



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Capacity Investment Scheme

Market Briefing Note - WEM Dispatchable

Guidance on evaluation of Merit Criterion 1 –
Financial value, system reliability and system
benefits

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Introduction

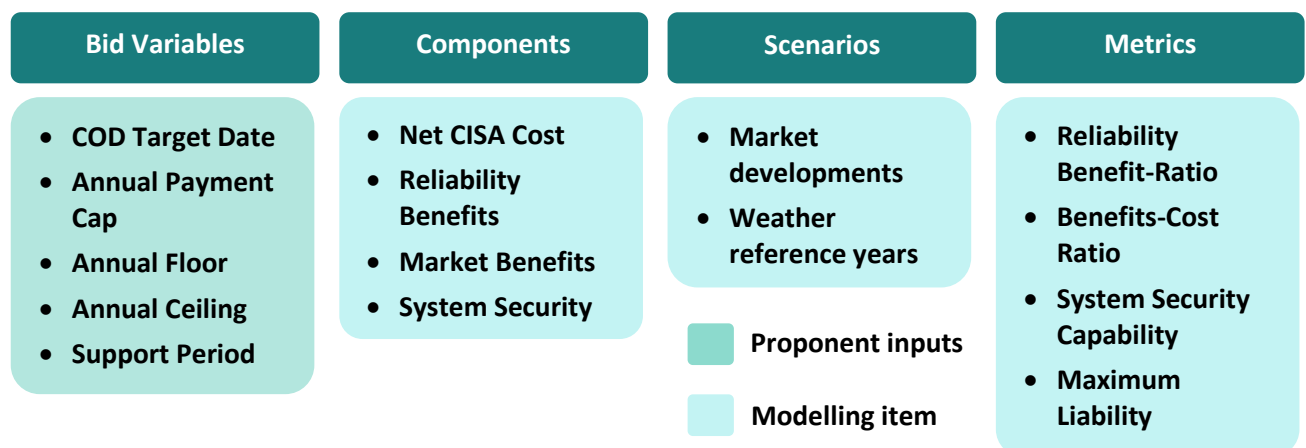
This Market Briefing Note sets out information relating to the evaluation of Merit Criterion (MC) 1 – *Financial value, system reliability and system benefits* in the Capacity Investment Scheme (CIS) Tender Wholesale Electricity Market (WEM) – Dispatchable Capacity Tender Process.

What you need to know when preparing your Bid

MC1 evaluates both costs and benefits of the Project associated with your Bid. Bid Variables determine potential costs while a Project's physical characteristics (**Project Parameters**) inform both costs and benefits. The evaluation of Bids against MC1 informs the financial value metrics set out in Figure 1 below (collectively, **Metrics**) which are used to score and rank Bids from highest to lowest merit.

How to achieve a high merit score – In the MC1 evaluation, costs and benefits are intended to be evaluated by reference to the forecast Net CISA Cost, Reliability Benefits, Market Benefits and System Security (collectively, **Components**). These Components are then modelled across Scenarios. Scenario-weighted Components are used to calculate Metrics for MC1 scoring purposes. Figure 1 below provides an overview of this process.

Figure 1: MC1 assessment approach overview



What makes a competitive Bid – To be considered of higher merit for MC1, Proponents should provide competitive Bid Variables that reduce the forecast Net CISA Cost e.g., a low Annual Floor and Annual Payment Cap.

Projects are expected to be assessed as favourable if they can provide high Project Benefits which includes Reliability Benefits, Market Benefits and System Security.

What to provide – Proponents must provide Bid Variables and Project Parameters in the MC1 Returnable Schedule. To be as competitive as possible in relation to MC1, Proponents should focus on providing a competitive set of Bid Variables to achieve the lowest Net CISA Cost to the Commonwealth.

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The CIS Tender Process aims to attract high merit Projects based on a weighted assessment of the financial and non-financial elements of the Bid as outlined in these Tender Guidelines. Regarding Bid Variables (i.e. the Annual Floor, Annual Ceiling, Final Support End Date and Annual Payment Cap), Proponents should aim to structure their Bid in a way that is both competitive (to enhance their prospects of success in this Tender Process) and sufficient to enable their Project to reach Financial Close, considering the Project's financing structure and debt/equity requirements. It is up to each Proponent to determine their Bid Variables considering the above.

