Capacity Investment Scheme
Tender 7 – National Electricity Market Generation

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 7 – National Electricity Market (**NEM**) Generation (**Tender** or **Tender 7**).

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 meanings given to them in the Tender Guidelines.

Overview

The CIS is an Australian Government program that aims 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 7 sought to deliver 5GW of renewable energy generation across the NEM. On 23 May 2026, the Australian Government announced 19 successful Projects, with a total generation capacity of 7.8 GW of renewable energy. 8 of the 19 Projects are hybrid projects, contributing approximately 7.9 GWh of storage capacity.

Tender and assessment process

Bids were assessed against five Merit Criteria:

- **Merit Criterion 1:** Financial value, system reliability and system benefits (50%)
- **Merit Criterion 2:** Project deliverability and timeline (12.5%)
- **Merit Criterion 3:** Organisational, resource, and financing capability (12.5%)
- **Merit Criterion 4:** First Nations participation and benefits sharing (12.5%)
- **Merit Criterion 5:** Social outcomes and community benefits sharing (12.5%)

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

A shortlist of Bids was developed to be recommended for a CIS Agreement **(CISA)** with reference to the principles outlined in Section 5 of the Tender Guidelines.

[1] Section 5.3 of the Tender Guidelines

General feedback

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

- Well-advanced in the development process with a clear pathway to achieving commercial operations by 2030.
- Demonstrated organisational capability of the Proponent and its delivery partners.
- Competitive Bid Variables that limit the overall cost exposure of the Australian Government.
- High Renewable Energy Contribution, high Wholesale Market Benefits and/or high Reliability Contribution.
- 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 the 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 the anticipated timeframe for implementation.

Bids were assessed on the information provided within the Bid Form and supporting documentation. Competitive Bids provided comprehensive responses to each Merit Criterion 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

Under Merit Criterion 1, Projects were evaluated on their benefits to the NEM. These benefits were compared to the forecast cost of the Project's CISA to provide an indication of the financial value delivered. The three key benefits were the Project's:

- contribution to the Australian Government's 82% renewable energy target by 2030;
- effect on wholesale market costs; and
- expected contribution to system reliability and its impact on the electricity system.

Relative strengths	Relative weaknesses
• Bids that were forecast to have low Net CISA Cost based on Bid Variables. In summary: ○ A low Annual Payment Cap, low Annual Floor and fewer support years contributed to making a Bid more competitive. ○ Generation at times where prices are expected to be highest increased forecast revenues and lowered forecast Net CISA Costs. ○ 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: ○ An electrically strong location in the network with good access to load centres; ○ Strong capacity factors and the ability to generate unconstrained during periods of peak demand/high prices; ○ Longer storage duration (MWh), in the cases where an Assessed Hybrid Associated Project was present; and ○ An earlier target Commercial Operations Date **(COD)**.	• 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, or generation coinciding with periods of low prices resulting in lower forecast revenues and therefore higher forecast Net CISA Costs. • Projects forecast to have relatively low Renewable Energy Contribution, Wholesale Market Benefits and/or Reliability Contribution. These components were lower for Projects that had: ○ 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; and ○ A later COD Target Date.

The MC1 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 were assessed on their development progress and the credibility of forward plans to deliver the Project, including the pathway to achieve COD by 31 December 2030, consistent with the Policy Objectives of the CIS.

