<p>Tender Round 6 is seeking an indicative tender size of at least 1 GW (at least 8 GWh). This is a minimum target and there is no quota on the number of Projects.</p> <p>The Consumer Trustee has the discretion to recommend a greater or lesser volume of LTESAs than the indicative tender size, where it is consistent with the applicable requirements in the <i>Electricity Infrastructure Investment Act 2020</i> (NSW).</p>
<p>10. During the assessment process, is there any Project presentations required by AEMO Services?</p>	<p>Project presentations are not required during the Tender Round 6 assessment process.</p>
<p>11. What have been the changes in the LTESA assessment between the previous LDS tender and T6, following the legislative changes that were passed?</p>	<p>The merit criteria reflect the updated EII Regulation changes around reliability.</p> <p>There have also been some updates to social licence requirements and to the Infrastructure Investment Objectives legislative targets.</p>
<p>12. What are the weighted percentages for MC1-4? How will the evaluation be weighted between part A and B bids?</p>	<p>The Consumer Trustee does not provide the weighted percentages for the NSW Roadmap Tender Round 6 process. For details on assessment criteria, Proponents should refer to the Tender Guidelines and related documents available on the AEMO Services website.</p>
<p>13. Will the IIO report, having not been released yet, affect the LTESA process for this round?</p>	<p>The absence of the Infrastructure Investment Objectives Report (IIO Report) does not impact the LTESA process for Tender Round 6, as assessments proceed based on the prior IIO Report and legislated targets. The most recent IIO Report was published in December 2023 and can be found here.</p>

Question	Response
14. How is a Project's ability to reduce curtailment of neighbouring generators assessed?	Reduced curtailment could impact the assessment of MC1 and MC5 for a Project. For more information, please see MC1 and MC5 in the Tender Guidelines as well as the market briefing note for Tender Round 5.
15. Can you clarify the requirements for participation: Does the Project need an NSP enquiry response or a connection agreement?	Projects must either be in receipt of a connection agreement or have received a Network Service Provider response to a connection enquiry. Please refer to EC8 in the Tender Guidelines for further information.
16. Can a Project bid only a portion of its full capacity? I.e., a 300 MW BESS submitted as a 100 MW / 800 MWh while the remainder capacity would operate as a separate DUID.	<p>A storage facility containing multiple generating units could have them classified as separate scheduled generating units. If a Project did this, LDS eligibility requirements could be satisfied by the generating units being capable of at least 8 hours' discharge at their registered capacity.</p> <p>Projects will need to maintain their eligibility throughout the term of the LTESA.</p>
17. For PHES Projects with limited geotechnical information, how is the risk and price uncertainty treated? I.e. does the capex increase due to unknown ground conditions?	<p>Proponents must nominate Bid Variables which include any risk premium required for a Proponent to manage potential risks allocated to them under the LDS LTESA. This may include risks relating to CAPEX and ground conditions for pumped hydro development.</p> <p>Under MC2, Projects will be required to provide evidence of progress toward mitigating cost uncertainty, including an outline of key risks associated with cost certainty.</p> <p>This is a matter that also may be considered further in due diligence, as outlined in Section 3.1.5 of the Tender Guidelines.</p>
18. Can you provide an email address to contact for further information?	Registered Proponents should contact AEMO Services through the official tender Q&A form via the Online Portal.
19. How do you assess the relative benefit of a 200 MW / 8hr vs 100 MW / 16hr given the former can achieve the latter?	<p>Energy market modelling and system reliability modelling is undertaken for each Project to support analysis in MC5. Wholesale Market Benefits and System Benefits are the outcomes of this modelling. The models are designed to capture the relevant Project characteristics and configurations.</p> <p>In the Wholesale Market Benefits modelling, Projects are simulated to respond to price signals and therefore on some days, the operation of an 8-hour storage unit may be similar or the same as for a 16-hour unit. However, across a full year we would expect to see differences in operation.</p> <p>In the System Benefits reliability modelling, Projects will be simulated to respond to reliability risks and potential unserved energy events, and there is also expected to be differences in the amount of unserved energy that can be avoided by each Project.</p>

