

20 July 2022

First tender round for new electricity infrastructure to open October 4

A key milestone in the transformation of the NSW electricity network has been reached with AEMO Services, serving as the NSW Consumer Trustee, announcing that 4 October is the target open date for the inaugural tender round for new generation and long duration storage as part of the NSW Electricity Infrastructure Roadmap.

The Roadmap is an ambitious policy framework that coordinates investment for generation and storage infrastructure across the NSW electricity network, with the long-term aim of cheaper and more reliable energy for NSW consumers.

Dr Paul Moy, Chair of AEMO Services, said the announcement of the first tender was an important milestone for the electricity market transition in NSW. He congratulated the teams at AEMO Services, AEMO, Energy Co and the Office of Energy and Climate Change in developing a comprehensive programme in consultation with investors, lenders and the communities that will host new renewable and storage investments.

“Since the Roadmap was enacted, more than 3.6GW of energy investment has been committed or ‘anticipated’ across NSW and AEMO Services expect nearly all of these projects to be eligible to participate. Many, many more projects have also sufficiently progressed through the development pipeline and are likely to be eligible.

“AEMO Services invites and encourages all these projects across NSW to participate, consider our Draft Tender Pack and be better prepared ahead of the October tender.

“We expect there to be strong competition for the key contract types, LTESAs and transmission access rights, in newly created Renewable Energy Zones. The clear 10-year plan and the competitive process are designed to benefit NSW electricity consumers.”

He said the process also offered significant opportunities for local communities.

“The tender round is open to projects from right across NSW, and has been designed to deliver local community benefits and support communities and a social licence to operate, whilst still ensuring value for electricity consumers.”

Melanie Koerner, Acting Executive General Manager of AEMO Services, said that the tender process had been designed through extensive consultation with energy project proponents to encourage high levels of participation, ensuring that the Roadmap’s infrastructure objectives would be met.

“Our primary responsibility is to act in the long-term financial interests of consumers. Our tender process is designed to foster competition, by providing an efficient and repeatable bidder experience for project proponents and ultimately lowering costs for consumers.

“Our Q4 2022 tender is the start of our 10-year tender plan and marks a fundamental change to the way electricity investment is delivered in NSW and Australia. That scale of that transformation is reflected by the unique products on offer and the rolling nature of our tenders.

“It’s a big moment for the Roadmap and for AEMO Services, as a newly established independent organisation, but it’s our intention that this process quickly becomes business as usual for the electricity sector.”

The Q4 Tender is the first in a rolling schedule that will continue over the next ten years.

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Media Release



Consumer
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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.