



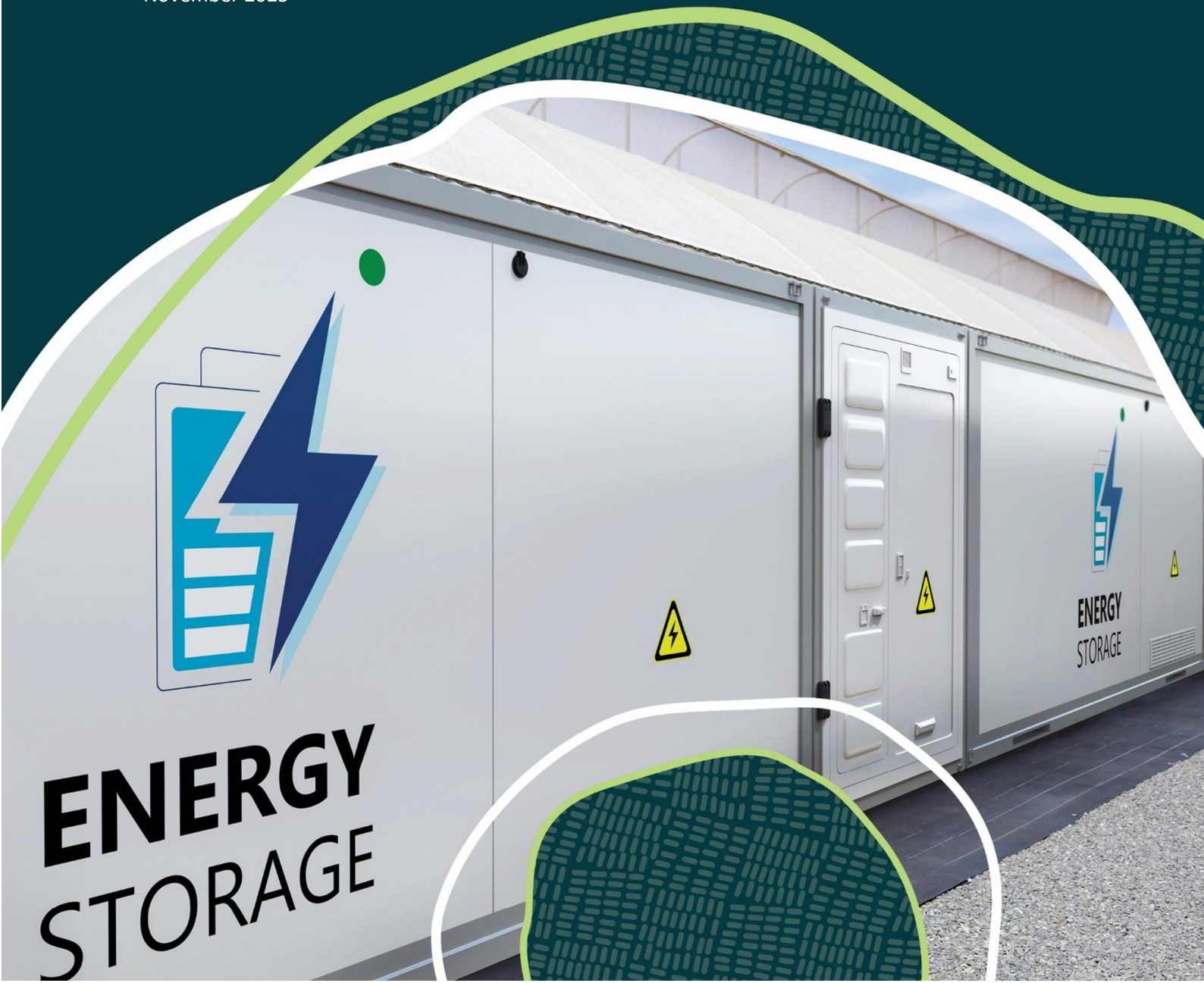
Australian Government

Department of Climate Change, Energy,
the Environment and Water

Capacity Investment Scheme Tender 3 – National Electricity Market Dispatchable Capacity

Market Briefing Note Assessment Summary

November 2025



Purpose

This briefing note provides a generalised assessment summary and feedback on both the Project Bid stage (Stage A) and Financial Value Bid stage (Stage B) of the Capacity Investment Scheme (CIS) Tender 3 – National Electricity Market (NEM) Dispatchable Capacity (Tender or Tender 3).

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 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. The CIS aims to support the delivery of a more reliable, affordable, low-emissions energy system for all Australians.