Question	Response
	Please also refer to the response to question #8.
20. Is there a preferential scoring for Projects with a higher MW capacity?	The NSW Roadmap Tender Round 6 does not have a preferential scoring mechanism for Projects with higher megawatt (MW) capacity.
21. How does AEMO Services evaluate the effect of the Project on wholesale electricity costs in the Financial Value Assessment?	In MC5, Wholesale Market Benefits are measured based on the difference in the load cost of meeting NSW electricity demand between a Project-Specific Case (where the Project exists) and Counterfactual Case (where the Project doesn't exist). Any reduction in NSW load cost is attributed as a benefit of the Project, so a Project's operation of charging and discharging must, on balance, lead to lower NSW energy market prices to be assessed as having a benefit. This is modelled using an energy market model for all years of the Project's expected operational life and across many electricity scenarios, which are then weighted.
22. What is the definition of a chemical battery? How do you decide contract length for technologies not listed in the guidelines? Can a battery technology with an expected life greater than 14 years apply for a longer term for the LTESA up to 40 years?	<p>Information on chemical batteries can be found in this AEMO fact sheet.</p> <p>As per Section 3.1.4 of the Tender Guidelines, the maximum contract term for a chemical battery is 14 years. The maximum contract term is 40 years for pumped hydro, and for any other LDS technology, the maximum contract term is up to the lesser of 40 years or the technology's asset life.</p> <p>In the case of a novel technology type, it is up to the Proponent to nominate an asset life, which must be backed up by evidence, such as an operational guarantees, warranties and degradation profile. Due diligence may be undertaken to verify any claims.</p> <p>Importantly, the Project must be able to dispatch at its registered capacity for 8 hours continuously for all years in the contract term.</p>
23. If SEARs is due to be received a couple of weeks after the deadline for submission, will there be some discretion applied?	<p>Proponents will be required to confirm compliance with each of the Eligibility Criteria at the time of submission of a Project Bid.</p> <p>The Consumer Trustee may cease further consideration of Projects that do not meet all applicable Project Eligibility Criteria. The Consumer Trustee may make exceptions to the application of the Project Eligibility Criteria where, in its absolute discretion, it considers that there are grounds for the Project being further considered by the Consumer Trustee.</p>
24. If there are questions during the tender process, will AEMO Services ask the Project? Or is it expected that the responses given are the only way to provide information to AEMO Services?	<p>Proponents should ensure that all requested information and supporting documentation is provided in their response to each Merit Criteria. The Consumer Trustee will only assess the information submitted as part of Proponent's Bid.</p> <p>During the tender, AEMO Services may request clarifications or additional information from Proponents via the Online Portal.</p>

Question	Response
25. With respect to the community returnable schedules, will there be long form answers required in addition to completing the MC4 returnable schedule?	Yes, Proponents will be asked to provide responses and evidence to bid form questions in the Project Bid Form, in addition to the mandatory MC4 Returnable Schedule.
26. In regard to the MC4 Returnable Schedule, for Neighbour Agreements, does this include land purchases, and options to purchase subject to approval?	The terms of Neighbour Agreements vary from Project to Project but may include land purchases or ongoing payments or benefits.
27. In regard to the MC4 Returnable Schedule, can a camp be included which is subject to a community preferred multi Project camp being constructed as a legacy for the region?	Yes, benefits tailored for the community and with the community are viewed favourably under MC4.
28. How progressed must a connection application be by: bid close, 2030, and 2034?	A Project must be in receipt of a connection agreement or a NSP response to a connection enquiry under EC8. Further details of the type and scope of information required to satisfy this criterion are set out in section 4.2.1 of the Tender Guidelines in relation to MC1 and MC2.
29. Who are the external advisors AEMO services is currently working with? And what modelling services are used regarding the financial value assessment?	The Consumer Trustee uses a range of consultants and modelling services during the tender process.
30. Are Financial Impact Assessments from Proponents accepted and/or considered?	In Stage B, a financial impact assessment from Proponents is not required. The Consumer Trustee works with an independent energy market advisor to develop forecast outcomes for a Project's Wholesale Market Benefits, System Benefits and Net Operational Revenue (to inform the Forecast LTESA Cost calculation).
31. Can a 4-hour 100 MW / 400 MWh BESS qualify as it can continuously discharge at 50 MW for 8 hours?	To be eligible, the Project must be able to be dispatched at its registered capacity for a minimum of 8 hours.
32. If a Project needs to meet the dispatch requirement over the life of the LTESA, does that mean BESS Projects need to oversize their MW to allow for degradation over time?	A Project must be capable of being dispatched continuously at its registered capacity for a minimum of 8 hours across its LTESA contract term. A Project may need to oversize its storage capacity (in MWh), and hence duration, relative to its registered capacity, to account for degrading storage capacity over time. Alternatively, the Proponent may propose an augmentation plan.

