

# NSW Q2 2026 Tenders Market Briefing Note Tender 8 – Generation and Tender 9 – LDS

## Overview

This briefing note is intended to provide potential Proponents with an overview of the key features of the upcoming tenders and the LTESA's on offer. It aims to support preparation prior to registrations opening and the tender commencing. Both NSW Tender 8 - Generation and Tender 9 - Long Duration Storage (LDS) will follow the same timeline, but will be conducted independently. Proponents are encouraged to review this Market Briefing Note alongside the accompanying product fact sheets which provide further details of the products being offered.

This briefing note should be read alongside the relevant Tender Guidelines for Tender Round 8 or Tender Round 9, the Project Documents and the Tender Rules and, in the event of any inconsistency with this Market Briefing Note, the Tender Guidelines, Project Documents and/or Tender Rules prevail.

**Table 1 – Key indicative dates**

Tender Step	Indicative Date
Tender Guidelines Released and Bid Forms Open	Mid May 2026
Registration Close	Late June 2026
Bid Close	Early July 2026
Outcomes notification and announcement of successful bids	November/ December 2026

## Bidding for a LTESA

LTESAs are revenue support mechanisms, designed to unlock private investment and support projects reaching Final Investment Decision / Financial Close. **ASL expects proponents to bid competitively to secure the support needed to reach Financial Close and progress into delivery.**

## Participating in a tender

Tenders are open to projects across all development stages, provided they meet the Eligibility Criteria.

To submit a firm and binding financial bid, proponents need to have sufficient certainty about their financing, connection, and cost factors of their project. Before bidding, proponents should have comfort that their project sufficiently progressed along to show a clear path to financial close, commercial operations, and to offer a reliable LTESA price over 20 years.

## Tender process

Tender 8 and 9 will follow a single stage tender process (proponents submit all required information in a single bid). Projects must comply with the eligibility criteria before progressing to merit assessment. Merit assessment will consider the following Merit Criteria (MC) :

1. MC1 – Financial Value and System Benefits (indicative weighting – 49%)
2. MC2 – Project deliverability and timelines (indicative weighting – 17%)
3. MC3 – Organisational, resource and financial capacity (indicative weighting – 17%)
4. MC4 – Social Value (indicative weighting – 17%)

It is expected that successful projects will perform strongly across all merit criteria. Financial Value is the most heavily weighted criteria, consistent with the requirements of the *Electricity Infrastructure Investment Act 2020* (NSW). Financial Value considers whether the forecast benefits to NSW consumers are expected to outweigh the expected cost of supporting the project. High performing Bids are expected to demonstrate value to NSW electricity customers against a range of possible electricity market outcomes.

Whilst the primary consideration in the assessment of Bids is the extent to which they deliver financial value for NSW electricity customers, it is important to note that **successful bids are not awarded solely on the basis of lowest LTESA price**. Bids are assessed on a value-for-money basis through this tender process, taking into account a range of qualitative and quantitative factors, including project deliverability, social value, risk allocation under the LTESA, system benefits, and the project’s overall contribution to NSW energy objectives, alongside the proposed LTESA price terms and associated costs.

Projects may undergo due diligence at any point. Following assessment, successful projects are ultimately recommended to the Scheme Financial Vehicle, the contractual counterparty, for award of an LTESA.

## NSW Tender 8 - Generation

NSW Tender 8 is the first generation tender to be run under the NSW Roadmap since the commencement of the Capacity Investment Scheme (CIS). Following the completion of CIS Tender 7, generation projects in NSW will transition back to Roadmap tenders.

Projects must not be in receipt of financial support in the form of project capital support, periodic payments or revenue underwriting from State or Commonwealth government. This includes without limitation any Capacity Investment Scheme Agreements (CISAs).

Projects cannot hold both an LTESA and a CISA at the same time. If the Project is currently bidding for a CISA, it must commit to not executing a CISA if it is awarded an LTESA in this Tender Round.

