

SA FERM Tender Round 1 Bid Q&A Responses



This document provides a compilation of responses to questions received from registered Proponents on SA FERM Tender Round 1. New Q&As added to this document in chronological order and highlighted in dark blue. All Q&As are allocated to categories aligning with the Q&A form: BAC1, BAC2, BAC3, BAC4, Eligibility Criteria, Project Characteristics, FERMA Contract or Other.

This document also includes the following clarifications:

- Clarification #1 published 10 November 2025 – in relation to the Tender Guidelines (published October 2025). Proponents are advised to take this clarification into account when preparing their Bid.
- Clarification #2 published 10 November 2025 – in relation to the Proforma FERMA (published October 2025). Proponents are advised to take this clarification into account when preparing their Bid.
- Clarification #3 published 11 November 2025 – in relation to the Proforma FERMA (published October 2025). Proponents are advised to take this clarification into account when preparing their Bid.
- Clarification #4 published 11 November 2025 – in relation to the Registration and Bid submission deadlines. Proponents are advised to take this clarification into account when preparing their Bid.
- Clarification #5 published 20 November 2025 – in relation to the Proforma FERMA (published October 2025). Proponents are advised to take this clarification into account when preparing their Bid.
- Clarification #6 published 27 November 2025 – in relation to the Proforma FERMA (published October 2025). Proponents are advised to take this clarification into account when preparing their Bid.

All responses and correspondence by ASL regarding the Q&A Process in Tender Round 1 are subject to the Tender Assessment and Process set out in Section 2 of the [Tender Guidelines – Tender Round 1](#) (published October 2025).

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.

Version Release

Version	Release date	Changes
1	28/10/2025	Release 1 including 1 response.
2	5/11/2025	Release 2 including 38 responses.
3	10/11/2025	Release 3 including 2 Clarification and 8 responses
4	11/11/2025	Release 4 including 2 Clarification and 4 responses
5	12/11/2025	Release 5 including 7 responses
6	14/11/2025	Release 6 including 8 responses
7	19/11/2025	Release 7 including 11 responses
8	19/11/2025	Release 8 including 1 response
9	20/11/2025	Release 9 including 1 Clarification and 4 responses
10	21/11/2025	Release 10 including 4 responses
11	24/11/2025	Release 11 including 10 responses
12	25/11/2025	Release 12 including 6 responses
13	26/11/2025	Release 13 including 7 responses
14	27/11/2025	Release 14 including 1 Clarification and 5 responses
15	28/11/2025	Release 15 including 2 responses

Clarifications

Clarification Release 1 Distributed 10/11/2025

Category

Answer

1 MLO Guidelines

Important information relating to Tender 1 – Clarification on MLO qualifying contracts time zone for Obligation Periods

Section 1.6.1 of the Tender Guidelines currently states that Proponents should assume that the MLO Guidelines, as applicable, may require that qualifying contracts meet certain contract conditions during annual Obligation Periods. In bullet number 4, sub-bullet 2, the time zone reference should be amended to **18:00 to 21:00 ACST/ACDT**.

Proponents are advised to observe the relevant local time in South Australia for each Obligation Period. This is detailed below for clarity:

- For Obligation Period 1 (1 January 2029 to 31 March 2029 inclusive): coverage must align with 18:00 to 21:00 ACDT for all weekdays (excluding South Australian declared public holidays); and
- For Obligation Period 2 (1 July 2029 to 30 September 2029): coverage must align with 18:00 to 21:00 ACST for all weekdays (excluding South Australian declared public holidays), as daylight savings does not apply during July to September.

2 FERMA Contract

Important information relating to Tender 1 – Clarification of the definition of the First Operational Year

Under Schedule 6 of the Proforma FERMA, the Operational Year means each of the following periods:

- (a) the period from COD to the next 31 October following COD (**First Operational Year**);
- (b) the period from 1 November to the day preceding the final day of the Term (**Last Operational Year**); and
- (c) each 12-month period from 1 November to 31 October from the end of the First Operational Year to the start of the Last Operational Year.

The definition of **First Operational Year in paragraph (a)** should be amended to:

- (a) the period commencing on the later of COD and the Target COD, and continuing to the subsequent 31 October (**First Operational Year**)

This definition is now inline with the commencement of the **Operational Period** under the FERMA, which commences on the later of:

- COD; and
- the Target COD (being the Target COD for the relevant Tender Category),

and ending on the date that is 15 years after the Target COD.

This means that where:

- 1) COD occurs before Target COD, the Operational Period and the First Operational Year (and the payment mechanism) will commence on Target COD. The Operational Period will end on the date that is 15 years after the Target COD for the relevant category.
- 2) COD occurs after Target COD, the Operational Period and the First Operational Year (and the payment mechanism) will commence on COD. This will create an initial stub year as COD has occurred after Target COD. Following the initial stub year, it is intended that all Operational Years will run for 12 month periods from 1 November to 31 October. The Operational Period will end on the date that is 15 years after the Target COD for the relevant category.

It is not intended that support payments would commence prior to the Target COD under any circumstance.

Clarification Release 2 Distributed 11/11/2025

Category

Answer

3 FERMA Contract

Important information relating to Tender 1 – FERMA clarification of “Committed Storage Capacity” and “Committed Output Capacity”

The terms “Committed Storage Capacity” and “Committed Output Capacity” are used in:

- Schedule 2, clause 2.1 - in relation to Ineligible Wholesale Contracts
- Schedule 5, clause 3.3(a) - in relation to Eligible Wholesale Contracts
- Schedule 5, clause 3.8 - in relation to overcontracting
- Schedule 6 – in the definitions of “Cost Change Threshold” and “Major Loss Event”

In each of these items:

- “Committed Storage Capacity” should be amended to refer to the total energy storage capacity of the Facility; and
- “Committed Output Capacity” should be amended to refer to aggregate nameplate rating of the Facility (as specified in Item 12 of the Reference Details).

4 Other

Important information relating to Tender 1 – clarification of Registration and Bid submission deadlines

- **Registration deadline:** Proponents must complete registration by 21 November 2025 at 5:00 pm ACDT. This is the last date and time to submit the Registration Form in SmartyGrants. If you are not registered by this date, you will not be able to submit a Bid.
- **Bid submission deadline:** The Bid Closing Date and Time is 28 November 2025 at 5:00 pm ACDT, as stated in the Tender Guidelines. This is the deadline for submitting your Bid.

This clarification is issued because SmartyGrants shows 21 November 2025 at 5:00 pm ACDT as the submission closing date and time. Proponents must ensure they register by 21 November in order to lodge a bid on 28 November.

Clarification Release 3		Distributed 20/11/2025
#	Category	Answer
5	Tender Guidelines	<p>Important information relating to Tender 1 – Clarification of Capacity Commitment reference in Tender Guidelines</p> <p>Section 1.6.1 of the Tender Guidelines outlines what Proponents should assume the MLO Guidelines, as applicable, may prescribe in place of the MLO Guidelines being available at Tender Launch.</p> <p>Bullet number 2 currently states:</p> <p><i>“requires that no more than a minimum of 20% of an entity’s Capacity Commitment (as outlined in Schedule 2 of the FERMA) must be offered through qualifying contracts over a forward Obligation Period.”</i></p> <p>The reference to Schedule 2 of the FERMA is incorrect. The Capacity Commitment is defined and governed under Schedule 1 and Schedule 4 of the FERMA, which sets out the obligations for maintaining Committed Output Capacity during the Operational Period.</p> <p>Updated wording should read (see underlined text for change):</p> <p><i>“...requires that no more than a minimum of 20% of an entity’s Capacity Commitment (as outlined in Part 5 of Schedule 1 and clause 2 of Schedule 4 of the FERMA) must be offered through qualifying contracts over a forward Obligation Period.”</i></p>

Clarification Release 4		Distributed 27/11/2025
#	Category	Answer
6	FERMA Contract	<p>Important information relating to Tender 1 – Clarification of references within FERMA Contract</p> <p>The second reference to clause 6.9 in Schedule 5, clause 17.11(b) is a drafting error. This should be amended to refer to clause 6.11.</p>

Bid Q&A

Q&A Release 1		Distributed 28/10/2025	
#	Category	Question	Answer
1	Other	When will the legal documents be available on the website?	<p>The following documents have now been published on the website under the Tender Documents section. These include:</p> <ul style="list-style-type: none">• Tender Process Deed – Single Proponent• Tender Process Deed – Consortium• Guide to Completing Tender Process Deed and Security for Process Bond• Updated Proforma FERM Agreement• Compare of Proforma FERM Agreement against Draft Proforma FERMA <p>A formal notification has been sent to all Proponents confirming the release.</p>

Q&A Release 2		Distributed 05/11/2025	
#	Category	Question	Answer
2	Eligibility Criteria	With respect to EC4, could you please clarify what documentation is required to demonstrate compliance?	<p>EC4 verifies that the Proponent has taken substantive steps toward establishing a network connection within the South Australian region of the NEM. Acceptable documentation should clearly indicate that the proposed Facility is actively progressing toward a viable connection to the SA region of the NEM via:</p> <ul style="list-style-type: none"> • A formal request submitted to ElectraNet for a connection options report or assessment, or to SA Power Networks for a feasibility study or engineering report; • A connection enquiry lodged by the Proponent; or • An application to connect submitted by the Proponent.
3	BAC3 – Financial Value	Is ASL able to share example payment scenarios for payments made under the FERMA.	<p>Proponents are advised to refer to the webinar slides uploaded on 29/10/25 (refer slides 15-18 for payment scenario examples) and the webinar recording on YouTube.</p> <ul style="list-style-type: none"> • Webinar slides [https://asl.org.au/-/media/services/files/sa-ferm/tender-round-1/251029-sa-ferm-tender-1-webinar-presentation.pdf?rev=d3c43b46c4b446a986b987a88061b6ae&sc_lang=en] • Webinar recording [https://www.youtube.com/watch?v=LSSfs8uzNQQ]
4	Other	Will cost associated with MLO be considered as eligible wholesale contract?	<p>Costs associated with the MLO would only be considered under an Eligible Wholesale Contract if the underlying contract meets the definition of a Qualifying Contract or a Wholesale Contract as outlined in clause 3.3 of the FERMA. A Qualifying Contract is one that satisfies the criteria specified in the FERMA Guidelines. This approach ensures alignment with Scheme requirements for Net Revenue calculations and captures contracts intended to qualify for the MLO under any future Minister’s Guidelines.</p>