The descriptions of financial value, system reliability and system benefits set out in this Market Briefing Note are not an exhaustive or comprehensive summary of the evaluation process. AEMO retains a discretion as to how it will score and assess Bids and make recommendations pursuant to the Tender Guidelines. Nothing in this document should be construed as limiting AEMO's discretion.

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Capitalised terms used but not defined in this document have the meaning given in the Tender Guidelines, Proforma CISA or in Appendix 1 of this Market Briefing Note. In the case of any inconsistency between the Tender Guidelines and this Market Briefing Note, the Tender Guidelines take precedence to the extent of the inconsistency.

1.0 Purpose of this document

This Market Briefing Note is prepared to provide information to Proponents participating in the WEM Dispatchable Tender Process about how Projects may be assessed against MC1. It provides an overview of factors that are expected to be used in the assessment of Projects against MC1; namely, the key Metrics and their underpinning Components.

In this Market Briefing Note:

- Section 2.0 provides an overview of the intended MC1 assessment approach.
- Section 3.0 details each of the Components.
- Section 4.0 outlines the impact of Project Parameters and Bid Variables
- Section 5.0 outlines the evaluation approach for Hybrid Projects, Staged Projects and Projects with separate Measurement Points.

By sharing this information, AEMO intends to help Proponents to prepare competitive Bids for the WEM Dispatchable Tender Process.

2.0 Overview of MC1 for CIS WEM Dispatchable Tender Process

2.1. Policy Objectives

The Policy Objectives of this Tender Process are to:

- contribute to the delivery of an additional 40 gigawatts (GW) of capacity by 2030;
- help deliver the Commonwealth's 82% renewable electricity by 2030 target;
- support electricity generation growth and reliability as demand grows and as ageing coal-fired power stations retire; and
- place downward pressure on electricity prices.

These Policy Objectives have been considered in the design of the MC1 assessment approach which seeks to:

- assess Projects and Bids based on their potential to contribute to the Policy Objectives; and
- assess as higher merit Bids showing competitive bidding behaviour with low Annual Floor, low Annual Ceiling and low Annual Payment Cap.

Bids will be assessed against MC1, given an overall weighted score and then ranked based on the overall weighted scores. The Ranked List will be developed considering these scores and ranks.

2.2. Components

MC1 is expected to consider Bids across three Project Benefit components and the Forecast Net CISA Cost. A summary of these components is provided in Table 1 below and described further in Section 3.0.

All else being equal, Projects that can demonstrate a higher value for Project Benefit components, and a lower value for the Net CISA Cost, may be considered of higher merit. Project Parameters, such as a Project's location and storage duration, will be inputs into the model used in assessing a Bid to best reflect the expected operating profile of different technologies and Projects. These Project-specific parameters will therefore affect the Project Benefits components and Net CISA Cost.

Table 1: Components assessed in MC1

Component	Summary
Reliability Benefits	<ul style="list-style-type: none"> • Involves a Network Access Quantity (NAQ) assessment including assessing the Project's Peak Certified Reserve Capacity and ability to receive Peak Capacity Credits under the Reserve Capacity Mechanism (RCM). • Analysis will consider a Project's location and Project Parameters.
Market Benefits	<ul style="list-style-type: none"> • Forecasts the reduced wholesale market costs of adding the Project to WEM markets, which may include a potential reduction to the Real Time Market (RTM) price and Peak Reserve Capacity Price. • This is modelled across several electricity price Scenarios. • Analysis will consider the Project Parameters and modelled operation in the energy market.

System Security	<ul style="list-style-type: none"> Assesses the Project's contribution to power system security, including system strength, voltage control, frequency management and system restoration. Analysis will consider a Project's configuration and technical parameters.
Net CISA Costs	<ul style="list-style-type: none"> The net present value of forecast payments to and from the Commonwealth under a CISA. Considers the Bid Variables of a Project and a forecast of each Project's Net Operational Revenue.

Market Benefits and Net CISA Cost are calculated by measuring the difference in certain values between a counterfactual scenario which excludes the Project being assessed (**Counterfactual Case**) and another scenario where the Project being assessed is added to the Energy Market Model (**Project-Specific Case**). This process is repeated individually for all Projects in the MC1 assessment.

