

Capacity Investment Scheme Tender 4 – National Electricity Market Generation

Market Briefing Note Assessment summary

November 2025



Purpose

This briefing note provides a generalised assessment summary and feedback on the Project Bid stage (**Stage A**) and Financial Value Bid stage (**Stage B**) 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 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 4 sought to deliver 6 GW of renewable energy generation across the NEM, including the following targets in NEM jurisdictions:

NEM Jurisdiction	Minimum generation target (GW) ¹
New South Wales	2.2
South Australia	0.3
Victoria	1.4
Tasmania	0.3
Unallocated	1.8
Total capacity target	6.0

On 9 October 2025, the Australian Government announced 20 successful Projects, with a total generation capacity of 6.6 GW of renewable energy. Twelve of the 20 Projects are Assessed Hybrid Projects, contributing over 3.5 GW / 11.4 GWh of storage capacity.

¹ Subject to the assessed merit of Projects.

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 84 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 Guidelines², Bids that were assessed as low merit against 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

64 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 Guidelines³, Bids that were assessed as being of low merit against any individual Financial Value Bid Merit Criterion were not further assessed.

² Section 2.2.1 of the Tender Guidelines

³ 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 commercial operations.
- Demonstrated organisational capability of the Proponent and its delivery partners.
- 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 by targeting commercial operations prior to December 2029.
- Clearly defined 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 Renewable Energy Contribution, high Wholesale 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.
- 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.
- No commercial departures to the pro-forma CISA or minimal commercial departures that did not result in risk-transfer to the Australian Government.
- High quality commitments to First Nations communities that 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 its anticipated timeframe for implementation.
- Strong commitments to communities, employment and local content that considered local feedback, upskilled local workforce and demonstrated understanding of Australian supply chain opportunities. Commitments also included details on types of activities or initiatives that would be implemented, how they would be implemented, associated funding, 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 enhance system reliability by connecting to the network at robust locations that have relatively low congestion towards major demand centres during peak demand periods. • Projects that can deliver critical system security benefits through their technical configuration. • Assessed Hybrid Projects particularly those with a large and longer duration battery, generally contributed better to system reliability and system security. • Projects with wind generation tended to outperform Projects with solar generation, due to better correlation with unserved energy events. 	<ul style="list-style-type: none"> • 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.

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 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"> ○ licence and option agreements, options to lease deeds, options for easement and options for purchase; ○ planning approval and grid connection documents from the relevant regulatory authority; ○ detailed project development plans and comprehensive risk registers with appropriate mitigants; ○ detailed revenue strategy documents with Power Purchase Agreements secured; and ○ letters of support from financiers and agreed term sheets. • Projects that detailed a clear pathway to meeting their target Commercial Operations Date (COD), including achieving feasible milestones for Financial Close and commencing construction. • Where Projects were earlier in development, evidence of a strong 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 planning approvals. 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. ○ no planning documents provided. • Projects that were less progressed on finance, revenue and offtake strategies. • 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. • Projects that lacked detail in key development planning documents (Gantt charts, Project development plans and Project governance frameworks).

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"> • 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"> ○ leveraging strong experience on other renewable energy projects; and/or ○ having secured team members and delivery partners that have strong experience in comparable projects. • 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. 	<ul style="list-style-type: none"> • 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. • Proponents that detailed experience of its parent company but failed to substantiate the current capability of their local project delivery team.

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 included comprehensive project specific 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. • Projects that demonstrated early and collaborative First Nations community engagement to inform the Project design and identify opportunities for First Nations communities. • 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"> ○ 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. • Projects that demonstrated comprehensive understanding of the relevant First Nations communities in the local area and their cultural heritage. • Projects that employed First Nations liaison officers or Indigenous Land Use Agreement Implementation Managers. 	<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. • Projects that did not evidence First Nations community acceptance of the project site and connection route.

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 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 with stakeholder mapping, prioritisation and clear timelines for completed/proposed engagement activities that were aligned with key Project milestones. • Projects that included social impact assessments to evidence feedback and impact management with co-design processes. • Projects that implemented robust complaints handling policies and processes, to build confidence and trust with the communities. • 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. 	<ul style="list-style-type: none"> • 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. • 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. • Projects that lacked complaints handling policies and processes, communication protocols or feedback loops.

