



Capacity Investment Scheme (CIS) Tender 3: National Electricity Market (NEM) - Dispatchable Capacity Stage B - Financial Value Bid Q&A Responses

This document provides a compilation of responses to de-identified questions received from Proponents for CIS Tender 3: NEM – Dispatchable capacity (“CIS Tender 3”). New Q&As are added to this document in chronological order and shaded in pale green. All Q&As are allocated to categories aligning with the Q&A form:

- Merit Criteria 6 – Financial value and system benefits
- Merit Criteria 7 – Commercial departures
- Merit Criteria 8 – First Nations Commitments
- Merit Criteria 9 – Social Licence Commitments
- CISA Contract
- Other

All responses and correspondence by AEMO Services Limited regarding the Q&A Process in CIS T3 are subject to the Tender Conditions set out in Section 4 of the CIS Tender 3 [Tender Guidelines](#) (published November 2024).

Important notice: Proponents are reminded of Sections 4.5 (No warranty), 4.6 (No representations), 4.13 (Requests for clarification and further information) and 4.19 (Proponent to perform own due diligence) of the Tender Guidelines. AEMO Services Limited and the Australian Government reserves its rights not to respond to any question or request. The responses provided are for information purposes only and neither AEMO Services Limited or the Australian Government make any warranties or representations with respect to the completeness, accuracy, adequacy or currency of the responses. The responses do not take into account individual circumstances and Proponent’s should ensure they perform their own due diligence.

Version Release

Version	Release date	Changes
1	26/03/2025	Release 1 included 5 responses added.
2	01/04/2025	Release 2 included 3 responses added.
3	04/04/2025	Release 3 included 10 responses added.
4	09/04/2025	Release 4 included 10 responses added.
5	11/04/2025	Release 5 included 4 responses added.
6	14/04/2025	Release 6 included 5 responses added.
7	16/04/2025	Release 7 included 12 responses added.
8	17/04/2025	Release 8 included 7 responses added.
9	23/04/2025	Release 9 included 3 responses added.
10	24/04/2025	Release 10 included 11 responses added.
11	29/04/2025	Release 11 included 7 responses added.
12	30/04/2025	Release 12 included 5 responses added.
13	07/05/2025	Release 13 included 1 response added.

Financial Value Bid Q&A

Q&A Release 1		Distributed 26/03/2025	
#	Category	Question	Answer
1	MC 6	When evaluating the consumer market benefits of the project, what is ASL assuming for Eraring and other coal closures? e.g. can they be extended, is there a risk they retire early?	As outlined in the “Guidance on evaluation of Merit Criteria 6 – Financial Value and system benefits” Market Briefing Note, coal retirements depend on scenario input assumptions and may differ across Electricity Market Scenarios. To be considered higher merit, Financial Value Bids should demonstrate value across a range of expected market outcomes, as reflected by the Electricity Market Scenarios.
2	Other: General Merit	Will a project that has already achieved a Financial Investment Decision before the Financial Value Bid Submission Date be considered favourably or of low merit?	<p>The timing of the Financial Investment Decision is not an assessable component in the scoring of the Project’s Financial Value Bid.</p> <p>As outlined in Section 3.2.2 of the Tender Guidelines, Projects with an earlier COD Target Date, with milestones that are contractually enforceable, may be viewed favourably during the MC 6 Assessment.</p> <p>It is important to note that in accordance with EC 12 under Table 5 of Section 3.1 of the Tender Guidelines, the Project must not have been identified as committed or existing in the AEMO Generation Information page published on 23 January 2023.</p>
3	MC 9	I can't add new line items in Table 1 of the "Local Content Input" tab of MC 8 and MC 9 Returnable Schedule since the file seems to be locked for editing.	The input fields in D9-11 have been standardised to streamline assessment. Proponents are encouraged to sum additional line items into the “other” category and can provide more details in their free text responses in the Financial Value Bid form.

Q&A Release 1		Distributed 26/03/2025	
#	Category	Question	Answer
4	MC 9	In "Table 3 - Employment and workforce commitments" within the "Employment and Workforce Input" tab (MC 8 and MC 9 Returnable Schedule), can a commitment to employing a number of full time equivalent (FTE) from underrepresented groups also be counted towards a commitment to employing a number of female FTE?	Yes, women can be counted towards underrepresented groups as well as the standalone category for women. Page 38 of the Tender Guidelines outlines that underrepresented groups can include women and long-term unemployed.
5	MC 9	Can Proponents claim a portion of the value of an item of equipment (e.g. a transformer) towards its Local Content commitments, if that component of the equipment can be said to be "produced, manufactured, or supplied within Australia and New Zealand"?	<p>Yes, proponents can claim a portion of the value of an item of equipment towards its Local Content commitments if it satisfies the definition of 'Local Content'.</p> <p>'Local Content' is defined in Section 6 of the Tender Guidelines as goods, services, and resources produced, manufactured or supplied within Australia and New Zealand.</p> <p>Proponents may provide a breakdown of components available to procure locally in an attachment in the MC 9 Section of the Financial Value Bid Form.</p>

Q&A Release 2		Distributed 01/04/2025	
#	Category	Question	Answer
6	CISA Contract	Could AEMO confirm if the Default bid is required to have a 15 year tenure, or if a tenure below 15 years is acceptable for either the Default or Alternative bid?	<p>As outlined in Table 2 (Section 2.3.1) of the Tender Guidelines, the Final Support End Date is a Bid Variable that may be adjusted in both the Alternative and Default Financial Value Bid.</p> <p>The Final Support End Date for either the Default or Alternative bid is permitted to be a maximum of 15 years after the Support Start Date. Therefore, it is acceptable for either or both Default and Alternative Bids to have a tenure shorter than 15 years.</p>
7	CISA Contract	Does the CISA allow Proponents to bid a proportion of the contracted capacity?	As per the Reference Details of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), Proponents will contractually commit to an Export Capacity (MW) and Storage Capacity (MWh). Contracted Percentage is not a Bid Variable for Tender 3. Please refer to Table 2 (Section 2.3.1) of the Tender Guidelines, Q6 in the Stage A Q&A and the Pro Forma CISA for further details.
8	MC 9	In relation to the MC8 and 9 Returnable Schedule, is it permissible to submit fractions of FTE for each MC 9 commitment?	Fractions of Full Time Equivalent (FTE) can be recorded against each commitment within the “Employment and Workforce Input” schedule.