Q&A Release 2		Distributed 05/11/2025	
#	Category	Question	Answer
5	BAC3 – Financial Value	Can an Alternative Bid propose a different storage capacity for the same Facility than that proposed by the default bid, assuming other bid variables are also changed (e.g Revenue Floor, Payment Cap)?	Alternative Bids may vary any Bid Variables from the Default Bid (refer Section 1.5 of the Tender Guidelines for full list of Bid Variables). However, Project configurations such as different storage capacities for the same Facility must remain consistent with the Default Bid.
6	BAC3 - Financial Value	If the Committed Output Capacity is less than the Facility's registered capacity, will the Payment Mechanism apply to the Operational Revenue of the entire Facility?	The FERMA payment mechanism applies to the total Facility revenues (Net Revenue) for the relevant Operational Year. Refer to Section 1.5 of the Tender Guidelines and Schedule 2 of the Proforma FERMA for more details on the definition of Net Revenue and the payment mechanism.
7	BAC1 – Project Deliverability & Timeline	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.
8	FERMA Contract	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.
9	Project Characteristics	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.

Q&A Release 2		Distributed 05/11/2025	
#	Category	Question	Answer
10	BAC1 – Project Deliverability & Timeline	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.
11	BAC3 – Financial Value	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.
12	BAC4 – Commercial Departures	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.
13	Project Characteristics	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.
14	Project Characteristics	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.
15	Other	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.

Q&A Release 2		Distributed 05/11/2025	
#	Category	Question	Answer
16	Other	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.
17	Other	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.
18	Other	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.
19	FERMA Contract	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.
20	Eligibility Criteria	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.
21	BAC3 – Financial Value	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.
22	BAC3 – Financial Value	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.

Q&A Release 2		Distributed 05/11/2025	
#	Category	Question	Answer
23	Other	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.
24	Project Characteristics	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.
25	BAC2 – Organisational & Financing Capability	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.
26	FERMA Contract	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.
27	BAC1 – Facility Deliverability & Timeline	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.

Q&A Release 2		Distributed 05/11/2025	
#	Category	Question	Answer
28	Project Characteristics	Are battery Projects required to have a minimum 8-hour duration post degradation for the contract term?	<p>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).</p> <p>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.</p>
29	Project Characteristics	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.
30	Other	Does the 400 MW capacity include the SA Government gas turbines that are currently in tender for disposal?	<p>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.</p> <p>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.</p>

Q&A Release 2		Distributed 05/11/2025	
#	Category	Question	Answer
31	Project Characteristics	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.
32	Other	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.

Q&A Release 2		Distributed 05/11/2025	
#	Category	Question	Answer
33	Other	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>
34	Other	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.
35	Project Characteristics	Will a successful Project only be awarded its exact bidded 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.
36	Project Characteristics	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.

Q&A Release 2		Distributed 05/11/2025	
#	Category	Question	Answer
37	Project Characteristics	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.
38	Other	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.
39	Other	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.

Q&A Release 3		Distributed 10/11/2025	
#	Category	Question	Answer
40	Eligibility Criteria	<p>EC5 asks about Commonwealth Funding. We note that ARENA grants are excluded from limiting eligibility, however there are other sources of funds of a similar nature which are not specifically mentioned, including those run by Innovation Australia.</p> <p>Is participation in the Department of Industry, Science and Resources on behalf of Industry Innovation and Science Australia Research and Development Refundable Tax Incentive an impediment to eligibility in the FERM process?</p> <p>Is participation in the programs run by AusIndustry Division, Industry Growth Program, Department of Industry, Science and Resources an impediment to eligibility in the FERM process.</p>	<p>Projects receiving financial support in the form of Project capital support, periodic payments or revenue underwriting from the State or Commonwealth Government are ineligible to bid for this Tender Round (refer Eligibility Criteria 5).</p> <p>The Tender Guidelines provide some examples of financial support received which do not preclude eligibility, such as certain ARENA funding. Here, the R&D Tax Incentive would not be considered Project capital support, periodic payments or revenue underwriting, and would not limit eligibility.</p> <p>Other financial support received, such as that received from programs run by AusIndustry Division (or comparable government programs), will only preclude eligibility:</p> <ul style="list-style-type: none"> • if the payment received is for project capital support; • if payments received are periodic, or • if payments seek to underwrite project revenue. <p>Where clarification is required, Proponents are advised to issue a Q&A via SmartyGrants with details of the financial support received for the Scheme Administrator to assess the arrangement in the context of the Tender requirements.</p>
41	MLO	<p>The Tender Guidelines provide the qualifying contract must at a minimum cover 18:00 to 21:00 ACDT for all weekdays (excluding South Australian declared public holidays) during an Obligation Period. Could you please confirm if this also applies to Obligation Period 2 (1 July 2029 to 30 September 2029)? We note during this period, ACST applies rather than ACDT.</p>	<p>A clarification has been issued confirming that this minimum coverage period should be read as 18:00 to 21:00 ACST/ACDT, as applicable to the local time in South Australia for the relevant Obligation Period.</p> <p>Refer to Clarification 1 for full information.</p>
42	FERMA Contract	<p>Can you confirm that as the term of the FERMA is the later of the Target COD and COD to the date that is 15 years after the Target COD that the final year of the FERMA is likely to be a partial operational year and as such there should be clause</p>	<p>The FERMA Operational Period is the period commencing on the later of:</p> <ul style="list-style-type: none"> • COD; and • The Target COD for the relevant Tender Category.

		relating to pro-rating for the final year of the operational period should the final year of the operational period not align with a full operational year?	<p>and ending on the date that is 15 years after the Target COD for the relevant Tender Category. These end dates are fixed as follows:</p> <ul style="list-style-type: none"> • For Tender Category 1, the Operational Period ends on 31 October 2043 • For Tender Category 2, the Operational Period ends on 31 October 2044 • For Tender Category 3, the Operational Period ends on 31 October 2046 <p>Aside from any initial stub year that may be created if COD occurs after the Target COD, it is intended that all Operational Years will run for 12 month periods from 1 November to 31 October (Refer Table 6 – Key Commercial Terms of the Tender Guidelines).</p> <p>Refer to Clarification 2 for full information.</p>
43	Project Characteristics	Why is the Facility required to still meet an 8h continuous discharge capacity at the beginning of a Compliance Interval, even if the LOR notice has been waived?	The minimum 8-hour continuous dispatch requirement is a core Eligibility Criteria and Capacity Commitment obligation under the SA FERM Scheme (Refer to Eligibility Criteria 2 and Section 1.6 of the Tender Guidelines). It is tied to the Firm Energy Target (FET) and reliability objectives and aims to ensure contracted capacity remains available to maintain system reliability under all conditions, not only during forecast shortfalls/Compliance Intervals.
44	Other	Does the Minimum Liquidity Obligation require a minimum or a maximum of 20% of committed capacity to be available through qualifying contracts?	<p>As stated in Section 1.6.1 of the Tender Guidelines:</p> <p>“Proponents should assume that the MLO Guidelines, as applicable, may prescribe that the MLO requires that no more than a minimum of 20% of an entity’s Capacity Commitment be made available through qualifying contracts.”</p> <p>This is to be interpreted as that the MLO guidelines will define a minimum of an entity’s Capacity Commitment which will have to be made available through qualifying contracts. Proponents should assume that this minimum will not be more than 20%.</p>
45	FERMA Contract	Is there further guidance on LDCP obligations during LOR2 and LOR3 events beyond what is outlined in Schedule 4 clauses 1.2(c), 2.2, 2.3 and 3.1?	Further guidance provided will be published on the Scheme Administrator’s website if and when applicable. Registered Proponents will also be notified via the Q&A process in SmartyGrants.

46	MLO	Can ASL provide more context on the policy intent behind the MLO?	<p>The Department for Energy and Mining conducted consultations as part of developing the FERM.</p> <p>The Department has summarised the policy context and design decisions on the MLO in Section 3.5.2 of its Stage 2 Consultation Paper:</p> <p>ASL notes that the Department for Energy and Mining will engage with industry and other stakeholders during Q4 2025 and Q1 2026 with the aim of finalising the MLO for release in Q2 2026.</p>
47	MLO	How do the Reliability Obligation and Market Liquidity Obligation interact? Who is covered under which obligation?	<p>As per Regulation 33 of the FERM Regulations, to support or facilitate the Scheme's purpose—</p> <p>(a) a <u>market customer</u> is required to act in accordance with any <u>reliability obligation</u>; and</p> <p>(b) a <u>recognised electricity entity, or a new designated electricity entity</u> who is a party to a contact under regulation 24, is required to act in accordance with any <u>market liquidity obligation</u>.</p> <p>The Reliability Obligation is an obligation to undertake certain contracting activities, and to take related steps, in the National Electricity Market (NEM) by purchasing a certain number of contracts, or having a certain net contracting position, over a particular period, in accordance with requirements specified by the Minister's guidelines.</p> <p>The Market Liquidity Obligation is an obligation to undertake certain contracting activities, and to take related steps, in the National Electricity Market (NEM) by offering a certain number of contracts, or having a certain net contracting position, over a particular period, in accordance with requirements specified by the Minister's guidelines.</p> <p>The Department will engage with industry and other stakeholders during Q4 2025 and Q1 2026 with the aim of finalising the obligations for release in Q2 2026.</p>