2.3. Scenarios

Assessment will consider a range of scenarios to test Bids for their ability to demonstrate value across a range of future market outcomes (**Scenarios**). Scenarios will be developed to represent a range of theoretical future market conditions.

Considering multiple Scenarios provides more robustness to the assessment and ensures that the evaluation has considered a range of plausible outcomes. Bids that demonstrate value across a range of future energy market Scenarios are likely to be assessed as of higher merit. Bids that only demonstrate value in a specific Scenario are likely to be assessed as of lower merit.

Input assumptions for the Scenarios may differ by:

- Market developments:** Future electricity market prices are uncertain due to rapid reform and growth in the WEM. In previous tenders run by AEMO, multiple Scenarios have been modelled to consider a range of possible future price outcomes. Section 2.3.1 provides further detail on the assumptions of potential market developments.
- Weather reference years:** Weather variations may affect both renewable generation output and consumer demand. Multiple historical reference years may be used to reduce the risk of basing evaluation on weather patterns of a particular year and their effect on the operation of dispatchable Projects.

Scenario-based outcomes are weighted. The weighting may consider the importance of each Scenario for evaluation, and the expected probabilities of a Scenario occurring.

2.3.1. Market developments

Scenarios may vary across several input assumptions, creating a range of future potential electricity market outcomes. For this MC1 assessment, Scenarios can include variations of the following:

- On Target:** A balanced view with inputs predominantly aligned with assumptions in the latest WEM Electricity Statement of Opportunities (**ESOO**) published by AEMO. In this Scenario, there is a faster pace to the transition which may be reflected in earlier thermal retirements and a faster build of new renewables and clean dispatchable capacity which meets policy targets on-time in accordance with the Commonwealth's targets. This scenario is expected to have higher Net CISA Cost.
- Investor View:** A private-sector investor view of potential future energy market outcomes which may involve a slower pace of energy transition. This could include changes to thermal retirement dates compared to other Scenarios, and a slower build of new renewables and clean dispatchable

capacity which represent a delay to meeting policy targets. This Scenario is expected to have lower Net CISA Cost.

2.4. Metrics

Metrics are used to translate the Components into comparable scores for assessment. The MC1 assessment is intended to result in higher MC1 scores for Bids that perform well against the Metrics listed in the table below.

Table 2: Components and key Metrics for MC1 assessment

Component/Metric	Unit	Description	Direction of preference
Components			
Reliability Benefits	MW	Reflected through assessment of a Project's Peak Certified Reserve Capacity and potential Peak Capacity Credits.	▲
Market Benefits	\$, net present value	Reduction in wholesale market costs, weighted across several Scenarios.	▲
System Security	N/A	Contribution to power system security, including system strength, voltage control, frequency management and system restoration.	▲
Net CISA Cost	\$, net present value	The net present value of forecast payments to and from the Commonwealth under a CISA, weighted across Scenarios.	▼
Key Metrics			
Reliability Benefit-Ratio (RBR)	Ratio	$\frac{\text{Potential Peak Capacity Credits (MW)}}{\text{Peak Certified Reserve Capacity (MW)}}$	▲
Benefit-Cost Ratio (BCR)	Ratio	$\frac{\text{Market Benefits (\$)}}{\text{Net CISA Cost (\$)}}$	▲
System Security Capability (SSC)	N/A	Projects are assessed on their capability to provide power system security benefits, targeting the Ideal Generator Performance Standards as defined in the ESM rules, including contributing to system strength, voltage control, and additional services such as system restart.	▲
Maximum Liability	\$	Calculated by assuming the Project is paid the maximum amount of financial support available under the CISA across the Support Period, subject to the Annual Payment Caps applicable to each Support Year within the Support Period. This assumes the Project earns zero revenue and is not dependent on the Scenarios.	▼

Further Metrics may also be considered, or a combination of the Metrics set out above, if they are developed to assess the benefits, cost and financial risks of Bids. These additional Metrics may be less

aggregated (e.g. per Scenario, or Scenario-weighted) and may be based on one or several of the Components identified.

3.0 Components

This section provides further detail on each Component, including the intent of each and method of calculation. This section also provides an indication of how the Project Parameters and the Bid Variables may affect the Components.