Q&A Release 3		Distributed 04/04/2025	
#	Category	Question	Answer
9	Other	<p>In Section 8 of the Financial Value Bid form, are Proponents required to include development (DEVEX) costs in the following section?</p> <p>"Provide a breakdown (in AUD real values) of expected project CAPEX (capital expenditures) including all costs required to achieve commercial operations such as equipment supply, install/construct (per project cluster) and network connection."</p>	Proponents do not need to include DEVEX costs in Section 8 of the Financial Value Bid Form.
10	MC 9	In relation to the MC8 and 9 Returnable Schedule, does the definition of Apprentices include trainees in line with the Australian Skills Guarantee?	Apprentices may include trainees in line with the Australian Skills Guarantee.
11	MC 9	Regarding the RESB requirements for Steel, does this include steel for the inverter and BESS containers to reach the 95% stretch goal?	<p>The steel requirement means the total Locally Milled Steel required for the Project divided by the total steel required for the Project.</p> <p>If a Project is not able to commit to any particular minimum requirement, the Proponent should stipulate what level of commitment it can give for the relevant requirement, and demonstrate best efforts made to achieve the minimum requirements with detailed justifications.</p>
12	MC 9	The Tender Guidelines indicate a local steel content stretch goal of 95% under the RESB Plan. If the alternative bid provides an option of a lower percentage, will it qualify for evaluation by AEMO Services?	As outlined in Section 2.3.1 of the Tender Guidelines, the Default and Alternative Financial Value Bids must be identical other than amendments to the Bid Variables outlined in Table 2. As local steel content percentage is not a Bid Variable, it cannot be amended in the Alternative Financial Value Bid.

Q&A Release 3		Distributed 04/04/2025	
#	Category	Question	Answer
13	Other: MC8 & MC9 Returnable Schedule	The "MC 8 and MC 9 Returnable Schedule" Bid Details (sheet 1) is protected so the cells asking for Project Bid Name, Project Bid Number and Project Bid ID cannot be edited.	Please refer to the updated schedule and mailout sent to proponents on April 3rd.
14	MC 9	Please provide clarification in relation to how "Total Project Workforce" is calculated.	Please refer to the updated schedule and mailout sent to proponents on April 3rd.
15	MC 9	Can 'other' Employment and Workforce commitments be recorded in the MC8 and 9 Returnable Schedule? For example, we might have additional commitments that align with the Australian Skills Guarantee.	Please refer to the updated schedule and mailout sent to proponents on April 3rd.
16	MC 9	Please provide clarification as to how Learning workers is calculated. Does it include trainees and apprentices?	A trade apprentice is classified as an apprentice and may contribute towards learning workers. Please refer to the updated schedule and mailout sent to proponents on April 3rd.
17	CISA Contract	Does the Project Operator's obligation under cl 8.1(c)(iv) [<i>operate, contract, bid and dispatch ... as if it were a stand-alone project</i>] apply to a third party offtaker of the Project under an Eligible Wholesale Contract? That is, does the Project Operator need to contractually ensure that the third party offtaker complies with this obligation? If so, what does compliance with this obligation practically require of the third party offtaker?	Clause 8.1(c)(iv) requires the Project Operator to use its reasonable endeavours during the Support Period to operate, contract, bid and dispatch the Project in accordance with market signals for a storage project of its nature, as if it were a stand-alone project and not operated as part of a portfolio of assets. Proponents may wish to obtain independent legal advice to confirm how to comply with this provision in the context of contracting arrangements with a third party offtaker.

Capacity Investment Scheme (CIS) Tender 3

Financial Value Bid Q&A Responses

Q&A Release 3		Distributed 04/04/2025	
#	Category	Question	Answer
18	CISA Contract	This question relates to the provision of the Performance Security: When is the Performance Security required to be posted? Is it prior to the submission of the Financial Value Bid? Or only at signing?	In accordance with Section 3.1(a) "Provision of Performance Security" of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), the Project Operator must provide the Performance Security to the Commonwealth within 20 Business Days after the Signing Date or as otherwise agreed in writing between the parties.

Q&A Release 4		Distributed 09/04/2025	
#	Category	Question	Answer
19	MC 6	In relation to the MC6 Returnable Schedule, Table 3 – Project Specifications requests for the import/export capacity at the connection point, specifically separate from the project capacity which is requested in Table 4. Please clarify the preferred approach.	The import and export capacity at the Connection Point refers to the maximum energy (MW sent out) being exported and/or imported at the TNSP terminal station.
20	MC 6	In relation to the MC6 Returnable Schedule, Table 4 – Technology-specific project specifications requests for Round Trip Efficiency (RTE) at a system level and explicitly mentions the inclusion of auxiliary load in the calculation. Please confirm if it is acceptable to provide an RTE representative of a single full power BESS charge/discharge cycle with average auxiliary assumptions?	<p>The RTE for a storage project should consider auxiliary loads and any losses between the BESS terminal and the Point of Connection. Losses may include but are not limited to the main power transformer, auxiliary BESS transformer, other BOP losses and/or other site auxiliary loads.</p> <p>RTE may be represented as a single full power BESS charge-discharge cycle with average auxiliary assumptions applied.</p>
21	Other: FSC Accreditation	Please confirm if FSC (Federal Safety Commissioner) Accreditation is required.	A FSC Accreditation is not required to participate in this tender. Proponents may wish to obtain independent legal advice to confirm whether FSC Accreditation is required to develop or operate their Project under the terms of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025).
22	CISA Contract	Clause 8.1(c)(iii) of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025) references both the Support Period (which could commence prior to COD) and Support Years (which commence post COD). Please confirm if this clause is intended to apply only post-COD.	<p>Clause 8.1(c)(iii) will apply to the Project Operator during the Support Period (which includes the Support Years).</p> <p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.</p>

Q&A Release 4		Distributed 09/04/2025	
#	Category	Question	Answer
23	CISA Contract	Please confirm the timeframes for CISA contract execution.	<p>In accordance with Section 2.5 of the Tender Guidelines, following selection of Successful Proponents, each Successful Proponent will be notified that the Australian Government intends to enter into the Project Documents with the Successful Proponent, on terms that are satisfactory to the Australian Government, and on any other conditions set out in other Project Documents. A CISA may be entered into following conclusion of that process.</p> <p>Please note, the Australian Government, including the Minister, is under no obligation to enter into a contract with a Successful Proponent or any other person. No legal relationship will arise between the Successful Proponent and the Australian Government (regarding the Australian Government providing financial support to the Successful Proponent for the relevant Project) until such time as a binding contract (in the form of the finalised Project Documents) is executed by the parties.</p>
24	CISA Contract	In clause 8.1(c)(ii) of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), could AEMO Services please clarify if the obligation applies for the Support Period, or for Support Years?	<p>Clause 8.1(c)(ii) will apply during the Term.</p> <p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.</p>
25	CISA Contract	In relation to clause 8.4(h)(iv) of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), could AEMO Services please clarify when termination rights are enlivened when Performance Requirements are not met.	<p>The Commonwealth may terminate the CISA under clause 8.4(h)(iv) if either Performance Requirement is not met for two consecutive Operations Years.</p> <p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.</p>

