NSW Electricity Infrastructure Tenders

Market Briefing Note on outcomes of Tender Round 6 for Long Duration Storage infrastructure

LTESAs awarded to 1.17GW, 11.98GWh of new Long Duration Storage projects in NSW

ASL has announced the award of Long-Term Energy Service Agreements (**LTESAs**) in NSW Roadmap Tender Round 6 for Long Duration Storage (**LDS**) to six Battery Energy Storage Systems (**BESS**) projects with a cumulative maximum capacity of 1.17 GW and a combined storage capacity of 11.98 GWh. This represents the highest number of LTESAs awarded in a single tender round and largest cumulative capacity in MW in an LDS round to date.

This market briefing note provides information on successful LDS Bids in Tender Round 6 and outlines how ASL, in its capacity as NSW Consumer Trustee, is making tender decisions in the long-term financial interests of New South Wales (NSW) electricity customers.

These Bids were recommended to the Scheme Financial Vehicle (SFV) following the completion of a competitive tender process where the Projects comprehensively demonstrated their value to NSW electricity customers and benefits to their host communities.

The successful Projects are connecting to existing network infrastructure and are not expected to require an Access Right to connect.

Please refer to Appendix 2 – Key definitions for further information on terms used throughout this note.

Table 1: Successful Projects in Tender Round 6

Project Name	Technology	MW / MWh
Armidale East BESS	BESS (Li-ion)	158 MW / 1,440 MWh
Bannaby BESS		233 MW / 2,676 MWh
Bowmans Creek BESS		250 MW / 2,414 MWh
Ebor BESS		100 MW / 870 MWh
Great Western Battery		330 MW / 3,500 MWh
Kingswood BESS		100 MW / 1,080 MWh

Awarded to 117% of the indicative tender size

The Tender Guidelines provided an indicative tender size of 1 GW (and at least 8 GWh) for Tender Round 6. ASL has the flexibility to recommend LTESAs above or below the indicative tender size where it is determined to be in the long-term financial interests of NSW electricity customers. The successful LDS Projects represent 117% of the indicative tender size.

These Projects are expected to contribute towards the minimum objectives for LDS set under the Electricity Infrastructure Investment Act 2020 (EII Act) and provide a positive contribution to improving potential reliability outcomes for NSW.

The Projects from this tender are expected to:

- **Contribute a further ~59% to the minimum objective for 2030 of 2 GW and 16 GWh of long duration storage once all Projects are operational, meeting the 2030 objective when including the outcomes of prior LTESA tenders.**
- **Contribute a further ~43% to the minimum objective for 2034 of 28 GWh of long duration storage once all Projects are operational, and exceed the 2034 minimum objective when including the outcomes of prior LTESA tenders.**

The above values consider the Commercial Operations Date (**COD**) of successful Projects. As an example, a Project with a COD in 2031 would only contribute to the 2034 objectives.

Sixth successful NSW Roadmap tender for ASL

Tender Round 6 was the sixth NSW Roadmap tender conducted by ASL, and the fourth to offer LDS LTESAs. It was conducted in accordance with the 10-year Tender Plan set out in the 2025 Infrastructure and Investment Objectives Report.[1]

ASL, as the NSW Consumer Trustee, designs and implements competitive tenders under its mandate to recommend LTESAs that are in the long-term financial interests of NSW electricity customers. LTESAs incentivise the market to bring forward new energy infrastructure investment in NSW. The LTESA design is intended to spur investment and lower the cost of financing while protecting cost exposure for NSW electricity customers.

Further competitive tenders are scheduled to be run for LDS Projects which can contribute towards the targets outlined in the 2025 IIO Development Pathway, and support reliability needs.

The next LDS tender is expected to launch in Q2/2026 with an indicative target per the 2025 IIO report of 12 GWh of LDS Projects. Additional tenders have been outlined in the 2025 IIO Report.

Proponents should refer to the ASL website for the latest information on current and previous Tender Rounds.

Market Briefing notes on the outcomes of Tender Round 1 (generation and LDS), Tender Round 2 (firming), Tender Round 3 (generation and LDS), Tender Round 4 (generation) and Tender Round 5 (LDS) are available online.

An overview of previous tender outcomes is shown below in Table 2.