Tender 3 sought to deliver 4 GW of four-hour equivalent dispatchable capacity, or 16 GWh of dispatchable capacity across the NEM, including the following targets in NEM jurisdictions:

NEM Jurisdiction	Minimum dispatchable capacity target (GW / GWh)
New South Wales	0.9 / 3.6
South Australia	0.4 / 1.6
Victoria	1.0 / 4.0
Unallocated	1.7 / 6.8
Total capacity target	4.0 / 16.0

On 16 September 2025, the Australian Government announced 16 successful Projects, with a total capacity of 4.13 GW / 15.37 GWh. All successful Projects were lithium-ion batteries.

Tender and assessment process

Proponents and Projects were assessed against nine Merit Criteria across two stages, as outlined below:

Stage A – Project Bid:

The purpose of the Stage A Project Bid assessment was to select a shortlist of Project Bids to progress to Stage B – Financial Value Bid. Project Bids were assessed against the five 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

Stage A of the Tender received a high level of interest, attracting over 120 Project Bids. The Project Bids successful in progressing to Stage B – Financial Value Bid demonstrated strong performance across the Stage A Merit Criteria. Consistent with the Tender Guidelines¹, Bids that were assessed as low merit on any individual Merit Criterion were not further assessed.

Stage B – Financial Value Bid:

The purpose of Stage B Financial Value Bid assessment was to assess the shortlisted bids from Stage A to develop a shortlist of Financial Value Bids that would progress to due diligence and potentially be recommended for a CISA.

Financial Value Bids were assessed against the four Stage B Merit Criteria:

- **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

63 Projects were invited to submit a Financial Value Bid for Stage B. The Financial Value Bids successful in progressing to Stage C (Due Diligence and Recommended Bids) demonstrated high total weighted merit scores across the Stage B Merit Criteria. Consistent with the Tender Guidelines², Bids that were assessed as being of low merit against any individual Financial Value Bid Merit Criterion were not further assessed.

¹ Section 2.2.1 of the Tender Guidelines

² Section 2.3.1 of the Tender Guidelines

General Feedback

Project Bids in this Tender that were assessed as high merit across the Stage A Merit Criteria demonstrated the following:

- Well advanced in the development process with a clear pathway to achieving Financial Close and commencing construction / operation.
- Early, meaningful and robust approaches to both First Nations and community engagement.
- A connection location and Project configuration that minimise impacts on the electricity system and supported the Commonwealth's goal of achieving 82% renewable electricity by 2030 by targeting commercial operations prior to December 2029.
- Well-articulated responses to the Merit Criteria, supported through evidence.

Financial Value Bids in this Tender that were assessed as high merit across the Stage B Merit Criteria demonstrated the following:

- Higher Reliability Contribution, high Wholesale Market Benefits
- Limiting the overall cost exposure of the Commonwealth with competitive Bid Variables demonstrated by low Annual Payment Caps, low Annual Floors, and fewer support years. A lower Annual Ceiling was also noted to make a bid more competitive. On average, successful bids requested 9 years of support, compared to 11 years across all bids received. These figures were adjusted to account for the proportion of each Full Financial Year applicable to each bid variable and then obtaining an average.
- For Future Tenders, Proponents should 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.
- Accepting the pro-forma CISA with no or minimal commercial departures. Acceptable commercial departures required for project-specific reasons were minimal and did not alter the risk allocation of the CISA.
- High quality First Nations commitments that were tailored to the Project's local First Nations community, and will create meaningful, diverse, and long-lasting economic and social impacts. Commitments were supported with details on types of activities or initiatives that would be implemented, how they would be implemented, associated funding for the commitment, and its anticipated timeframe for implementation.
- High quality social licence commitments that were tailored to the Project's local community, and will create meaningful, diverse, and long-lasting economic and social impacts. Commitments were supported with details on types of activities or initiatives that would be implemented, how they would be implemented, associated funding for the commitment, and its anticipated timeframe for implementation.
- Proponents were assessed on the information provided within the Project Bid form, Financial Value Bid form, and supporting documentation. Competitive bids provided comprehensive responses to each Merit Criteria 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.

Insights from Stage A assessment

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"> Projects that provide a greater reliability benefit by connecting to the electricity system at strong locations of relatively low congestion towards major demand centre at times of high demand. Projects that are capable of providing essential system security benefits through technical configuration. 	<ul style="list-style-type: none"> Projects that provide little reliability benefit due to their connection to the electricity system at locations of relatively high congestion towards their demand centre at times of high demand.

