



# INVITATION TO TENDER

## Supplementary Capacity

Tenders are invited by the Australian Energy Market Operator Ltd (AEMO) for provision of Supplementary Capacity.

[aemo.com.au](http://aemo.com.au)

New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia

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## Section A: Introduction and ITT Terms

### 1. About AEMO

Australian Energy Market Operator Limited (AEMO) is the organisation responsible for operating eastern, south-eastern, and western energy markets and systems in accordance with the National Electricity Rules, Wholesale Electricity Market Rules, National Gas Rules, and Gas Services Information Rules. AEMO's functions include:

- market and system operator of the Wholesale Electricity Market (WA);
- market and system operator of the National Electricity Market;
- market and system operator of the Victorian Wholesale Gas Market;
- operator of the short-term trading market (wholesale) for gas hubs in Sydney, Adelaide and Brisbane, and operator of the Wallumbilla gas supply hub (wholesale);
- market operator of retail gas markets in New South Wales, Australian Capital Territory, Victoria, South Australia, Queensland and Western Australia;
- national transmission planning for electricity transmission networks.

With its broad national focus for the future, AEMO's objectives are to promote efficient investment in and operation of Australia's electricity and gas services for the long-term interests of consumers with respect to price, quality, safety, reliability and security of energy supply.

### 2. ITT

- 2.1. AEMO is issuing this Invitation to Tender (**ITT**) pursuant to clause 4.24.2(b)(i) of the WEM Rules to persons who may be potential providers of Supplementary Capacity in the SWIS during the Hot Season (1 December to 1 April) of Capacity Year 2022/23.
- 2.2. Participation in the ITT Process (including submission of a Tender) is subject to Recipients' acceptance of and compliance with the ITT Terms.
- 2.3. Tenders responding to this ITT are due by the Closing Date.

### 3. Application of ITT Terms

- 3.1. All persons who obtain or receive this ITT (whether or not they submit a Tender) may only use and disclose it, and the information contained in it, in compliance with the ITT Terms.
- 3.2. All Recipients are deemed to accept the ITT Terms. The ITT Terms apply to:
  - (a) this ITT and any other information given, received, or made available in connection with this ITT;
  - (b) the ITT Process; and

- (c) any communications, including any presentations, meetings, or negotiations, relating to this ITT or the ITT Process (whether before or after the release of this ITT).

- 3.3. In addition to any other remedies available to it under law or contract, any failure to comply with the ITT Terms will, in the absolute discretion of AEMO, entitle AEMO to disqualify a Recipient from participation in the ITT Process.

## 4. Legal status

- 4.1. Neither this ITT, nor a Tender submitted by a Recipient, has any contractual, promissory, or restitutionary effect, and does not create any other rights, in relation to proceeding with the ITT Process or the acquisition of any Services. AEMO is not obliged to complete the ITT Process or to proceed with the acquisition of any Eligible Service. AEMO may change the ITT Process or the description of the Eligible Service outlined in the ITT at any time by issuing an Addendum to Recipients.
- 4.2. This ITT is not an offer. It is an invitation for persons to submit a Tender only. This ITT must not be construed, interpreted, or relied upon, whether expressly or impliedly, as an offer capable of acceptance by any person.
- 4.3. AEMO and its Representatives will not be liable for any costs incurred by Recipients through considering this opportunity, submitting a Tender or otherwise participating in the ITT Process.

## 5. Evaluation criteria

The criteria AEMO will consider as part of evaluating Tenders for value are as set out in Section D (How We Evaluate Tenders), noting precedence does not imply a higher weighting.

