

# Capacity Investment Scheme Tender 4 – National Electricity Market Generation

## Market Briefing Note Stage A assessment summary

01 July 2025



# Purpose

This briefing note provides a generalised assessment summary and feedback on the Project Bid stage (**Stage A**) of the Capacity Investment Scheme (**CIS**) Tender 4 – National Electricity Market (**NEM**) Generation (**Tender** or **Tender 4**).

The purpose of this briefing note is to provide feedback to Proponents to encourage participation in future tenders and to assist Proponents to improve bids in future tenders.

This briefing note should be reviewed in conjunction with the relevant documentation related to the Tender, including the CIS Tender 4 Guidelines (**Tender Guidelines**). The Tender Guidelines prevail in the case of any discrepancies with this briefing note.

Capitalised terms not otherwise defined in this briefing note have the meaning given to them in the Tender Guidelines.

# Overview

The CIS is an Australian Government program to accelerate investment in new renewable energy generation, such as wind and solar, and clean dispatchable capacity, such as battery storage. The CIS comprises a series of competitive tenders for underwriting contracts to deliver 32 gigawatts (GW) of capacity by 2030, to help fill expected reliability gaps as ageing coal-fired power stations retire and demand grows, place downward pressure on electricity prices, and to support the Australian Government's 82% renewable electricity target by 2030.

Tender 4 is seeking an indicative target of 6 GW of renewable energy generation across the NEM. The Tender includes the following targets in NEM jurisdictions:

NEM Jurisdiction	Minimum generation target (GW) <sup>1</sup>
New South Wales	2.2 <sup>2</sup>
South Australia	0.3
Victoria	1.4 <sup>3</sup>
Tasmania	0.3
Unallocated	1.8
<b>Total capacity target</b>	<b>6.0</b>

<sup>1</sup> Subject to the assessed merit of Projects.

<sup>2</sup> NSW has a total cap of 7.1 GW, less the capacity of NSW projects selected in the Tender 1 Process. Further information on the NSW allocation through the RETA is provided in Section 3.3.3 of the Tender Guidelines.

<sup>3</sup> A maximum technology award cap of 750 megawatts (MW) for solar and solar Hybrid Projects (calculated based on the generation component) applies for Victoria as part of this Tender 4 process. This technology cap is described further in Section 3.4.1 of the Tender Guidelines.

Stage A of the Tender received a high level of interest. The purpose of the Stage A - Project Bid assessment is to select a shortlist of Project Bids (**Project Shortlist**) to progress to Stage B – Financial Value Bid (**Stage B**). Proponents and their Project Bids that satisfied the Eligibility Criteria were assessed and scored against the Stage A – Project Bid Merit Criteria<sup>4</sup>. Following the Stage A merit assessment, an overall weighted score was developed for a Project Bid using the weightings in the Tender Guidelines<sup>5</sup> and the Project Shortlist was developed.

## Overview of Stage A assessment and insights

In Stage A, Proponents and Projects were assessed against the following Merit Criteria (**Stage A Merit Criteria**):

- **Merit Criteria 1:** Contribution to system reliability and system benefits
- **Merit Criteria 2:** Project deliverability and timetable
- **Merit Criteria 3:** Organisational capability to deliver the Project
- **Merit Criteria 4:** First Nations engagement
- **Merit Criteria 5:** Community engagement

A strong Project Bid at this stage of the Tender demonstrated high merit across all of the Stage A Merit Criteria. This includes (but is not limited to) the following:

- Well-advanced in the development process with a clear pathway to achieving Financial Close and commercial operations.
- Proactive, meaningful and robust approaches to First Nations and community engagement.
- A site and project design that contributes to system reliability and system security in the context of supporting the Commonwealth's goal of achieving 82% renewable electricity by 2030.
- Clearly-defined responses to the Merit Criteria, supported through evidence.

Proponents were assessed on the information provided within the Project Bid form and supporting documentation. Competitive bids provided comprehensive responses to each Merit Criterion addressing requirements with strong evidence submitted to support assessment. In contrast, less competitive bids lacked comprehensive plans and strategies, failed to communicate them effectively or provided limited or no evidence to support their bid form responses.