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"> • Projects that demonstrated progress toward achieving key development milestones such as securing land tenure, grid connection³, planning and regulatory approvals, compliance with other applicable regulatory requirements, financing and construction contracting. Evidence provided may have included: <ul style="list-style-type: none"> ○ planning approval and grid connection documents; ○ detailed Project development plans and comprehensive risk registers with appropriate mitigants; and ○ corporate structure detailing financing arrangements at each level and financing plans. • Projects that demonstrated and evidenced a clear pathway to meeting their COD Target Date. • Earlier-stage Projects that provided strong evidence of their development / delivery strategy, plan and schedule to COD, with key risks and mitigations identified. 	<ul style="list-style-type: none"> • Projects that had not achieved key milestones such as securing land tenure and progressing the grid connection process. For example: <ul style="list-style-type: none"> ○ land required to develop the Project may not have been secured or evidence of tenure not provided. • Projects that did not provide clear supporting evidence of their pathway to COD, including those that provided a COD Target Date not aligned with the supporting evidence.

³ Projects seeking access rights in the South-West or Central West Orana REZ were not required to provide evidence of progress towards obtaining a grid connection.

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 track record, capability and capacity of the Proponent and its delivery partners.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Proponents and/or delivery partners that demonstrated a track record of successfully delivering comparable projects. • Where Proponents had a limited track record in comparable projects, a demonstrated ability to overcome this by: <ul style="list-style-type: none"> ○ leveraging strong international experience and experience on other renewable energy technologies; and/or ○ having secured team members and delivery partners that have strong experience in comparable projects. • Proponents that had a good 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. 	<ul style="list-style-type: none"> • Proponents that lacked proven experience or failed to provide details of successful delivery of previous projects, specifically projects that are comparable to the proposed Project. • Proponents that indicated experience but failed to detail their past track records and substantiate the current capability of their team and delivery partners. • Proponents that had a weak understanding of the skills and experience required to deliver the Project and showed limited progress towards securing experienced delivery partners or advisors.

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"> • Projects that provided comprehensive project specific First Nations Engagement and Communications Plans, including evidence of ongoing collaborative engagement with local First Nations stakeholders. • Projects that demonstrated a good understanding of the impacts and/or opportunities for the First Nations communities and provided evidence of how feedback had been incorporated in the Project’s design, development and future implementation. Examples may have included: <ul style="list-style-type: none"> ○ adjusting the Project site layout in response to feedback; and ○ implementing and committing to the results of complaints handling and dispute resolution processes with First Nations communities. 	<ul style="list-style-type: none"> • Projects that provided limited details about First Nations communication, engagement and consultation, and/or provided limited or generic evidence and documentation to support their claims. • Projects that provided limited details or evidence of the impacts and opportunities of the Project on First Nations communities. • Proponents that provided First Nations engagement plans that were not tailored to the specifics of the Project.

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"> • Projects that provided evidence of early and ongoing engagement with impacted communities and stakeholders including details of engagement outcomes, actions to address feedback, and future engagement plans. • Projects that had strong complaints handling policies and processes in place, to build confidence and trust with the communities. • Projects that demonstrated a solid understanding of the impacts on the communities and had appropriate approaches to minimise and offset the Project’s impacts, supported by evidence. 	<ul style="list-style-type: none"> • Projects that provided limited details about community engagement and/or provided limited or generic evidence and documentation to support their claims. • Projects that lacked detail or evidence in relation to feedback from community engagement and how this feedback was going to be incorporated into the Project’s development.

Insights from Stage B assessment

Merit Criterion 6 – Financial value and system benefits

Under Merit Criterion 6, Projects were evaluated on their financial value and system benefits. This includes three key benefits:

- the Project’s contribution to supporting the Australian Government’s 82% renewables target by 2030;
- the Project’s effect on wholesale electricity costs; and
- the Project’s expected contribution to system reliability and its impact on the electricity system.

