

Call for Expressions of Interest REZ Development Plan (RDP)

REZ Stage One

Services to Strengthen the System

Market Forum 10 August 2021



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, present and emerging.

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1. Message from the Victorian Govt
2. Procurement objective
3. Description of the Services
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Slido Q and A

Go to <https://www.sli.do>

Enter code #RDPCEI

Message from the Victorian Government

Anh Mai, Executive Director, VicGrid, DELWP

Developing Victoria's REZs



\$540

MILLION

Establish six
Renewable
Energy Zones



DIRECTIONS
PAPER

Victorian
Renewable Energy
Zones
Development Plan
(RDP)
released for
consultation



VICGRID

A new body,
established as a
Division within
DELWP, to
actively plan and
develop Victorian
REZs



STAGE 1
PROJECTS

Strengthen the
system and
reduce
connection and
curtailment
constraints

REZ Development Plan Stage One Projects

Figure 1 - Victorian Renewable Energy Zones overlaid with Stage 1 Projects progressing to procurement phase



NETWORK UPGRADES



STRENGTHEN THE SYSTEM



LINE UPGRADES*



* The Victorian Government will continue to assess a further two potential network investment projects, the Western Victoria Transmission Network Project Uprate option and the Mortlake Turn-in, with decisions on next steps to be provided at a later date.

Procurement Objective

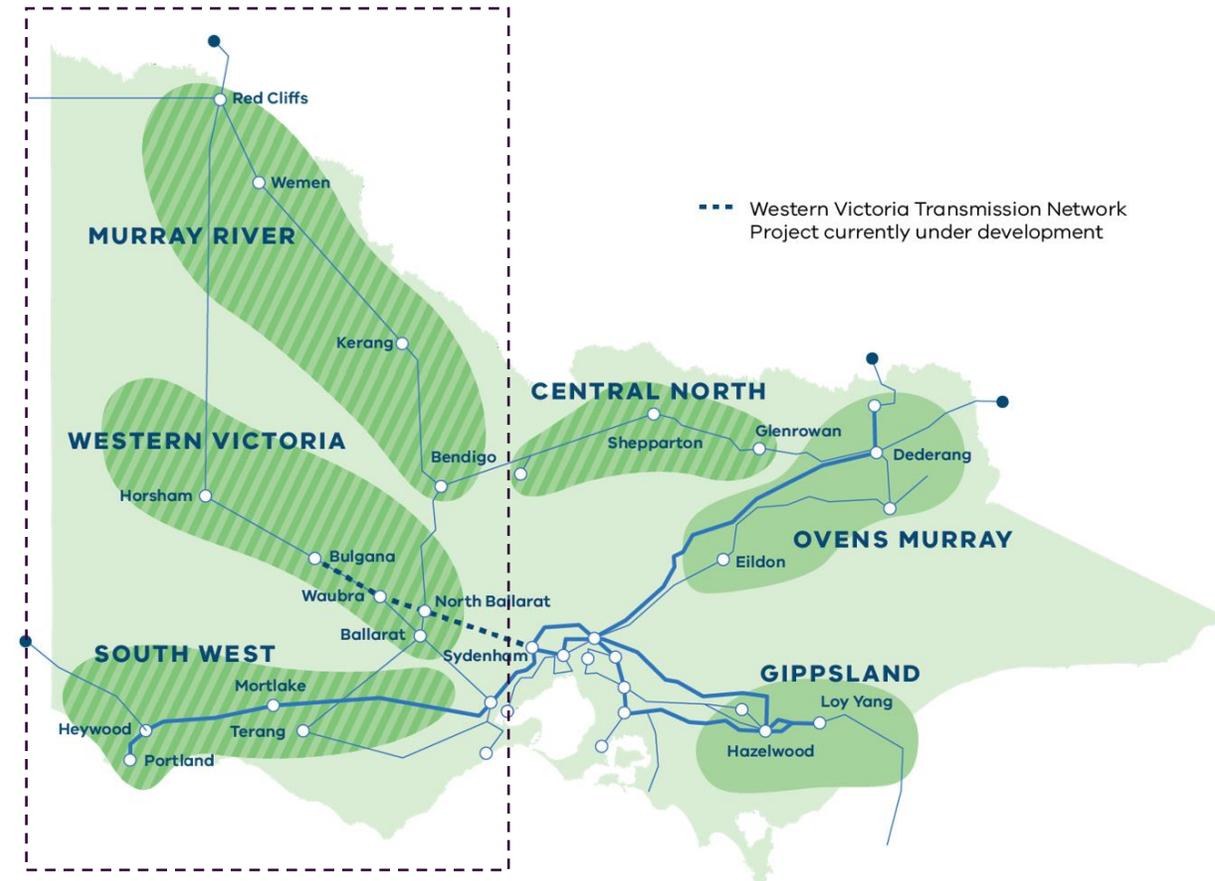
CEI objective is to seek Services:

- within the Murray River, Western Victoria and South West Renewable Energy Zones;
- to increase the capability of the system to remain stable with connection of up to 1500 MW of additional generation capacity;
- commencing on or before 31 December 2024.