Q&A Release 4		Distributed 09/04/2025	
#	Category	Question	Answer
26	CISA Contract	In relation to clauses 5.2(c) and 7.3(c) of the Pro forma Capacity Investment Scheme (dated 27 March 2025), could AEMO Services please clarify the intention of the additional wording “as determined by the Commonwealth, acting reasonably”.	Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.
27	Other: EC7	In relation to compliance with Eligibility Criteria 7, could AEMO Services please clarify the considerations around whether a Bid Entity carries on another project and/or conducts other business.	<p>The requirements of EC 7 are that, at the time the CISA is executed, the proposed Bid Entity is an SPV which (a) itself satisfies EC1 and all Eligibility Criteria, (b) only carries on the Project, the Associated Project (if applicable), and the existing dispatchable asset (if applicable), and conducts no other business, and (c) holds all of the assets, and is entitled to all of the revenue, of the Project. Proponents should ensure their Bid Entity will comply with this requirement and that they can provide information requested by the Commonwealth or AEMO to confirm compliance in due course, if necessary.</p> <p>In assessing compliance with EC7 considering whether or not an entity carries on another project and/or conducts other business, the Commonwealth and/or AEMO anticipates it may have regard to matters including (but not limited to):</p> <ul style="list-style-type: none"> whether the Bid Entity has any rights, obligations, assets, contracts, licences, authorisations or other interests for the development and/or operation of, or that indicate that it will develop and/or operate, a project other than the Project, the Associated Project (if applicable), or the existing dispatchable asset (if applicable);

Q&A Release 4		Distributed 09/04/2025	
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			<ul style="list-style-type: none"> • whether the Bid Entity generates any revenue and/or incurs any cost or liability (including any contingent or future costs or liability) in respect of a matter that is not related to the Project, the Associated Project (if applicable), or the existing dispatchable asset (if applicable); • whether the Bid Entity has engaged any employees, consultants or other contractors who are involved in a matter that is not related to the Project, the Associated Project (if applicable), or the existing dispatchable asset (if applicable); and • whether the Bid Entity puts itself forward as being involved with any project or other matter that is not related to the Project, the Associated Project (if applicable), or the existing dispatchable asset (if applicable).
28	MC 6	In the MC6 Returnable Schedule, 'Bid Type' can be changed from 'Default Bid' to 'Alternative Bid'. The spreadsheet also allows changes to certain project details, including import/export capacity and MWh. Please confirm if these details are permitted to be changed between the two bids?	As outlined in Section 2.3.1 of the Tender Guidelines, Proponents must submit a Default Financial Value Bid, with the option to submit an Alternative Financial Value Bid. The Default and Alternative Financial Value Bids must be identical other than amendments to the permissible Bid Variables, which are outlined in Table 2 of the Tender Guidelines.

Q&A Release 5		Distributed 11/04/2025	
#	Category	Question	Answer
29	Other: EC 7	We note that the Tender Guidelines permit incorporation of the Bid Entity during the Tender Process and by the end of the Validity Period. Is there any issue with the Bid Entity being incorporated at the end of the Validity Period (i.e. end of October) in order to sign the CISA, and not earlier?	<p>The requirements of EC 7 are that, at the time the CISA is executed, the proposed Bid Entity is an SPV which (a) itself satisfies EC1 and all Eligibility Criteria, (b) only carries on the Project, the Associated Project (if applicable), and the existing dispatchable asset (if applicable), and conducts no other business, and (c) holds all of the assets, and is entitled to all of the revenue, of the Project.</p> <p>As such, incorporation of the Bid Entity (being the legal entity which is to be the counterparty to any Project Document which the Australian Government may offer to enter into with the Proponent) is required prior to execution of the CISA. This may occur earlier than the end of the Validity Period.</p>
30	Other: Additional Information	We note the Additional Information section requires the submission of audited financial statements. Is it permissible to submit financial statements that are not audited if the Proponent and parent entities are not subject to requirements to have annual financial statements audited.	We encourage the submission of audited financial statements where available. In cases where audited statements are unavailable, unaudited financial statements will be accepted.
31	MC 9	Can AEMO Services clarify if any goods and services supplied by a business with an Australian Business Number (ABN) or NZBN (New Zealand Business Number) satisfies the definition of Local Content?	'Local Content' is defined in Section 6 of the Tender Guidelines as goods, services, and resources produced, manufactured or supplied within Australia and New Zealand. Accordingly, any goods or services provided by a business possessing an ABN or NZBN, and supplied within Australia and New Zealand, are considered to meet this definition.
32	MC 6	Is the discount rate that is used to calculate the NPV of CISA cashflows the same across each Bid that AEMO Services receives from proponents?	The same assessment methodology is applied consistently across all Bids.

Q&A Release 6		Distributed 14/04/2025	
#	Category	Question	Answer
33	CISA Contract	Where the Project Operator is an SPV within a corporate group, can the Promisor for the purposes of the Bank Guarantee be another entity within that corporate group?	<p>As set out in the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), the 'Performance Security' must be a letter of credit or bank guarantee that is issued by an Australian branch of an authorised deposit taking institution with an Acceptable Credit Rating and can be drawn in Sydney.</p> <p>The Performance Security must be provided substantially in the form of the document appearing in Annexure B to the Pro forma Capacity Investment Scheme Agreement. That form of document requires that the name of the Project Operator be specified in Recital A of the Performance Security. However, it is not necessary for the Performance Security to specify which entity applied for the Performance Security. Performance Security not substantially in the form of Annexure B must be agreed by the Commonwealth in writing.</p> <p>The Performance Security must be provided by the Project Operator to the Commonwealth within 20 Business Days after the Signing Date or as otherwise agreed in writing between the parties (clause 3.1).</p>
34	MC 9	With Reference to Table 7 on page 41 of the Tender Guidelines from Nov 2024, can you confirm that the 'Steel product and components using locally milled steel (% of total Steel)' line item includes consideration of all MV and HV transformer components and any steel provided from BESS OEMs?	Please refer to the response provided for Question 11.
35	MC 9	Please elaborate on how social license and first nations inputs are evaluated.	Each bid is assessed based on its own merits in accordance with the Tender Guidelines. For Stage B, please refer to Table 3 Stage B – Financial Value Bid Merit Criteria for the weighting of each Merit Criteria.

Q&A Release 6		Distributed 14/04/2025	
#	Category	Question	Answer
36	Other: Additional information for MC2	<p>The Tender Guidelines state that Projects that have secured land rights will be assessed more favourably under MC2 (in Stage A). However, securing land rights was not an Eligibility Criteria in Stage A. In Stage B, Section 8.1 of the Tender Portal requires the mandatory upload of "complete and fully executed copies of the documents which confirm the Proponent holds appropriate land tenure (e.g. lease, agreement for lease, licence, easement agreement, option to purchase agreement, contract of sale), each of which should correspond to, and be named in accordance with the parcels set out in the Returnable Schedule for the real property arrangements."</p> <p>Could AEMO Services confirm whether fully executed land documents are required for a Stage B bid to be compliant, or whether the submission of draft agreements is acceptable?</p>	<p>For the purposes of our assessment, Proponents are encouraged to submit fully executed land tenure documents as part of their Financial Value Bid. In cases where executed land documents are unavailable, draft agreements will be accepted.</p>
37	MC 9	<p>With reference to Table 3.3 in Schedule 2 of the template CISA, what is the meaning of "local workers" and "local trades"? Is it taken as a corresponding meaning to "local content" to include any workers or trades based in Australia or New Zealand?</p>	<p>As per the Definitions in the CISA Schedule 2, Section 1: "Local Trade" means jobs for people from the Relevant Jurisdiction who have completed a contract of training as an apprentice, and who hold a certificate of proficiency in that trade and are working in that occupation on the Project.</p> <p>"Local Worker" means jobs for people from the Relevant Jurisdiction.</p>

