

Capacity Investment Scheme Wholesale Electricity Market (WEM) Tender 5 – Generation & Tender 6 – Dispatchable Capacity Outcomes

Market Briefing Note

Assessment summary

June 2026



Purpose

This briefing note provides a generalised assessment summary and feedback on the submitted Bids of the Capacity Investment Scheme (CIS) Tender 5 – Wholesale Electricity Market (WEM) Generation (Tender 5) and Tender 6 – WEM Dispatchable (Tender 6).

This briefing note should be reviewed in conjunction with the relevant documentation related to the relevant Tender, including the Tender Guidelines. The Tender Guidelines specific to the relevant Tender prevails 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 relevant Tender Guidelines.

Overview

The CIS is an Australian Government program aimed to accelerate investment in new renewable energy generation, such as wind and solar, and clean dispatchable capacity. The CIS aims to support the delivery of a more reliable, affordable, low-emissions energy system for all Australians.

Tender 5 had an indicative target to deliver 1,600 MW of renewable energy generation across the WEM. On 2 May 2026, the Australian Government announced seven successful Projects, with a total generation capacity of 1,886 MW of renewable energy.

Tender 6 had an indicative target to deliver 2,400 MWh of dispatchable capacity across the WEM. On 2 May 2026, the Australian Government announced three successful Projects, with a total dispatchable capacity of 3,683 MWh.

Tender and assessment process

Bids were assessed against five Merit Criteria. With reference to the principles outlined in Section 5 of the relevant Tender Guidelines, a shortlist of Bids was developed to be recommended for a CIS Agreement (**CISA**).

- **Merit Criteria 1:** Financial value, system reliability and system benefits
- **Merit Criteria 2:** Project deliverability and timeline
- **Merit Criteria 3:** Organisational, resource, and financing capability
- **Merit Criteria 4:** First Nations participation and benefits sharing
- **Merit Criteria 5:** Social outcomes and community benefits sharing

Consistent with the relevant Tender Guidelines,¹ Bids that were assessed as low merit against any individual Merit Criterion were not further assessed.

¹ Section 5.3.2 of the relevant Tender Guidelines

General Feedback

Bids in each Tender that were assessed as high merit provided clearly defined responses to the Merit Criteria, supported through evidence and demonstrated the following attributes:

- For Tender 5, high Renewable Energy Contribution, high Market Benefits and/or high Reliability Benefits.
- For Tender 6, high Reliability contribution and/or high Market Benefits.
- Limiting the overall cost exposure of the Australian Government with competitive Bid Variables demonstrated by low Annual Floors, low Annual Payment Caps and fewer support years.
- Well-advanced in the development process with a clear pathway to achieving Financial Close and commercial operations.
- Demonstrated organisational capability of the Proponent and its delivery partners.
- High quality commitments to First Nations communities that were informed by robust approaches to engagement, incorporated First Nations feedback and were supported by detailed delivery plans, track records and evidence of engagement with First Nations communities and businesses. Commitments also included details on types of activities or initiatives that would be implemented, how they would be implemented, associated funding, and anticipated timeframes for implementation.
- Strong commitments to communities, employment and local content that considered and were co-designed by local communities and informed by local feedback, upskilled local workforce and demonstrated understanding of Australian supply chain opportunities. Commitments also included details on the types of activities or initiatives that would be implemented, how they would be implemented, associated funding, and anticipated timeframes for implementation.

Bids were assessed on the information provided within the Bid form and supporting documentation.

Competitive Bids provided comprehensive responses to each Merit Criteria addressing requirements with strong evidence submitted to support assessment.

Proponents were encouraged to structure their Bid in a way that was both competitive (to enhance their prospects of success in the Tender Process) and sufficient to enable their Project to reach Financial Close, considering the Project's financing structure and debt/equity requirements.

