

SA FERM Tender Round 1

20 October 2025 Webinar

Q&A Responses



ASL is publishing this document to provide written answers to questions received in the Tender Round 1 webinar Q&A session on 28 October 2025.

A significant volume of questions were received in the Tender Round 1 webinar. Due to this, all questions were not able to be answered in the allocated time. Table 1 below outlines all questions received during the Tender Round 1 webinar and the associated responses. Duplicate questions have been consolidated. All further questions for ASL with respect to Tender Round 1 should be directed through the formal Q&A process which is available after registering for the tender.

Tender Round 1 is currently live. Proponents are required to adhere to the communication protocols outlined in Section 4.41 of the [Tender Guidelines](#).

Important notice: The responses are for information purposes only. They do not necessarily represent the views of the Scheme Administrator (ABN 59 651 198 364) and will not constrain any discretion that Scheme Administrator may have. These responses are not intended to provide any advice or imply any recommendation or opinion constituting advice. These responses may include assumptions about future policy outcomes and generalisations. They may not include important qualifications, details or legal requirements. ASL does not guarantee the accuracy, currency or completeness of any information contained in these responses and (to the maximum extent permitted by law) will not accept responsibility for any loss caused by reliance on them. These responses are not a substitute for obtaining professional advice.

Table 1: Webinar Q&A Responses

#	Question	Answer
1	Do we need to have planning approval in place before submitting a bid?	Planning approval is not required at Bid submission. However, progress toward approvals will be assessed under BAC 1 – Facility Deliverability and Timeline. Higher merit Bids are likely to have a credible Facility Development Plan and schedule that demonstrates COD on or before 1 November 2028 for Tender Category 1, 1 November 2029 for Tender Category 2, and 1 November 2031 for Tender Category 3. Refer to Section 3.2 of the Tender Guidelines.
2	Is the FERMA term is fixed at 15 years, or can we propose shorter term?	The FERMA term is fixed at 15 years and cannot be shortened. Proponents may nominate Excluded Operational Years during which Scheme Payments are not payable. Refer to Section 1.5 of the Tender Guidelines.
3	Can you clarify - is a 4hr BESS duration bid at half capacity to meet 8hr requirement allowed?	Eligibility Criteria 2 requires the Facility to dispatch its Committed Output Capacity for 8 hours. A Committed Output Capacity may be less than the total export capability of the Facility. Refer to Section 3.1 (EC2) of the Tender Guidelines.
4	If we're aggregating multiple sites, how is progress assessed under BAC1?	For Aggregated Facilities, BAC 1 assessment is based on the least progressed Facility Component across planning, land tenure, and connection milestones. Refer to Section 3.2 and EC2 of the Tender Guidelines.
5	How do excluded operational years affect BAC3 score?	Excluded Operational Years reduce Forecast Cost and Cost Exposure under the FERMA, which may improve BAC 3 scoring. Upside Payments and other obligations continue to apply during these years. Refer to Sections 1.5 and 3.2 of the Tender Guidelines.
6	What sort of commercial departures are likely to be entertained?	The FERMA is offered substantially on an “as is” basis. Departures should be limited to those critical to Project delivery and supported by a clear rationale. Departures that shift financial risk to the Financial Vehicle or increase administrative burden may result in the Scheme Administrator ceasing assessment. Refer to Section 3.2 (BAC 4) of the Tender Guidelines.

#	Question	Answer
7	Can I nominate my Project for more than one Tender Category?	A Proponent may submit an Alternative Bid with a different Required COD, allowing the Project to be considered under a different Tender Category. Refer to Section 2.2.4 of the Tender Guidelines.
8	If we've got a few battery sites across SA, each around 10-20 MW. Can we group these together and submit one bid?	Aggregated Facilities are permitted, provided each Facility Component exceeds 10 MW and can dispatch at the Committed Output Capacity for 8 hours. The Bid Entity must also have a protocol enabling coordinated operation as a single Facility. Refer to EC2 in Section 3.1 of the Tender Guidelines.
9	What can I change in an Alternate Bid vs default bid?	An Alternative Bid may only vary Bid Variables. Project configuration and commercial departures must remain identical to the Default Bid. Refer to Section 2.2.4 of the Tender Guidelines.
10	When is the financial vehicle going to be ready?	The Financial Vehicle is expected to be appointed prior to contract execution. Refer to Section 5.2.3 of the Tender Guidelines.
11	Will the MLO Guidelines be finalised before we submit our bid?	The MLO Guidelines are expected to be finalised in Q2 2026, after contract execution. Proponents should assume the indicative MLO characteristics outlined in Section 1.6.1 of the Tender Guidelines.
12	What kind of contracts count towards the MLO requirement?	Contracts must be at least 1 MW, quoted in \$AUD/MWh, and cover 18:00–21:00 Australian Central Daylight Time on weekdays (excluding SA public holidays). They must be listed on an approved exchange, such as the ASX. Refer to Section 1.6.1 of the Tender Guidelines.
13	How will fuel costs be treated under the FERMA for gas Projects?	Fuel costs are not treated as Permitted Costs under the FERMA. Conventional generators may receive a Fuel Reimbursement based on a Fuel Price Determination made by the Scheme Regulator. Refer to Sections 1.5 and 1.7 of the Tender Guidelines.