Q&A Release 7		Distributed 16/04/2025	
#	Category	Question	Answer
38	MC 6	Could AEMO Services confirm if the Maximum Liability is calculated on an NPV basis and if so, is the same discount rate used for this as the NPV of CISA cashflows? Will the Maximum Liability metric be reviewed on a \$/MW basis?	<p>Table 3 of the CIS T3 MC6 Market Briefing Note states that Maximum Liability is calculated by assuming the Project is paid the maximum amount of financial support available under the CISA across the Support Period, subject to the Annual Payment Caps applicable to each Support Year within the Support Period.</p> <p>Where Maximum Liability is considered for the full Support Period, discounting and normalisation may be applied consistent with other metrics.</p>
39	MC 6	Could AEMO Services provide more information (beyond the MC6 Market Briefing Note) on the modelling of wholesale price curves to inform the central, high and low scenarios, and how weightings are used to combine them?	The full extent of the information to be disclosed is detailed in Section 3.3 of the CIS T3 MC6 Market Briefing Note.
40	MC 6	Could AEMO Services clarify which documents from AEMO Forecasting Assumptions 2024 are relevant to the bid form question on MC6 - "Outline the basis for the expected operational guarantee life indicated in the MC 6 Returnable Schedule and upload one supporting document"	As described in Table 4 of the CIS T3 MC 6 Returnable Schedule's "2. Project details" tab, expected operational guarantee life should be referenced against the economic life listed in AEMO's 2024 Forecasting Assumptions workbook. These values are provided in the "Lead time and project life" worksheet, and source the Aurecon Costs and Technical Parameter Review Report.

Q&A Release 7		Distributed 16/04/2025	
#	Category	Question	Answer
41	MC 6	<p>In Clause 3.3 of the Pro forma Capacity Investment Scheme Agreement, could AEMO Services please clarify:</p> <ul style="list-style-type: none"> (a) Will the amount called for under the Performance Security be applied to the relevant underlying debt? (b) In sub-clause (a)(i), will the call will only be made for the Early Termination Amount? (c) In sub-clause (a)(iii), will the call only be made for the amount of the Agreement Debt? 	Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.
42	MC 6	<p>With reference to the NOR forecasting methodology described in 4.4.1 of the MC6 Market Briefing Note, could AMO Services clarify:</p> <ul style="list-style-type: none"> (a) Are asset dispatch outcomes directly taken from the energy market simulation? (b) How are potential dispatch biases or discrimination between similar assets mitigated? (c) Does the calculation use a separate battery optimisation dispatch model, independently maximise revenue using predefined wholesale energy and FCAS price series, or another method? 	The full extent of the information to be disclosed is detailed in Section 4.4.1 of the CIS T3 MC6 Market Briefing Note.
43	CISA Contract	In Clause 1.1 of the Pro forma Capacity Investment Scheme Agreement, would the Commonwealth consider widening the definition of Change in Law to cover planning and environmental changes, including in relation to fire risk, DC electrical risk, as well as laws applying to the construction industry?	Merit Criterion 7 – Commercial Departures provides the opportunity for Proponents to submit any departures from the proforma Project Documents for merit assessment. Please refer to Section 3.2.2 of the Tender Guidelines for further details. Departures from the proforma Project Documents that materially increase risk or administrative burden to the Australian Government are not expected to be assessed as high merit. Projects assessed as low merit against any individual merit criterion may not be further assessed.

Q&A Release 7		Distributed 16/04/2025	
#	Category	Question	Answer
44	CISA Contract	In Clause 19.1(b)(vii) of the Pro forma Capacity Investment Scheme Agreement, could AEMO Services confirm that the relevant NSP is considered a 'Government Authority' and that the grid connection approval is an 'Authorisation'?	<p>The terms 'Government Authority' and 'Authorisation' in the context of the Pro forma Capacity Investment Scheme Agreement are defined under clause 1 of the Pro forma Capacity Investment Scheme Agreement.</p> <p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.</p>
45	CISA Contract	In Clause 23.2 of the Pro forma Capacity Investment Scheme Agreement, there is no express requirement that the other Commonwealth entity must have at least the same credit rating as the Commonwealth, could AEMO Services clarify if this comes through the concept of 'guaranteed'?	Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.
46	CISA Contract	<p>In relation to Schedule 5 'Early Termination Amount' of the Pro forma Capacity Investment Scheme Agreement, could AEMO Services confirm if the following changes be made?</p> <p>(a) item B appears very high at a fixed value of \$15 million to replace one contract. Could this be capped rather than fixed?</p> <p>(b) removing limb E and limb G. If the Project Operator incurs an obligation to pay the Early Termination Amount, the financing consequences should be solely for the Project Operator to carry.</p>	<p>Merit Criterion 7 – Commercial departures provides the opportunity for Proponents to submit any departures from the proforma Project Documents for merit assessment. Please refer to Section 3.2.2 of the Tender Guidelines for further details.</p> <p>Departures from the proforma Project Documents that materially increase risk or administrative burden to the Australian Government are not expected to be assessed as high merit. Projects assessed as low merit against any individual merit criterion may not be further assessed.</p>

Q&A Release 7		Distributed 16/04/2025	
#	Category	Question	Answer
47	MC 9	Further to the answer to Question 31 on Local Content, can AEMO Services please clarify that in addition to the business having an ABN or NZBN, any resources must be produced in Australia/NZ, any goods must be manufactured in Australia/NZ, and any services must be supplied in Australia/NZ, for the Local Content requirement to be met as intended by the Federal Government?	The requirement for Local Content includes resources or goods produced, manufactured and/or supplied within AU/NZ by an organisation with an ABN/NZBN.
48	CISA Contract	<p>The CISA proforma has introduced a new requirement for certain employment commitments to have 70% of the Total Workforce commitment to be completed by the end of construction (see Table 3.3).</p> <p>Can AEMO Services please clarify if 70% of the Total Workforce for certain commitments is a mandatory requirement? And provide further guidance on this requirement.</p>	<p>In accordance with Table 3.3 of Schedule 2 to the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), the Project Operator must achieve a minimum of 70% of the “% of Total Project Workforce” commitment for each of the workforce categories by the end of the construction. This is a mandatory requirement.</p> <p>For example, for Learning Workers, if the ‘% of Total Project Workforce’ commitment is 20%, and Project Operator has not achieved a minimum of 14% by the end of Construction, Project Operator may be non-compliant with the Learning Workers commitment.</p>
49	Other: Project Duration	If a project submitted a 4-hour duration project for Stage A, can the duration be changed to a shorter duration (i.e. 2 hours) in Stage B?	<p>The storage duration submitted in Stage A was assessed as part of the merit assessment in Stage A and cannot be changed. In accordance with Section 4.22 of the Tender Guidelines, a Proponent cannot amend its bid after it is submitted.</p> <p>If there is a material change to a Bid, the Proponent must notify AEMO as soon as possible, in accordance with Section 4.33 of the Tender Guidelines. Notification to AEMO should occur as soon as possible where a Proponent considers such a material change may be required prior to its Financial Value bid submission.</p>