Insights from Merit Assessment

Merit Criterion 1: Financial value, system reliability and system benefits

Tender 5 – Generation

Under Merit Criterion 1 for Tender 5, Projects were evaluated on their benefits to the WEM. These benefits were compared against the forecast cost of the Project’s CISA to provide an indication of the financial value capable of being delivered. The three key benefits were the Project’s:

- contribution to supporting the Australian Government’s 82% renewable energy target;
- effect on wholesale market costs which may include both energy prices and reserve capacity costs; and
- ability to receive Peak Capacity Credits under the Reserve Capacity Mechanism.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Bids that were forecast to have low Net CISA Cost based on Bid Variables. In summary: <ul style="list-style-type: none"> ○ A low Annual Payment Cap, low Annual Floor and fewer support years contributed to making a Bid more competitive. ○ A low Annual Ceiling could also lower the forecast Net CISA Cost. • Projects that were forecast to have high Renewable Energy Contribution, Market Benefits and/or Reliability Benefits had: <ul style="list-style-type: none"> ○ An electrically strong location in the network with good access to load centres. ○ Strong capacity factor and ability to generate unconstrained during periods of peak demand/high prices. ○ Where an Assessed Hybrid Associated Project was present, duration at or greater than the Electric Storage Resource Obligation Duration. ○ An earlier COD Target Date. • Projects that were forecast to have high proportions of assigned Capacity Credits relative to the Project size. 	<ul style="list-style-type: none"> • Bids that were forecast to have high Net CISA Cost, which was typically driven by a combination of high Annual Floor, high Annual Payment Cap and longer Support Periods. • Projects forecast to have relatively low Renewable Energy Contribution, Market Benefits and/or Reliability Benefits. These components were lower for Projects that had: <ul style="list-style-type: none"> ○ An electrically weak location in the network with poor access to load centres. ○ Poor capacity factor and an inability to generate unconstrained during periods of peak demand/high prices. ○ A later COD Target Date.

The [CIS Tender 5 MC 1 Market Briefing Note](#) published on the ASL Website, provides detailed guidance on the evaluation of this Merit Criteria for this Tender.

Tender 6 – Dispatchable Capacity

Under Merit Criterion 1 for Tender 6, Projects were evaluated on their benefits to the WEM and the forecast Net CISA Cost. The three key benefits were the Project’s:

- effect on wholesale market costs which may include both energy prices and reserve capacity costs;
- ability to receive Peak Capacity Credits under the Reserve Capacity Mechanism; and
- expected contribution to power system security.

Where appropriate, these benefits were assessed in relation to the forecast Net CISA Cost to provide an indication of the financial value delivered.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Projects that were forecast to have high proportions of assigned Capacity Credits relative to the Project size. • Bids that were forecast to have low Net CISA Cost based on Bid Variables. In summary: <ul style="list-style-type: none"> ○ A low Annual Payment Cap, low Annual Floor and fewer support years contributed to making a Bid more competitive. ○ A low Annual Ceiling could also lower the forecast Net CISA Cost. • Projects that were forecast to have high Reliability Benefits and/or Market Benefits had: <ul style="list-style-type: none"> ○ An electrically strong location in the network with good access to load centres. ○ A duration at or greater than the Electric Storage Resource Obligation Duration. ○ An earlier COD Target Date. • Projects that can deliver power system security benefits through their technical characteristics. 	<ul style="list-style-type: none"> • Bids that were forecast to have high Net CISA Cost, which was typically driven by a combination of high Annual Floor, high Annual Payment Cap and longer Support Periods. • Projects that: <ul style="list-style-type: none"> ○ Were connected at an electrically weak location in the network with poor access to load centres. ○ Had a later COD Target Date. ○ Had a shorter duration than the Electric Storage Resource Obligation Duration.

The [CIS Tender 6 MC 1 Market Briefing Note](#) published on the ASL Website, provides detailed guidance on the evaluation of this Merit Criteria for this Tender.

Merit Criterion 2: Project deliverability and timeline

Under Merit Criterion 2, Projects in each Tender were assessed on their development progress and credibility of forward plans to deliver the Project, including the pathway to achieve COD by 31-Dec-2030, aligned with the Policy Objectives.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Projects that demonstrated and evidenced progress in reaching significant development milestones. This includes clear pathways to meeting their target COD, including achieving feasible milestones for Financial Close and reaching COD before 31 December 2030. • Where Projects were earlier in development, evidence of a strong development/delivery strategy, reasonable schedule to COD, with key risks and mitigations identified. • Projects with significant progress towards, and evidence of a clear and credible pathway to completing network connection, with Western Power and AEMO processes well progressed or completed. • Projects that had obtained, or were close to obtaining, all necessary planning and environmental approvals, or provided a robust and credible plan to secure them. • Projects that demonstrated a credible pathway for resolving concerns or queries of the authorities providing the requisite planning and regulatory approvals. For example, pending EPBC assessments, if applicable for the project, are supported by environmental studies to support the position of no material concerns. • Projects that have secured or have a clear and credible pathway for securing land tenure rights for all key land parcels, including Project site and connection route. Documentation included evidence of ownership, lease agreements, and/or option agreements. 	<ul style="list-style-type: none"> • Projects that had significant risks to achieving milestones without appropriate mitigants or have not achieved key milestones. For example: <ul style="list-style-type: none"> ○ Projects that lacked detail in key development planning documents (Gantt charts, Project development plans and risk assessments). ○ Projects that were early in the network connection process with little demonstration of network connection progress. ○ Projects that were less progressed in securing planning and environmental approvals, whilst being subject to heightened risk of post-approval conditions. ○ Projects that had not secured or did not provide evidence of tenure for the land required to develop the Project.