Question	Response
33. How is the concentration risk evaluated, especially for large Projects?	Section 3.1.5 of the Tender Guidelines provides portfolio level adverse outcomes that may be considered in Stage C. For example, where multiple shortlisted Projects collectively give rise to adverse network effects then one or more Projects may be excluded from further consideration to avoid adverse network impacts.
34. How will local content translate to utilising local manufactured goods?	Local content means goods, services, and resources produced, manufactured, or supplied within Australia and New Zealand. Proponents may choose to utilise locally manufactured goods to meet the Renewable Energy Sector Board (RESB) requirements.
35. How will AEMO services evaluate the impact of community benefits and social licence initiatives?	The Consumer Trustee will assess Bids on their impact of community benefits and social licence initiatives under MC4 and MC7 as per the Tender Guidelines. Proponents are required to outline their commitments in respect of MC4 in their Project Bid, and MC7, their Financial Value Bid. These commitments will form a schedule to the PDA and will be contractually binding. Please also refer to the Social Licence Market Briefing Note on the Tender Round 6 website for guidance.
36. How big is too big in MW terms? Would you penalise a very large Project on concentration risk?	The NSW Roadmap Tender Round 6 does not explicitly state a preferential scoring mechanism for Projects based on megawatt (MW) capacity. Refer to question #33 for information on how concentration risk is evaluated.
37. What are some examples of best practice social licence?	The Social Licence Market Briefing Note provides examples of good practices for social licence.
38. Can Projects with multiple storage units be eligible under Tender 6?	If a Project consists of storage units that can only dispatch for less than 8 hours continuously, the storage units must be able to be aggregated so that the aggregation would meet the dispatch duration criteria. The units must be aggregated for the purposes of the National Electricity Rules and must be able to maintain an 8-hour duration (at registered capacity) over the term of the LTESA. Refer Section 4.1.2 of the Tender Guidelines for further information.
39. How does the Infrastructure Investment Objectives Report interact with the tender process?	The Consumer Trustee uses its published Infrastructure Investment Objective Reports (IIO Report) as a basis for conducting tenders. Refer to Section 6.5 of the Tender Guidelines for further information on IIO Reports.
40. Can Hybrid Projects currently bidding for CIS Tender 4 participate in LTESA round 6? If a Hybrid Project has reached COD for the LDS component but not for the generation component, does this satisfy meeting COD for the LTESA?	Hybrid Projects are co-located LDS and generation assets, in which both assets share a common connection point. The eligibility of a Hybrid Project will be assessed by the Consumer Trustee on a case-by-case basis. To be assessed as a Hybrid Project as part of Merit Criteria 5, the Proponent must commit to deliver both components of the Hybrid Project (i.e., LDS and generation) under the Project Development Agreement. For further information, please see section 3.4 of the Tender Guidelines .
41. In the Tender Guidelines, 'Potential for the Project to avoid or defer costs of projected	As per Section 4.3 of the Tender Guidelines , the Consumer Trustee will consider a range of strategic considerations relevant to the objectives of the <i>Electricity Infrastructure Investment Act 2020</i> (NSW) and <i>Electricity Infrastructure</i>

Question	Response
<p>regulated investment in the network' is listed as a Strategic Consideration. Do the costs include system strength/synchronous condensers, or just transmission infrastructure?</p>	<p><i>Investment Regulation 2021</i> (NSW). This includes, but is not limited to, the potential for the Project to avoid or defer costs of projected regulated investment in the network.</p> <p>If invited to submit a Financial Value Bid, the Proponent will have the chance to provide any information relevant to that Strategic Consideration in the Stage B Bid Form.</p> <p>If it is identified that Transgrid has a projected regulated investment in any type of infrastructure which may be avoided or deferred by the planned Project, then this may be submitted as part of the information.</p>
<p>42. Is there an opening for incentivising innovation and appetite to support local manufactured technologies?</p>	<p>Proponents can provide commitments to supply chain and innovation under MC7.</p>