



Tender Round 8: Generation Infrastructure Proponent Webinar

3 June 2026



We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

AEMO Group is proud to have delivered its first Reconciliation Action Plan in May 2024. '*Journey of unity: AEMO's Reconciliation Path*' was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation – a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.



Who are we?

An independent, for purpose service provider, established to support the delivery of energy commitments made by governments that will transform Australia's energy system.

Our vision

A net zero energy system that benefits all Australians.

Our purpose

Bridging ambition and action to deliver the energy transition.

Services

We provide tender and advisory services to support investment in energy infrastructure across Australia.

Our services include tender delivery and system planning, product design and advice, financial risk management and advice, governance and established stakeholder relationships.

Purpose of today's discussion

The purpose of today's discussion is to provide Proponents with an understanding of Tender Round 8 to enable high quality submissions.

- 1. Introducing Tender Round 8**
- 2. Overview of the LTESA Products**
- 3. Assessment Framework**
- 4. Next steps and Q&A**



Introducing Tender Round 8: Generation Infrastructure



About Tender Round 8

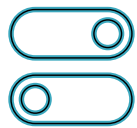
Tender Round 8 is the biggest NSW Generation Infrastructure Tender and the first since 2024, Tender Round 4.



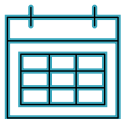
NSW is a buyer of high-value projects with an indicative target of **2.5 GW (7,000 GWh)** eligible generation infrastructure for this Tender Round.



Projects must have credible delivery pathways, competitive bids, deliver value for money and have high social value. These include projects with a generation profile aligned with high price and demand periods.



Two Generation LTESAs are available in this Tender Round – Generation LTESA and Hybrid Generation LTESA, which are designed to account for different Project configurations and financing approaches.



It is being run concurrently with Tender Round 9 for Long Duration Storage (**LDS**) Infrastructure.



Generation LTESA and Hybrid Generation LTESA



What LTESA products are available?



Two LTESAs are on offer this Tender Round:

- The **Generation LTESA** provides an LTES Operator with a series of options to access a fixed price, cash settled swap.
- The **Hybrid Generation LTESA** provides an LTES Operator with a series of options to access a cash settled swap with price risk sharing.

Benefits to Proponents:

- **Support during downside scenarios**
- **Flexibility**
- Integrates **with a range of revenue strategies** and project-types

How to bid for the two LTESAs

	Generation LTESA	Hybrid Generation LTESA
 Generation only	Yes	No
Non-Assessed Hybrid Project	Yes	No
 Assessed Hybrid Project (does not meet additional considerations*)	Yes	No
Assessed Hybrid Project (meets additional considerations*)	Yes	Yes

Non-Assessed Hybrid Project:

- LTESA will allow but not contractually require the delivery of the Associated storage Project.
- Only the generation component is assessed against the Merit Criteria

Assessed Hybrid Project:

- Both the generation and storage components are contractually required to be delivered and are assessed against the Merit Criteria.

* Additional considerations include:

- Power capacity of the Storage Project should not exceed the power capacity of the Generation Project.
- Storage Project must be able to provide a minimum of 4 hours of continuous output at COD.
- LTES Operator must maintain sub-meters for the Generation Project, be configured with a single point of connection to the transmission/distribution network and registered with AEMO under the correct configuration.

Key terms

LTESAs are option-based revenue support agreements that can improve the commercial viability of Projects.

Term	Generation LTESA and Hybrid Generation LTESA
Option periods	Options to enter Swap Periods of one financial year, and up to 20-years of options are available.
Monthly settlements	Settlements are monthly in Swap Periods, improving cash flow frequency, with annual true-ups.
Excluded periods	Where LTES Operator commits to not exercising its option for a Swap Period.
Swap Percentage	In a Swap Period, <i>Swap Percentage</i> equals <i>Contracted Percentage</i> (set up front in LTESA) multiplied by <i>Nominated Percentage</i> (nominated for each Swap Period).

Hybrid Generation LTESA is offered alongside Generation LTESA and supports different configurations.

Term	Generation LTESA	Hybrid Generation LTESA
Base price	Fixed Price	Strike Price
Price-risk Sharing	No price-risk sharing term	50% price-risk sharing
Settled Quantity	On Sent Out Generation	On Sent Out Net Exports
Negative Price Provisions	Floating Price limited to \$0	Swap volume set to 0 MWh
Performance obligation	Annual generation obligations	Annual generation, and storage availability and capacity obligations

Alternative Bids and assessment under MC1

Product Options	Default Bid	Alternative Bid
All Projects	Generation LTESA	Generation LTESA
Assessed Hybrid Projects (only)	Generation LTESA	Hybrid Generation LTESA
	Hybrid Generation LTESA	Hybrid Generation LTESA

Bid Variables	Default Bid	Alternative Bid
Fixed Price / Strike Price	Bid Variable, single value	Bid Variable, single value or schedule of prices
Repayment Threshold Price	Bid Variable	Bid Variable
Contract term	20 years	Bid Variable, may be less than 20 years
Contracted Percentage	Bid Variable	Bid Variable
Excluded Periods	No excluded periods	Periods may be excluded



Both Default and Alternative Bids will be assessed against the same Merit Criteria.

