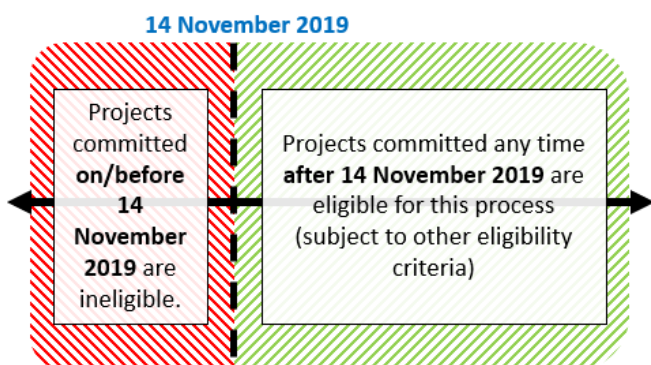


The [Electricity Infrastructure Roadmap](#), includes an Electricity Infrastructure Investment Safeguard to drive investment in renewable energy generation, long duration storage and firming. Under the Safeguard, Long Term Energy Service Agreements (LTESA) will be entered into the following competitive tender processes. The legislative framework is set out in Part 6 of the [Electricity Infrastructure Investment Act 2020 \(EII Act\)](#). This paper provides further information on the NSW Government's intent around LTESA eligibility and timing. Eligibility will be formally defined once the Consumer Trustee has been appointed.

Projects committed after 14 November 2019 are eligible to bid

Committed infrastructure projects will not be counted towards the infrastructure investment objectives. Under the EII Act, a 'committed infrastructure project' is one identified as committed or existing in a generation information page published by Australian Energy Market Operator as 'committed' or 'existing' on or before 14 November 2019, the release date of the NSW Electricity Strategy. Projects 'committed' or set to become 'committed' after this date will be eligible to bid for an LTESA, subject to other criteria.



The intent is to maximise participation

The Consumer Trustee will set eligibility criteria, consistent with the EII Act and any supporting regulations. The Roadmap Detailed Report states "projects must not be in receipt of financial support from prescribed programs." This refers to the Consumer Trustee's ability to prescribe certain programs and declare recipients under those programs ineligible for an LTESA where there is significant overlap between programs.

Aside from the Australian Government's Underwriting New Generation Investments program, the NSW Government has not currently identified any programs it considers likely to be prescribed by the Consumer Trustee. This will need to be confirmed by the Consumer Trustee.

Contracts will encourage generators to install or contract with firming resources

The EII Act sets out a principle "to align the financial incentives offered under LTES agreements with the changing needs of the electricity system."

Since substantial amounts of variable renewable energy generation will be contracted for, contracts will encourage projects to meet the physical firming needs of the system (either physically or financially). For example, fixed volume/fixed shape swap structures have the ability to encourage firm generation.

First tender round timing

The first tender round is expected to commence in late 2021 to early 2022. A full set of rules and eligibility criteria will be drafted and published by the Consumer Trustee.

How to get involved

The Department of Planning, Industry and Environment expects to commence public consultation in the first quarter of 2021. A consultation schedule will be released shortly. If you wish to get in contact, please email: electricity.roadmap@dpie.nsw.gov.au