## 6. ITT is AEMO's Confidential Information

- 6.1. This ITT is Confidential Information of AEMO. Access to this Confidential Information is being provided by AEMO for the sole purpose of enabling Recipients to prepare and submit Tenders (**the Permitted Purpose**). The Recipient agrees to keep the Confidential Information in strict confidence and to use the Confidential Information solely, and only as strictly necessary, for the Permitted Purpose. Recipient agrees not to (and will not enable or allow anyone else to) copy, exhibit, communicate, publish (either alone or in conjunction with others) or use the Confidential Information for any other purpose or in any other manner.
- 6.2. Recipient agrees not to disclose Confidential Information in any manner to any person other than its own Representatives and to limit such disclosure to information that Representative needs to know for the Permitted Purpose. Recipient may only disclose such Confidential Information to Representatives who have agreed to keep the Confidential Information confidential on terms equivalent to and not inconsistent with the ITT Terms. Recipients must otherwise take all reasonable steps (both physically and electronically) to protect the confidentiality of Confidential Information.
- 6.3. The Recipient acknowledges that:

- (a) because of the nature of the Confidential Information, monetary damages or an account of profit alone may be an inadequate remedy if there is any unauthorised use or disclosure of this ITT or if the Recipient or its Representatives breach these ITT Terms; and
  - (b) AEMO is entitled to an injunction or an order for specific performance of the ITT Terms as a remedy for any unauthorised use or disclosure of Confidential Information by the Recipient or its Representatives, in addition to any other remedies available to AEMO at law or in equity.
- 6.4. The Recipient irrevocably consents to any such injunction or order for specific performance being granted to AEMO and to a copy of these ITT Terms being used as conclusive evidence of that consent.
- 6.5. If the Recipient is required by law, court order or lawful demand of a governmental agency to disclose Confidential Information, then Recipient must first:
  - (a) notify AEMO and provide AEMO with a reasonable opportunity and all necessary assistance (as lawfully permitted) to oppose the disclosure;
  - (b) confer with AEMO regarding the content and timing of any disclosure to ensure no more Confidential Information is disclosed than is strictly required; and
  - (c) ensure that the party to whom the disclosure is made is notified that the information is confidential and obtain assurances that the Confidential Information will be treated confidentially.
- 6.6. Any disclosure of Confidential Information by the Recipient which complies with the requirements above, will not be a breach of these ITT Terms.
- 6.7. If requested by AEMO, the Recipient must:
  - (a) return to AEMO (or with AEMO's prior consent, destroy or erase) all Confidential Information including this ITT and all documents and other information in any material form (be it visible or not) in the possession, power or control of the Recipient relating to, or concerning, the ITT or ITT Process, including any copies of those documents and incidental materials then in existence;
  - (b) to the extent reasonably practicable, remove from electronic storage the ITT and any other Confidential Information, including any copies of those documents and incidental materials then in existence; and
  - (c) provide written advice that the Confidential Information has been destroyed or returned.
- 6.8. After a request to return Confidential Information, the Recipient must not at any time:
  - (a) copy or use for any purpose, or disclose to any person, the Confidential Information; or
  - (b) sell or otherwise transfer the ITT.

- 6.9. Notwithstanding the above, the Recipient may retain one copy of the ITT as strictly required by law or for audit purposes. The obligations under the ITT Terms will continue to apply to such copy.
- 6.10. The obligations in this clause 6 will continue to apply to all Confidential Information retained by the Recipient after the conclusion of the ITT Process.

## 7. Intellectual property in this ITT

Unless otherwise indicated in this ITT, AEMO owns the intellectual property rights as may exist in this ITT and any other documents provided to Recipients by or on behalf of AEMO in connection with the ITT Process. Recipients are permitted to use and copy this ITT for the sole purpose of preparing and submitting a Tender.

## 8. Others to be bound

A Recipient must ensure that each Representative to whom it discloses or supplies this ITT (including any other documents issued in relation to the ITT Process) agrees to be bound by the ITT Terms.

## 9. Continuing obligations

The obligations of a Recipient under these ITT Terms survive the termination or expiration of the ITT Process.