**Table 2 – Key Features of Tender Round 8**

<p><b>Indicative tender size</b></p>	<ul style="list-style-type: none"> <li>• <b>Approximately 2.5 GW (7,000GWh) of eligible generation infrastructure</b>, as set out in the 2025 Infrastructure Investment Objectives (IIO) Report.</li> <li>• <b>Where consistent with requirements in the EII Act, the Consumer Trustee may exercise discretion to recommend a greater or lesser volume of LETSAs than the indicative size as set out in the 2025 IIO Report.</b></li> </ul>
<p><b>Minimum Project Capacity</b></p>	<ul style="list-style-type: none"> <li>• A <b>Minimum Project Capacity requirement of 30 MW</b> as per the eligibility criteria.</li> </ul>
<p><b>Project COD</b></p>	<ul style="list-style-type: none"> <li>• Projects that can demonstrate a credible pathway to achieving a <b>Commercial Operations Date (COD) prior to 31 December 2029</b> are expected to be considered more favourably by the Consumer Trustee in this Tender.</li> </ul>



## LTESA's available for Generation Infrastructure

Two LTESAs are available in Tender Round 8. They have been designed to account for different Project configurations and financing approaches. The LTESAs available are:

Generation LTESA	Hybrid Generation LTESA
<p>The Generation LTESA is a financial derivative contract that provides an LTES Operator with a series of options to access a fixed price, cash settled swap under the terms of the agreement. The Generation LTESA is offered on materially the same terms as NSW Tender Round 4 with some refinements to align with market conditions and conventions. Such changes include a change from a 2-year swap to a 1-year swap and an increased cap on the Initial Security from \$4 million to \$6 million (these changes also apply to the Hybrid Generation LTESA).</p> <p>A fact sheet for the Generation LTESA is available <a href="#">here</a>.</p>	<p>The Hybrid Generation LTESA is a variation to the Generation LTESA and was designed in consultation with industry in early 2026 in response to market needs.</p> <p>The Hybrid Generation LTESA provides a series of options to access a cash settled swap based on a "Hybrid Strike Price" with price risk sharing. Settlements are based on Sent Out Net Exports which directly accounts for imports and exports. The terms of the Hybrid Generation LTESA generally align with the Generation LTESA, with some additional terms to reflect the storage components and intent for the projects to shape the delivery of renewable energy to provide value for NSW consumers.</p> <p>A fact sheet for the Hybrid Generation LTESA is available <a href="#">here</a>.</p>

## Summary of bid options available to Proponents

Depending on the Project type shown in the table below, Proponents may have multiple options through which to bid their Projects.

The Hybrid Generation LTESA is available to hybrid projects that meet the following requirements:

- The export power capacity of generation project must be at least the same size as export power capacity of storage project.
- At COD, the storage project must be able to provide a minimum of 4 hours of continuous output at the storage project's export power capacity.

- A sub-meter must be installed for the generation project.
- The entire project must be configured with a single point of connection to the transmission/distribution network.
- The project must register in a configuration that enables the generation project and the storage project to conform to dispatch instructions at the connection point in an aggregate manner.

Project type	Description	Project component merit assessed and contractually required to deliver	LTESA eligibility	
			Generation LTESA	Hybrid Generation LTESA
Generation only	Standalone generation asset with no co-located storage asset	Generation asset	Y	N
Non-Assessed Hybrid	A generation asset and a co-located storage asset	Generation asset	Y	N
Assessed Hybrid (BESS <4-hours)	A generation asset and a co-located storage asset	Generation and storage assets	Y	N
Assessed Hybrid (BESS ≥ 4-hours)	A generation asset and a co-located storage asset (minimum 4-hour duration and meets other requirements*)	Generation and storage assets	Y	Y

## Financial Value and System Benefits Assessment

In NSW Tender 8, MC1 is designed to assess the Project's ability to reduce wholesale electricity market costs, its expected LTESA cost to NSW electricity customers and its expected system security benefits.

Projects with generation profiles aligned to high value periods in NSW - particularly wind and hybrid generation storage projects producing during non solar hours - are expected to deliver strong financial value, with well progressed wind projects recognised as having high marginal value for achieving NSW's energy transition objectives, while all proposals continue to be assessed on a technology-neutral, value-for-money basis.

Consistent with the 2025 IIO, wind remains a core technology and a critical component of a balanced and resilient future energy mix, notwithstanding the delivery challenges currently facing the sector.

In this tender round, a Project is expected to be assessed as not being capable of having a wholesale market benefit if it had a status of 'In Service' in the AEMO "NEM July 2025 Generation Information" page. Additionally, Projects bidding for a Hybrid LTESA will also be assessed as having no wholesale market benefits if the initial storage duration is less than 4 hours or the capacity of the generation component is below the capacity of the storage component.