Q&A Release 4		Distributed 11/11/2025	
#	Category	Question	Answer
48	FERMA Contract	Is a Virtual Tolling Agreement likely to be considered an Eligible Wholesale Contract for the purposes of clause 3.3? What factors would be weighed in determining if it is?	<p>For a Wholesale Contract (that is not a Qualifying Contract) to qualify as an Eligible Wholesale Contract, it must satisfy:</p> <ul style="list-style-type: none"> • each of the requirements outlined in Schedule 5 Clause 3.3(a)(i) to (vi) of the FERMA, including the requirement that the LDCP has sold the rights to dispatch (at the counterparty's discretion and control) part or all of the Facility; and • the requirements in Schedule 5 Clause 3.3(b). <p>Under Schedule 5 Clause 3.3(c), the FV may waive any of these conditions at its discretion.</p>
49	BAC3 – Financial Value	How is Operational Revenues calculated with respect to merchant revenue and Ineligible Wholesale Contract Energy Revenue?	<p>The following example is intended to be indicative only and considers a very limited scenario which won't always be reflective of outcomes under the FERMA. It is also not intended to fetter any discretion of the FV in administering a FERMA.</p> <p>In an example where a Facility has half of its nameplate capacity rating contracted to an Ineligible Wholesale Contract, the variable 'P' may be determined to be 0.5. This is assumed to be the outcome based on a calculation in this example of the Ineligible Wholesale Contract applying to 50% of the nameplate rating of the Facility. In the event of uncertainty in determining 'P' under paragraph (a) of the description of 'P' (for example, where there is a different ratio of storage covered capacity subject to the same Ineligible Wholesale Contract), FV may exercise its ability to specify a proportion under paragraph (b).</p> <p>The Notional Quantity in a trading interval is calculated as P multiplied by Sent Out Generation (SOG) and MLF.</p> <p>The Deemed Wholesale Energy Revenue in a trading interval is the Notional Quantity multiplied by the Deemed Market Price. In this example, the Deemed Market Price is assumed to be the spot price. Although "Operational Revenue" includes both Deemed Wholesale Contract Energy Revenue and revenue from the sale of electricity into the NEM, we expect that only the higher of the two amounts in any particular trading interval would be counted to avoid double counting of revenue received in respect of spot market revenue.</p> <p>Note: Schedule 2, clause 2.1 is intended to refer to the total nameplate be amended to and total storage capacity Facility, rather than only being limited to the Committed Output Capacity and Committed Storage Capacity. This will be clarified in a separate Q&A.</p>

50	Other	Please confirm whether the BAC1 Aggregated Facility Template is required to be submitted (even if the submission is empty or we need to write "N/A" at some point for avoidance of doubt) if our submission is not an Aggregated Facility.	The BAC1 Aggregated Facility Template is only required if your submission is an Aggregated Facility (i.e., multiple project components operating under a single FERMA). If your Facility is a single Project and not an Aggregated Facility, you do not need to submit BAC1 Aggregated Facility Template.
51	Project Characteristics	Will the Fuel Costs Determination include: <ol style="list-style-type: none"><li data-bbox="533 552 1025 608">1. reimbursement of pipeline transport costs; and<li data-bbox="533 627 1043 715">2. reimbursement of variable gas procurement costs based on market price paid (or only an average gas price over the year).	Proponents should refer to Section 1.7 of the Tender Guidelines, which provides an overview of what Proponents of conventional Facilities should assume the Fuel Price Determination Guideline may prescribe. The AER intends to prepare and consult on a Fuel Price Determination Guideline in Q2 2026.

Q&A Release 5		Distributed 12/11/2025	
#	Category	Question	Answer
52	FERMA Contract	<p>Can the SPV holding the FERMA derive revenues outside of the Facility (e.g. for a staged project behind a single connection point) and/or the committed capacities bid in Part 5 of the Reference Schedule (e.g. for a tolling agreement on the Facility)?</p> <p>While the contract and guidelines generally seem to imply that the Facility is a virtual concept, and a Bid Entity can bid separate DUIDs under the same SPV, Schedule 5 Clause 2.1 (and EC 9 under the tender guidelines) suggest otherwise.</p>	<p>Proponents are to refer to the following clauses within the Proforma FERMA:</p> <ul style="list-style-type: none"> • Schedule 5, clause 2.1(e), which prohibits the SPV from <i>“having an ownership interest in any other electricity generation or storage project or facility (or any other business venture) or carrying on any business other than the operation of the Facility.”</i> • Schedule 4, clause 5.1(a)(ii), which prohibits installing or permitting the installation of <i>“any load, energy storage system or additional generation system behind the Connection Point for the Facility”</i> without FV’s prior written consent. Refer clause 5.1(b) for further detail on what the FV takes into account in considering whether to grant consent. • Schedule 3, clause 1.5, which notes the LDCP must deliver a Facility that meets the Specification.
53	FERMA Contract	<p>Which contract types may be deemed 'ineligible wholesale contracts'? For example, caps, virtual tolls and revenue share contracts?</p>	<p>Refer to Question 48 for details on what is required to be satisfied for a Wholesale Contract to qualify as an Eligible Wholesale Contract.</p> <p>Where these conditions are not satisfied, the contract would be deemed an Ineligible Wholesale Contract.</p>
54	FERMA Contract	<p>If an alteration is made to the Facility (under Schedule 4 Clause 5 of the Proforma) for an expansion stage (that has a separate DUID), can the revenues from that stage be excluded from 'Net Operational Revenues' for the purposes of the Financial Scheme Mechanism?</p>	<p>Revenues from an expansion of the Facility — even if it has a separate DUID — must be included in Operational Revenue and therefore in Net Revenue. There is no exclusion mechanism for expansion-stage revenues.</p>
55	FERMA Contract	<p>Can a SPV have an expansion stage outside of the Facility if it has a way to clearly separately meter the revenues?</p>	<p>Proponents are to refer to Schedule 5, Clause 2.1(e) of the Proforma FERMA, which prohibits the SPV from <i>“having an ownership interest in any other electricity generation or storage project or facility (or any other business venture) or carrying on any business other than the operation of the Facility.”</i></p>

56	FERMA Contract	<p>During the operational period, when meeting capacity commitments during compliance intervals and fulfilling performance requirements for Actual LOR intervals, is it expected that the asset's bidding strategy must change to ensure dispatch?</p> <p>Or is bidding strategy at the discretion of the asset, provided it complies with Clause 1.2 — particularly 1.2(b) — and ensures BESS capacity is available to the market as per the capacity commitment?</p>	<p>Schedule 4, clause 2.2 requires that during each Compliance Interval, the Facility's Actual Capacity is equal to at least the Committed Output Capacity. Actual Capacity is defined as <i>“the sum of the amount of electricity (in MW) actually being dispatched into the NEM and the amount of additional reserve capacity which is capable of being immediately dispatched into the NEM”</i>. Provided the requisite level of Actual Capacity is met, clause 2.2 does not prescribe a particular bidding strategy.</p> <p>Proponents should note that Schedule 4, clause 1 does impose obligations that may impact bidding strategies.</p>
57	Other	<p>Section 1.6.1 of the Tender Guidelines indicates that the market liquidity obligations apply during 'ANNUAL' Obligation Periods. Can you please confirm that for Tender Category 1, the obligations apply only to 2029 (1 January to 31 March, and 1 July to 30 September), and not to the following years?</p>	<p>The Obligation Periods specified in the Tender Guidelines apply to Tender Category 1 entities and are currently limited to the specified periods. These periods are:</p> <ul style="list-style-type: none"> • Obligation Period 1: 1 January 2029 – 31 March 2029 (inclusive); and • Obligation Period 2: 1 July 2029 – 30 September 2029. <p>Details of further Obligation Periods (including those for Tender Category 2 and Tender Category 3 entities) may be outlined in the applicable Minister's Guidelines published on the South Australia Department for Energy and Mining website. Refer to Section 1.6.1 of the Tender Guidelines.</p>
58	Project Characteristics	<p>Could you please provide clarification on whether a project can hold contracts under two different schemes simultaneously? For example, if a Project capacity has already been successful under one scheme, can the remaining capacity be bid into the current tender? In this scenario, both capacities would share the same connect point.</p> <p>If this is not permitted, would the project be eligible to participate in in the current tender if it relinquishes the existing contract?</p>	<p>Eligibility Criteria 5 requires:</p> <ol style="list-style-type: none"> (a) The Facility has not previously been awarded a Capacity Investment Scheme Agreement and does not intend to bid for a Capacity Investment Scheme Agreement; and (b) The Project is not in receipt of, and the Proponent does not intend for the Project to receive, financial support in the form of Project capital support, periodic payments or revenue underwriting from the State or Commonwealth government. <p>If a Project currently holds a valid CISA contract, it is not eligible to bid for a FERMA.</p>