These benefits were compared to the forecast cost of the Project’s CISA.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Bids that were forecast to have low Net CISA Cost. In summary: <ul style="list-style-type: none"> ○ A low Annual Payment Cap, low Annual Floor and the inclusion of fewer support years contributed to making a Bid more competitive. ○ A low Annual Ceiling and including later Financial Years without Commonwealth support could also lower the forecast Net CISA Cost. • Projects that were forecast to have high Reliability Contribution, Wholesale Market Benefits and/or Renewable Energy Contribution had: <ul style="list-style-type: none"> ○ An electrically strong location in the network with good access to load centres. ○ Longer storage duration (MWh). ○ An earlier COD Target Date. 	<ul style="list-style-type: none"> • Bids that were forecast to have high Net CISA Cost. High Net CISA Costs were assessed as being correlated with high Annual Revenue Floor values and high Annual Payment Caps. • Projects forecast to have relatively low Reliability Contribution, Wholesale Market Benefits and/or Renewable Energy Contribution. 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. ○ A later COD Target Date.

The MC6 [Market Briefing Note](#) published on the ASL Website, provides detailed guidance on the evaluation of this Merit Criteria.

Merit Criterion 7 – Commercial departures

Under Merit Criterion 7, Projects were evaluated on the nature and extent of departures proposed to the proforma Project Documents, including how the departures alter the risk allocation, administrative burden, and cost to the Australian Government.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> Projects that provided no or minimal departures to the proforma CISA Contract. Where departures were proposed, the departures were minor and only made to ensure the proforma CISA was fit-for-purpose in the context of that particular Project's circumstances. Projects that only submitted departures which were consistent with the Policy Objectives, minimally changed the risk allocation and did not materially increase the administrative burden or cost to the Australian Government. 	<ul style="list-style-type: none"> Projects that introduced departures that either individually or collectively materially changed the risk allocation of the CISA to the Australian Government. Projects that introduced departures that either individually or collectively introduced material additional administrative burden and cost to the Australian Government. Departures that changed the function and purpose of the CISA including its alignment with the Policy Objectives.

Commercial departures in future CIS tenders

Proponents should note that from CIS Tender 5 onwards, commercial departures will not be considered as a merit criterion. Proponents may now only submit departures to Project Documents that are strictly necessary for the unique technical requirements of the project. Any departures from the pro forma Project Documents will be considered and bids with departures may be excluded from the tender process or not further assessed if they increase risk allocation or administrative costs to the Australian Government, or deviate from CIS policy objectives.

These changes reflect that the pro forma Project Documents (including the CISA) have undergone considerable refinement based on proponent feedback in previous tender rounds and aims to ensure CISAs can be finalised and executed as quickly as possible at the conclusion of each tender round.

Merit Criterion 8 – First Nations commitments

Under Merit Criterion 8, Projects were evaluated on the quality of the Project’s approach, and strength of binding commitments to improve First Nations economic and social outcomes, including economic participation for First Nations communities.

Projects in NSW were required to demonstrate alignment to the NSW First Nations Guidelines regarding minimum requirements for economic participation by First Nations peoples and businesses, and to the goals and aspirations for First Nations communities included in the region-specific guidelines. Projects not in NSW that demonstrated commitments similar to those outlined in the NSW Renewable Energy Sector Board (RESB) Plan objectives for First Nations participation were assessed more favourably.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Projects that engaged, consulted, built trust and collaborated with First Nations community in the co-design of long-lasting commitments. • Projects that demonstrated a deep understanding and have incorporated the needs of First Nations community into their commitments. • Commitments relating to the employment and training of First Nations people and sub-contracting to First Nations businesses, targeted to local needs and opportunities. • Projects that included equity sharing and revenue sharing commitments. • Projects that provided details for each commitment on the type of activities or initiatives to be implemented, its funding and timeframe for implementation. • Projects that provided commitments aligning with the NSW RESB plan objectives and the NSW First Nations Guidelines. 	<ul style="list-style-type: none"> • Projects that did not provide commitments that aligned with the NSW RESB Plan objectives for First Nations participation. • Projects that did not demonstrate consideration of the feedback and interests of First Nations communities. • Projects that provided commitments that were not created for or tailored to the specific Project. For example, Projects that provide existing commitments for the wider organisation, or a different existing Project. • Projects that provided commitments without any evidence of how the funds would be allocated to deliver long lasting and meaningful impacts.

Merit Criterion 9 – Social licence commitments

Under Merit Criterion 9, Projects were evaluated on the quality of the Project’s approach and strength of binding Social Licence Commitments to improve local economic and social outcomes, and regional economic development, including local supply chains and workforce.