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% renewable energy 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 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, Wholesale Market Benefits and/or Reliability Contribution had: <ul style="list-style-type: none"> ○ An electrically strong location in the network with good access to load centres. ○ Strong capacity factor and distinct generation profiles which are highly valuable and additive to renewable generation. ○ Where an Assessed Hybrid Associated Project was present, 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, 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, Wholesale Market Benefits and/or Reliability 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. ○ Generation at times which provide less opportunity for displacing thermal generation and/or price suppression. ○ A later COD Target Date.

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

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, they: <ul style="list-style-type: none"> ○ were minor and only made to ensure the proforma CISA was fit-for-purpose in the context of that particular Project’s circumstances; ○ were consistent with the Policy Objectives; ○ did not materially increase the risk allocation to the Australian Government; and ○ did not materially increase administrative burden or cost to the Australian Government. 	<ul style="list-style-type: none"> • Projects that introduced departures that either individually or collectively: <ul style="list-style-type: none"> ○ changed the function and purpose of the CISA including its alignment with the Tenders’ Policy Objectives; ○ materially increased the risk allocation of the CISA to the Australian Government; or ○ materially increased administrative burden and cost to the Australian Government.

Commercial departures in future CIS tenders

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).

On future CIS tenders, Proponents should only include departures from the proforma Project Documents that are strictly necessary for the unique technical requirements of the Project.

Commercial departures will be considered and the Project may not be further assessed in the tender process if any proposed departures are considered to increase the risk allocation to the Australian Government; increase the administrative burden and cost to the Australian Government; or deviate from the CIS Policy Objectives.

These changes reflect that the proforma Project Documents have undergone considerable refinement over previous tender rounds and aims to ensure the Project Documents 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 demonstrated active engagement with First Nations communities and businesses through formal agreements, governance structures and collaborative planning. • Projects that demonstrated a deep understanding of the needs of First Nations community 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 over development, construction and operations phases. • Projects that provided substantial commitments in addition to employment and subcontracting, such as First Nations benefit funds, revenue sharing, partnerships and programs. • 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 demonstrated commitments similar to those outlined in the NSW RESB Plan objectives for First Nations participation 	<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. • 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 9: Social Licence Commitments

Under Merit Criterion 9, Projects were evaluated on the quality of their 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. Bids that demonstrated commitments similar to those outlined in 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 RESB Plan objectives for supply chain, employment, skills and knowledge transfer, and fair and ethical practice were assessed favourably.

Relative strengths	Relative weaknesses
<ul style="list-style-type: none"> • Projects that provided diverse and inclusive commitments across communities, employment and local content. • Projects that incorporated commitments that were developed collaboratively with the community, neighbours and local councils, to address local interests. • Projects that demonstrated commitments to maximise engagement of local workforce and underrepresented groups, supported by upskilling initiatives. • Projects that demonstrated an understanding of and the use of Australian supply chain opportunities and demonstrated a commitment to build local capacity. • Projects that described and evidenced how their Social Licence Commitments will be achieved, and timeline for implementation. • Projects that provided commitments aligning with the NSW RESB Plan targets. 	<ul style="list-style-type: none"> • Projects that did not provide commitments across all social licence commitment areas or the commitments did not meet the NSW RESB Plan targets. • Projects that did not demonstrate co-design of commitments with the local community. • Projects that only provided existing commitments for the wider organisation, 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.

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.

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 that tender.

Examples of First Nations Commitments provided by higher merit Bids in this Tender included:

- First Nations benefit funds, revenue sharing, partnerships, youth programs and cultural awareness programs with initiatives co-designed by the local First Nations people.
- Supporting First Nations businesses through subcontracting.
- First Nations employment commitments, supported by training funds and workplace development programs designed to create a First Nations job ready workforce for renewable projects.
- Local First Nations representatives appointed to the Project to engage with community stakeholders, First Nations businesses and First Nations groups.

Examples of shared community benefits provided by higher merit Bids in this Tender included:

- Community benefit funds and grant programs that have been co-designed with communities and reflect community priorities.
- Capital works funds where the distribution of funds is determined by the local community.
- Energy rebates, neighbour benefits and agreements with local governments.
- 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.
- Funding for local services, such as ambulance and fire service, as well as regional road construction and maintenance.

What Proponents should demonstrate in future Bids

- Providing a low annual Payment Cap, a low Annual Revenue Floor and 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.
- 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 Free, Prior and Informed Consent (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.
- Proponents should 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 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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