Q&A Release 8		Distributed 17/04/2025	
#	Category	Question	Answer
50	CISA Contract	In relation to Clause 9 of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), can AEMO Services please confirm that the Commonwealth does not object to a contractor-led insurance package prior to Commercial Operation?	<p>Clause 9 of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025) requires Project Operator to either itself take out and maintain (or cause to be taken out and maintained) insurance policies for the Project that are consistent with Good Industry Practice.</p> <p>The intention of the parenthetical wording is to allow a person other than Project Operator to take out and maintain the required insurance policies for the Project. However, even if this is the case and Project Operator has caused the relevant insurance policies to be taken out and maintained, the insurance policies will need to comply with the requirements in clause 9 of the CISA.</p>
51	CISA Contract	In Clause 21.4(b) of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), the term 'Relevant Cost Change Amount' is not defined. Can AEMO Services provide clarification of the drafting?	<p>"Relevant Cost Change Amount" refers to the estimated amount of the Relevant Cost Change notified by Project Operator to the Commonwealth under clause 21.3(c)(ii), which was considered by the parties in negotiating the relevant adjustments.</p>
52	CISA Contract	In Schedule 5 'Early Termination Amount' of the Pro forma Capacity Investment Scheme Agreement (27 March 2025), can AEMO Services please clarify that item D intends for there to be an open-ended liability?	<p>Item D is defined as any other additional internal and external costs reasonably incurred by the Commonwealth as a direct result of the termination of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), which therefore may be quantified on a case-by-case basis.</p> <p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.</p>

Q&A Release 8		Distributed 17/04/2025	
#	Category	Question	Answer
53	CISA Contract	<p>In Schedule 5 “Early Termination Amount” of the Pro forma Capacity Investment Scheme Agreement (27 March 2025), item A is the difference between a (higher) alternative procurement of capacity services from a third party and the cost contracted under the CISA being terminated. Can AEMO Services clarify:</p> <ul style="list-style-type: none"> (a) If this can be represented more clearly in a formula, and also clarify what MCRSY represents? (b) What is the consequence if a third-party supplier cannot be found? (c) Can a cap be applied to this amount? Since the Project Operator could undertake an Opt-out, can the maximum exposure be calculated a single year and not residual Support Years? (d) If the alternative procurement leads to a lower cost to the Commonwealth, can the cost savings be considered to offset other liability (in particular the tender cost), but in such a way that the Early Termination Amount is not an amount payable by the Commonwealth to the Operator? 	<p>The preamble to item A explains what item A is intended to capture. However, item A is not an actual calculation of the Commonwealth’s net increase in exposure, it is a deemed amount equivalent to 10% of the Annual Payment Cap for the remaining Support Years had the CISA not been terminated (which represents the Commonwealth’s maximum exposure to Project Operator for the remaining Support Years). In accordance with clause 22.5(b)(ii), the Commonwealth considers that the Early Termination Amount is a genuine pre-estimate of the Commonwealth anticipated losses arising from the early termination of the CISA.</p> <p>Merit Criterion 7 – Commercial departures provides the opportunity for Proponents to submit any departures from the proforma Project Documents for merit assessment. Departures from the proforma Project Documents that materially increase risk or administrative burden to the Australian Government are not expected to be assessed as high merit. Projects assessed as low merit against any individual merit criterion may not be further assessed. Please refer to Section 3.2.2 for further details.</p>
54	MC 9	Can variables in MC8 and MC 9 Returnable Schedule between the default bid and the alternative bid can be changed?	As outlined in Section 2.3.1 of the Tender Guidelines, the Default and Alternative Financial Value Bids must be identical other than amendments to the Bid Variables outlined in Table 2. As MC 8 and MC 9 variables are not listed in Table 2, it cannot be amended in the Alternative Financial Value Bid.
55	Other: Bid Number	Could AEMO Services confirm what the Bid number is and if it differentiates between default and alternative bids?	The Bid ID is the same as the Bid number of the Project. The Bid ID number is the same across the Default and Alternative Financial Value Bid.

Capacity Investment Scheme (CIS) Tender 3

Financial Value Bid Q&A Responses

Q&A Release 8		Distributed 17/04/2025	
#	Category	Question	Answer
56	Other: Submission Deadline	Could AEMO Services confirm whether an extension of the submission deadline beyond 1 May 2025 5pm AEST for the CIS T3 Financial Value Bid Form can be provided.	<p>It is appreciated that Proponents put significant time and effort into preparing and submitting Financial Value Bids.</p> <p>To maintain the timeframes for the Tender, an extension to the Financial Value Bid Closing Date and Time cannot be provided.</p>

Q&A Release 9		Distributed 23/04/2025	
#	Category	Question	Answer
57	MC 7	With reference to Schedule 1, 5.4(d) of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025), and acknowledging the Storage Capacity tests will occur in cooler months (April, May and June), what is the rationale for no adjustments for ambient temperate?	The Project Operator has a three-month window to run Storage Capacity tests. The Project Operator can choose a time during the three-month window to run the tests when conditions are appropriate. Hence, it is not proposed to include testing conditions and limitations such as adjustments for ambient temperatures when conducting Storage Capacity tests.
58	MC 6	In relation to Table 4 of the CIS T3 MC 6 Returnable Schedule, is the value for “Storage Capacity (as at COD Target Date)” referring to the total size of the Project, or can the project commit only a certain Storage Capacity to the CISA?	The “Storage Capacity (as at COD Target Date)” specified in Table 4 of the CIS T3 MC6 Returnable Schedule refers to the entire Project. As per Table 2 in section 2.3.1 of the Tender Guidelines, contracting a portion of the Project under the CISA – rather than the total size of the Project – is not a Bid Variable available to Proponents in this Tender Round.
59	MC 9	In relation to Table 3 in the MC8 and MC9 Returnable Schedule, can AEMO Services clarify the definition of “local workers” and confirm the metric that is required to be inputted? Would the inputted metric be equivalent Full Time Equivalent (FTE) hours or number of FTE?	Local Worker means jobs for the people from the State or Territory the Project is located. It is calculated by summing the total relevant category hours across all stages (development, construction, operation) and dividing by Total Project Workforce (hours) in cell I15. Proponents may also provide indicative FTE in cells E-G15.

