



Tender Round 9: Long Duration Storage Infrastructure Proponent Webinar

2 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 9 to enable high quality submissions.

1. **Introducing Tender Round 9**
2. **LDS LTESA Overview**
3. **Assessment Framework**
4. **Next steps and Q&A**



Introducing Tender Round 9: LDS Infrastructure



About Tender Round 9

Tender Round 9 plays an important role in further de-risking the achievement of the 2030 target and maintaining momentum towards the broader ambition of 42 GWh of LDS by 2034.



NSW is a buyer of high-value projects with an indicative target of **12 GWh** (approximately **1.5 GW**) of new LDS 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 that provide strong system benefits including reduced electricity market costs, improved reliability and system security contributions.



It is being run concurrently with Tender Round 8 for Generation Infrastructure.



LDS LTESA



Overview

The LDS LTESA provides a capped annuity payment as a top-up to a Project's net operational revenues to mitigate against cash flow volatility and lack of forecast project revenues.

Benefits to Proponents:

- Revenue top-up if net operational revenues fall below a defined threshold.
- Limited repayments capped by historical net payments, ensuring project is no worse off with an LDS LTESA.
- Value upon signing at no upfront option premium cost.

Key bid price terms

Annuity Cap

The maximum annuity per year (\$/year) that the SFV may pay to the LTES Operator.

Net Revenue Threshold

The threshold (\$/yr) below which the Project is expected to receive an annuity payment up to the Annuity Cap, and above which additional provisions apply including triggering the repayment mechanism.

Key terms

Term	LDS LTESA
Contract term	<ul style="list-style-type: none"> Up to 14 years of options for chemical batteries, 40 years for pumped hydro, and, for any other LDS technology, the lesser of 40 years or the asset life, subject to evidence of its operating life.
Option periods	<ul style="list-style-type: none"> Options to enter Annuity Periods of one financial year, commencing from the First Option Date.
Quarterly settlements	<ul style="list-style-type: none"> Settlements are quarterly during Annuity Periods, providing improved cash flow frequency, with annual true-ups.
Excluded periods	<ul style="list-style-type: none"> Periods where the LTES Operator commits to not be able to exercise its option to enter an Annuity Period.
Escalation	<ul style="list-style-type: none"> Under the Default terms, the Annuity Cap and Net Revenue Threshold escalate each year at the lesser of CPI and 3%.
Performance Requirements	<ul style="list-style-type: none"> Ensure that the Project maintains a storage capacity equivalent to a duration of least 8 hours across term of the LTESA. In exercise periods, Projects are incentivised to maintain a higher availability factor and provide at least the Contracted Storage Capacity.

Alternative Bids and assessment under MC1

To provide flexibility and encourage commercial innovation, Proponents may submit an Alternative Bid.

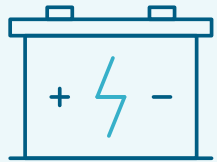
Bid Variables	Default Bid	Alternative Bid
Annuity Cap	Bid Variable, single value	Bid Variable, single value or schedule of prices
Net Revenue Threshold	Bid Variable, single value	Bid Variable, single value or schedule of prices
Contract term	<ul style="list-style-type: none"> Chemical batteries: 14 years Pumped hydro: 40 years Other LDS technology: the lesser of 40 years or asset life. 	<p>Bid Variable</p> <ul style="list-style-type: none"> Chemical batteries: 14 years Pumped hydro: 40 years Other LDS technology: the lesser of 40 years or asset life.
Excluded Periods	No excluded periods	Periods may be excluded



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

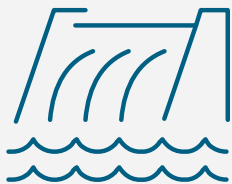
Key points to note – LDS Hybrids and SPV

An LDS Hybrid Project can participate in Tender Round 9 as a non-Assessed Hybrid Project



Proponents wanting the LDS asset component of its Project to have an **LDS LTESA** and any generation asset component of the Project to have a **Generation LTESA**, must submit the LDS Hybrid Project as two separate Projects:

- one Project for the generation asset as a non-Assessed Hybrid in Tender Round 8 (being conducted concurrently by ASL), and
- another Project for the storage asset as a non-Assessed Hybrid in Tender Round 9.



The **LTES Operator must be a special purpose vehicle:**

- In accordance with Clause 4.4 of the LDS LTESA, an SPV must be established for the sole purpose of carrying on the Project.
- Non-Assessed Hybrid Projects must ensure an SPV is established for the sole purpose of carrying on the Project (i.e. without the Associated Project)

Assessment Framework



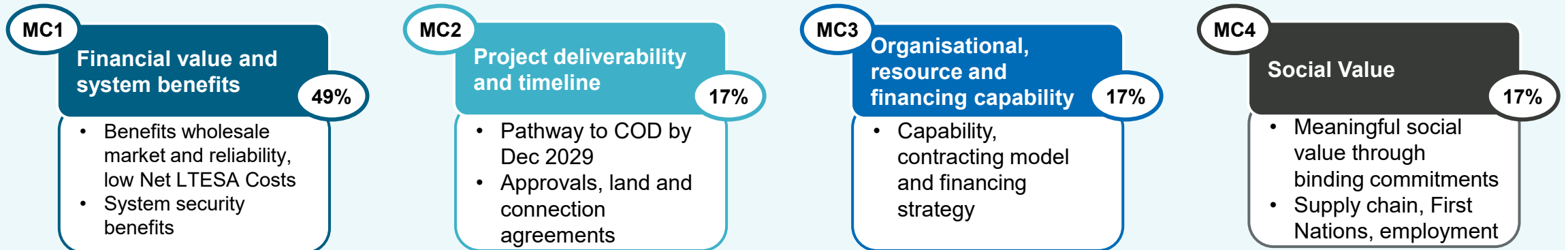
Tender process overview

Tender 9 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



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 and improving reliability; low LTESA costs; high System Strength Contribution; and being capable of providing system security benefits.

Benefit 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 strong network locations, long durations and not being in operation before July 2025.

Net LTESA Cost

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

Reliability Contribution

Project's Reliability Contribution is based on its potential ability to reduce unserved energy and reliability risks in NSW.

Considers a combination of location and duration factors and is modelled across multiple forecast horizons.

System Strength

Potential value towards meeting system strength requirements and cost of system strength remediation.

System Security

Project's ability to provide 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 Long Duration Storage](#)

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 9, including the LTESA proforma contracts, can be found on ASL's website.



Q&A: The formal Q&A Process is running **until midday** 26 June 2026.



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

We look forward to your Bid!

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



Q&A





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