Table 2: Sum of Maximum Capacity (MW) for all Projects and Storage Capacity (MWh) for LDS and Firming Projects contracted to LTESAs across Tender Rounds

Tender Round	Generation	Long duration storage	Firming
6	N/A	1,171 MW / 11,980 MWh	N/A
5	N/A	1,025 MW / 13,790 MWh	N/A
4	312 MW[2]	N/A	N/A
3	750 MW	524 MW / 4,192 MWh	N/A
2	N/A	N/A	1,075 MW / 2,980 MWh
1	1,390 MW	50 MW / 400 MWh	N/A
Total	2,452 MW	2,770 MW / 30,362 MWh	1,075 MW / 2,980 MWh

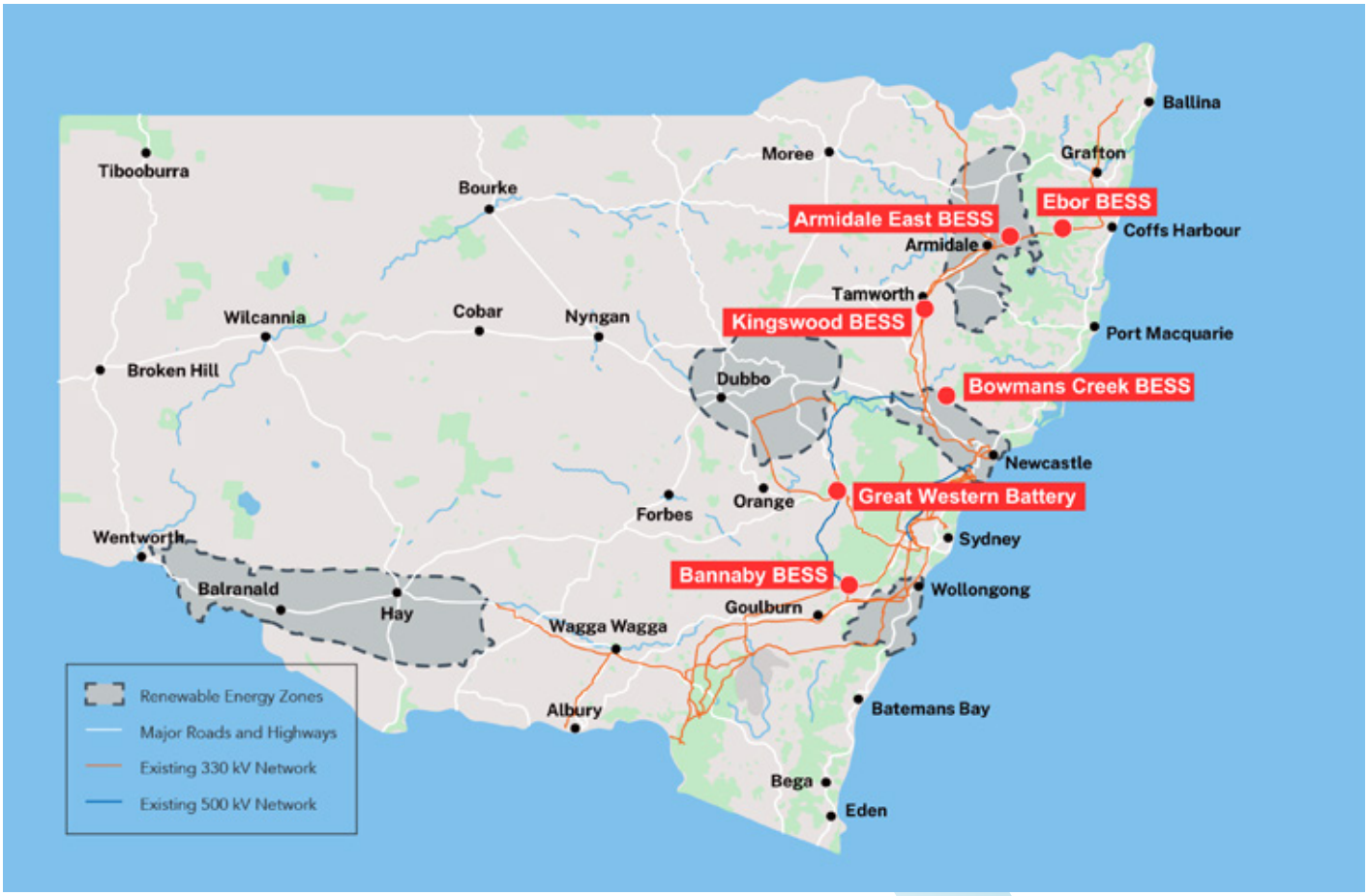
An overview of the successful Projects is set out in Table 3 and their locations shown in Figure 1.