Q&A Release 10		Distributed 24/04/2025	
#	Category	Question	Answer
60	MC 6	<p>Please clarify if real \$ or nominal \$ values should be used in the MC6 Returnable Schedule for the Revenue Ceiling, Revenue Floor and Annual Payment Cap.</p>	<p>As per Table 2 in section 2.3.1 in the Tender Guidelines, the Annual Floor, Annual Ceiling and Annual Payment Cap are to be provided either as a fixed annual value, or as a schedule of values in fixed nominal dollars for each nominated Financial Year. These values should be for a full Financial Year, and be consistent across Table 8 of the CIS T3 MC 6 Returnable Schedule and the Pro forma Capacity Investment Scheme Agreement (Reference Details Items 21-23).</p> <p>While Bid Variables may be provided as a schedule of prices escalating over the Term, the prices for each Financial Year must be provided in nominal dollars.</p>
61	CISA Contract	<p>In Schedule 4, a Note is included that states "Further Knowledge Sharing Deliverables may be included by the Commonwealth in the table below as part of Stage B. The shortlisted Proponent will be required to complete this table as part of its Financial Value Bid in Stage B of the Tender Process".</p> <p>Does the Commonwealth intend to add any further Deliverables to that table and if so, when? Does that Note require Proponents to amend the content of this table, or will leaving the table be left as-is result in lower merit for a Financial Value Bid?</p>	<p>This note can be removed in the "Ready for Execution" CISA submitted as a part of the Financial Value Bid. If it is not deleted, it will be deleted by the Australian Government prior to execution.</p>

Q&A Release 10		Distributed 24/04/2025	
#	Category	Question	Answer
62	MC 7	<p>In relation to CI 3.3 Schedule 1 (Calculation of Deemed Wholesale Contract Energy Revenue), calculation of the "Notional Quantity" provides, for a Staged Project, that P is the proportion (expressed as a decimal) of the sum of the Tested Storage Capacity of the Project and the Tested EP Storage Capacity of the Existing Project that is the subject of the applicable Ineligible Wholesale Contract for that Trading Interval. If submetering was available at each DUID, would the Commonwealth accept the submetering as the basis for the determination of the proportion, especially where the duration of the storage systems are different?</p>	<p>The Australian Government's preference is for Bids to accept the proforma Project Documents with minimal to no departures. However, if the Proponent considers that submetering is to be used as the basis for determining the proportion for the purposes of clause 3.6 of Schedule 1 of the pro forma CISA, the Proponent may submit a departure to the CISA to accommodate this.</p> <p>Merit Criterion 7 – Commercial Departures provides the opportunity for Proponents to submit any departures from the proforma Project Documents for merit assessment. Please refer to Section 3.2.2 of the Tender Guidelines for further details.</p> <p>Departures from the proforma Project Documents that materially increase risk or administrative burden to the Australian Government are not expected to be assessed as high merit. Projects assessed as low merit against any individual merit criterion may not be further assessed.</p>
63	MC 7	<p>In relation to CI 3.3 Schedule 1 (Calculation of Deemed Wholesale Contract Energy Revenue), Calculation of the "Notional Quantity" provides that the Commonwealth may specify P as a "proportion of the Tested Storage Capacity of the Project that is deemed to be the subject of the applicable Ineligible Wholesale Contract for that Trading Interval". Please advise:</p> <p>(a) in what circumstances the Commonwealth foresees it would exercise the discretion to specify a different proportion; and</p> <p>(b) how it would determine the proportion.</p>	<p>Clause 15.6 of the proforma CISA sets out certain circumstances where the Commonwealth may exercise its discretion to specify a different proportion of the Tested Storage Capacity and how that proportion is determined for the purposes of clause 3.6(b) of Schedule 1.</p> <p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.</p>

Q&A Release 10		Distributed 24/04/2025	
#	Category	Question	Answer
64	MC 7	<p>In relation to CI 3.3 Schedule 1 (Calculation of Deemed Wholesale Contract Energy Revenue), Calculation of the "Deemed Wholesale Contract Capacity Revenue" provides that DMPTI may be "any other \$/MWh price paid by AEMO to any person under the NER in respect of any Notional Quantity exported from the Project". Please advise:</p> <p>(a) in what circumstances the Commonwealth foresees AEMO paying any person other than the Proponent in respect of any Notional Quantity exported from the Project; and</p> <p>(b) what revenue is intended to be captured that is not captured by the preceding reference to "Spot Price".</p>	<p>The definition of DMP_{TI} captures the actual price paid by AEMO (or another Registered Participant) in respect of the Notional Quantity exported, whether that is the spot price or another form of revenue. As per the definition, the other forms of revenue could include Ancillary Services revenue, as contemplated under the NER, to the extent that price is actually paid.</p> <p>The intent is for the deemed market price to reflect the price received by a market participant for a given service during that Trading Interval. The price received by a market participant will often be the spot market price for that service.</p> <p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.</p>
65	MC 7	<p>CI 4.1 of the pro forma CISA imposes obligations on Associated Projects / Existing Projects to be developed in accordance with the Social Licence Commitments, Good Industry Practice and all applicable Laws and Authorisations. Clause 6(a) imposes similar obligations. Noting that Social Licence Commitments are framed as a % of Total Project Contract Value (which is relevant to the Project, but not the Staged Project), please advise whether the Commonwealth's intention is for these obligations to apply to Existing Projects which have not yet reached commercial operations but are already under construction.</p>	<p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement.</p>

Q&A Release 10		Distributed 24/04/2025	
#	Category	Question	Answer
66	MC 7	<p>In Cl 15.6 of the pro forma CISA and definition of Apportionment Principles, there is the ability for Hybrid Projects (but not Staged Projects) to apportion on the basis that an Apportioned Item is directly attributable to a particular project (including the Project and the Associated Project) (for example, by reference to the DUID or electricity volumes measured by the relevant sub-meters or metering apparatus identified in clause 4.2).</p> <p>For a Staged Project, there is not apportionment based on actual metered import or export data at the sub terminal metering point, but rather on the tested storage capacity or the export capacity (which seem like "deeming provisions").</p> <p>We also note that, for a Staged Project, the Existing Project and the Project may have different storage capacities and, therefore, different charging and discharging durations and, ultimately, different trading strategies.</p> <p>If submetering was available at each DUID of a Staged Project, would the Commonwealth accept this as a basis for apportionment?</p>	<p>The Australian Government's preference is for Bids to accept the proforma Project Documents with minimal to no departures. However, if the Proponent considers that submetering is to be used as the basis for apportionment for the purposes of the pro forma CISA, the Proponent may submit a departure to the CISA to accommodate this.</p> <p>Merit Criterion 7 – Commercial Departures provides the opportunity for Proponents to submit any departures from the proforma Project Documents for merit assessment. Please refer to Section 3.2.2 of the Tender Guidelines for further details.</p> <p>Departures from the proforma Project Documents that materially increase risk or administrative burden to the Australian Government are not expected to be assessed as high merit. Projects assessed as low merit against any individual merit criterion may not be further assessed.</p>
67	MC 7	<p>Clause 8.1 of the pro forma CISA imposes various obligations on the Existing / Staged Projects including how to contract the Existing Project and to dispatch the Existing Project. Please can the Commonwealth provide its rationale for extending these obligations to Existing Projects especially where arrangements may have already been put in place.</p>	<p>The relevant provisions under clause 8.1 of the proforma CISA form part of and/or support the Apportionment Principles for Staged Projects. The Commonwealth requires a certain standard of operation and maintenance of the Existing Projects given that they ultimately contribute towards the support payments under the CISA.</p>