The following sections provide feedback on each of the Merit Criteria, including the relative strengths and weaknesses highlighted during the Stage A merit assessment.

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<sup>4</sup> As outlined in the Tender Guidelines, Section 2.2.1, Project Bids assessed as low merit against any individual Merit Criterion may not be further assessed.

<sup>5</sup> Tender Guidelines, Section 2.2.1.

## Merit Criterion 1: Contribution to system reliability and system benefits

Under Merit Criterion 1, Projects were evaluated on their impact on the electricity system, including system reliability and the ability to provide essential system services and/or contribute to system strength.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> <li>Projects that enhance system reliability by connecting to the network at robust locations that have relatively low congestion towards major demand centres during peak demand periods.</li> <li>Projects that can deliver critical system security benefits through their technical configuration.</li> <li>Assessed Hybrid Projects particularly those with a large and longer duration battery, generally contributed better to system reliability and system security.</li> <li>Projects with wind generation tended to outperform projects with solar generation, due to better correlation with unserved energy events.</li> </ul>	<ul style="list-style-type: none"> <li>Projects that offer minimal system reliability advantages because they are connected to the electricity system in areas of relatively high congestion during peak demand periods.</li> </ul>

## Merit Criterion 2 – Project deliverability and timetable

Under Merit Criterion 2, Projects were assessed on their feasibility to reach Financial Close and commercial operations, ability to deliver each milestone, and strategies for mitigating delivery risks.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> <li>Projects that showed progress in reaching key development milestones, including securing land tenure, establishing grid connections, obtaining planning and regulatory approvals, adhering to other relevant regulatory requirements, and finalising financing and construction contracts. Examples of evidence included: <ul style="list-style-type: none"> <li>licence and option agreements, options to lease deeds, options for easement and options for purchase;</li> <li>planning approval and grid connection documents from the relevant regulatory authority;</li> <li>detailed project development plans and comprehensive risk registers with appropriate mitigants;</li> <li>detailed revenue strategy documents with Power Purchase Agreements secured; and</li> <li>letters of support from financiers and agreed term sheets.</li> </ul> </li> <li>Projects that detailed a clear pathway to meeting their target Commercial Operations Date (<b>COD</b>), including achieving feasible milestones for Financial Close and commencing construction.</li> <li>Where projects were earlier in development, evidence of a strong development/delivery strategy, plan and schedule to COD, with key risks and mitigations identified.</li> </ul>	<ul style="list-style-type: none"> <li>Projects that had not achieved key milestones such as securing land tenure and planning approvals. For example: <ul style="list-style-type: none"> <li>land required to develop the Project may not have been secured or evidence of tenure not provided.</li> <li>no planning documents provided.</li> </ul> </li> <li>Projects that had less advanced finance, revenue and offtake strategies.</li> <li>Projects that had significant risks to achieving milestones such as being subject to a court decision or risk of approvals requiring modification, without appropriate mitigants.</li> <li>Projects that lacked detail in key development planning documents (Gantt charts, Project development plans and Project governance frameworks).</li> </ul>

## Merit Criterion 3 – Organisational capability to deliver the Project

Under Merit Criterion 3, Proponents were evaluated on the organisational capability to deliver the Project, including the capability of the Proponent and its delivery partners and their track record.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> <li>Proponents and/or delivery partners that have a demonstrated history of successfully completing similar projects. Where Proponents had a limited track record in comparable projects or projects in the NEM, a demonstrated ability to overcome this by:               <ul style="list-style-type: none"> <li>leveraging strong experience on other renewable energy projects; and/or</li> <li>having secured team members and delivery partners that have strong experience in comparable projects.</li> </ul> </li> <li>Proponents that demonstrated understanding of the skills and experience required to deliver the Project and provided details on the relevant capabilities and experience of corporate team, project team and delivery partners or advisors.</li> </ul>	<ul style="list-style-type: none"> <li>Proponents that did not evidence their progress to overcome their lack of proven experience in the NEM, i.e. through details of successful delivery of projects that are comparable to the proposed Project.</li> <li>Proponents that detailed experience of its parent company but failed to substantiate the current capability of their local project delivery team.</li> </ul>