Q&A Release 6		Distributed 14/11/2025	
#	Category	Question	Answer
59	BAC3 – Financial Value	Do gas projects have an 8-hour dispatch requirement? What is the approach for comparing gas and BESS projects in the Financial Value evaluation?	<p>Under Eligibility Criteria 2 of the Tender Guidelines (Section 3.1), the Facility (regardless of technology) must be capable of continually dispatching at the Committed Output Capacity for no less than 8 hours, for the entirety of the Operational Period.</p> <p>Under BAC 3 – Financial Value, all Facilities will be assessed using the Financial Value Components defined in Section 3.2 of the Tender Guidelines. The Financial Value Components are applicable to all technologies.</p> <p>Energy market modelling is undertaken for the BAC 3 assessment. This modelling will consider input assumptions provided by the Proponent in the BAC 3 Returnable Schedule, including on-site gas reserve duration and number of continuous hours of full operation using primary fuel source.</p>
60	FERMA Contract	The current definition of a Compliance Interval is such that it would seem if AEMO forecast an LOR2 or LOR3 event days (or even just more than 6 hours in advance of the forecast event) and cancel the forecast days (or even 6 hours and 5 minutes in advance of the event) the period for which an LOR2 or LOR3 event was forecast is still a compliance period. Can ASL please confirm whether this interpretation is correct or misguided?	<p>If a trading interval was at any time forecast as LOR2 or LOR3, it remains a Compliance Interval even if the forecast is later withdrawn. A series of such intervals forms a Compliance Period, which is “a continuous, consecutive series of Compliance Intervals.”</p> <p>As defined in the FERMA, “Compliance Interval means each trading interval in respect of which AEMO forecasts LOR2 or LOR3 in the LOR Assessment Horizon regardless of whether the trading interval: (i) ceases to be a forecasted LOR2 or LOR3 trading interval; or (ii) becomes an Actual LOR Interval.” (Schedule 6 – Definitions)</p>
61	FERMA Contract	Please clarify the intended use of 'Cumulative Balance' in clause 6.1(b)(2) of the FERM Agreement. Based on the definition of 'Cumulative Balance', we assume the relevant amount due under clause 6.1(b)(2) would be an amount equal to all Scheme Payments (and where relevant, Fuel Reimbursements) received by LDCP in the relevant Operating Year in which the termination occurs, rather than all Scheme Payments (and where relevant, Fuel Reimbursements)	<p>The “Cumulative Balance” is intended to reflect the aggregate of all payments that have been made by the FV to the LDCP throughout the term of the FERMA minus the aggregate of any Upside Payments made by the LDCP to the FV throughout the term of the FERMA. In effect the Cumulative Balance represents the net amount of support that has been provided to LDCP under the FERMA to date.</p> <p>“Cumulative Balance” is intended to capture all Scheme Payments, Fuel Reimbursements and Upside Payment from all preceding Quarters and Operational Years.</p>

		<p>received by LDCP during the entirety of the term prior to termination.</p> <p>Please also clarify what is meant by "Quarters Years" in the following definition "Cumulative Balance means, in respect of a Quarter or Operational Year (the Relevant Period), the cumulative balance of all Scheme Payments and Fuel Reimbursements to date (in respect of Quarters Years before the Relevant Period) less all Upside Payments to date (in respect of Quarters before the Relevant Period)."</p>	
62	FERMA Contract	<p>If a Bid contemplates contracting less than the nameplate power of a Facility, how is operational revenue defined? Does operational revenue capture all revenue generated by the Facility, or is the operational revenue pro-rated somehow to account to the contract size being less than the nameplate power?</p>	<p>Under the FERM Agreement, Operational Revenue is defined at Facility level, not the contracted capacity level.</p> <p>Table 6 in the Tender Guidelines detail that "Operational Revenue is intended to cover most revenue streams derived from the Facility that are received by the LDCP. This would include gross revenue generated through the wholesale energy market, ancillary markets, network support, any future emerging markets and any other eligible contracts."</p> <p>Proponents are to note that Operational Revenue is not limited or adjusted based on nameplate capacity.</p>
63	FERMA Contract	<p>Can you please confirm that a Qualifying Contract (as defined in Section 1.6.1 of the Tender Guidelines) is always an Eligible Wholesale Contract?</p> <p>The wording of Clause 3.3(a) of Schedule 5 of the FERMA ('an Eligible Wholesale Contract is a Qualifying Contract or a Wholesale Contract that [...]') can be confusing since conditions like 3.3(a)(iii) cannot really apply to a Qualifying Contract.</p>	<p>An Eligible Wholesale Contract is a Qualifying Contract under Schedule 5, clause 3.3(a). A Qualifying Contract does not need to meet the listed criteria in clause 3.3(a) paragraphs (i) – (vi).</p> <p>A Qualifying Contract is one that satisfies the criteria specified in the FERM Guidelines.</p>
64	FERMA Contract	<p>Section 5 of FERMA prohibits the alterations of the Facility. If a bidirectional Facility were to consider adding some generation behind the meter solar PV for example, would this be prohibited?</p>	<p>Schedule 4, Clause 5.1(a) of the Proforma FERMA stipulates:</p> <p>"LDCP must not:</p> <ul style="list-style-type: none"> (i) make or permit any alteration, expansion or change to the Facility (including any increase in the generation or storage capacity of the Facility); or

		<p>(ii) install or permit the installation of any load, energy storage system or additional generation system behind the Connection Point for the Facility"</p> <p>This must not be done without the FV's prior written consent. Refer clause 5.1(b) for further detail on what the FV takes into account in considering whether to grant consent.</p>
65	Other	<p>2.17 of the Bid Form (COD Dates) states if you select 'other' to "Contact ASL prior to submitting" – how are we supposed to contact ASL and what exactly do we need to do if we intent to bid in the "Other category".</p> <p>Proponents intending to select 'Other' for the Required COD must contact the Scheme Administrator via the designated Q&A process in SmartyGrants before submitting their Bid.</p> <p>Proponents should submit the query specifying:</p> <ol style="list-style-type: none"> a. The proposed COD date; b. The Tender Category you intend to bid under; and c. Any rationale for selecting a date outside the listed Target CODs. <p>Following submission, Proponents should await confirmation or guidance from ASL before finalising their Bid Form. ASL will endeavour to respond in a timely manner.</p> <p>In accordance with EC6, the Required COD must be a date that is on or before the relevant Target COD for the Tender Category.</p> <p>Proponents intending to submit a Required COD that is before the relevant Target COD should note section 1.3 of the Tender Guidelines which states <i>"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, 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."</i></p>
66	FERMA Contract	<p>Do the MLO obligations run for the entire FERMA contract? The clarification guidance gives dates of Q1 and Q3 2029 only. (1 January 2029 to 31 March 2029 inclusive, and Obligation Period 2 will be 1 July 2029 to 30 September 2029.)</p> <p>Regulation 33(1)(b) of the FERM Regulations states that <i>"a recognised electricity entity, or a new designated electricity entity who is a party to a contract under regulation 24, is required to act in accordance with any market liquidity obligation"</i>.</p> <p>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, including that the MLO applies to <i>"a recognised electricity entity; or a new designated electricity entity who is a party to a FERMA"</i>.</p>

Refer to **Question 57** for details on the Obligation Period timing and further Obligation Periods.

Q&A Release 7		Distributed 19/11/2025	
#	Category	Question	Answer
67	Tender Guidelines	Please confirm failures used to require a cure plan are not counted towards a new cure plan?	<p>This will depend on the facts and circumstances, including the timing and terms of any cure plan agreed with the Financial Vehicle (FV) in respect of the first set of failures.</p> <p>If in doubt, the LDCP may:</p> <ul style="list-style-type: none"> • Submit another draft cure plan, or • Seek confirmation from the FV that the FV does not require an additional cure plan.
68	Tender Guidelines	<p>How do Proponents determine the Validity Period for the purposes of setting the minimum tenor of the Security for Process Bond?</p> <p>The Guide to the Security for Process Bond states that the end of the Validity Period "will be specified in the Bid Form". This is not obvious in the bid form.</p> <p>The Tender Guidelines provide a more extensive definition of Validity Period, but it is also not clear.</p>	<p>The Tender Guidelines defines Validity Period as the period commencing from Tender Launch and ending on the earlier of the date on which:</p> <ul style="list-style-type: none"> • the Proponent's Bid Entity executes a FERMA in connection with the Tender Process; • the Scheme Administrator informs the Proponent that the Validity Period for its Bid under the Tender Process has ended, which is expected to be approximately six calendar months from Tender Launch; • the Tender Process is announced as having been cancelled or discontinued; • the Proponent withdraws its Bid in accordance with Section 4.26; • or such other period of time as may be notified by the Scheme Administrator and agreed to by the Proponent (acting reasonably). <p>As the Tender Launched on 20 October 2025 and based on bullet number 2 above, Proponents can assume the Validity Period for their Bid is expected to be six calendar months from the launch date (20 April 2026).</p>
69	Other	Re Question 41, the cover period for Obligation Period 2 (6pm-9pm ACST, or 6.30pm-9.30pm AEST) is outside of the standard ASX evening peak electricity future (4pm-9pm AEST). Should we consider the current ASX evening peak electricity future ineligible as a qualifying contract?	<p>A Qualifying Contract is one that satisfies the criteria specified in the Minister's guidelines in relation to the market liquidity obligation (MLO). As at the date of this response, no such MLO Guidelines have yet been published by the Minister.</p> <p>In place of any MLO Guidelines being available, Proponents should assume that the MLO Guidelines may prescribe an MLO that with characteristics set out in Section 1.6.1 of the FERM Guidelines.</p> <p>The MLO is expected to be finalised in Q2 2026 by the Minister and the associated Minister's Guidelines will be published on the South Australia Department of Energy and Mining website.</p>

70	MLO	<p>When must project operator meet MLO for each of the Obligation Periods? For example, the first Obligation Period will be 1 January 2029 to 31 March 2029. In this case, over what time period must the project operator offer qualifying contracts? When will the obligation to bid/offer commence (e.g. 12 months before 1 Jan 2029), and when will the obligation end (e.g. will it continue until the end of Obligation Period)?</p>	<p>As per Section 1.6.1 of the Tender Guidelines, LDCPs are expected to meet the MLO within the specified Obligation Periods which require that no more than a minimum of 20% of an entity's Capacity Commitment be offered through qualifying contracts over a forward Obligation Period.</p> <p>Further details on the mechanics to meeting the MLO are expected to be provided in the MLO Guidelines which are expected to be finalised in Q2 2026 by the Minister and published on the South Australia Department for Energy and Mining website.</p>
71	FERMA Contract	<p>The definition of "Qualifying Contracts" refers to a contract which meets the criteria specified in the FERM Guidelines but does not specify the section of the FERM Guidelines. Could you please confirm that the applicable criteria is the criteria set out in section 1.6.1 of the FERM Guidelines?</p>	<p>FERM Guidelines means Minister's Guidelines made in respect of the market liquidity obligation (MLO) pursuant to Part 2 of the FERM Regulations. As at the date of this response, no such MLO guidelines have yet been published by the Minister.</p> <p>In place of any MLO Guidelines being available, Proponents should assume that the MLO Guidelines may prescribe a MLO that with characteristics set out in Section 1.6.1 of the FERM Guidelines.</p> <p>The MLO is expected to be finalised in Q2 2026 by the Minister and the associated Minister's Guidelines will be published on the South Australia Department of Energy and Mining website.</p>
72	MLO	<p>Please confirm that "Qualifying Contracts" will not require any physical delivery and are only intended to be financially settled instruments.</p>	<p>A Qualifying Contract is one that satisfies the criteria specified in the Minister's Guidelines in relation to the market liquidity obligation (MLO). As at the date of this response, no such MLO guidelines have yet been published by the Minister.</p> <p>Please refer to Q71 for more details regarding MLO Guideline availability.</p>
73	FERMA Contract	<p>Given the previous Q&A response regarding costs associated with MLO being considered as Eligible Wholesale Contracts, we assume that Qualifying Contracts are not required to meet the criteria in the balance of the definition of Eligible Wholesale Contracts. Could you please confirm if this is correct, such that the definition should be read as follows:</p> <p>(a) Subject to clause 3.3(b), an Eligible Wholesale Contract is a:</p>	<p>Refer to Question 63 for details provided in a previous response.</p>

