



Australian Government

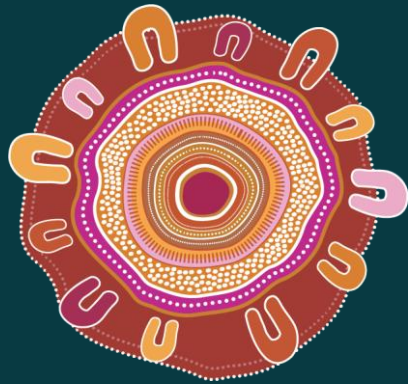
Department of Climate Change, Energy,
the Environment and Water

Capacity Investment Scheme

Consultation Paper Webinar

August 2023





We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.



Disclaimer

The Commonwealth of Australia, as represented by the Department of Climate Change, Energy, the Environment and Water, has produced this publication to provide high-level and initial guidance on the proposed Capacity Investment Scheme (CIS). The CIS is presently under development and the information contained in this publication is subject to change. This publication does not indicate commitment by the Australian Government to a particular course of action in relation to the CIS or otherwise.

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- Your microphone should be automatically muted and your camera off
- If you have a question, please use Sli.do to ask it – the chat and Q&A function are not available.
- If you are unable to access the Q&A, please text your question to 0425 413 902

Join the discussion
at [slido.com](https://www.slido.com)

Code: #3535545



Our presenters today



Kirsty Gowans | *Head of Division – Electricity Division, DCCEEW*



Salim Mazouz | *General Manager – Capacity Investment Scheme, Electricity Division, DCCEEW*



Zoe Konovalov | *Director, Targets & Modelling Team – Capacity Investment Scheme, Electricity Division, DCCEEW*



Brad Hopkins | *General Manager – Commercial, AEMO Services*





Slido Q&A

Purpose of today's discussion



Introduce the Capacity Investment Scheme (CIS)



Outline tender process and project eligibility for participation in the CIS



Provide overview of next steps and Q&A



Slido Q&A

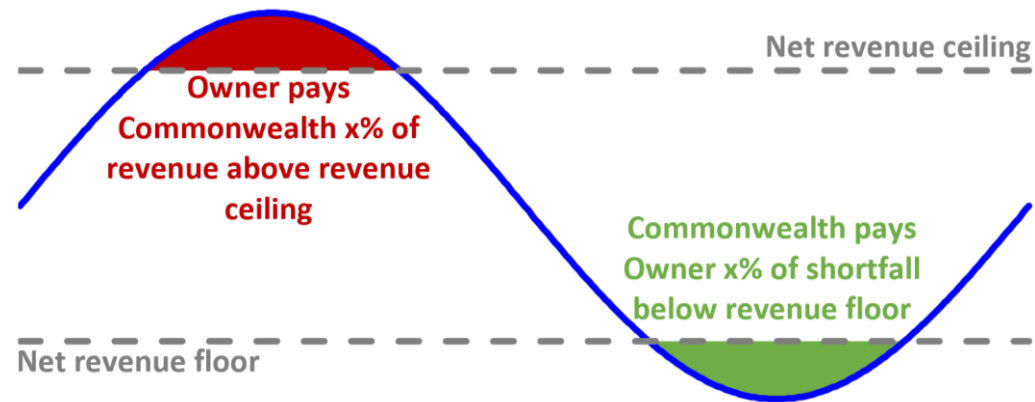
Policy context

- Energy Minister's Meetings - a need for deeper actions was recognised
- National Energy Transformation Partnership
- National Capacity Investment Scheme
- Commonwealth other investment supporting the transformation



Introducing the CIS

- Delivering at least **6GW** of clean dispatchable capacity by 2030 and making a significant contribution to **support grid reliability**
- Seeking bids for **clean renewable generation and storage** projects through a series of **competitive tenders**
- Offering long-term Commonwealth revenue **underwriting agreements** for an agreed ‘floor’ and ‘ceiling’.