3.1. Reliability Benefits

A Policy Objective of the CIS is to support system reliability. The impact that a Project has on system reliability is considered in MC1 through an assessment of the ability of the Project to receive Peak Capacity Credits.

The NAQ, measured in MW, is estimated for a Project and indicates the ability of the Project to dispatch up to its Peak Certified Reserve Capacity during peak times, or other times of low reserve. Assignment of a NAQ to a facility qualifies the facility to receive Peak Capacity Credits.

Assessing a Project's ability to be awarded Peak Capacity Credits is intended to reflect the Project's contribution to system reliability. It is important to note that this estimate of NAQ does not indicate any outcomes (either success in an RCM, or quantum of Peak Capacity Credits) for the NAQ process undertaken by AEMO as part of the RCM.

Impact of Project Parameters / Bid Variables
<p>Reliability Benefits are expected to be higher for Projects that:</p> <ul style="list-style-type: none"> • Are appropriately sized for the Electric Storage Resource Duration and local network limitations; and • Can generate unconstrained during times of peak demand.

3.1.1. Calculating Reliability Benefits

Modelling will be undertaken to calculate potential NAQ and Peak Capacity Credit outcomes for the latest RCM cycle (focused on the 2 year ahead forecast year). This analysis will be supported by the outcomes of the previous year RCM cycle and will make assumptions around consistent priority order and entry timing for all Projects for the purposes of the calculation. Moreover, Projects will be assumed to bid for floating prices in the RCM.

The Reliability Benefit-Ratio will be calculated as a ratio of the potential Peak Capacity Credits that may be awarded to a Project, divided by its Peak Certified Reserve Capacity. This Metric is designed to assess Projects based on their potential to receive a high proportion of Peak Capacity Credits relative to the Project's Peak Certified Reserve Capacity.

3.2. Market Benefits

A Project-Specific Case and Counterfactual Case are compared across Scenarios as outlined in section 2.3 to forecast wholesale market costs (which may consider the RTM price and Peak Reserve Capacity Price) with and without each Project. Projects will be assessed as providing Market Benefits if the addition of the Project is forecast to reduce wholesale market costs, improve supply adequacy, and reduce potential curtailment in electricity market modelling.

Energy market modelling considers the Project's parameters to develop specific modelled operating profiles for each Project across Scenarios.

Impact of Project Parameters / Bid Variables
<p>Market Benefits are expected to be higher for Projects that can:</p> <ul style="list-style-type: none"> • Commit to an earlier Commercial Operations Date (COD)¹ as there is greater opportunity in early years for Projects to impact any forecast high prices; • Provide greater contribution to the market by locating in network locations that have good access to load centres; • Offer more energy to be dispatched during periods of high prices; and • Provide more years of benefits through longer asset lives for different technologies.

3.2.1. Calculating Market Benefits

Projects entering the market through a CISA are expected to put downward pressure on prices. Modelling considers the impact of Projects on RTM prices and Peak Reserve Capacity Prices as benefits may not be limited to applying to only one of the markets.

Market Benefits may be represented as below:

$$\sum_{s=1}^n W_s \times (ALC - ALC')$$

for the WEM, all Scenarios and over the Project's asset life.

Where:

- W_s is the weighting of each modelled scenario and n is the number of modelled Scenarios.
- ALC is the annual cost of supplying loads in the WEM in a scenario before the addition of the Project being assessed.
- ALC' is the annual cost of supplying loads in the WEM in a scenario following the addition of the Project being assessed.

3.3. System Security

Competitive Projects may provide power system security benefits including system strength, voltage control, frequency management and system restoration. A Project's configuration and technical parameters will be considered in its ability to provide power system security benefits. Projects targeting Ideal Generator Performance Standards as defined in Appendix 12 of the ESM Rules may be considered of higher merit.

Impact of Project Parameters / Bid Variables
<p>System Security benefits are expected to be greater for Projects that:</p> <ul style="list-style-type: none"> • Have the technical capability to contribute to power system security; and

¹ Merit Criterion 2 assesses the Project's development progress and credibility of forward plans to deliver the Project by the planned COD.

Impact of Project Parameters / Bid Variables

- Are intending to register for Generator Performance Standards under the Ideal Generator Performance Standards.