	<ul style="list-style-type: none"> (i) Qualifying Contract; or (ii) a Wholesale Contract that: <ul style="list-style-type: none"> (A) complies with clause 3.8 below; (B) ... (C) ... 	
74	<p>FERMA Contract</p> <p>Should the carve out in the definition of Change in Control apply to paragraph (a) as well, such that the definition should be read as follows:</p> <p>Change in Control occurs in relation to a party where:</p> <ul style="list-style-type: none"> (a) a person who does not Control the party acquires such Control; or (b) a person that Controls that party ceases to have such Control, <p>but does not include a change in Control of a party which occurs as a result of:</p> <ul style="list-style-type: none"> (c) ...; (d) ...; or (e) 	<p>The carve outs listed in paragraphs (i)-(iii) of the definition of Change in Control also apply to paragraph (a) of that definition.</p>
75	<p>Tender Guidelines</p> <p>Could you please confirm the process for updating the capacity in a tender registration from the originally submitted values to new values?</p>	<p>As per Section 2.2.14 of the Tender Guidelines, if a Proponent wishes to vary their Bid, they must notify the Scheme Administrator that they wish to withdraw their existing response and submit a replacement Bid prior to the Bid Closing Date and Time.</p> <p>This means that to update the capacity, a Proponent will need to:</p> <ol style="list-style-type: none"> 1. Formally advise the Scheme Administrator that you are withdrawing the existing bid. 2. Submit a replacement Bid, which includes a new Registration Form and Bid Form.

76	FERMA Contract	<p>Please can you clarify how the concepts of Force Majeure Event and Major Loss Events are intended to interact, in particular, if a Major Loss Event has been caused by a Force Majeure Event and LDCP has given notice that it elects to reinstate, then is LDCP entitled to Force Majeure Event relief until the Facility has been reinstated?</p> <p>In the same circumstances, if LDCP elects not to reinstate, is LDCP entitled to Force Majeure Event relief until FV exercises its right to terminate?</p>	<p>LDCP's entitlement to Force Majeure relief operates independently from the Major Loss Event regime. If the same event or circumstance causing a Major Loss Event also qualifies as a Force Majeure Event then the provisions in clause 8 of Schedule 4 will apply notwithstanding any election to reinstate or not to reinstate.</p>
77	Tender Guidelines	<p>We refer to the statement in the Tender Guidelines that the Security for Process Bond amount is equal to: "for bidirectional Facilities, \$500 per MWh of energy storage capacity capped at \$800,000." Does the underlined wording here refer to the nameplate capacity (in MWh), the Committed Storage Capacity (as defined in the FERMA) or some other concept?</p>	<p>The wording in the Tender Guidelines refers to nameplate energy storage capacity (in MWh). The Security for Process Bond amount is calculated as \$500 per MWh of nameplate energy storage capacity.</p>

Q&A Release 8		Distributed 19/11/2025	
#	Category	Question	Answer
78	Eligibility Criteria	<p>Could you please confirm that the below information provided as part of the Market Briefing for CIS Tender 8 is applicable to this FERM tender, such that Proponents can bid under both tenders and withdraw from its CIS bid if successful in this process: Interaction between NSW Firming or SA FERM tender and CIS Tender 8</p> <p>Projects located in NSW and SA may be eligible to participate in either the NSW Roadmap Tender Round 7 (NSW Firming tender) or the SA FERM Tender Round 1 (SA FERM tender), which overlap with this Tender 8 process. Proponents may elect to submit a bid in both the NSW Firming tender or SA FERM tender and this Tender 8. However, should a project be recommended for either the NSW Firming tender or the SA FERM tender, that project will not be recommended for CIS Tender 8. Should a project execute an agreement for either the NSW Firming tender or the SA FERM tender, it will be ineligible under this Tender 8.</p>	<p>To participate in SA FERM Tender Round 1, Proponents must meet the Eligibility Criteria outlined in Section 3.1 of the Tender Guidelines.</p> <p>Proponents are referred to Eligibility Criteria 5, which requires:</p> <ul style="list-style-type: none"> (a) The Facility has not previously been awarded a Capacity Investment Scheme Agreement and does not intend to bid for a Capacity Investment Scheme Agreement; and (b) The Project is not in receipt of, and the Proponent does not intend for the Project to receive, financial support in the form of Project capital support, periodic payments or revenue underwriting from the State or Commonwealth government. <p>While Proponents may be eligible under the CIS eligibility criteria to participate in the CIS Tender process, a Facility that is subject of a bid into the CIS Tender process will be in breach of SA FERM's EC5 and therefore will become ineligible to continue participation in the SA FERM tender process.</p>

Q&A Release 9		Distributed 20/11/2025	
#	Category	Question	Answer
79	Eligibility Criteria	If we amend 'the Facility' under Schedule 4 CI 5 to account for a second stage of BESS development, can we amend the Scheme Financial Mechanism and the Committed Capacities?	<p>The Scheme Financial Mechanism and Committed Capacities are fixed on execution of the FERMA between the LDCP and the Financial Vehicle (FV).</p> <p>The addition of addition energy storage systems behind the Connection Point will likely qualify as an "Alteration or New Installation" and be subject to Schedule 4, clause 5.</p> <p>An Alteration or New Installation is able to be completed with the FV's written consent. The FV is required to act reasonably in considering whether to grant consent if the proposed alteration does not materially or adversely impact the LDCP's Capacity Commitment, Minimum Performance Obligation, Facility Revenue, and the financial position of the FV in connection with the FERMA (Scheme Financial Mechanism).</p> <p>When requesting consent, LDCPs must provide the FV with any change to the capacity, availability or generation profile of the Facility that would result from the Alteration or New Installation (among other things).</p>
80	MLO	How will the forward derivative obligation (MLO) interact with the ability to meet and demonstrate compliance with the FERMA LOR Compliance Intervals and obligations?	<p>The two obligations operate independently of each other. Meeting the Market Liquidity Obligations (MLO) does not relieve the LDCP of its Capacity Commitment obligations under the FERMA.</p> <p>The MLO ensure LDCPs contribute to a liquid contract market during defined Obligation Periods (refer Section 1.6.1 of the Tender Guidelines).</p> <p>Capacity Commitment obligations under the FERMA require the LDCP to ensure their facility is able to physically dispatch at least the Committed Output Capacity for 8 hours during forecast LOR2 and LOR3 events (refer Schedule 4, clause 2 of the FERMA, Section 1.6 of the Tender Guidelines).</p> <p>Proponents will need to maintain separate records to demonstrate compliance under both obligations.</p>
81	MLO	Given Clarification Release 2 whereby "Committed Output Capacity" has been amended in various places in the FERMA to refer to the aggregate nameplate rating of the Facility, could you confirm that the Market Liquidity Obligations still apply to	<p>Amendments to the FERMA made via Clarification 2 are limited to the specific areas listed in Clarification 2. Other references to "Committed Output Capacity" are unchanged.</p> <p>The Market Liquidity Obligation assumption (Section 1.6.1 of the Tender Guidelines) refers to 20% of an entity's Capacity Commitment (as outlined in Schedule 4 of the FERMA).</p>

	20% of the Committed Output Capacity (and not to 20% of the aggregate nameplate rating of the Facility)?	<p>Schedule 4, clause 2.2(b) of the FERMA defines the Capacity Commitment as the Actual Capacity of the Facility on an aggregated basis being equal to at least the Committed Output Capacity for the duration of a Compliance Period.</p> <p>As a high-level illustrative example, if a Facility's nameplate rating is 300MW, and Committed Output Capacity is 200MW, the assumed MLO requirement should be 40MW (20% of the Committed Output Capacity).</p>
82	FERMA Contract	<p>In clause 2.3 of Schedule 4, the LDCP does not have explicit relief for Performance Obligations during Compliance Intervals that coincide with Planned Maintenance activities. Planned Maintenance activities that are scheduled to occur in Maintenance Windows that coincide with Compliance Intervals cannot be reasonably be expected to be re-scheduled, or interrupted, with 6 hours' notice. Is this the intent of the Pro Forma drafting?</p>
		<p>Schedule 4, clause 4.3 of the Proforma FERMA notes that Planned Maintenance activities:</p> <ul style="list-style-type: none"> • which have a reduction of Capacity Commitment must not be carried out during Peak Periods, and may only be carried out during Agreed Maintenance Windows (Item 22 of Schedule 1); • which have no impact on Capacity Commitment may be carried out at any time during Agreed Maintenance Windows or Peak Periods (Item 22 of Schedule 1). <p>Where a Compliance Interval coincides with Planned Maintenance, the LDCP is expected to maintain compliance, unless a relief event applies (refer Schedule 4, clause 2.3).</p>