Relative strengths	Relative weaknesses

• Projects that demonstrated progress toward achieving key development milestones, including:
  o Significant progress towards network connection, supported by evidence of a clear and credible pathway to completion.
  o Planning and environmental approvals obtained, or well advanced, with a robust and credible plan to secure any remaining approvals.
  o Land tenure secured, or a clear and credible pathway for securing tenure for all key land parcels, including Project site and connection route, supported by evidence of ownership, lease agreements, and/or option agreements.
• Projects that detailed a clear pathway to meeting their COD Target Date before 31 December 2030, with key risks and mitigations identified.
• 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 provided project development plans and schedules with sufficient durations and contingency allocated to achieving remaining milestones, approvals and activities, as informed by identified risks and issues.
	• Projects assessed as having risks in achieving key development milestones without appropriate mitigants or have not achieved key milestones. For example:
	  o Projects that provided limited detail in key development planning documents (Gantt charts, Project development plans).
	  o Projects that were in the early stages of the network connection process with limited demonstrated evidence of progress or limited engagement with the relevant network authorities.
	  o Projects that were less progressed in securing planning and environmental approvals, whilst being subject to heightened risk of delays due to post-approval conditions.
	  o Projects that had not secured land tenure or had not provided evidence of tenure or did not have a clear and credible pathway to securing tenure for the land required to develop the Project and connecting elements.

Merit Criterion 3: Organisational, resource, and financing capability

Under Merit Criterion 3, Proponents and their key delivery partners (contractors and suppliers) were evaluated on their track record, organisational capacity and capability, resources and financing strategy to deliver the Project.

Relative strengths	Relative weaknesses
• Proponents that had a demonstrated history of successfully delivering comparable projects (scale, complexity, jurisdiction, technology). Issues during delivery of comparable Projects were identified, and responses outlined an approach for management/mitigation in future Projects. • Highly credible contracting structure identified, with clear rationale for the chosen approach, aligned to the Proponent's demonstrated capability. Reputable key delivery partners (contractors and suppliers) secured or strong evidence of progress made towards securing. • Demonstrated understanding of the skills and experience required to deliver the Project and details provided on the relevant capabilities and experience of corporate team, Project team and delivery partners or advisors. • Proponents that had secured (or had a credible pathway to secure) development funding for all pre-construction activities including a realistic and detailed development budget with evidence of access to funding provided. • Evidence of capacity to provide the Performance Security in a timely manner upon execution of the CISA, including articulation of the proposed form of security and/or pathway to securing. • Clear financing strategy with credible capital structure, evidence of access to capital and engagement with financiers, risk mitigants identified, supported by credible and well-progressed revenue strategy.	• Proponents that did not evidence their progress to overcome their lack of proven experience of delivering utility-scale renewable energy Projects in the NEM. • Proponents that relied on evidence relating to the track record of advisers or delivery partners (e.g., Engineering, Procurement and Construction (EPC) contractors) who had not been formally contracted and with limited evidence of engagement. • Proponents that detailed experience of its parent company but failed to substantiate the capability of their local Project delivery team or parent company's involvement. • Status of development funding is unclear or pathway to securing funding uncertain. Development budget missing, insufficiently detailed or unrealistic. • 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 were evaluated on the quality of the 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 with First Nations Communities.

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

Relative strengths	Relative weaknesses
• 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 accepted 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. • Projects that provided greater detail on the nature of activities, indicative funding and timing, with stronger bids demonstrating clearer pathways for implementation.	• 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 rather than Project-specific strategies. • Projects that did not provide commitments aligned with the NSW First Nations Guidelines objectives for First Nations participation, or did not demonstrate a credible pathway to achieving these commitments. • 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 were evaluated on the quality of community engagement and community involvement in the co-design of social outcomes strategies, priorities and commitments, and how this will 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
• 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, 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 evidence of community participation in Project development and practical initiatives that showed real community activity beyond planning. • Projects that demonstrated commitments to increase 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. • Community benefits sharing that has been informed by local community priorities and needs, including biodiversity initiatives that protect or enhance the local region's natural environment, neighbour agreements to recognise the impacts of development, and community funding directed towards locally identified initiatives.	• 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 commitments which appeared aspirational and / or without a credible plan for delivery. • Projects that did not provide commitments that aligned with the NSW RESB targets and guidance provided in the MC4 & 5 Returnable Schedule on supply chain inputs and employment and workforce criteria, where locally practical, or did not demonstrate a credible pathway to achieving these commitments. • 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:

- 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, network 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.
- 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 of 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.