

AEMO Services launches competitive tender for firming infrastructure and demand response

Today, AEMO Services acting as the NSW Consumer Trustee has launched its second competitive tender, seeking at least 380 megawatts (MW) of additional firming infrastructure located within the Sydney-Newcastle-Wollongong sub-region before 1 December 2025.

AEMO Services was directed to conduct this competitive tender for firming infrastructure because of the announcement of the earlier than previously scheduled closure of the Eraring Power Station.

“Firming infrastructure is a critical component of any reliable power system and will be needed when intermittent generation resources, like wind and solar, are not available,” said Executive General Manager of AEMO Services, Paul Verschuer.

Technologies eligible for this tender round must be scheduled, meaning there is control over when they deliver power to the grid. This includes a broad range of energy supply resources, like grid-scale batteries, pumped hydro, gas and biofuel generators. Demand response is also eligible, so for the first time in Australia newbuild infrastructure assets will compete with demand response to deliver firming infrastructure.

“Demand response is an innovative, cost-effective solution already being used widely around the world. It encourages businesses to reduce their consumption during periods of high demand and get paid to do this. This helps free up supply to the market, while reducing the overall need to build new infrastructure, which ultimately drives down costs for consumers,” said Mr Verschuer.

Any new firming infrastructure developed will need to provide energy to the Sydney-Newcastle-Wollongong sub-region during times of peak consumer demand. Demand response applicants will have to be located within the sub-region to be eligible for a demand response contract.

“By developing firming infrastructure in the Sydney-Newcastle-Wollongong sub-region, we can ensure this new infrastructure will deliver power right where it’s needed, alleviating the pressure on our existing transmission system until new power lines can come online,” said Mr Verschuer.

This is the second competitive tender announced by AEMO Services, following the inaugural tender in October 2022, which has already attracted 4,300 MW of potential generation and long-duration storage projects.

“Our first tender demonstrated a strong interest from the market to invest in New South Wales, and we’re excited to use our second tender round to support a more cost-effective, reliable energy system for New South Wales consumers,” said Mr Verschuer.

Media Release



For more information on the competitive firming tender, including project requirements and eligibility, please visit the AEMO Services website.

Project bids will close on 18 May 2023.

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For more information

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