Assessment Framework



Tender process overview

Tender 8 will be assessed under a single-stage assessment process, similar to NSW Tender 7. This will streamline the tender and deliver outcomes sooner.

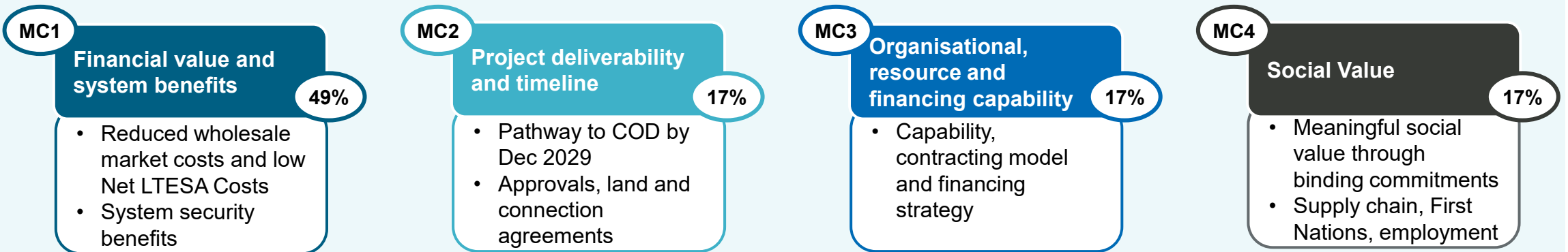
One-stage tender process

Tender Launches



Announce successful Bids

Bids are assessed against the four Merit Criteria, which consider financial and non-financial merit of a Bid.



✓ Projects intending to connect to REZ infrastructure are eligible (Section 4.1.1.2 Tender Guidelines)

X Projects with executed CISAs are not eligible (Section 4.1.1.4 Tender Guidelines)

MC1 – Financial Value and System Benefits: Deep dive

How to achieve high merit?

Competitive Bid Variables and valuable Projects assessed to have: a high contribution to reducing wholesale market costs; low LTESA costs; low System Strength Remediation Costs; and being capable of providing system security benefits.

Benefit-to-Cost Ratio (BCR)

Calculated as Wholesale Market Benefits divided by Net LTESA Cost.

Wholesale Market Benefits

- Forecast reduction in wholesale electricity market costs due to the addition of the Project. Rewards valuable generation profiles, being in strong network locations, and not being in operation before July 2025.

Net LTESA Cost

- Forecast costs under the LTESA as the net of payments to the Project and potential repayments to the SFV. Rewards competitive Bid Variables.

System Strength

System Strength Contribution is based on Project's potential cost of system strength remediation.

System Security

Project's ability to contribute to essential system security services.



More information on the MC1 Assessment is available on the ASL Website:
[Market Briefing Note Financial Value and System Benefits assessment for Generation](#)

MC4 – Social Value Assessment: Deep dive

How to achieve high merit?

Proponents must demonstrate their Project is providing high-quality Social Value by clearly articulating how commitments were derived by local needs across all four domains, supported by strategies and evidence.

Quantitative (\$)

(Tabs 4-8 in MC4 Returnable Schedule)

Four equally weighted domains

- Local supply chain development
- Employment and workforce development
- First Nations participation
- Shared community benefits



CPI adjusted Financial Proxies

Financial proxies verified from:

- Industry & government studies
- SROI research studies
- Government data



Qualitative via Discount Factors

(Local Needs Analysis (Tabs 1-3 in MC4 Returnable Schedule) + Bid Form + evidence)

Quality: demonstrated linkage of local need to commitment x level of engagement and data use

Confidence: quality/feasibility of strategies provided x track record

Introduction of a Local Needs Analysis

In addition to submitting quantitative (\$) commitments in the MC4 Returnable Schedule (Tab 4 – 8), **three new mandatory tabs (Tab 1 – 3)** have been added which collectively make up the **Local Needs Analysis (LNA)**.

1. Stakeholder Priorities

Requires Proponents to:

- Outline engagement with local community, industry and First Nations stakeholders
- Identify the priorities and aspirations that have informed commitment design and development

Tab 1

2. Local Needs

Requires Proponents to:

- Outline the local socio-economic, workforce and First Nations context
- Explain how engagement outcomes and data have informed place-based commitments

Tab 2

3. Theory of Change

Requires Proponents to:

- Demonstrate how commitments are expected to lead to meaningful outcomes
- Outline the inputs, activities, outputs, outcomes and the intended long-term impact of commitments

Tab 3

For additional guidance refer to **Social Value Market Briefing Note**, and for non-tender general market resources refer to the **ASL Social Value Toolkit**

Next Steps



Engagement and Next Steps

We look forward to receiving your Bids.



Registration: Proponents are required to create an account via the Online Portal to register a Project.
Registrations Close 22 June, 5:00pm (AEST)



Documents: All relevant documentation for Tender Round 8, including the LTESA proforma contracts, can be found on ASL's website.



Q&A: The formal Q&A Process is running **until 12PM (AEST) (midday) on Friday 26 June 2026** for all Registered Proponents.



Webinar: A recording of this webinar will be available on ASL's website.

We look forward to your Bid!

Closing date: Monday 6 July 10:00AM (AEST)



Q&A





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