Q&A Release 10		Distributed 21/11/2025	
#	Category	Question	Answer
83	FERMA Contract	Could you please clarify the policy intent behind the Fuel Reimbursement and whether this was envisaged to include both haulage (fixed) and commodity (variable) components?	From a policy perspective, the intent is to include both components to avoid the need for Proponents to make assumptions regarding volume to convert or add the fixed haulage to commodity costs. This approach aligns with Section 1.7 of the Tender Guidelines, which states that the Fuel Price Determination Guideline may prescribe characteristics for determining fuel costs, including both fixed and variable components.
84	BAC 3 – Financial Value	Could you please confirm term QNP _p should be in the equation under clause 7.2 of schedule. And that this is included such payments an in effect a YTD settlement of the contract, which effectively means reversing any previous payments in the operational YTD and assessing the LDCP revenue YTD, Permitted Costs YTD, pro-rata Floor and pro-rata Cap. An excel file or similar with example calculations would be very helpful as the examples in the proponent webinar do not seem to cover this question.	<p>The QNP_p is intentionally included in the calculation of the Quarterly Net Payment for a Quarter, QNP_Q. In effect, the QNP_Q calculation is for the new payment to be made in a relevant quarter based on year-to-date amounts and considers a netting against payments from previous quarters.</p> <p>QNP_p is the net sum of any Quarterly Net Payments paid in respect of any previous Quarters in the Operational Year (where a Quarterly Net Payment paid by FV to LDCP is a positive number and the Quarterly Net Payment paid by LDCP to FV is a negative number).</p> <p>QNP_p includes payments made in previous quarters but not payments relating to the current Quarter, Q, for a given calculation of QNP_Q.</p> <p>It is the intent of the Quarterly Net Payments calculation that the parties will be in the same net position as if the calculation was carried out with respect to the Operational Year as a whole. Please also refer to Schedule 2, clause 1.5.</p>
85	Eligibility Criteria	Could you please clarify whether a Facility composed of multiple aggregated Facility Components behind separate physical connection points can participate under EC2?	<p>Eligibility Criteria EC2 permits participation by an Aggregated Facility behind multiple physical connection points where all elements of EC2 (a)–(d) are satisfied, including:</p> <ul style="list-style-type: none"> • Submission as a single Tender Response; • Meeting the aggregate capacity threshold; • Each component exceeding 10 MW with 8-hour capability; and • Operation under a single operating protocol. <p>Proponents are recommended to assess their own compliance against EC2 and the associated definitions in the Tender Guidelines as part of their Bid submission.</p>

86	Eligibility Criteria	<p>EC5 (a) requires a project " does not intend to bid for a Capacity Investment Scheme Agreement".</p> <p>However, the market brief for CIS tender 8 states "Proponents may elect to submit a bid in both the NSW Firming tender or SA FERM tender and this Tender 8."</p> <p>Please confirm if projects can bid in both FERM and CIS tenders.</p>	Refer to Question 78 for details provided in previous responses.
87	Other	<p>Could you please confirm the process for updating the Registration form after it has been submitted?</p>	Refer to Question 75 for details provided in previous responses.

Q&A Release 11		Distributed 24/11/2025	
#	Category	Question	Answer
88	BAC3 – Financial Value	Can the implementation of escalation of prices at lesser of CPI and 3% please be clarified? Will FERMA variables be indexed prior to the first Operational Year?	<p>Schedule 4, Clause 1.4 of the FERMA outlines the calculation for the indexation of Base Figures. Base Figures include the Revenue Floor, Revenue Sharing Cap and Payment Cap. A New Base Figure will be calculated using:</p> <ul style="list-style-type: none"> • CPIB, the most recent quarterly CPI figure published as at the commencement of the ensuing Operational Year; and • CPIA, the most recent quarterly CPI figure published as at the commencement of the preceding Operational Year, or if there is no preceding Operational Year, as at the Signing Date. <p>Any increase to the Base Figures due to CPI indexation will be capped at 3% per annum.</p>
89	FERMA Contract	<p>We note that an 8 hour BESS typically requires 9 hours to charge (taking round trip efficiency into consideration). Therefore, if the LOR Notice Period is only 6 hours, an 8 hour BESS would not be capable to meet the Capacity Commitment for an initial 8 hours unless it had retained 2-3 hours of charge.</p> <p>If the LOR Notice Period is only 6 hours, is the Facility required to retain sufficient charge to ensure that it can, at all times, meet the Capacity Commitment for an initial 8 hours?</p> <p>If this is that case, then Proponents will need to bid a lower Capacity Commitment than the Facility is capable of achieving in order to ensure it can meet the performance requirements. Is that the intent?</p>	<p>The Tender provides flexibility for Proponents to bid a total export/storage capacity and a Committed Output/Storage Capacity, which are not required to be the same figures. It is up to Proponents to craft a complying product that meets the Capacity Commitment obligations.</p> <p>Refer to Question 43 for details provided in previous responses.</p>
90	Tender Guidelines	Section 2.2.3 of the Tender Guidelines states that, for bidirectional facilities, the Security for Process Bond is an amount equal to \$500 / MWh of energy storage capacity. Where less than 100% of the storage capacity of a Facility is proposed to be contracted	<p>The Security for Process Bond must be calculated based on the total proposed registered energy storage capacity of the Facility (i.e. nameplate capacity), not the proportion contracted under the FERMA. Section 2.2.3 of the Tender Guidelines states:</p> <p>“...for bidirectional facilities, the Security for Process Bond is calculated as an amount equal to \$500 per MWh of energy storage capacity capped at \$800,000.”</p>

		through the tender process, should the Security for Process Bond value be referenced to the proportion of Facility energy storage capacity contracted under the FERMA (contracted capacity) or the total proposed registered capacity?	
91	MLO	In respect of the MLO, could you please advise how settlements under the Qualifying Contracts are intended to be recognised for the purposes of the Operational Revenue (and associated Permitted Costs) where future contracts are settled on entry and are trued up at the time of delivery, especially in circumstances where such settlement and true up occurs in different Operating Years?	<p>Under the Proforma FERMA, Permitted Costs and Operational Revenue are both calculated on a cashflow basis (without double counting) and are recognised in the Operational Year in which they are received and/or paid.</p> <p>This means Scheme Payments and Upside Payments for an Operational Year will reflect actual cashflows in that year.</p>
92	FERMA Contract	Will SA's MLO guidelines be similar with AER's interim MLO guidelines for RRO?	<p>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.</p> <p>The MLO is expected to be finalised in Q2 2026 by the Minister and the associated Minister's Guidelines will be published on the South Australia Department of Energy and Mining website.</p>
93	MLO	In clause 2.2 of Schedule 2, what is the purpose of the use of "and/or". Who will decide which price will apply during a particular Trading Interval where a Project may be eligible to receive either a spot price or price for ancillary services	<p>The phrase "spot price and/or any other \$/MWh price" in Schedule 2, clause 2.2 of the FERMA is intended to ensure that the calculation of Deemed Wholesale Contract Energy Revenue captures all relevant revenue streams for the same Trading Interval. This includes:</p> <ul style="list-style-type: none"> • Energy revenue (spot price under the National Electricity Rules (NER)); and • Ancillary service revenue (e.g., FCAS or other NER-based payments). <p>The definition of DMPTI (Deemed Market Price for the Trading Interval) in Schedule 2 expressly provides that this amount is:</p> <p>"the spot price and/or any other \$/MWh price (or any other price or amount, converted into a \$/MWh equivalent price) paid by AEMO (or any Registered Participant) to any person under the NER in respect of any Notional Quantity exported from the Facility during the Trading Interval."</p> <p>The use of "and/or" allows aggregation of multiple eligible revenue streams in the deemed revenue calculation, rather than limiting the calculation to a single price type.</p>

94	MLO	Will the 20% of committed capacity be calculated based on volumes of both buys and sells, adding the gross volume of trades together? Or will it be calculated only on the net outstanding "sold" contracts (see page 22 of AER's interim guide)?	Refer to Question 92 for details provided in previous responses.
95	FERMA Contract	The term 'relevant period' (lower caps) is used in Schedule 2 (Table S1-1), Schedule 4 (6.1) and Schedule 5 (3.9). The use of this term appears to infer a quarterly or annual time bound. Furthermore the term 'Relevant Period' (upper case) is suggested as a defined term in Definition of 'Cumulative Balance' suggesting it is limited to a single Quarter or single Operational Year. However the response to Q&A #61 responds that it applies to all past years within the Term of the FERMA to date (so could be the past 15 years). Could you please clarify?	<p>The references to 'relevant period' in Schedule 2 (Table S1-1), Schedule 4 (6.1) and Schedule 5 (3.9), is to be given the meaning in relation to the surrounding context of the wording and related headings in the Proforma FERMA.</p> <p>Relevant Period (capitalised) is a defined term within the definition of Cumulative Balance and is defined as 'in respect of a Quarter or Operational Year'. Capitalised terms are not intended to override or give meaning to similar non-capitalised terms used elsewhere.</p> <p>Question 61's response clarifies the meaning of 'Cumulative Balance' which is intended to capture all Scheme Payments, Fuel Reimbursements and Upside Payment from all preceding Quarters and Operational Years, as at the Relevant Period point in time when calculations are made.</p>
96	MLO	MLO are considered a Qualifying Contract and revenues (and permitted costs) are not realised in the same year as settlement under the FERMA Operating Years. How will this settlement discrepancy be managed in the calculation of payment of the Scheme Payments or Upside Payments with the FV?	Refer to Question 91 for details provided in previous responses.
97	FERMA Contract	<p>Can ASL confirm that the following items can be claimed as permitted costs under the Net Revenue calculation:</p> <ul style="list-style-type: none"> • System Strength Charges • Electranet Annuity • AEMO market fees • ESCOSA licensing fees • Charging costs 	<p>Permitted Costs are defined in Schedule 6 of the Proforma FERMA as costs incurred on a cash flow basis for the Facility, and include (among other things):</p> <ul style="list-style-type: none"> • the costs in relation to the import of electricity from the transmission network or distribution network, including any costs incurred on arm's length terms on account of Green Products required by Law (or required to avoid a shortfall charge imposed by Law) to be acquired or surrendered in respect of such electricity; • the costs incurred by the Facility in respect of any ancillary services, Network Support Services or System Support Services; • any other amounts incurred by LDCP under the NER.