[1] The final 2025 IIO Report, being the most recent, was published on 11 August 2025 and is available at the above link.
[2] Tender Round 4 awarded Hybrid Project has a storage capacity of 372MWh not captured in this table.

Table 3: Successful Projects in Tender Round 6 – Long Duration Storage

Project Name	Proponent / Ultimate Parent	Technology	Maximum Capacity / Storage Capacity	Storage duration at COD
Armidale East BESS	FRV Services Australia	BESS (Lithium-ion)	158 MW / 1,440 MWh	9.1 hours
Bannaby BESS	BW ESS Australia		233 MW / 2,676 MWh	11.5 hours
Bowmans Creek BESS	Ark Energy Corporation		250 MW / 2,414 MWh	9.7 hours
Ebor BESS	Bridge Energy Projects		100 MW / 870 MWh	8.7 hours
Great Western Battery	Neoen Australia		330 MW / 3,500 MWh	10.6 hours
Kingswood BESS	Iberdrola Australia		100 MW / 1,080 MWh	10.8 hours

Figure 1: Location of Projects awarded LTESAs in NSW Roadmap Tender Round 6



Further tenders to meet NSW needs identified in the IIO Report

The development pathway continues to send a strong signal for future LDS Projects that are required beyond the 2030 and 2034 minimum objectives.

The 2025 IIO Report identified a development pathway that requires over 42 GWh of LDS infrastructure by 2034, exceeding the 2034 minimum objective of 28 GWh, to ensure greater resilience to reliability risks. Successful Projects from this tender and prior LTESA tenders provide a 72% contribution to the identified 42 GWh in the development pathway, noting this exceeds the minimum objective for 2034.

The next LDS tender round is expected to be opened in Q2/2026.

The Consumer Trustee encourages all competitive and eligible Projects, including technologies with a variety of lead times, to participate in 2026 and future LDS tenders. Further award is expected as part of meeting the development pathway which is above and beyond the minimum objectives for 2030 and 2034.

The Consumer Trustee is committed to enabling a diverse pipeline of projects, including those in earlier development stages, to support achieving the objectives of the EII Act. While earlier stage projects may present greater delivery risks, these are proactively managed through the risk allocation of the LTESA which ensures NSW electricity customers remain protected.

Further tenders will continue to be run to meet identified needs for LDS in NSW, as outlined in the 2025 IIO Report.

High scoring on merit criteria

A number of competitive Bids for LDS Projects were received in Tender Round 6.

ASL used seven Merit Criteria, with each Merit Criteria given an individual weighting (see Appendix 3 – Merit Criteria Weightings), to assess the quality of Bids and make recommendations as the Consumer Trustee.

The successful Bids scored well across:

- **non-financial Merit Criteria** – including a diverse range of social licence initiatives, a clear pathway to commercial operations and strong organisational ability to deliver the project, and low impact on curtailment of existing generators; and
- **financial Merit Criteria** – including competitive cost and limited cost exposure, high Wholesale Market Benefits, high System Benefits, and minimal or no departure from the pro-forma contract risk allocation.

Bids were assessed under the approach outlined in the Tender Guidelines. Scoring against Merit Criteria is a key input considered by the Consumer Trustee and under the provisions of the EII Act, the Consumer Trustee may only recommend a Bid where:

- **it is considered to be in the long-term financial interests of NSW electricity customers (having regard to the assessment as a whole); and**
- **the recommendation satisfies or is consistent with all relevant statutory requirements and duties.**

The tender assessment considers specific electricity system benefits and, in this tender, Projects were considered higher merit where they could reasonably demonstrate the potential to:

- **Provide a positive contribution to NSW network by relieving some congestion of nearby renewable plant and relieving certain stability limits.**
- **Contribute to improved system strength through grid-forming inverter capabilities or an ability to operate as a synchronous unit with quantified increase to fault levels and provision of inertia.**
- **Provide essential system services including network service capabilities including frequency control, voltage control and system restart ancillary services.**

Assessment against MC5 'Financial Value and system benefits'

This section provides insights into the assessment of Merit Criteria 5 (**MC5**). Appendix 1 – Characteristics of high performing Bids outlines some insights from the MC5 assessment of LDS LTESA Bids in Tender Round 6 and key characteristics of successful Bids (noting that it does not represent an exhaustive consideration of financial value).