Please note:

- AEMO is concurrently undertaking a procurement process for System Strength Services, as the System Strength Service Provider for Victoria under the NER, in relation to a fault level shortfall at the Red Cliffs fault level node.
- The RDP procurement process under this CEI is distinct from, and separate to, that process.

- Services in respect of the following REZs
 - **Murray River REZ**, to increase the capability to connect up to 300 MW of additional generation
 - **Western Victoria REZ**, to increase the capability to connect up to 600 MW of additional generation
 - **South West REZ**, to increase the capability to connect up to 600 MW of additional generation
- In the RDP Directions paper, this was expressed in terms of the connection capacity a synchronous condenser of a specific MVAR size, connected at specific terminal stations, could potentially facilitate:
 - **Murray River REZ**, 125MVAR
 - **Western Victoria REZ**, 250MVAR
 - **South West REZ**, 250MVAR
- However, this process is technology neutral. The Services offered may have technology dependent characteristics but must enable the connection capacity increase equivalent of at least the above quantities.



Specific Services Requirements

- Service to increase the capability to connect additional generation within specific REZs.
- Technology neutral approach.
- Service available on or before 31 December 2024.
- Service term of 20 years.
- Service to be provided on an availability basis, with technology specific performance characteristics, with rebates for times of unavailability.
- Contracting party is AEMO.

Applicants may respond in respect of one or more or all REZs.

Services Requirements

These could include, at one or more locations:

- Actual or virtual synchronous machines
- Synchronous condensers
- Battery energy storage systems with grid forming inverters
- Inverter control tuning
- A combination of the above or other technology

Services must be for or with respect to the declared transmission system.

Projects must be based in Victoria.

Services Requirements – understanding possibilities

AEMO is seeking to understand options from Applicants where applicable, and based on the technology characteristics of their proposed plant:

- Optimum size of facility and location
- Optimum contract term for participants
- Alternate delivery dates, including staging options
- Alternate commercial models

Objective of understanding these alternative approaches is to understand what might minimise costs and / or maximise benefits to Victorians.

Related Services – Examples

- AEMO seeks to understand options for Related Services, but these aren't mandatory.
- Applicants are expected to outline what, if any, Related Services might be offered, including impacts on the proposed Service Charge, or commercial model, if offered.
- Applicants must demonstrate these measurable benefits to AEMO (e.g., reduced costs or enhanced benefits) and outline the circumstances, assumptions and conditions associated with any Related Services.

Evaluation criteria

- The Call for Expression of Interest (CEI) will be evaluated on the following basis:
 - **Technical Assessment Requirements** – does the proposal provide the Services in accordance with the technical requirements set out in the CEI?
 - **Completion date** – will the Services be able to be provided by 31 Dec 2024?
 - **Commercial model** – does the Applicant’s response represent value for money for Victorians and do the proposed costs provide commensurate benefits?
 - **Related Services** – (if proposed by the Applicant) does the Applicant’s proposal provide for Related Services that increase benefits or reduce costs and can be delivered in an appropriate timeframe?
 - **Financial capacity** – does the Applicant have the necessary financial capacity to deliver the Facility underpinning the Services.
 - **Performance record** – does the Applicant have a demonstrated capability to deliver the Services, including in respect of health, safety, security, land, planning, environment, community and stakeholder matters?
 - **Socio-economic outcomes** – (evaluated by the State) does the Applicant have a demonstrated understanding of the social procurement framework and local jobs first policy? Is the Applicant and its proposal ready to create and capture social procurement and local economic development outcomes?

AEMO will undertake a Risk Assessment of each proposal at the CEI phase which will inform the evaluation against the above criteria

Evaluation criteria: socio-economic outcomes

CEI Stage

- Demonstrate understanding of Government's Social Procurement Framework (SPF) and Local Jobs First Policy (LJFP), and readiness to create and capture SPF & LJFP outcomes.
- Links to useful references:
 - <https://www.energy.vic.gov.au/renewable-energy/renewable-energy-zones>
 - <https://www.buyingfor.vic.gov.au/social-procurement-framework-and-guides>
 - <https://localjobsfirst.vic.gov.au>
 - Local Jobs First Policy - May 2020 and
 - Local Jobs First Supplier Guidelines - May 2020 PDF

ITT Stage

- In supporting regional economic development, particular evaluation criteria will relate to:
 1. Local Jobs and Content
 2. Social Procurement
- Demonstrate capabilities to deliver these requirements against clearly defined parameters.
- Easily evaluated and clearly defined objectives will be provided.
- Further information and guidance will be provided throughout the procurement process to assist proponents in meeting these requirements.