## NSW Tender 9 – Long Duration Storage

NSW Tender 9 marks the next tender in ASL's annual Long Duration Storage (LDS) tender plan. It is seeking an indicative 12 GWh of new projects that can be operational by either 2030 or 2034, consistent with the requirements of the EII Act.

## Financial Value and System Benefits Assessment

MC1 is designed to assess a Project's contribution to system reliability in NSW, its impact on wholesale electricity costs, its expected LTESA cost to NSW electricity customers and its expected system security benefits. For NSW Tender 9, MC1 will include a Projects' system strength contribution towards meeting system strength requirements in NSW or the potential cost of system strength remediation, and its ability to provide system security services. This inclusion is expected to deliver a more integrated assessment of financial value and system benefits; and reflects the increasing importance of system security.

High system value may result from projects located in strong parts of the network, longer-duration storage, and assets that contribute critical system services. For example, technologies such as pumped hydro can act as system strength solutions, deferring or avoiding further network costs while delivering a broader set of benefits to NSW customers.

In this tender round, a Project is expected to be assessed as not being capable of having a wholesale market benefit if it had a status of 'In Service' in the AEMO "NEM July 2025 Generation Information" page.

### Long Duration Storage LTESA

The LDS LTESA is a financial derivative contract that provides an LTES Operator with a series of options to access a variable annuity payment in the form of a top up to net operational revenues achieved by the project, increasing project cash-flow and reducing cash-flow volatility.

**Table 3 – Key Features of Tender Round 9**

<b>Indicative tender size</b>	<ul style="list-style-type: none"> <li>• <b>12 GWh (approximately 1.5 GW) of eligible LDS infrastructure</b>, as set out in the 2025 Infrastructure Investment Objectives (IIO) Report.</li> <li>• <b>Where consistent with requirements in the EII Act, the Consumer Trustee may exercise discretion to recommend a greater or lesser volume of LTESAs than the indicative size as set out in the 2025 IIO Report.</b></li> </ul>
<b>Minimum Project Capacity</b>	<ul style="list-style-type: none"> <li>• It is expected that Projects will need to meet a <b>Minimum Project Capacity of 5 MW</b> for this Tender Round.</li> <li>• Project must maintain contracted storage capacity that is equivalent to a duration of at least 8 hours across the term of the LTESA.</li> </ul>
<b>Project COD</b>	<ul style="list-style-type: none"> <li>• Projects that can demonstrate a credible pathway to achieving a <b>Commercial Operations Date (COD) prior to 31 December 2029 or 31 December 2033</b> are expected to be considered more favourably by the Consumer Trustee in this Tender.</li> </ul>

The LDS LTESA is offered on materially the same terms as NSW Tender Round 6 with some improvements to align with market conditions and conventions. Of particular note is the further clarity regarding how LTES Operators will be tested for compliance against their contracted storage capacity.

A fact sheet for the LDS LTESA is available [here](#).

### Minimum Objectives

Under the EII Act, ASL has two minimum objectives for LDS infrastructure, requiring the construction of:

- 2 GW / 16 GWh by 2030, and
- 28 GWh by 2034.

The 2025 Infrastructure Investment Objectives report set a stretch target for 42 GWh of LDS by 2034. In this context, this Tender Round 9 plays an important role in further de-risking achievement of the 2030 target and maintaining momentum towards the broader IIO ambition of around 42 GWh of LDS by 2034, identified as the optimal storage capacity to support a reliable and cost effective energy system.

ASL is seeking to tender for **over and above the minimum objectives**, based on both its stretch target of 42 GWh by 2034 and to de-risk the development pathway. Whilst sufficient projects have been contracted to achieve the minimum objectives, ASL expects attrition in awarded projects and continues to call for more projects that can contribute to both objectives.

### Disclaimer

This document has been prepared to assist Proponents (and their Associates and Consortium Members) in making their own evaluation of the suitability of their Project to participate in a Tender Round. ASL has taken care in the preparation of the information contained or referred to in this document but cannot guarantee its accuracy or completeness. In the event of any discrepancy between the information contained or referred to in this document, and the information provided in the Tender Rules, Tender Guidelines or Project Documents for a specific tender, the Tender Rules, tender Guidelines or Project Documents will prevail. This document is not intended to provide any advice or imply any recommendation or opinion constituting advice. Proponents should seek their own independent advice on the operation of the Project Documents.