Slido Q&A

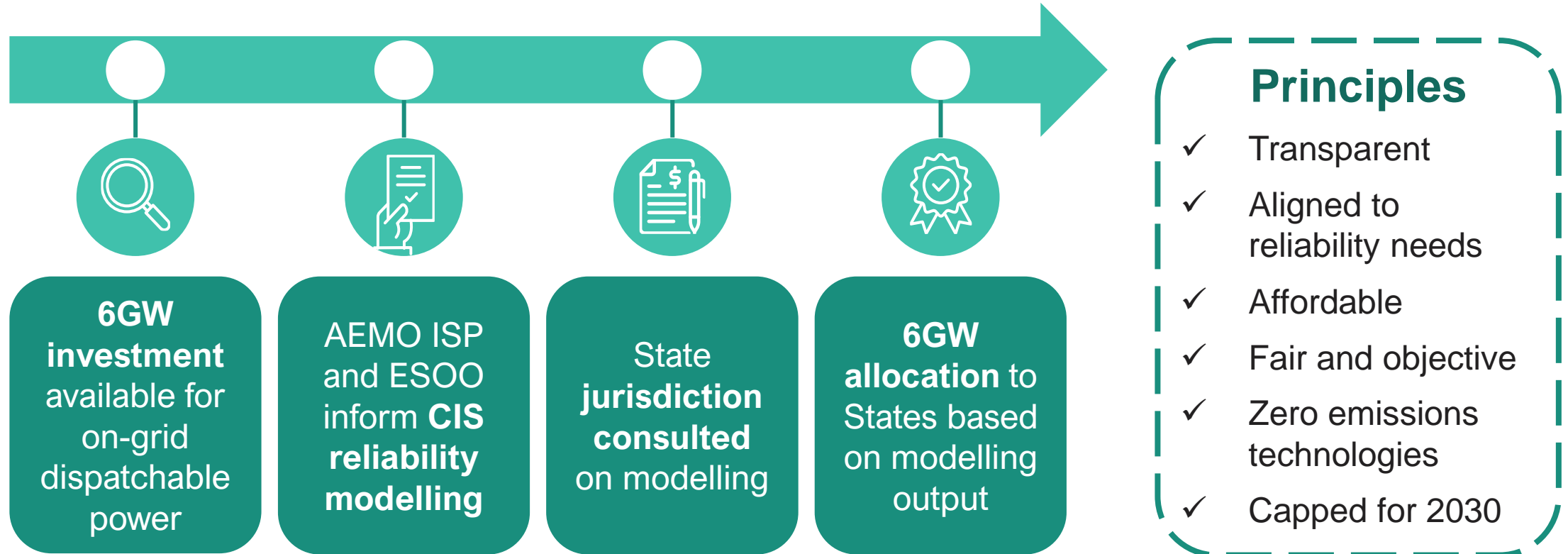
Delivering the CIS

The CIS will operate in on-grid Australian electricity networks, and complement existing State and Territory schemes to deliver the national energy transition





Setting CIS contribution to reliability





Slido Q&A

CIS Tender process

The CIS will establish robust, transparent processes to ensure market trust in the tender process. The CIS Tenders will be rolled out from 2023-27.

- 1 Commonwealth sets **objectives, commercial in-confidence financial budgets** and MW capacity targets for the CIS in each jurisdiction
- 2 AEMO runs **competitive tenders** in partnership with its subsidiary, AEMO Services, in accordance with Tender Guidelines
- 3 AEMO recommends **projects for underwriting** by the Commonwealth based on the Tenders
- 4 Commonwealth makes **final contracting** decisions based on AEMO recommendations



Slido Q&A

About ASL

AEMO Services, an independent subsidiary of AEMO, provides independent expertise to transform the energy sector