3.4. Net CISA Cost

Competitive Projects are expected to have a low Net CISA Cost relative to less competitive Projects. Net CISA Costs are a function of the Project's Net Operational Revenue and Bid Variables and, therefore, the Project's revenues must be forecast to inform the calculation of the Net CISA Cost.

Impact of Project Parameters / Bid Variables

Net CISA Costs and risk to the Commonwealth are expected to reduce if the Bid has the following features (all else being equal):

- A low Annual Payment Cap, leading to a low Maximum Liability;
- A low Annual Floor and low Annual Ceiling; and
- Fewer years requiring support, particularly those Bids that have an earlier Final Support End Date or exclude periods in which high support payments would otherwise be expected.

3.4.1. Forecasting Net Operational Revenue

In each Project-Specific Case, a Project's Net Operational Revenue (**NOR**) is forecast considering the Project Parameters. Forecast Revenues are both Project and Scenario specific and will take on a range of values. NOR is estimated by the sum of forecast merchant revenues of the dispatchable Project including:

- revenues in the RTM;
- revenues in the Reserve Capacity Mechanism; and
- revenues from the provision of Essential System Services.

3.4.2. Calculation of Net CISA Cost

The Net CISA Cost is the net present value of forecast annual CISA cashflows across the Bid's Support Period that may occur between the Commonwealth and the Proponent for a Project. Formulaically, the annual CISA cash flows may be represented as below².

$$\text{Annual CISA Cashflows} = \begin{cases} SP, & \text{if } NOR_{year} < AF \times CC \\ 0, & \text{if } AF \times CC \leq NOR_{year} \leq AC \times CC \\ -RS, & \text{if } NOR_{year} > AC \times CC \end{cases}$$

$$SP = \text{minimum}(90\% \times (AF \times CC - NOR), APC)$$

$$RS = \text{minimum}(50\% \times (NOR - AC \times CC), APC)$$

² Note the displayed formula is used for annual modelling in the MC1 assessment and may not directly match the Proforma CISA. Please refer to the Proforma CISA for information on support payment calculations.

Where:³

- *CC* is Peak Capacity Credits, in MW.
- *NOR* is Net Operational Revenue, in \$.
- *SP* is the Annual Support Amount paid to the Project, in \$.
- *RS* is the Annual Revenue Sharing Amount paid by the Project, in \$.
- *AC* is the Annual Ceiling, in \$/MWcc.
- *AF* is the Annual Floor, in \$/MWcc.
- *APC* is the Annual Payment Cap, in \$.

4.0 Impact of Project Parameters and Bid Variables

Project Parameters⁴ and Bid Variables will have varying effects on the MC1 assessment. This section outlines how the Project Parameters and Bid Variables affect the MC1 assessment. The flexibility of the Proforma CISA is intended to provide Proponents with the ability to develop Bids in a targeted way that can best suit their use-cases while also reducing the Net CISA Cost to the Commonwealth.

The table below sets out various variables and their possible impact on MC1 assessment.

Table 3: Potential impact of Project Parameters and Bid Variables on MC1 assessment

Project Parameter or Bid Variable	Key Component affected	Effect, all else being equal
Annual Payment Cap	Net CISA Cost	Lower values can reduce modelled CISA payments for the Net CISA Cost and also reduce the Commonwealth's maximum exposure to CISA costs. A lower Annual Payment Cap can make a Project more competitive.
Annual Floor	Net CISA Cost	Lower values put downward pressure on the Net CISA Cost and may make a Bid more competitive. A lower Annual Floor may lower the expected CISA support payments from the Commonwealth to the Project Operator.
Annual Ceiling	Net CISA Cost	Lower values put downward pressure on the Net CISA Cost as they could increase expected CISA revenue sharing in some Scenarios. A low Annual Floor and low Annual Payment Cap are expected to have greater impact on the assessment than having a low Annual Ceiling and thus be more competitive.
Support Period	Net CISA Cost	A Support Period that is shorter, or that otherwise excludes Support Years when the Net CISA Cost would otherwise be expected to be high (e.g. when Project revenues are low) may reduce the Net CISA Cost and make a Project more competitive.
Connection Point	Reliability Benefits, Market	A Project is expected to perform well across all Reliability Benefits and Market Benefits assessments if it connects to a

³ For more information on terms please refer to the Proforma CISA.

⁴ Certain Project Parameters may be standardised by technology type in the MC1 assessment e.g., operation life and round-trip efficiency.