The Consumer Trustee uses the Tender Assessment Committee's assessment as a key input to its decision-making process, while retaining discretion to decide which Bids to recommend to the SFV. The Consumer Trustee may only recommend a Bid where it considers that the recommendation would be in the long-term financial interests of NSW electricity customers and complies with the relevant statutory requirements and duties.

MC5 is designed to assess the financial value of a Project and Bid through the Project's potential to reduce modelled unserved energy in NSW ('**System Benefits**'), the Project's impact in reducing energy prices in NSW ('**Wholesale Market Benefits**'), and a Bid's forecast LTESA cost ('**Net LTESA Cost**'). Projects are rewarded under Wholesale Market Benefits for lowering price volatility and NSW wholesale market costs, improving supply adequacy and reducing potential curtailment (also covered in Merit Criteria 1).

Projects were scored using the Benefit-Cost Ratio (Wholesale Market Benefits divided by Net LTESA Cost) and System Benefits metrics. The MC5 methodology was comprehensively outlined in MC5 Market Briefing Note.

All six successful Projects were assessed as providing a reliability benefit by reducing modelled unserved energy in NSW under high stress network events and represent good value propositions for NSW electricity customers with benefits exceeding Net LTESA costs.

System Benefits was forecast across different horizons with assumptions generally based on inputs to AEMO's 2024 ESOO and using an approach aligned to modelling in AEMO's Enhanced Locational Information report.

The Reliability Scenarios were designed to reflect different horizons (stages) of the energy transition and rewarded Projects that contribute the most to reducing system reliability risks. The scenarios included a Medium-Term scenario with a focus on broad NSW reliability risk, and a Long-Term scenario with a focus on reliability risks in the longer-term horizon when coal generators in NSW are retired and includes high levels of VRE. An additional scenario was based on the Long-Term scenario but focused on a single historical weather year where low VRE generation contributes most to unserved energy. High performing Projects generally performed well against all the Reliability Scenarios.

Wholesale Market Benefits and Net LTESA costs were modelled over several electricity market scenarios which were designed to reflect varying levels of volatility. Certain modelling levers, such as the use of more extreme demand profiles or thermal outage rates, are used to drive different volatility outcomes with changed supply adequacy and risks of unserved energy events. ASL considers that volatility is often underestimated when performing traditional business-case energy market modelling and may use modelling levers to increase volatility in its central and high volatility scenarios for the purpose of assessment.

Projects could provide high Wholesale Market Benefits, particularly in the high volatility scenario, where they are located in strong network locations and have longer storage durations. In a low volatility scenario, Projects are expected to earn less revenue and therefore have higher Net LTESA cost. Also, in the low volatility scenario, Projects would be expected to have less potential to create Wholesale Market Benefits through reducing volatility or high prices. In a high volatility scenario, the opposite is true as Projects are expected to earn higher revenue and have a lower Net LTESA cost, and to have a greater ability to reduce energy prices. Generally, a Project that performed comparably well in any one scenario was also likely to do well in other scenarios.

LTESA Cost Metrics

The winning Projects used the flexibility of the bid structure in a way that was forecast to lower the potential Net LTESA Cost outcomes for NSW electricity customers.

There is significant flexibility embedded in the LDS LTESA which balances providing support to Proponents while unlocking value for NSW electricity customers. This includes reducing the contract term of an LTESA or excluding potential support in certain years. LDS LTESAs can also have varying bid prices by year and may be bid with a nominal dollar pricing structure. To be competitive in MC5, a Financial Value Bid should be developed in a targeted way to suit the Proponent's needs and minimise Net LTESA Costs to NSW electricity customers.

As outlined in previous market briefing notes, the Annuity Cap is the key pricing variable, and a competitively bid Annuity Cap minimises both Net LTESA Cost and Maximum Liability. Successful Proponents set their Annuity Caps below their Net Revenue Thresholds, indicating they are accepting some market revenue risk and not relying on the LTESA to fully cover their investment costs.

Reducing the contract term is an example of a competitive feature in a successful Bid. A Proponent may reduce the contract term or exclude Annuity Periods if they forecast sufficiently high operational revenue for those periods. This reduces the number of periods in which the SFV may be required to make top up payments and lowers potential LTESA cost outcomes for NSW electricity customers compared to a full contract term.

Table 4 communicates representative values for bid prices and potential costs to the SFV for successful Projects in this tender. The MWh-weighted Average Equivalent Annuity Cap and Average Equivalent Annual Annuity are shown for successful Projects in Tender Round 6.