#	Question	Answer
14	Can we bid if our Project has received ARENA funding?	Development-phase grants such as ARENA funding are permitted. Non-concessional CEFC funding and market certificates available to multiple Projects are also permitted. Refer to EC5 in Section 3.1 of the Tender Guidelines.
15	How should we set our revenue floor to balance risk and competitiveness?	The Revenue Floor affects Scheme Payments and Upside Payments. Lower values may improve BAC 3 scoring. Conventional generators eligible for Fuel Reimbursement are expected to bid lower Revenue Floors. Refer to Sections 1.5 and 3.2 of the Tender Guidelines.
16	Does the payment cap value have to a fixed amount or can we vary it across Operational years?	Proponents may bid the Payment Cap as a fixed annual amount or as a schedule of values that vary by Operational Year. Refer to Section 1.5 of the Tender Guidelines.
17	Do we need to comply with MLO if we're bidding into Category 2 or 3?	Proponents should assume that there will be an MLO obligation implemented for all Tender Categories. Details of further Obligation Periods for Tender Category 2 and 3 will be outlined in the applicable Minister's Guidelines published on the South Australia Department of Energy and Mining website. Refer to Section 1.6.1 of the Tender Guidelines.
18	Can ASL further elaborate on the mechanics of the accelerated process outlined in the tender guidelines?	The accelerated process applies to Category 1 Projects that that are ready for acceptance on competitive terms, such as strong financial value or minimal commercial departures. These may be recommended for award ahead of other Bids. Refer to Section 1.3 and 2.5 of the Tender Guidelines.
19	What level of detail is expected for delivery partners under BAC2 - is early engagement sufficient?	Evidence of engagement is required. Confirmation of delivery partner roles, a clear resourcing plan with committed, qualified personnel, and a robust and progressed contracting model (e.g. secured contracts or advanced negotiations) may be viewed more favourably. Refer to Section 3.2 (BAC 2) of the Tender Guidelines.
20	Will there be any further updates to the Pro Forma FERMA?	Proponents should use the Pro forma FERM Agreement published on the ASL website on 27 October as the basis of their Bid. We do not envisage any further updates to the FERMA. However, ASL will issue a notification if any changes are made.

#	Question	Answer
21	To be eligible, is it sufficient to have submitted a request to TNSP for the Connection Options Report or do we need to have received a completed COR back?	Please refer to EC4 for full details of what is required. EC4 notes that it is sufficient to have submitted a request to ElectraNet for the connection options report in respect of a network connection in SA.
22	Are battery Projects required to have a minimum 8-hour duration post degradation for the contract term?	Proponents are required to elect a Committed Output Capacity and Committed Storage Capacity. The Committed Output Capacity refers to the MW power capacity which can be dispatched at a minimum duration of 8 hours over the 15-year Operational Period. (Refer to Section 3.1, EC2 of the Tender Guidelines). The Committed Storage Capacity is the nominated total MWh storage capacity for bidirectional units which is required to support the 8-hour dispatch requirement over the 15-year Operational Period. Proponents are expected to account for degradation when setting the Committed Output Capacity and Committed Storage Capacity.
23	Is a 2-hour battery Project eligible for the FERMA if it commits a quarter of its registered capacity under the FERMA?	A battery would be eligible to participate if it can provide a registered capacity of not less than 30 MW and must be capable of continually dispatching at the Committed Output Capacity for not less than 8 hours, for the entirety of the Operational Period. Please refer to EC 2 in the Tender Guidelines.
24	Does the 400 MW capacity include the SA Government gas turbines that are currently in tender for disposal?	The Tender Targets in the Tender Guidelines (400 MW, 200 MW and 100 MW for Tender Category 1, 2 and 3 respectively) apply only to the development of new long-duration dispatchable electricity capacity intended for award in this Tender Round. Disposal of the SA Government gas turbines is managed through a separate SA Government process. The SA FERM tender is being administered by the Scheme Administrator (ASL), which operates independently from the SA Government.