	Benefits, Net CISA Cost	location with low network congestion and low likelihood of having its output constrained in different dispatch Scenarios, including during peak demand periods. It may also be better able to earn higher market revenues, therefore lowering the Net CISA Cost and improving the Project's competitiveness.
Target Commercial Operation Date	Market Benefits, Net CISA Cost	Projects with an earlier Target COD Date may be viewed more favourably for the purposes of MC1. For instance, if there are fewer storage projects operating in the WEM in earlier years, there may be a greater opportunity to provide Market Benefits and earn higher revenues which could lower the Net CISA Cost, making a Project more competitive.
Storage Capacity	Reliability Benefits, Market Benefits, Net CISA Cost	Increasing the energy storage capacity (MWh) of a Project is expected to increase the Reliability Benefits (up to the ESR Duration), Market Benefits and NOR in absolute terms, all else being equal, making a Project more competitive.
Round-Trip Efficiency	Reliability Benefits, Market Benefits, Net CISA Cost	Technologies that can operate more efficiently may have higher Reliability Benefits and Market Benefits and achieve higher NOR, making a Project more competitive.
Operation Life	Market Benefits	Technologies with a longer asset life have a longer period to provide Market Benefits, making a Project more competitive.
Inverter/Connection Technology	System Security	Projects intending to connect using synchronous machines or grid forming inverters may be viewed more favourably.
Generator Performance Standards	System Security	Projects intending to register for Generator Performance Standards under the Ideal Generator Performance Standards may be viewed more favourably.

5.0 Hybrid Projects, Staged Projects and Projects with separate Measurement Points⁵

This section provides a short summary on the evaluation approach intended to be used for Hybrid Projects, Staged Projects and Projects with separate Measurement Points.

5.1. What is a Hybrid or Staged Project

Hybrid Projects are co-located generation and dispatchable assets, which meet the characteristics of a Hybrid Project as described in the Proforma CISA. Hybrid Projects in this Tender Process refer to either:

- an **Assessed Hybrid Bid**, for which both the Project (i.e. the dispatchable asset) and the Associated Project (i.e. the generation asset) are assessed against the Merit Criteria; or
- a **Non-Assessed Hybrid Bid**, for which only the Project (i.e. the dispatchable asset) is assessed against the Merit Criteria, and not the Associated Project (i.e. the generation asset).

Staged Projects are co-located dispatchable assets, which include the Project, the Existing Project, and the Shared Infrastructure. Refer to the Tender Guidelines for more information on Staged Projects.

5.2. Assessment of Hybrid Projects against MC1

Hybrid Projects are eligible to participate in this WEM Dispatchable Tender Process as part of a Non-Assessed Hybrid Bid. Assessed Hybrid Projects are not eligible to participate in this Tender Process.

5.3. Assessment of Staged Projects against MC1

Project Benefits and the Net CISA Cost will be assessed as part of the MC1 assessment for the Project only, and not the Existing Project or Shared Infrastructure.

5.4. Projects with separate Measurement Points

See Tender Guidelines and Profoma CISA for details on the treatment of Projects with separate Measurement Points.

⁵ See the Tender Guidelines for more information on Hybrid Projects, Staged Projects and Projects with Separate Measurement Points.