As a point of comparison, Table 4 also shows the MWh-weighted average for Average Equivalent Annuity Cap across previously awarded LDS LTESAs from Tender Rounds 1, 3 and 5, split between technologies with 14 and 40-year maximum LTESA terms.

Table 4: Average Equivalent Annuity Cap and Average Equivalent Annual Annuity for awarded LDS LTESAs

LDS Projects	Technology	Maximum LTESA Contract term	Average Equivalent Annuity Cap (real 2024)[3]	Average Equivalent Annual Annuity (real 2024)[4]
Successful Tender Round 6 LDS Projects	BESS (Li-ion)	14 years	~$150,000/MW/year, ~$14,000/MWh/year	~$125,000/MW/year, ~$12,000/MWh/year
Previously awarded Projects with 14-year maximum term[5]	BESS (Li-ion)	14 years	~$185,000/MW/year, ~$23,000/MWh/year	Not provided as electricity price forecast modelling is updated between tender rounds
Previously awarded Projects with 40-year maximum term[6]	PHES and A-CAES	40 years	~$155,000/MW/year, ~$11,000/MWh/year	

[3] Per-MW values are rounded to the nearest $5,000 and Per-MWh values are rounded to the nearest $1,000.
[4] As above.
[5] Inclusive of Tender Rounds 1, 3 and 5.
[6] As above.

Average Equivalent Annuity Cap - The Average Equivalent Annuity Caps presented in the table above are a MWh weighted average across the relevant group of Projects. The Average Equivalent Annuity Cap is a representative value used for communicating bid prices and how these change between tenders. This value is representative of a bid price and not a cost outcome under an LTESA. It considers the maximum allowable contract term for a given technology rather than any reduced term. For example, if two BESS Bids had the same Annuity Cap but one bid for 10 Annuity Periods rather than 14, the calculated Equivalent Annuity Cap of the Bid with the shorter term would reflect this through a lower value.

Comparing 14-year and 40-year LDS LTESAs - The table above groups values by maximum LDS LTESA contract term. On average, Bids received in Tender Round 6 were more competitive than previously awarded Projects with a 14-year maximum term. The Average Equivalent Annuity Caps for 40-year maximum terms have previously been lower on a per year basis. However, when multiplied by the number of years available, they would convert to higher total values than for the 14-year contracts.

Average Equivalent Annual Annuity - The Average Equivalent Annual Annuity values presented in the table above are a MWh weighted average across the relevant group of Projects. The Average Equivalent Annual Annuity is a representative value used for communicating potential costs of an LTESA to the SFV over the Project's operational life and is shown here without considering the potential Wholesale Market Benefits of the related Project.

The Average Equivalent Annual Annuity is a useful metric for comparing Projects with different operational lifetimes and periods over which they can provide Wholesale Market Benefits.

The Equivalent Annual Annuity depends on electricity price forecast assumptions which is the reason why it is not comparable across tender rounds. As the Annuity Cap sets the upper bound for LTESA payments, the Equivalent Annual Annuity will always be below or equal to the Equivalent Annuity Cap.

Comparability against previous published outcomes may be affected by the impact of weighting method (MWh-weighted here) and separating LDS LTESAs by maximum term. The values are shown for an aligned methodology across Table 4.

By default, bid prices escalate at the lesser of CPI or 3% per annum. The real 2025 dollars equivalent of the Fixed Price as shown in Table 4 has been converted from nominal, based on an assumed CPI increase of 2.5% per annum.