Q&A Release 10		Distributed 24/04/2025	
#	Category	Question	Answer
68	CISA Contract	<p>This is a question on the calculation of Tested Storage Capacity (Schedule 1, cl5.4(c)(ii)).</p> <p>"Minimum Hours" is a fixed value for the project bid (i.e. 4h). "Export Capacity" is also a fixed value for a project bid (i.e. 100MW). Neither of these fields vary for a relevant Operations Year.</p> <p>Testing methodology, specifically 5.4(c)(ii), requires that the Project Operator is required to discharge the Project for the "Minimum Hours" at the "Export Capacity". This value then informs the "Tested Storage Capacity" field utilised in cl5.3.</p> <p>Can you please clarify or advise whether the tested storage capacity methodology is meant to accommodate the degradation profile of a project? For example, the tested storage capacity of a 100MW/4h project at beginning of life will return a lower (degraded) tested storage capacity at year 10.</p> <p>Key concerns being (1) that the Tested Storage Capacity methodology cannot be followed as is written; and (2) would result in a lower tested storage capacity and result in a rebate to be paid.</p>	<p>A Storage Capacity Test under clause 5.4 of Schedule 1 of the proforma CISA first requires the Project Operator to charge the Project until it reaches the Storage Capacity <u>for that Operations Year</u>. The 'Storage Capacity' of the Project is to be completed by the Proponent in the Details section of the proforma CISA and should reflect the degradation profile of the Project. Accordingly, the test outlined in clause 5.4(c)(ii) of Schedule 1 should account for the degradation profile of the Project as set out by the Proponent.</p>
69	CISA Contract	<p>Does (d) in the definition of Permitted Costs in the CISA include costs such as auxiliary load costs (i.e. electricity self-consumption) or auto-bidder costs?</p>	<p>Paragraph (d) in the definition of Permitted Costs under the proforma CISA relates to amounts incurred by the Project Operator under the NER in relation to the Project.</p> <p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement and relevant sections under the NER.</p>

Q&A Release 10		Distributed 24/04/2025	
#	Category	Question	Answer
70	CISA Contract	<p>In clause 15.1 (viii) of the pro forma CISA, the definition of eligible contract dictates that "the contract can't have implicit or explicit revenue sharing or profit-sharing arrangement between project operator and the counterparty embedded within the pricing or commercial structure of the wholesale contract".</p> <p>Does this clause prohibit two unrelated entities entering into a capacity swap arrangement? In which case this will be quite restrictive for projects to explore different revenue structures.</p>	<p>As a part of this tender process, we are unable to confirm what determination the Australian Government may make as to whether a Wholesale Contract is an Eligible Wholesale Contract. That determination will be made under clause 15 of the CISA, during the term of the agreement. Proponents should seek legal advice in regard to treatment of Eligible Wholesale Contracts in the draft CISA.</p> <p>As a general comment, the Australian Government will be more likely to exercise its discretion to deem a contract to be eligible where the following has been demonstrated:</p> <ul style="list-style-type: none"> • The contract has a direct relationship with the dispatch capabilities and operational constraints of the CISA asset. • There is liquidity and price transparency evident in the market, allowing prices and terms to be benchmarked. • Risk allocation is transparent, and risk is equitably allocated to the parties most able to price and manage the risk. <p>Successful Proponents are invited to approach the Australian Government at any time during the CISA term to determine whether a given contract can be deemed eligible under this framework.</p> <p>Merit Criterion 7 – Commercial Departures provides the opportunity for Proponents to submit any departures from the proforma Project Documents for merit assessment, if necessary.</p>

Q&A Release 11		Distributed 29/04/2025	
#	Category	Question	Answer
71	MC 7	<p>In the Reference Table, Item 12 Accepted Capacity Tolerance refers to the AP / EP Export Capacity which is a MW measure. However, under Item 8 where the term “Accepted Capacity Tolerance” is used, it appears to apply Import and Export Capacity as well as Energy Storage Capacity. Energy Storage Capacity is a MWh measure and therefore does not appear to be appropriately referenced. Additionally, if this Acceptance Capacity Tolerance is to be applied to Energy Storage Capacity, then projects will be strictly held to the estimated degradation curves applied in the CISA, including if degradation is less than expected, punishing the Existing Project for better battery life management. This reference to energy storage capacity is within square brackets with no instruction.</p> <p>Can AEMO Services provide clarity on how this section should be adjusted for a Staged Project, including if Accepted Capacity Tolerance is measured in MWs and if so, please confirm if Energy Storage Capacity in Item 8 should not be referenced.</p>	<p>“Accepted Capacity Tolerance” is not intended to apply to an Existing Project’s energy storage capacity. The proponent may remove the words “, and energy storage capacity” in the square brackets in item 8 of the Reference Details.</p>
72	MC 6	<p>In the “General Terms” section of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025) in paragraph (f) subsection (i), ‘Operational Revenue’ includes “revenue from hedges arising from or in connection with the Project (excluding interest rate and foreign currency hedges)”.</p> <p>Would a vanilla \$300/MWh strike ‘cap’ contract constitute as Eligible Wholesale Revenue under “Section 15: Eligible Wholesale Contracts” of the Pro forma Capacity Investment Scheme Agreement (dated 27 March 2025)?</p>	<p>Please refer to the response provided for Question 70.</p>

Q&A Release 11		Distributed 29/04/2025	
#	Category	Question	Answer
73	MC 7	<p>Pursuant to cl 15.1(a)(iii) and (viii), a capacity swap or revenue swap agreement, which involve elements of revenue sharing and do not allow for control of dispatch by the counterparty, would not automatically be considered an Eligible Wholesale Contract.</p> <p>Is the Commonwealth's intention being that proponents must seek that the Commonwealth waive the relevant clause 15.1 conditions in order for a capacity swap or revenue swap arrangements to be considered Eligible Wholesale Contracts?</p>	Please refer to the response provided for Question 70.
74	CISA Contract	<p>Point (h) of the 'Permitted Costs' definition specifically excludes the cost of exporting during negative prices. This could have implications in a range of circumstances such as:</p> <ul style="list-style-type: none"> (a) when the project is dispatching during negative prices for the purpose of providing Contingency FCAS Services. (b) when the project is discharging in response to high prices; prices become negative in the next trading interval; the project receives the price signal after the start of the next trading interval and has not ramped down, resulting in discharge during negative prices. <p>Could AEMO Services please clarify how the above scenarios are accommodated within the definition and operation of Permitted Costs?</p>	Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement and the application of the definition of 'Permitted Cost' in specific scenarios.