Appendix 1 - Definitions

Term	Definition
AEMO	Either or both of AEMO Limited and ASL.
Annual Ceiling	Has the meaning given to that term in the proforma CISA.
Annual Floor	Has the meaning given to that term in the proforma CISA.
Annual Payment Cap	Has the meaning given to that term in the proforma CISA.
Annual Revenue Sharing Amount	Has the meaning given to that term in the proforma CISA.
Annual Support Amount	Has the meaning given to that term in the proforma CISA.
ASL	AusEnergy Services Limited (ABN 59 651 198 364).
Assessed Hybrid Bid	Has the meaning given to that term in the Tender Guidelines.
Associated Project	Has the meaning given to that term in the Tender Guidelines.
BCR	Benefit-Cost Ratio.
Bid	Has the meaning given to that term in the Tender Guidelines.
Bid Variables	Has the meaning given to that term in the Tender Guidelines.
CIS	Has the meaning given to that term in the Tender Guidelines.
CISA or Dispatchable CISA	Has the meaning given to that term in the Tender Guidelines.
COD or Commercial Operations Date	Has the meaning given to that term in the proforma CISA.
COD Target Date	Has the meaning given to that term in the proforma CISA.
Commonwealth	The Commonwealth (Commonwealth of Australia) as represented by DCCEEW.
Components	The components assessed in MC1, including the Project Benefits and the Net CISA Cost.
Connection Point	Has the meaning given to that term in the proforma CISA.
Counterfactual Case	Has the meaning given to that term in Section 2.2 of this Market Briefing Note.
DCCEEW	Department of Climate Change, Energy, the Environment and Water.
Electric Storage Resource Duration or ESR Duration	Represents the number of Trading Intervals over which Energy Storage Resources have Reserve Capacity Obligations.
Electricity Statement of Opportunities	Has the meaning given to that term in the Tender Guidelines.
Energy Market Model	An energy market model that is used to forecast each Project's impact on forecast power prices, and the revenue attributable to the Project.
Essential System Services or ESS	Essential System Services are services procured by AEMO to maintain power system security, reliability, and quality by controlling frequency and restart capability.
Existing Project	Has the meaning given to that term in the Tender Guidelines.

Term	Definition
Final Support End Date	Has the meaning given to that term in the proforma CISA.
Generator Performance Standards	Has the meaning given to that term in the Tender Guidelines.
Hybrid Project	Has the meaning given to that term in the Tender Guidelines.
Ideal Generator Performance Standards	Has the meaning given to that term in the Tender Guidelines.
Investor View	Has the meaning given in Section 2.3.1 of this Market Briefing Note.
Market Benefits	Forecast reduced wholesale market costs of adding the Project to WEM markets.
Maximum Liability	The maximum amount of payments payable under the CISA by the Commonwealth to the Project Operator, as modelled against the Proforma CISA.
MC1	Has the meaning given to that term in the Tender Guidelines.
Measurement Point	Has the meaning given to that term in the proforma CISA.
Merit Criteria	Has the meaning given to that term in the Tender Guidelines.
Metrics	Has the meaning given in Section 2.4 of this Market Briefing Note.
NAQ	Network Access Quantity.
Net CISA Cost	Has the meaning given to that term in the Tender Guidelines.
Net Operational Revenue or NOR	Has the meaning given to that term in the proforma CISA.
Non-Assessed Hybrid Bid	Has the meaning given to that term in the Tender Guidelines.
On Target	Has the meaning given in Section 2.3.1 of this Market Briefing Note.
Peak Capacity Credits	Has the meaning given to that term in the proforma CISA.
Peak Certified Reserve Capacity	Has the meaning given to that term in the Tender Guidelines.
Peak Reserve Capacity Price	Has the meaning given to that term in the proforma CISA.
Policy Objectives	Has the meaning given to that term in the Tender Guidelines.
Project	Has the meaning given to that term in the Tender Guidelines.
Project Benefits	A sub-set of Components, including the Reliability Benefits, Market Benefits and System Security components.
Project Operator	Has the meaning given to that term in the proforma CISA.
Project Parameters	A Project's physical characteristics.
Project-Specific Case	Has the meaning given in Section 2.2 of this Market Briefing Note.
Proponent	Has the meaning given to that term in the Tender Guidelines.
Ranked List	Has the meaning given to that term in the Tender Guidelines.

Term	Definition
RBR	Reliability Benefit Ratio.
Recommended Bids	Has the meaning given to that term in the Tender Guidelines.
Reliability Benefits	Project Benefits that arise from a Project's ability to gain Peak Capacity Credits.
Reserve Capacity Mechanism or RCM	The mechanism designed to ensure that there is sufficient generation capacity in the SWIS.
RTM	Real Time Market
Scenarios	Has the meaning given in Section 2.3 of this Market Briefing Note.
Shared Infrastructure	Has the meaning given to that term in the proforma CISA.
SSC	System Security Capability
Staged Project	Has the meaning given to that term in the proforma CISA.
Support Period	Has the meaning given to that term in the proforma CISA.
Support Year	Has the meaning given to that term in the proforma CISA.
System Security	Contribution to power system security, including system strength, voltage control, frequency management and system restoration.
Tender Process	Has the meaning given to that term in the Tender Guidelines.
WEM	Wholesale Electricity Market

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