Appendix 1 – Characteristics of high performing Bids

Key	Outcomes
Benefit-Cost Ratio (BCR)	BCR was a key scoring metric in the MC5 assessment. It is calculated by dividing Wholesale Market Benefits by Net LTESA Cost (both net present value, scenario-weighted). BCR rewards value for money, rather than just low cost. Having a high BCR relative to other Projects was a strong indicator for high score in MC5. A high BCR could be driven by high Wholesale Market Benefits (driven by good location, longer duration, or longer asset life) and low Net LTESA Cost (driven by low Annuity Cap, low Net Revenue Threshold, excluding periods or reducing contract term, and higher forecast Net Operational Revenues). All successful Bids in this tender were forecast to have Wholesale Market Benefits that exceed their Net LTESA Cost.
Net LTESA Cost	Lower Net LTESA Cost increases the competitiveness of a Bid. Net LTESA Costs were assessed to be lower where Bids had the following features: • Low Bid Prices (primarily low Annuity Cap and secondarily a low Net Revenue Threshold). • Excluded multiple Annuity Periods or bid a reduced Contract Term. • Took on CPI risk, reducing the SFV's cost exposure. These bid variables were assessed favourably where they led to a low Net LTESA Cost and Maximum Liability, and reduced cost and risk to the SFV.
Maximum Liability	This metric considered the maximum potential payments from the SPV over the full LTESA term. As it considers the highest possible cost, Maximum Liability did not consider Projects' forecast Net Operational Revenue. Projects were assessed favourably If they had a competitively low Maximum Liability per MWh.
Bid Prices	Competitive Bids had a low Annuity Cap and a low Net Revenue Threshold. The Annuity Cap was seen to have a much greater impact on MC5 assessment outcomes and was a key driver for minimising both Net LTESA Cost and Maximum Liability.
Storage Duration	Overbuilding the storage duration of the Project beyond 8 hours was assessed favourably. Additional storage was modelled to provide higher absolute Wholesale Market Benefits to NSW electricity customers and increase System Benefits for a Project, all else being equal. Notably, Bannaby BESS is expected to provide over 11 hours of storage at COD, a clear overbuild above the 8-hour minimum requirement. All else being equal, the additional duration increased its competitiveness.
Network Location	Network location is a key driver of Wholesale Market Benefits and System Benefits and can be more important than additional storage duration for a Project. Being well located in a strong part of the network is expected to allow a Project's dispatch to flow to load centres, particularly during periods of highest need. Projects located in less constrained parts of the network during modelled unserved energy events were shown to score favourably on System Benefits compared with those near congested flow paths.
Earlier Commercial Operations Date (COD)	An earlier COD was assessed favourably where the Project being available in the market earlier allowed it to capture more of the value arising from the modelled wholesale market volatility observed in earlier years. This led to higher forecast Net Operational Revenues in earlier years which could potentially put downward pressure on LTESA payments from the SFV. Additionally, earlier Project operation was assessed to be impactful to Wholesale Market Benefits if it was forecast that there was good opportunity to provide wholesale price suppression.

Appendix 2 – Key definitions

Key	Outcomes
Annuity Cap	Annuity Cap is a bid variable. It sets the maximum annuity that may be paid by the Scheme Financial Vehicle to the LTES Operation in a Financial Year of an Annuity Period. Annuity Cap is an important input in modelling of Net LTESA Cost but is not considered in isolation in determining the Financial Value of a Bid.
Annuity Period	A period of one financial year in which an LDS LTESA annuity product is available.
Bid variables	Inputs provided by a Proponent in the MC5 Returnable Schedule. Includes Annuity Cap, Net Revenue Threshold, Contract Term, excluded periods and escalation type.
Net LTESA Cost	The net present value of forecast costs that may be incurred by the Scheme Financial Vehicle for an LTESA, weighted across a range of future potential scenarios.
Maximum Liability	Equal to the sum of the full Annuity Cap being paid in every Annuity Period over the Contract Term
Net Operational Revenue	Intended to cover all revenue streams for the Project that are received by the LTES Operation, netted off against permitted costs. This would include gross revenue generated through the wholesale energy market, ancillary markets, network support, any future emerging markets and any other eligible contracts, minus certain costs including the cost of purchasing energy to generate these revenues.
Net Revenue Threshold	The Net Revenue Threshold is a bid variable. As a Project's Net Operational Revenue increases toward the Net Revenue Threshold, the annuity payment from SFV reduces below the Annuity Cap. If Net Operational Revenue exceeds the Net Revenue Threshold, a 50% revenue sharing percentage applies and a repayment to the SFV may apply. Repayments are capped at Historical Net Payments. A lower Net Revenue Threshold may reduce the Net LTESA Cost, all else being equal, but it had a lesser impact on Net LTESA Cost than minimising an Annuity Cap.

Appendix 3 – Merit Criteria Weightings

The below table shows the Merit Criteria weightings applicable to Tender Round 6.

Merit Criteria	Weighting
MC1 – Impact on the electricity system	11%
MC2 – Pathway to commercial operation	11%
MC3 – Organisational capacity to deliver the Project	11%
MC4 – Community engagement, shared benefits and land use considerations	11%
MC5 – Financial value and system benefits	45%
MC6 – Contract departures	
MC7 – Regional economic development	11%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