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- Auxiliary load

Refer to Schedule 6, 'Permitted Costs' definition of the Proforma FERMA.

Proponents are advised to refer to the listed cost categories provided in the definition to assess whether specific costs fall within the provided categories. For example:

- AEMO market fees may qualify if they are 'amounts incurred by LDCP under the NER'.
- Charging costs and auxiliary load may qualify as 'costs in relation to the import of electricity from the transmission network or distribution network'.
- System strength charges may qualify as a Network Support Service or a System Support Service.

However, ESCOSA licensing fees and an annuity under a connection agreement with ElectraNet would not qualify unless FV were to specifically agree that these are Permitted Costs.

Q&A Release 12		Distributed 25/11/2025	
#	Category	Question	Answer
98	MLO	Under the Market Liquidity Obligation (MLO), will there be a minimum volume of contracts required to be available for each trading period?	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.
99	Tender Guidelines	Can ASL confirm whether a parent company can post the Security for Process Bond and/or Early Termination Security on behalf of the Proponent and/or LDCP, respectively? If yes, are there any additional requirements for the Security for Process Bond and/or Early Termination Security in circumstances where a parent company can provide the relevant security? The various tender documents (including the Guide to Submitting a Security for Process Bond) are silent on this matter.	<p>In respect of the Security for Process Bond, Proponents are referred to section 2.2.3 ('Security for Process Bond') of the Tender Guidelines and terms outlined in the version of the Tender Process Deed relevant to the Proponent (either the 'Single Proponent' or 'Consortium' version), available on ASL's website. Proponents should also take note of section 4.1.9 ('Proponent Structure, Consortium Members and Associates') of the Tender Guidelines. These documents when read together outline which entity should provide the Security for Process Bond, which depends on various factors including whether the Bid Entity has been incorporated at the time of submission and whether a consortium is participating as the Proponent.</p> <p>In respect of the Early Termination Security, Proponents are referred to Schedule 5, Clause 7; the Schedule 6 definition of "Early Termination Security"; and Annexure 2 "Early Termination Security Template", of the Proforma FERMA.</p> <p>Where Proponents are unsure of their legal obligations, Proponents are encouraged to seek independent legal advice in respect of the interpretation of the terms of the proforma FERMA.</p>
100	FERMA Contract	<p>How is an LDCP's LOR obligations passed through to an Eligible Wholesale Contract (i.e. physical toll).</p> <p>It appears these obligations are not transferrable and make it more difficult to layer wholesale contracts and maintain compliance.</p>	<p>Proponents are referred to the proforma FERMA including Schedule 4, clause 2 'Capacity Commitment' and the Schedule 6 definition of "Actual Capacity".</p> <p>Proponents are encouraged to seek independent legal advice in respect of the interpretation of the terms of the proforma FERMA and how they apply to the Proponent's Project, including any potential Eligible Wholesale Contracts the Proponent may seek to enter into.</p>
101	FERMA Contract	<p>Committed Bidirectional Capacity is the required capability (expressed in MW) of all bidirectional units included in the Facility (in aggregate) to dispatch power into the NEM through the Connection Point at any given time.</p> <p>Committed Output Capacity is the required capability (expressed in MW) of the Facility (in aggregate) to</p>	<p>Under the FERMA (Schedule 1, Item 18):</p> <ul style="list-style-type: none"> Committed Bidirectional Capacity is "the required capability (MW) of all bidirectional units included in the Facility (in aggregate) to dispatch power into the NEM through the Connection Point at any given time." And, Committed Output Capacity is "the required capability (MW) of the Facility (in aggregate) to dispatch power into the NEM through the Connection Point at any

		<p>dispatch power into the NEM through the Connection Point at any given time.</p> <p>Please can the distinction between these be clarified. For example, under the relief provisions in Sch 4, clause 2.3, where there is insufficient notice of a Compliance Notice, the Capacity Commitment (being that the Actual (measured) Capacity is equal to Committed Output Capacity) is reduced by an amount equal to the Bidirectional Capacity Commitment.</p> <p>However: (i) in circumstances where notice is lacking, it may not be technically feasible to provide any capacity; and (ii) it is unclear what relationship the Bidirectional and Output commitments have.</p>	<p>given time.”</p> <p>As outlined in clause 2.2(b) ('Defined terms') of the proforma FERMA, italicised terms used in this agreement have the meanings given to them in the NER.</p> <p>Proponents should seek independent legal advice in respect of any contractual interpretation queries they may have.</p>
102	FERMA Contract	<p>What Signing Date should we assume when completing the fields in Schedule 1 - Part 2 - Item 7?</p>	<p>Based on the current tender timeline, the Signing Date is expected to occur no later than 1 May 2025.</p>
103	FERMA Contract	<p>The FERM Agreement limits over-contracting under Wholesale Contracts. The reference metric is 100% of the Committed Output Capacity or Storage Capacity (whether for electricity, Green Products or Capacity Products). Is the intention that, even if Committed Capacity is less than the Nameplate Capacity of the Facility, it is not permitted to undertake other contracting arrangements up to the Nameplate Capacity?</p>	<p>Proponents are referred to the updated proforma FERMA published on ASL's website on 18 November 2025. The particular clause referred to has been amended in this new November 2025 version of the proforma FERMA. For ease in identifying the changes, a compare of the initial proforma FERMA against this new version has also been published on ASL's website.</p>

Q&A Release 13		Distributed 26/11/2025	
#	Category	Question	Answer
104	BAC3 – Financial Value	Can ASL confirm if applicants are allowed to bid a different Committed Output Capacity for each Operational Year. This would allow a BESS project to bid a higher Committed Output Capacity in earlier years, then reducing as the BESS degrades over the Operational Period.	<p>The Committed Capacities (i.e. Committed Output Capacity and Committed Storage Capacity) are fixed on execution of the FERMA between the LDCP and the Financial Vehicle (FV).</p> <p>Proponents are expected to account for degradation when setting the Committed Output Capacity and Committed Storage Capacity to ensure the Facility is able to meet the minimum 8-hour dispatch requirement over the 15-year Operational Period.</p>
105	MLO	<p>Can you confirm the ASX listed SA evening peak future contract does not meet the MLO requirements due to it covering the period of 4pm to 8pm NEM time, which does not completely straddle the SA time requirements in Clarification #1?</p> <p>Does a cap contract or a baseload future meet the MLO definition in the FERMA?</p>	Refer to Question 69 for details provided in previous responses.
106	MLO	Given the Operational Period starts at the later of COD and Target COD, and the Obligation Period 1 for MLO is two months after 1 November 2028, will the MLO obligation take place before COD? (i.e. will the LDCP start providing liquidity before COD?) If so, there may be permitted costs arising from qualifying contracts prior to COD, but cannot be recovered from FV. Is this correct?	<p>LDCP obligations under the FERMA begin on the commencement of the Operational Period, which starts at the later of COD and Target COD (being the Target COD for the relevant Tender Category). Schedule 4, Clause 1.2 of the FERMA states that during the Operational Period the LDCP must ensure that it meets the Market Liquidity Obligation (if applicable).</p> <p>The MLO is expected to be finalised in Q2 2026 by the Minister and the associated Minister's Guidelines will be published on the South Australia Department of Energy and Mining website. Obligation Periods as listed in the Tender Guidelines are listed as applicable to Tender Category 1 entities. Obligation Periods for later categories will be defined in future Ministerial Guidelines.</p>
107	FERMA Contract	Can you please confirm if clauses under schedule 4 clause 1.2 are in order of importance? And if there are conflicts what takes precedence in determining how the project should behave? For avoidance of date the clause referred to is: 1.2 Bidding and market undertakings	<p>Paragraphs (a)-(f) of Schedule 4, clause 1.2 Bidding and Market Undertakes are not listed in order of importance. Each obligation applies concurrently during the Operational Period. Where there is a conflict, each paragraph provides relevant precedence rules.</p> <p>Proponents should seek independent legal advice in respect of any contractual interpretation queries they may have.</p>

At all times during the Operational Period, LDCP must:

- (a) (Registered Participant): be registered as the Registered Participant for the Facility (subject to clause 3.1 of the General Terms);
- (b) (NEM bidding and dispatch): bid and dispatch the Facility (acting as a stand-alone asset at the Connection Point and not on the basis that it is aggregated with any other facility connected at a different Connection Point) into the NEM in good faith in accordance with market signals;
- (c) (AEMO directions): bid the Facility in to the NEM in accordance with any AEMO directions (including during Compliance Intervals and Actual LOR Intervals);
- (d) (operate to maximise revenue): subject to clause 1.2(e) and the Capacity Commitment, operate the Facility in a manner which seeks to maximise the amount of revenue derived from the Facility (and reduce the quantum of Scheme Payments payable under this agreement) in good faith;
- (e) (manage fuel costs) subject to clause 1.2(c) and the Capacity Commitment, bid the Facility in a manner which ensures that the Facility is not dispatched where the sum of Permitted Costs and the Fuel Reimbursement in respect of a trading interval are expected to exceed the Operational Revenue in that trading interval; and
- (f) (Market Liquidity Obligation): ensure that it meets the Market Liquidity Obligation (if applicable).