Our team

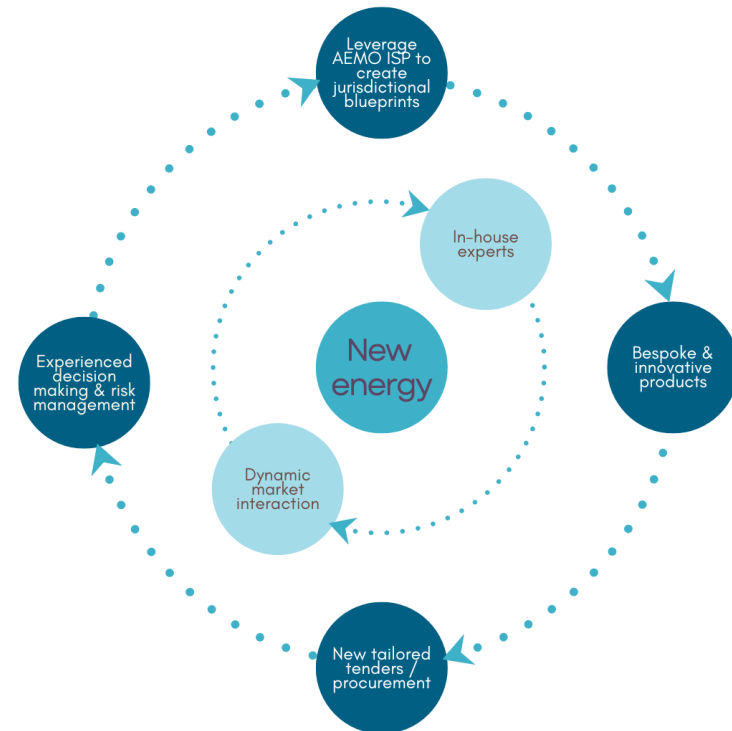
The ASL team consists of commercial, financial and energy professionals, who provide energy and advisory services to reshape our energy systems.

Delivery

ASL delivers repeatable tenders and deliver innovative processes, products and partnerships that fast-track tomorrow's energy infrastructure.

Services

ASL provides services to NSW under the Electricity Infrastructure Roadmap in our role as the Consumer Trustee





Slido Q&A

Eligibility to participate in CIS Tender

The purpose of specifying eligibility criteria is to establish minimum standards for participating in a CIS tender



Zero Emission technology consistent with emissions reduction objective



Minimum duration of output at full capacity



Achieve Financial Close on or from **8 December 2022**



Registered with relevant market operator to participate in central dispatch



Public or private owned projects, not in receipt of similar revenue support



Meets baseline development requirements for **target COD date**

The final eligibility criteria may vary for each tender, and within each State, and will be outlined in the CIS Tender Guidelines for the specific tender.



Slido Q&A

Assessing projects in the CIS Tender

The CIS Tenders will select eligible projects which perform strongly against all objective merit criteria.

Stage A: Project Bid



Projects will be assessed against their technical, commercial and social licence merit.

Projects may be asked to provide an indicative financial bid at the project bid stage

Successful projects

- ✓ Availability guarantee of 97%
- ✓ LOR3 operational requirement

Stage B: Financial Bid Stage



Projects will be assessed against their contribution to the policy objectives of the CIS – contribution to reliability and lower prices for consumers.

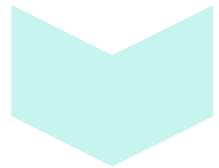
Projects will be expected to provide pricing bid variables





Slido Q&A

Next steps



Have your say on the CIS Consultation Paper – by **31 August 2023**



Consultation Paper – WA addendum



Delivery of CIS Tender in SA/VIC



CIS Tender Schedule

Q&A

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Have your say

Have your say on the Capacity Investment Scheme Public Consultation Paper – by **31 August 2023**

Submit your feedback through the department's Consultation Hub at: <https://consult.dcceew.gov.au/capacity-investment-scheme-public-consultation-paper>

The Department of Climate Change, Energy, the Environment and Water looks forward to hearing from you and receiving your feedback on the scheme.

Contact us

CapacityInvestmentScheme@dcceew.gov.au

For more information visit

<https://www.energy.gov.au/government-priorities/energy-supply/capacity-investment-scheme>