Merit Criterion 3: Organisational, resource, and financing capability

Under Merit Criterion 3, Proponents and their key delivery partners in each Tender were evaluated on their track record, organisational capacity and capability, resources, development funding and financing strategy to deliver the Project.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Proponents demonstrated that track record projects are comparable to the Project including scale and complexity, jurisdiction, technology, and clearly detail their role in the projects through relevant phases of development/delivery. • Where Proponents had a limited track record in comparable projects, they demonstrated an ability to address this by leveraging other relevant experience; and/or having secured team members and/or delivery partners with strong experience in delivering comparable projects. • Proponents that outlined a well-defined rationale for the proposed contracting approach, including credible delivery partners, and demonstrated understanding of the key risks/considerations for the structure proposed. • 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. • Proponents that have secured (or have a credible pathway to secure) development funding for all pre-construction activities including a realistic and detailed development budget and evidence of access to funding, including the allowance for the Performance Security required under the CISA. • A clear, evidenced financing and revenue strategy to achieve financial close, access to capital/financier commitments, risk mitigants and credible revenue strategies that were specific to the WEM. Evidence may include balance sheet finance, letters of commitments from financiers and signed PPAs. 	<ul style="list-style-type: none"> • Proponents that did not evidence their progress to overcome their lack of proven experience of delivering utility-scale renewable energy projects in the WEM. • Proponents that relied on evidence relating to the track record of advisers or delivery partners (e.g., Engineering, Procurement and Construction (EPC) contractors) who have not been formally contracted and with limited evidence of engagement. • Proponents that detailed experience of its parent company but failed to substantiate the current capability of their local project delivery team. • Status of development funding was unclear with no credible funding sources identified, budget missing or assessed as insufficient. • Projects that provided insufficient evidence of engagement with financiers and reliance on uncommitted equity, including for progressing development activities and provision of the Performance Security. • Poorly detailed financing strategy with an unclear pathway to achieve financial close, limited evidence of access to capital or progress towards capital raising activities, and limited details or progress towards the Project’s revenue strategy.

Merit Criterion 4: First Nations participation and benefits sharing

Under Merit Criterion 4, Proponents from each Tender were evaluated on the quality of their Project’s engagement with and understanding of Traditional Owners and First Nations Communities (**First Nations Communities**), and commitments to share economic and social benefits of the Project.

Projects that demonstrated alignment to the NSW First Nations Guidelines regarding achieving at least 3% First Nations participation were assessed favourably.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Projects that showcased credible strategic intent through detailed First Nations Engagement Plans guided by Free, Prior and Informed Consent (FPIC) principles, cultural heritage surveys undertaken and structured dialogue through negotiation protocols and community meetings. • Projects that demonstrated early and collaborative First Nations community engagement to inform the Project design and identify First Nations community opportunities, evidenced by how feedback had been incorporated in the Project’s design, development and future implementation and acceptance by First Nations Communities. • Projects that demonstrated active engagement with First Nations Communities and businesses through formal relationship agreements, governance structures, collaborative planning and negotiation frameworks. • Projects that demonstrated a deep understanding of the needs of First Nations Communities and identified opportunities to overcome barriers to workplace entry. • Projects that demonstrated strong commitments to sub-contract First Nations businesses and to employ and train First Nations workers pre-COD and post-COD. • Projects that provided substantial additional commitments such as First Nations benefit funds, revenue sharing, partnerships and programs. 	<ul style="list-style-type: none"> • Projects that provided limited details about First Nations communications, engagement and consultation, and/or provided limited evidence and documentation to support their claims. • Projects that provided limited details or evidence of the impacts and opportunities of the Project on local First Nations Communities. • Proponents that provided First Nations engagement plans that were generic and relied on corporate-level strategies rather than Project specific characteristics. • Projects that did not provide commitments that aligned with the NSW First Nations Guidelines objectives for First Nations participation. • Projects that did not demonstrate consideration of the feedback and interests of First Nations Communities. • Projects that made commitments without providing adequate supporting evidence such as implementation strategies, Aboriginal Participation Plans, execution frameworks, or proof of past performance.