#	Question	Answer
25	Why are fuel costs fully reimbursed but battery charging costs classified as permitted costs?	<p>The FERM Scheme is designed to be technology agnostic, and recognises that different technologies incur operating costs in different ways. The treatment of fuel and charging costs reflects both practical and policy considerations aimed at ensuring transparency, consistency, and integrity in the financial mechanism.</p> <p>This is reflected through the following (among other areas):</p> <ul style="list-style-type: none"> • Forecasts of the potential Fuel Reimbursement costs for conventional generators is considered as part of Forecast Cost and Cost Exposure under BAC3 – Financial Value as Fuel Reimbursement is a direct cost to SA electricity consumers. • It is expected Proponents of conventional generators that are entitled to receive a Fuel Reimbursement will take this into account when submitting their bid by having a lower Revenue Floor, compared with if they were not entitled to receive that reimbursement (see Table 5 Bid Variables of the Tender Guidelines). • The Fuel Price used to determine the Fuel Reimbursement is deemed by the Scheme Regulator who utilises a range of factors (e.g. market benchmarking, forward fuel pricing, efficient sourcing efforts, etc.) to ensure the level of Fuel Reimbursements costs is transparent. Charging costs of batteries are observable through AEMO.
26	Is it known when Tender 2 applications will open approximately?	At this stage there is no confirmed date for Tender Round 2. Timing will be published on the Scheme Administrator’s website following Ministerial Direction to ASL.

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27	Can more clarity be provided on the fuel cost determination? Will this be based on a market index?	<p>The Fuel Cost Determination will be set by the Scheme Regulator through a Fuel Price Determination Guideline. The AER intends to prepare and consult on a Fuel Price Determination Guideline in Q2 2026, subject to the AER's formal appointment as Scheme Regulator.</p> <p>The Fuel Price Determination Guideline will require LDCPs to submit a Fuel Price proposal which is expected to include consideration for multiple factors such as market benchmarks, forward fuel prices, the LDCP's fuel sourcing strategy, evidence of efficient procurement, etc. The Scheme Regulator will review these proposals when determining the Fuel Price to ensure costs are prudent and aligned with the long-term financial interests of South Australian electricity consumers. Refer to Section 1.7 of the Tender Guidelines for more detail.</p>
28	Is it anticipated that there will be incremental Tenders going forward?	Any future tender rounds will be subject to Ministerial Direction to ASL, and details including timing, will be published on the Scheme Administrator's website if and when applicable.
29	Will a successful Project only be awarded its exact bid capacity? Would ASL reduce an unrounded capacity to help fit with the 700MW total?	The Scheme Administrator may recommend Bids according to the Committed Output Capacity that Proponents provide in their Bids. However, the Scheme Administrator may recommend an aggregate quantity of long duration capacity that is above or below the stated Tender Targets. Proponents should refer to Section 2.5 of the Tender Guidelines for details on the factors the Scheme Administrator may consider when recommending Bids to the Financial Vehicle.
30	Can my FERM Facility share the same connection asset as the CIS Facility and still have separate battery storage?	The Proponent is requested to issue a Q&A via SmartyGrants with details regarding the proposed Project configuration. This will enable the Scheme Administrator to assess the arrangement in the context of the Tender requirements.
31	Can a Required COD be different to Target COD in any category? For example, for Nov 2029 Target COD could one bid July 2029 and be higher merit than Oct 2029?	Proponents may nominate a Required COD for their Bid that is earlier than the relevant Target COD for a Tender Category, however as per Section 2.5 of the Tender Guidelines, the Scheme Administrator may include lower ranked/exclude higher ranked Bids where a lower or similarly ranked Project has nominated a Required COD that is closer to the Target COD.

#	Question	Answer
32	At Bid submission, how can Proponents have certainty of the MLO requirements if the Minister's Guidelines aren't published/confirmed until Q1 2026?	Section 1.6.1 of the Tender Guidelines outlines what Proponents should assume the MLO Guidelines may prescribe in place of the MLO Guidelines being available at Tender Launch. Proponents are to assume these indicative characteristics when preparing and submitting their Bid.
33	Can ASL please confirm whether we need to comply with the MLO obligation to offer both a buy and a sell spread? Specifically, as a generator, the sell?	The MLO Guidelines will apply to a recognised electricity entity, or a new designated electricity entity who is a party to a FERMA. Proponents should refer to Section 1.6.1 of the Tender Guidelines for details on MLO obligations and the assumptions they should follow when preparing a Bid.