Call for Expressions of Interest (CEI)

Key Dates	Milestone
Before 20 August	CEI sent to Registered Applicants
+ 4 weeks, mid September	Deadline for receipt of Responses
September/October	Evaluation completed by AEMO. Shortlist recommendation made to Victorian Government
October	AEMO issue Invitation To Tender (ITT) (timing is dependent on the outcome of the CEI)
November	ITT submissions close
Q1 2022	Enter into applicable contract(s)

Important information Probity & Confidentiality

- Those intending to participate must register at RDPStage1@aemo.com.au to receive the CEI.
- Registered Applicants must make a probity and confidentiality commitment when submitting a Response to the CEI.
- Registered Applicants must ensure that neither they or their representatives:
 - Lobby at any level of government (including State, Commonwealth or Local), or any NSP.
 - Contact, make any comment to or respond to any questions from or have discussions with any media outlet in relation to the CEI, their project or Response.

Next steps

Prospective Applicants are invited to register to receive the CEI at: RDPStage1@aemo.com.au

Updates on AEMO's website: [AEMO | Renewable Energy Zone Development Plan Stage 1](#)

Further information from the Victorian Government: [Renewable Energy Zones](#)

Additional Information

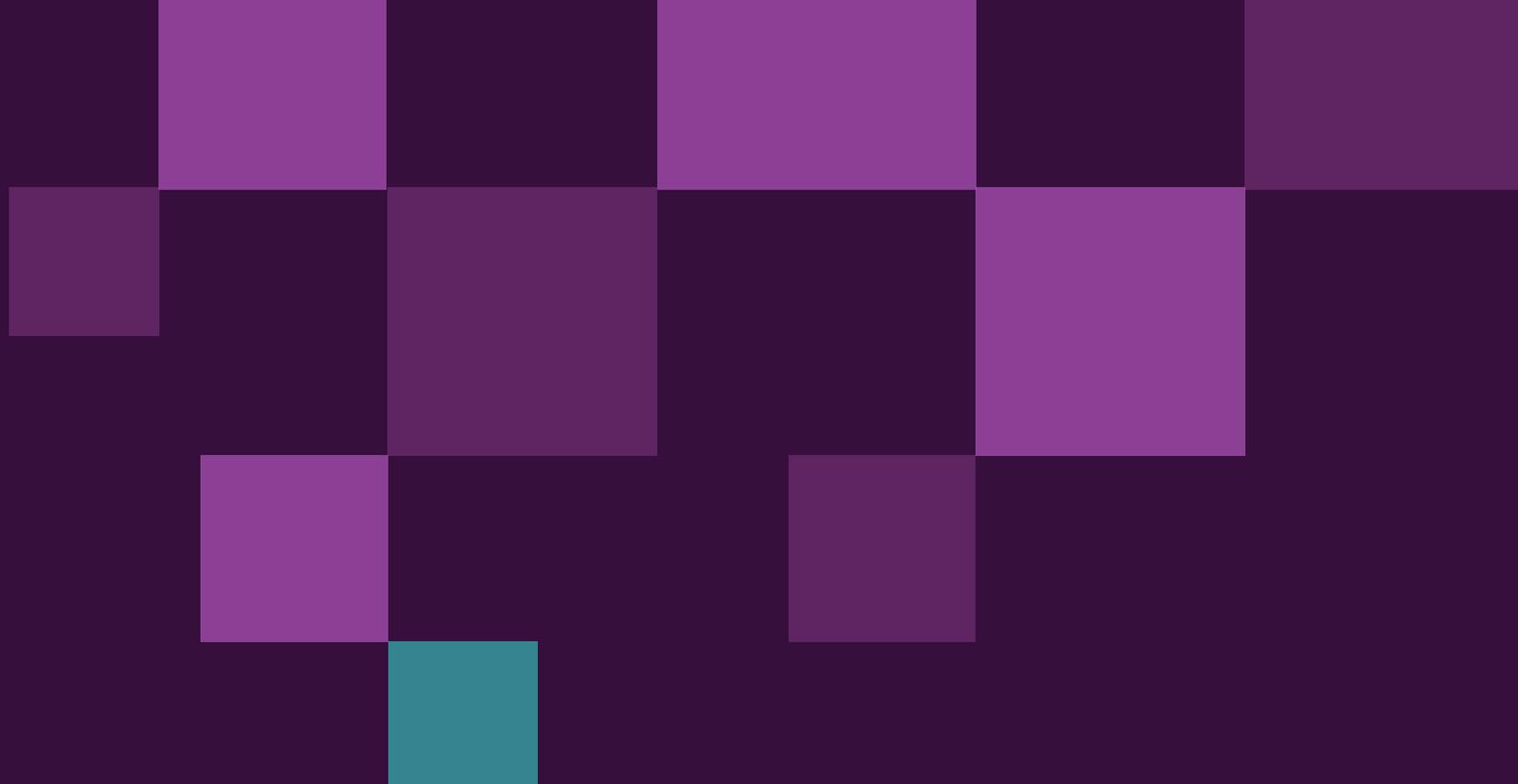
For questions relating to other AEMO projects, please contact the AEMO Support Hub at support.hub@aemo.com.au or by calling 1300 236 600.

Questions

Slido Q and A

Go to <https://www.sli.do>

Enter code #RDPCIEI



For more information
please visit www.aemo.com.au

