

Fact Sheet

New South Wales (NSW) is undertaking one of the fastest decarbonisation programs in the world. At least \$32 billion in private capital for new renewable energy infrastructure investment is required to replace four coal-fired power stations scheduled to close within the next 11 years.

AEMO Services, as the NSW Consumer Trustee, is identifying the best renewable energy projects in NSW that will bring quality energy to market soonest. Through competitive tenders, successful projects are provided with the financial security and/or network access they need to realise that potential.

Kicking off one of the most significant investment opportunities in the history of NSW, our progressive ten-year, biannual tender plan will deliver at least 12GW of renewable energy and 2GW of long duration storage to power NSW homes and industry.

Benefits

Long-Term Energy Service Agreements (LTESAs) mitigating risk against low electricity prices for up to 20 years while maintaining the potential benefit from higher uncontracted electricity prices and the flexibility to enter power purchase agreements.

Scheme Financial Vehicle that is rated Moody's Aa3. We have consulted extensively with the market on the design of the LTESA and we are confident they are bankable.

Access Rights to connect to new Renewable Energy Zone transmission.

Investment opportunities



Supply chain services and materials

Delivery of the Roadmap will require an immense quantity of materials and labour for the construction of projects and supporting infrastructure, even before opportunities of downstream economic development are considered. These supply chain operators will require banking and finance support to capitalise on these opportunities.



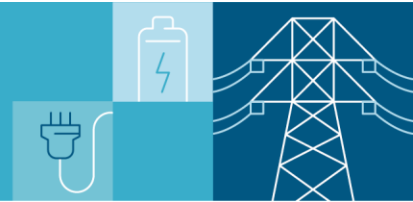
New energy infrastructure projects

We're responsible for recommending generation, storage and firming projects through a tender schedule that represents one of the fastest decarbonisation initiatives seen anywhere in the world. At the same time, our counterparts at EnergyCo are designing new transmission infrastructure across five renewable energy zones and starting imminently with the Central West-Orana REZ, appointing network operators to build and operate these assets. These projects provide material funding and ancillary banking opportunities to financial institutions.



Scheme management support

We greatly appreciate the many ways in which financial institutions have already supported our work in bringing the Roadmap to this stage, and we look forward to building on those productive relationships into the future.



Frequently asked questions

What is the Electricity Infrastructure Roadmap?

The Electricity Infrastructure Roadmap (the Roadmap) is the NSW Government's plan to transform the electricity sector into one that is cheap, clean and reliable. It sets out a coordinated way forward to achieving a capacity target of at least 12GW of renewable energy generation, and 2GW of long-duration storage by 2030.

What is a Long-Term Electricity Service Agreement?

Long-Term Electricity Service Agreements (or LTESAs) are options contracts which offer storage or generation projects the rights to access minimum cash flows for periods within a long contract term.

They are designed to protect investors from the risk of unexpectedly low wholesale electricity prices, whilst maintaining exposure to upside where electricity prices are higher.

The LTESA achieves this by providing the LTES Operator with a series of options to enter into fixed length derivative arrangements, incentivising investment and providing consumers with long-term stability in supply and contracting.

What is AEMO Services' role as Consumer Trustee?

AEMO Services is an independent subsidiary of the Australian Energy Market Operator (AEMO) and is a key partner in the implementation of the Roadmap through its appointment as the NSW Consumer Trustee.

Central to this mandate is the duty to act independently and in the long-term financial interests of NSW electricity consumers. This responsibility is at the core of everything AEMO Services does as the NSW Consumer Trustee.

As the Consumer Trustee, AEMO Services acts independently and in the long-term financial interest of energy consumers in NSW. In this capacity we undertake coordinated planning of long-term investment, design and conduct competitive tenders to facilitate this investment, undertake authorisation of Renewable Energy Zone transmission infrastructure and provide financial risk management and advice. AEMO Services' competitive tenders incentivise new investment in electricity generation, storage and firming infrastructure through Long-Term Energy Service Agreements and network access rights in Renewable Energy Zones.

Where can I find more information?

For more details about the opportunities available for financiers through the Roadmap, please contact:

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Further comprehensive information about our tenders is also provided in our published Tender Pack available for download at <https://aemoservices.com.au/tenders>.