Q&A Release 11		Distributed 29/04/2025	
#	Category	Question	Answer
75	CISA Contract	<p>In relation to Schedule 1 Clause 3.3 Deemed Wholesale Contract Revenue, how does the deemed market price component of the equation apply in practice for the purposes of determining revenue for Ineligible Wholesale Energy Contracts?</p> <p>The equation already includes and considers the revenues received in the market based on the actual discharge profile of the project through the 'Notional Quantity' term.</p>	<p>'Notional Quantity' is expressed as a MWh figure. Please also see response to Q&A Question 64 in respect of the calculation of revenue under an Ineligible Wholesale Contract.</p>
76	CISA Contract	<p>Under Clause 8.1(c), it is required to take reasonable measures to optimise exported energy during the Peak period, maximise the Net Operational Revenue, bid the BESS according to spot price signals, etc.</p> <p>These requirements could conflict with obligations under a physical tolling (or similar) arrangement whereby bid control is effectively given to the off taker, whereas they would be less in conflict with a Capacity Swap which had these requirements ground into the associated operating protocol of the BESS.</p> <p>With the above consideration, how can the 8.1(c) obligations be reconciled with the various obligations to off takers?</p>	<p>Proponents are encouraged to obtain independent legal advice to confirm how to comply with this provision in the context of contracting arrangements with a third party offtaker.</p>

Q&A Release 11		Distributed 29/04/2025	
#	Category	Question	Answer
77	Other	Can the Proponent and the Bid Entity be unrelated entities? If so, are there any additional eligibility criteria for the Bid Entity?	<p>The Bid Entity does not have to be directly related to the Proponent provided that the rules applicable to the Tender Process as outlined in the Tender Guidelines and other Tender documents are able to be satisfied.</p> <p>Where any circumstances relating to a Bid have changed, such as the Proponent's corporate structure or any details provided in Stage A regarding development partners, the Proponent is required to promptly notify AEMO under section 4.17 of the Tender Guidelines. AEMO and the Australian Government reserve their rights to apply discretion to reject, refuse or cease to consider, or accept, any Bid that does not comply with the requirements of these Tender Guidelines or which is otherwise incomplete in accordance with section 4.28 of the Tender Guidelines.</p>

Q&A Release 12		Distributed 30/04/2025	
#	Category	Question	Answer
78	MC 7	<p>Pursuant to clause 15.1(a)(iii) and (iv), a virtual tolling agreement (where a counterparty's dispatch instructions are not required to be followed) (VTA) would not automatically be considered an Eligible Wholesale Contract.</p> <p>Please advise if the Commonwealth's intention is that proponents must seek that the Commonwealth waive the relevant clause 15.1 conditions in order for a VTA to be considered an Eligible Wholesale Contract.</p> <p>Alternatively, is it the Commonwealth's intention that a VTA could automatically be considered as an Eligible Wholesale Contract (noting the comments in the market brief on Capacity Investment Scheme Tender 3 published in October 2024)?</p>	<p>The intention is that a virtual tolling arrangement could meet the criteria of an Eligible Wholesale Contract under the pro forma CISA. To the extent the terms of the pro forma CISA do not allow a particular arrangement, Successful Proponents are invited to approach the Australian Government at any time during the CISA term.</p>
79	MC 7	<p>The "Material Alteration" definition includes "EP Storage Capacity" for Existing Projects. Provided that there is no impact on the Registered Capacity of the Existing Project and EP Export Capacity (both in MW), we would not expect a change to the EP Storage Capacity (being in MWh) alone to impact the Project.</p> <p>Please advise what risk the Commonwealth is seeking to protect against by including reference to EP Storage Capacity. The preamble to clause 10.2(c) does not align with paragraph (c) of the definition of "Material Alteration". Is the deviation intended?</p>	<p>The EP Storage Capacity is relevant to the Apportionment Principles. The Material Alteration regime is intended to apply to alterations to the EP Storage Capacity, as set out in the definition of 'Material Alteration'.</p>

Q&A Release 12		Distributed 30/04/2025	
#	Category	Question	Answer
80	MC 7	Can AEMO Services please provide reasoning as to why proponents can only Opt-Out of CIS support from the start of Operations Year 2?	'Opt-out Period is defined " <i>...as a number of Operations Years commencing no earlier than the start of the second Operations Year...</i> ". This is to allow the Proponent to have the opportunity to meet its 6-month notice requirement under clause 14.3(b) and to give parties adequate time to assess whether the circumstances under clause 14.3(d) have been triggered.
81	MC 6	<p>Table 6(a) of the MC 6 Returnable Schedule allows proponents to fill out the Storage Capacity (at Target COD Date) in Table 4. This is then auto filled in the Year 1 of Operation (at Target COD Date).</p> <p>If the Storage Capacity (at Target COD Date) is 2 hours, is it acceptable if this is not met for the entirety of Year 1 of Operation due to degradation?</p>	<p>Table 6(a) of the CIS T3 MC 6 Returnable Schedule intends to capture the Storage Capacity of the Project at the start of each operational year. This means the first operational year's value is expected to match the value as at the COD Target Date and therefore not include any degradation. Specifying continuous degradation between these points is not required to complete this table.</p> <p>If relevant, Proponents can provide additional context on the Project's Storage Capacity in supporting documentary evidence as an attachment to the Financial Value Bid Form.</p>

Q&A Release 12		Distributed 30/04/2025	
#	Category	Question	Answer
82	CISA Contract	<p>Clause 8.6(a)(iii) of the CISA (“Project Operator is a special purpose vehicle”) requires that the Project Operator “own, or otherwise hold in its name, the [Hybrid / Staged] Project, including all assets, legal rights and Authorisations reasonably required to carry on the [Hybrid / Staged] Project”.</p> <p>This obligation applies from signing of the CISA, potentially prior to all assets and Authorisations have been obtained. Can ASL please confirm that the obligation is intended to apply only from FC?</p> <p>It is likely that where a battery is co-located that the Project Operator will be reliant on a right to use shared assets (such as shared access tracks) owned by another entity/project, rather than holding the assets in its own name. Can ASL please confirm that a right to use assets is sufficient for discharging the Project Operator’s obligations under clause 8.6(a)(iii)?</p>	<p>The obligations under clause 8.6(a)(iii) of the proforma CISA applies on and from the date of the Project Operator entering into the CISA.</p> <p>Proponents are encouraged to seek legal advice in respect of the interpretation of the terms of the Pro forma Capacity Investment Scheme Agreement and the application of clause 8.6(a)(iii) (and subsequently, clause 8.6(b)) in specific scenarios.</p>

Q&A Release 13		Distributed 07/05/2025	
#	Category	Question	Answer
83	CISA Contract	<p>The Warranties Form in paragraph 35 only contemplates a response of:</p> <ul style="list-style-type: none"> • “N/A” if no Reporting Entities have been identified; • a date range that ends with 30 June; or • a date range that does not end with 30 June provided that the proponent has made an application to the Commissioner of Taxation for the relevant Reporting Entity to use a non-standard accounting period (noting that the standard reporting period is the relevant Reporting Entity’s accounting period under section 319 of the Income Tax Assessment Act 1936 (Cth)). <p>However, a proponent may have a reporting period that is a date range that does not end with 30 June which has not been subject to an application to the Commissioner of Taxation, for example, if they were a reporting entity prior to the 2022 amendments to the Modern Slavery Act and received permission from the former regulator, Australian Border Force.</p> <p>Please advise how can proponents respond to paragraph 35 of the Warranties Form reflective of a non-30 June reporting period ending date pursuant to appropriate permission received.</p>	<p>A Proponent that cannot provide the warranty in paragraph 35 of the Warranties Form (for example, because it has not made an application to the Commissioner of Taxation to change its annual accounting period) should use the free text field immediately below paragraph 35 to state that it cannot provide this warranty and explain the reason for this, providing supporting evidence including any relevant alternative permissions received.</p>

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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