

**4 November 2022**

## **Consumer Trustee announces Roadmap tender for firming infrastructure**

Following closely on the heels of the inaugural tender for generation and long duration storage, currently underway, AEMO Services acting as the NSW Consumer Trustee has announced it expects to conduct a tender for firming infrastructure as part of Tender 2, scheduled to commence in Q2 2023. The indicative tender size is 380 MW of firming infrastructure in the Sydney-Newcastle-Wollongong sub-region<sup>1</sup>.

Tender 2 is now expected to seek the equivalent of 950MW of generation, 380MW firming and up to 600MW of long duration storage. The size of the generation and storage tenders may be altered dependent on the outcome of Tender 1.

AEMO Services' Executive General Manager Paul Verschuer said that the timing of the firming tender had been driven by the announcement of the potential early retirement of Eraring power station in 2025.

"A key element of the NSW Electricity Infrastructure Roadmap is its flexibility and adaptability in response to changes in energy supply and demand, and this is a clear example of where it's bringing forward additional capacity in response to an identified need," Mr Verschuer said.

"A firming capacity gap was identified in the May 2022 Energy Security Target Monitor Report, and new modelling was commissioned to determine the extent of the requirement, which is now reflected in the tender."

Mr Verschuer said that the firming Long-Term Energy Service Agreement (LTESA) would be similar to the LTESA offered in the current tender round for long duration storage. Detailed design is expected to be released – including draft term sheets for the agreement– before the end of the year.

"As we have done on all our products, we'll invite feedback from project proponents before we finalise the terms of the agreements," Mr Verschuer said.

"The mechanisms of the NSW Electricity Infrastructure Roadmap, recognise the dynamic operating environment of the energy transition, the benefits of the amazing innovation, and we realise how important it is to be responsive to changing needs in the marketplace, and amongst investors and project proponents."

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<sup>1</sup>As identified in AEMO's latest Inputs, Assumptions and Scenarios Report. Projects located outside (but in close proximity to) this sub-region may also be eligible if they are able to demonstrate their contribution to meeting the energy security target.

“We’re confident that the flexibility provided by the Roadmap will continue to provide us with the right tools to ensure the reliability, affordability and sustainability of electricity for NSW consumers.”

More information can be found in the Draft Firming Infrastructure Investment Objectives Report available at [aemoservices.com.au](https://aemoservices.com.au)

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#### **For more information**

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#### ***About the Roadmap***

*The NSW Electricity Infrastructure Roadmap provides a framework to achieve legislated targets of at least 12GW of new renewable generation and at least 2GW of new long-duration storage by 2030. Up to \$32 billion in private capital is expected to be deployed to accomplish this task, which is unprecedented in an Australian context. By targeting support to suitable projects, the NSW Government will ensure that new infrastructure aligns with the interests of the state’s electricity consumers, delivering a system that is cleaner, cheaper and more resilient.*

*Projects delivered under the Roadmap are expected to support around 6,300 construction and 2,800 ongoing jobs by 2030, the majority of which will be located in Renewable Energy Zones in regional NSW.*