## Merit Criterion 4 – First Nations engagement

Under Merit Criterion 4, Proponents were evaluated on their approach to engagement strategies and consultation with First Nations communities to build meaningful and mutually beneficial relationships and empower First Nations communities.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> <li>Projects that included comprehensive First Nations Engagement and Communications Plans, including clear identification of relevant local First Nations communities and evidence of ongoing collaborative engagement with local First Nations stakeholders, such as Traditional Owners.</li> <li>Projects that evidenced early and collaborative First Nations community engagement to inform the Project design and identify opportunities for First Nations communities.</li> <li>Projects that had a strong understanding of the impacts and/or opportunities for the First Nations communities and provided strong evidence of how feedback had been incorporated in the Project's design, development and future implementation and accepted by First Nations communities. Examples may have included: <ul style="list-style-type: none"> <li>adjusting the Project site layout in response to feedback; and</li> <li>implementing and committing to the results of dispute resolution processes with First Nations communities.</li> </ul> </li> <li>Projects that demonstrated comprehensive understanding of the relevant First Nations communities in the local area and their cultural heritage.</li> <li>Projects that employed First Nations liaison officers or Indigenous Land Use Agreement Implementation Managers.</li> </ul>	<ul style="list-style-type: none"> <li>Projects that provided limited details about First Nations communications, engagement and consultation, and/or provided limited evidence and documentation to support their claims.</li> <li>Projects that provided limited details or evidence of the impacts and opportunities of the Project on local First Nations communities.</li> <li>Proponents that provided First Nations engagement plans that were generic and relied on corporate-level strategies.</li> <li>Projects that did not evidence First Nations community acceptance of the project site and connection route.</li> </ul>



## Merit Criterion 5 – Community engagement

Under Merit Criterion 5, Proponents were evaluated on their approach to stakeholder and community engagement. Proponents were required to present their approach to engagement with local communities and demonstrate positive approaches to inform, consult, involve, collaborate and empower the affected communities.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> <li>Projects that presented evidence of early and ongoing engagement with affected communities and stakeholders including details of engagement outcomes, actions to address feedback, and thoughtful future engagement plans.</li> <li>Projects that provided tailored stakeholder and community engagement plans with stakeholder mapping, prioritisation and clear timelines for completed/proposed engagement activities that were aligned with key Project milestones.</li> <li>Projects that included social impact assessments to evidence feedback and impact management with co-design processes.</li> <li>Projects that implemented robust complaints handling policies and processes, to build confidence and trust with the communities.</li> <li>Projects that demonstrated understanding of the impacts on the communities and had rigorous and appropriate approaches to minimise and offset the Project's impacts, supported by evidence.</li> </ul>	<ul style="list-style-type: none"> <li>Projects that provided generic outlines of stakeholder identification, impact assessments, mitigation strategies and future engagement details that were unclear, and lacked evidence of stakeholder engagement activities.</li> <li>Projects that lacked detail or evidence in relation to feedback from community engagement and how this feedback would be incorporated into the Project's development.</li> <li>Projects that lacked complaints handling policies and processes, communication protocols or feedback loops.</li> </ul>



# What Proponents should demonstrate in future Bids?

- Consider the most appropriate time to participate in the CIS in your project's development cycle. It may be difficult to obtain higher merit if it is too early in the development cycle.
- Ensure that detailed descriptions and sufficient evidence is provided for all Merit Criteria. Projects can only be assessed on the information they provide.
- Provide documentation that demonstrates a clear, achievable path to project deliverability, noting that projects with a target operations date by 31 December 2029 or earlier may be considered of higher merit.
- For projects in the earlier stages of development, provide evidence of previously successful projects and detail strong plans to achieve target milestones that mitigate development risks.
- Demonstrate identification of the relevant Traditional Owners and evidence meaningful consultation with First Nations communities early in decision-making processes.
- Establish relationships and build trust with First Nations stakeholders and the local communities through consistent and respectful engagement, ensuring these engagements are reflected in the evidence provided in the Bid documentation.

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**Acknowledgement to Country** | The Australian Government would like to acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, water and culture. We pay our respect to their Elders, past, present and emerging.

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