Merit Criterion 5: Social Outcomes and Community Benefits Sharing

Under Merit Criterion 5, Proponents from each Tender were evaluated on the quality of community engagement and community involvement in the co-design of social outcomes strategies, priorities and commitments, and the extent to which these would create long lasting social outcomes through the Project in terms of local content, employment and workforce development, and shared benefits.

Projects that demonstrated alignment with the NSW Renewable Energy Sector Board Plan (**NSW RESB**) and guidance provided in the MC4&5 Returnable Schedule on supply chain inputs and employment and workforce criteria, where locally practical, were assessed favourably.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • 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. • Projects that provided tailored stakeholder and community engagement plans, and clear timelines for completed and proposed engagement activities that were aligned with key Project milestones. • Projects that implemented robust complaints handling policies and processes, to build confidence and trust with the communities. This included two-way feedback loops for co-design of the Project, and practical initiatives that showed real community activity beyond planning. • Projects that demonstrated commitments to maximise engagement of local workforce and underrepresented groups, supported by upskilling initiatives and demonstrated an understanding of and the use of Australian supply chain opportunities and commitments to build local capacity. • Investments in local training, education and job-readiness programs to prepare the local workforce for jobs made available by renewable projects. • Biodiversity initiatives that protect and enhance the local region’s natural environment. 	<ul style="list-style-type: none"> • Projects that provided generic or outdated outlines of stakeholder engagement, where future engagement details were unclear or lacked evidence of stakeholder engagement activities. • Projects that lacked detail or evidence in relation to frameworks, governance, or implementation of commitments, resulting in engagement which appeared aspirational rather than substantive. • Projects that did not provide commitments across all social licence commitment areas or the commitments did not meet the NSW RESB targets. • Projects that only provided existing, corporate level commitments, rather than Project specific commitments that are tailored to the local community. • Projects that made commitments without providing adequate supporting evidence such as implementation strategies, execution frameworks, or proof of past performance.

What Proponents should demonstrate in future Bids

For future tenders, Proponents should:

- Consider providing a lower Annual Payment Cap, lower Annual Floor and fewer Support Years, noting that these may improve the overall competitiveness of the Bid.
- Structure their Bid in a way that is both competitive (to enhance their prospects of success) and sufficient to enable their Project to reach Financial Close, considering the Project's financing structure, and debt and/or equity requirements.
- Demonstrate credible plans and clear progress towards key development milestones, such as securing land tenure, grid connection and planning approvals, by providing detailed responses in the Bid form and attaching comprehensive supporting documentation.
- Demonstrate organisational capability by detailing the experience of the Proponent, project team and key delivery partners on comparable projects, with evidence of progressing commercial negotiations with construction contractors and equipment manufacturers.
- Provide a detailed plan for securing financing and demonstrate a track record for raising capital on similar projects.
- Demonstrate early and ongoing engagement with First Nations communities, undertaken in alignment with FPIC principles, supported by a project specific First Nations engagement plan and impact assessment.
- Demonstrate active involvement of First Nations Communities in the co-design of shared benefits. Provide commitments that align with the NSW First Nations Guidelines for employment, workforce development and business participation, supported by partnerships, governance processes and track records that demonstrate the ability of the Proponent to deliver these commitments.
- Demonstrate early and ongoing local community engagement, informed by best practice engagement principles, supported by a comprehensive community engagement plan and impact assessment.
- Provide strong community shared benefit commitments with evidence of community co-design. Provide commitments that meet the NSW RESB targets for local content and employment of learning workers, apprentices and underrepresented groups, supported by detailed delivery plans, programs, partnerships and track records.
- Only include departures from the proforma Project Documents that are strictly necessary for the unique technical requirements of the Project.

We encourage unsuccessful Proponents to consider the Tender Guidelines relevant to a future Tender round, and use the feedback and recommendations provided in this briefing note to improve the competitiveness of future bids by demonstrating project deliverability, alignment with Policy Objectives, innovation, economic value, and social and environmental responsibility.

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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