108 Other

Can the Scheme Administrator please confirm how we submit our draft Security for Process Bond prior

Draft Security for the Process Bond should be submitted via the SA FERM Tender Portal using the "Notification or Clarification to ASL" function, as outlined in Tender Guidelines Section 2.2

		to submission for review by the Scheme Administrator? We note that the guidance refers to submitting an attachment to the 'T1 Notification or Clarification to ASL' form, however, this is not a form that is available for us to submit.	(Bid Submission). If this form is not visible in your portal, please contact the Scheme Administrator at SAFERM.Tender1@asl.org.au for assistance. Proponents must ensure the draft complies with Annexure 2 – Security Requirements of the FERMA Agreement.
109	Other	The Proponent wishes to submit an additional Conflict of Interest Form, however, the Online Portal is not allowing for this. Are you able to please confirm how we submit an additional Conflict of Interest Form?	A new Conflict of Interest Form has been made available in SmartyGrants for the Proponent to complete.
110	BAC3 – Financial Value	The "Effective From Date" on Sheet 3 of the Returnable Schedule references the "Expected date for COD". Can ASL confirm when the First Operational Year starts?	For Tables 8, 9 and 9(b) in Sheet 3 of the BAC3 Returnable Schedule, the indicated Operational Years column should be considered, and the "Effective From Date" should be ignored as it incorrectly referenced only the Expected date for COD rather than considering the Target COD. The First Operational Year is the period commencing on the later of COD and the Target COD and continuing to the subsequent 31 October. Subsequent Operational Years are aligned with 1 November of each year after the First Operational Year. Please refer to Addendum 1, Clarification 2 for further detail.
111	Eligibility Criteria	What is the intention for facilities in development, given that those Facilities are not registered yet and the Facilities will not have been recognised by the Minister as being equivalent to a 'new designated electricity entity' prior to Tender launch, but there is not the option to answer "not applicable" in the bid form?	EC3 requires that the Bid Entity must be: <ul style="list-style-type: none"> • A person who is required or intends to be registered by AEMO as a Generator / Integrated Resource Provider after the date of Tender Launch and prior to the Required COD; or • A person who: <ul style="list-style-type: none"> ○ On or prior to the date of Tender Launch, has either: <ul style="list-style-type: none"> ▪ notified AEMO under clause 2.10.1 of the NER that it wishes to terminate the existing classification of the Facility prior to 1 July 2028; or ▪ submitted a notice of intention to the Scheme Regulator that the person intends to withdraw from or exit the NEM, or otherwise cease to provide long duration dispatchable electricity capacity; and

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- is recognised by the Minister as being equivalent to a 'new designated electricity entity ' (as defined in the SA FERM Regulations) on account of the substantial replacement of existing assets.

Proponents are recommended to assess their own compliance against the EC3 criteria and select the relevant options that apply to their Facility as part of their Bid submission.

Q&A Release 14		Distributed 27/11/2025	
#	Category	Question	Answer
112	FERMA Contract	Will the cost associated with initial and variation margin be considered permitted costs?	<p>Proponents are referred to the proforma FERMA including the definition of “Permitted Costs”, including limb (n) which relates to costs that are not considered Permitted Costs.</p> <p>Proponents are encouraged to seek independent legal advice in respect of the interpretation of the terms of the proforma FERMA and how they apply to the Proponent’s Project.</p>
113	FERMA Contract	Payments by FV from a fund established for the FERM (Sch 4, clause 7.6(c)): will the State or ASL be making a due diligence report on the legal structure and funding of the FV available to bidders/financiers?	<p>The Financial Vehicle has not yet been established but is intended to be established prior to the execution of the FERMA’s.</p> <p>Proponents are advised that the SA FERM Trust has been assigned a Moody’s A2 stable credit rating. A market briefing note on this is available on the ASL website on the SA FERM – Tender Round 1 page.</p>
114	FERMA Contract	Could you please confirm that for Facilities that do not have Conventional Capacity Commitment, Bidirectional Capacity Commitment is the same as Committed Output Capacity?	<p>Proponents are to note the definition of Committed Output Capacity in Item 18 of the Reference Schedule, which states:</p> <p><i>“Committed Output Capacity is the required capability (expressed in MW) of the Facility (in aggregate) to dispatch power into the NEM through the Connection Point at any given time.”</i></p> <p>In aggregate, refers to the aggregate of Committed Bidirectional Capacity and Committed Conventional Capacity (expressed in MW).</p>
115	FERMA Contract	With respect to the definition of Operational Revenue as per Schedule 6, clause 1 can you please confirm that reference to the Facility is meant to be a reference to LDCP? Noting that revenue derived by the LDCP may not be the same as revenue derived by the facility as the LDCP may have wholesale contract in place.	<p>The definition of Operational Revenue in Schedule 6, clause 1 refers to revenue derived by the LDCP in respect of the Facility. The definition applies as drafted.</p>
116	FERMA Contract	What Signing Date should we assume when completing the fields in Schedule 1 - Part 2 - Item 7?	<p>Under the FERMA, the Signing Date is defined as:</p> <ul style="list-style-type: none"> • “the earliest date on which this agreement has been signed by both parties.” (Schedule 6 – Definitions) <p>For the purposes of completing Schedule 1 – Part 2 – Item 7, all milestones are expressed as “Signing Date + [X] months”. Given that at the time of submitting their Bid proponents will not</p>

know what the Signing Date will be, when completing Schedule 1 – Part 2 – Item 7 proponents should assume that the signing date will be no later than 1 May 2025. Proponents should populate the relevant Item 7 fields as follows:

“Signing Date + [X] months, assuming that the Signing Date will be no later than 1 May 2025”

Note for Proponents: Due to a drafting error, the final response to this question was not included in the previously distributed document. This has now been corrected, and the response above reflects the accurate guidance. Proponents are to disregard the response to Question 102 of Batch 12.

Q&A Release 15		Distributed 28/11/2025	
#	Category	Question	Answer
117	FERMA Contract	<p>We require clarification for the COD terms throughout the FERMA Proforma.</p> <p>The FERMA Proforma has a range of COD-linked terms which appear circular and do not allow the Proponent to manually enter a date that is not hard coded to one of the Tender Category dates. Are Proponents supposed to be able to nominate a COD that is different to the Tender Category COD in the FERMA Proforma itself? The only place we can find a location to enter a different value is in the SmartyGrants Bid form section titled "Facility 's expected date for COD for the Default Bid? (dd/mm/yyyy). Is this date taken into consideration by the FV in the evaluation of attractiveness of bids?</p> <p>Otherwise, it appears that all 'Required COD', 'Target COD' and "Milestone Dates - COD" are intended to be exactly the same in the Proforma.</p>	<p>"Required COD" and "COD Milestone Date" refer to the same concept for the Facility, and is provided by the Proponent in its Bid and FERMA.</p> <p>"Target COD" refers to only the listed Target CODs corresponding to a relevant Tender Category, including where used in the proforma FERMA. See "Target COD" in Glossary of Tender Guidelines.</p> <p>Per section 1.3 of the Tender Guidelines:</p> <ul style="list-style-type: none"> Proponents must nominate a Required COD that is on or before one of the Target CODs listed. Bids will be allocated to the Tender Category based on their Required COD. 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, 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. <p>It is generally expected that the COD Milestone Date and Target COD are aligned.</p> <p>References to expected date for COD are for information purposes only. Of note, modelling in BAC3 is not expected to consider the expected date for COD even where this is different to the COD Milestone Date or Target COD.</p>
118	FERMA Contract	<p>If a Force Majeure Event (FME) occurs and impacts availability of the Facility, will the LDCP have to pay the Availability Rebate? It appears that clause 3.5 of Schedule 2 is intended to allocate FME risk between the contract parties, depending on the duration of an FME which affects Facility availability? Is this correct and can the operation of this provision be clarified?</p>	<p>Clause 3.5 of Schedule 2 provides that, to the extent that LDCP is unable to meet the Availability Requirement as the direct result of FME, an availability adjustment may apply. The availability of an adjustment will depend on:</p> <ol style="list-style-type: none"> the continuous period of time over which the FME continues to affect the Facility's availability (and, therefore, the LDCP's ability to meet the Availability Requirement) the extent to which the FME contributes to the LDCP's failure to meet the Availability Requirement (versus other factors affecting Facility availability during the relevant period because the adjustment only applies to the extent that the LDCP is unable to meet the Availability Requirement as a direct result of the FME)

In summary, for any FME which affects the Facility's availability for:

1. a period of up to 90 days continuous duration (meaning FM Band 1 applies), no adjustment will apply. The Availability Uptime Percentage will be assessed applying the standard formula, in accordance with clause 3.4 of Schedule 2.
2. a period of between 91 and 360 days (inclusive) continuous duration (meaning FM Band 2 applies):
 - a. for the first 90 days, no adjustment will apply; and
 - b. between day 91 until the date that LDCP's ability to meet the Availability Requirement ceases to be directly impacted by the Force Majeure Event, the FM Reduction (i.e. the amount by which the Availability Uptime Percentage is less than the Required Availability Percentage due to the FME) will be taken to be 0 when calculating the Availability Uptime Percentage.
3. more than 360 days (meaning FM Band 3 applies):
 - a. for the first 90 days, no Availability Rebate adjustment will apply;
 - b. from day 91 to day 360, the actual Availability Uptime Percentage will be adjusted as explained in paragraph 2(b) (FM Band 2) above; and
 - c. from day 361 and for so long as the FERMA remains on foot and the FME affect the Facility's availability, the Availability Uptime Percentage will:
 - i. be taken to have been increased to 50%, where the actual Availability Uptime Percentage is less than 50%; or
 - ii. remain unadjusted, where the actual Availability Uptime Percentage is 50% or more.

The adjustment regime can therefore have the effect of apportioning FME risk between the parties from day 91 of a continuous period of FME affecting a Facility's availability, because an increase to the Availability Uptime Percentage can decrease the total Availability Rebate, which is subtracted from the Support Payments that FV may otherwise have to pay to the LDCP.

Proponents should note that adjustments do not switch on or off the Availability Requirement for a particular period of time. Similarly, the occurrence of a FME does not have a binary impact on the potential obligation to pay the Availability Rebate. The Availability Rebate is payable if the Availability Uptime Percentage is less than the Required

Availability Percentage, assessed over the course of the entire Operational Year. Any applicable adjustment to the Availability Uptime Percentage in respect of the period for which Facility availability was affected by an FME may, but will not necessarily, increase the Availability Uptime Percentage for the entire Operational Year to a point where it is equal to or in excess of the Required Availability Percentage.