Projects in NSW were required to provide commitments towards achieving the minimum requirements and/or stretch goals from the NSW RESB plan. Projects that demonstrated commitments aligned to the NSW RESB Plan objectives for supply chain, use of steel products using locally milled steel, employment, skills and knowledge transfer, and fair and ethical practices were assessed favourably. Projects not in NSW that demonstrated commitments similar to those outlined in the NSW Renewable Energy Sector Board (RESB) Plan objectives were assessed favourably.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Projects that provided long-lasting and meaningful commitments which were diverse and inclusive. • Projects that incorporated commitments that were developed collaboratively with the community, provided co-ownership and co-investment opportunities, and established benefit-sharing governance models designed to ensure strategic regional distribution of benefits • Projects that demonstrated a deep understanding of the local community and have incorporated the needs of the community into the design of their social licence commitments • Projects that described and evidenced how their social license commitments will be achieved. • Projects that provided commitments aligning with the NSW RESB plan targets. • Projects that demonstrated the use of Australian supply chain` opportunities (i.e. Australian manufacturers including renewable components and materials, Australian steel, and local procurement). • Proponents that demonstrated a track record of successfully delivering comparable commitments on previous projects. 	<ul style="list-style-type: none"> • Projects that did not provide commitments across all social licence commitment areas. • Projects that provided commitments that would not create long-lasting and meaningful impacts. • Projects that did not consider the needs of or priorities of the local community. • Projects that provided commitments that were not created for, or tailored to, the specific Project and its community. For example, Projects that provide existing commitments for the wider organisation, or a different existing Project. • Projects that provided commitments without any evidence of how the funds would be allocated to deliver long lasting and meaningful impacts.

Additional information on Social Licence (MC 4, 5, 8 & 9)

As the energy transition takes shape, the Australian Government is deeply committed to ensuring there is genuine economic and social partnerships between industry and communities to better support and seize the opportunities of a net-zero economy.

The [First Nations and Social Licence Market Briefing Note](#) provided additional information to assist Proponents in preparing quality Bids that address the First Nations and social licence Merit Criteria (MC4, MC5, MC8 and MC9). It outlines the policy intent of the Merit Criteria and provides examples of commitments that could demonstrate merit and support quality Bids.

Fostering and enabling local community support, employment opportunities, and shared community benefits, as well as the development of Australian supply chains, are all key principles in the rollout of the Capacity Investment Scheme. Proponents looking to submit Bids in future tenders are encouraged to familiarise themselves with the specific Social Licence guidance relevant to the tender they intend to submit a Bid for.

Examples of First Nations commitments provided by high merit Bids in CIS Tender 3 included:

- First Nations equity sharing initiatives.
- First Nations funds with initiatives co-designed by the local First Nations people, including education and training, land management and cultural revitalisation.
- Local First Nations representatives appointed to the Project to engage with community stakeholders and First Nations businesses and representatives.
- Training funds and programs designed to create a First Nations job ready workforce for renewable projects.
- Supporting First Nations businesses through subcontracting.

Examples of shared community benefits provided by high merit Bids in CIS Tender 3 included:

- Community benefit funds and grant programs where the distribution of funds is determined by the local community.
- Investments in local training and development to prepare the local workforce for jobs made available by renewable projects. This includes funding and support for the local supply chain, enabling businesses to tender for work on projects.
- School-based programs targeted at promoting science, technology, engineering and maths.
- Funding for local services, such as ambulance and fire service.
- Funding of job-readiness programs for local TAFEs.

What Proponents should demonstrate in future Bids

- Consider the right 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 provided as part of the Bid submission.
- Provide documentation that demonstrates a clear, achievable path to project deliverability within the nominated timeframe.
- For projects in the earlier stages of development, consider providing evidence of previous projects that have met similar criteria to support its Bid.
- 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 the local community and First Nations stakeholders through consistent and respectful engagement, ensuring these engagements are reflected in the evidence provided in the Bid documentation.
- Engage, consult, collaborate and build trust with the local community and First Nations groups to ensure that your social licence commitments are tailored to the specific local community and First Nations groups of the Project. When engaging, consider providing resourcing support for the First Nations groups to minimise the burden associated with undertaking engagement.
- Providing a low annual Payment Cap, a low Annual Revenue Floor and the inclusion of fewer support years contributed to making a Bid more competitive.
- For Future Tenders, Proponents should 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.
- Proponents should take careful note of the different approach to commercial departures applicable to future CIS tenders (see section 4.4 of the Tender Guidelines for CIS WEM Tenders 5 and 6 and section 4.5 of the Tender Guidelines for CIS NEM Tender 7).

We encourage unsuccessful Proponents to use the feedback and recommendations provided in this briefing note to improve the competitiveness of future bids by focusing on project viability, 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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