## 10. No warranty

Except to the extent required by law:

- 10.1. AEMO and its Representatives make no warranties or representations, express or implied, about the accuracy, adequacy, currency or completeness of this ITT or any other information provided or made available to Recipients, including (without limitation) as part of the ITT Process.
- 10.2. AEMO and its Representatives do not accept responsibility, and will not be liable in any way, for any loss or damage of whatever kind (whether foreseeable or not) however arising (including, without limitation, by reason of negligence or default), incurred by any person in connection with this ITT or any other information provided by AEMO in relation to the ITT Process or an Eligible Service.

## 11. Representations

No representation made by or on behalf of AEMO in relation to this ITT or its subject matter will be binding on AEMO unless that representation is expressly incorporated into any contract(s) ultimately entered into between AEMO and a Recipient.



## 12. Consents and approvals

Except as otherwise expressly provided in this ITT or under law, AEMO may conditionally or unconditionally, in its absolute discretion, give or withhold any consent, permission or approval referred to in this ITT.

## Communications during the ITT Process

### 13. Requests for further information

- 13.1. If Recipients find any discrepancy, error, or have any doubt as to the meaning or completeness of this ITT or require clarification on any aspect of it, they should notify the AEMO Contact in writing, not less than 10 days before the Closing Date.
- 13.2. AEMO reserves the right not to respond to any question or request, irrespective of when it is received.
- 13.3. AEMO may (in its absolute discretion) decide to meet with individual Recipients to clarify aspects of this ITT provided that:
  - (a) meetings are requested at least 5 days before the Closing Date; and
  - (b) there can only be one meeting per Recipient.
- 13.4. AEMO may issue an Addendum to all Recipients (including after any meeting) clarifying the discrepancy, error, doubt, or query (as the case may be) and may, in its absolute discretion, extend the Closing Date.
- 13.5. No representation or explanation to Recipients as to the meaning of this ITT, or as to anything to be done or not to be done by the Recipient, will be taken to be included in this ITT unless it is contained in an Addendum.

### 14. Conflict of interest

- 14.1. A Recipient must not, and must ensure that its Representatives do not, place themselves in a position that may or does give rise to an actual, potential or perceived conflict of interest between AEMO and the Recipient's interests during the ITT Process. If an actual, potential, or perceived conflict of interest arises, then the Recipient must promptly notify AEMO and take any steps that AEMO reasonably requires to address the conflict of interest.
- 14.2. Without limiting the preceding paragraph, AEMO may, in its absolute discretion, decide not to evaluate (or continue to evaluate) a Tender if, AEMO believes that the Tender was prepared (in whole or in part) by a Representative of the Recipient where that Representative was:
  - (a) a Representative of, or otherwise engaged by, AEMO at any time during the 12 months immediately preceding the date of issue of the ITT; and

- (b) involved in the management of the ITT Process or preparation of the ITT at any time.
- 14.3. Before the Closing Date, a Recipient may request permission to have a Representative described above contribute to or participate in the ITT Process and/or preparation of the Recipient's Tender. Where a Recipient makes such a request, AEMO may, in its absolute discretion, at any time:
- (a) grant permission, whether with or without such conditions as AEMO thinks fit; or
  - (b) refuse permission.

## 15. Submitting a Tender

- 15.1. A Tender must meet the following requirements:
- (a) the Recipient accepts and agrees to comply with the ITT Terms;
  - (b) the form of Tender must follow the structure and include the information requirements in Appendix A;
  - (c) if the Recipient cannot provide any of the required information, the Recipient must state this in the Tender, with reasons;
  - (d) the person submitting the Tender must be authorised to do so on behalf of the Recipient;
  - (e) the Tender must be submitted electronically in MS Word or Adobe PDF format;
  - (f) the Tender and any additional supporting information that the Recipient considers is necessary for AEMO to understand the Tender, must be submitted and lodged in electronic form via the VendorPanel tool by 4:00pm (AWST) on the Closing Date; and
  - (g) Tenders sent by post or fax, or hard copy delivered to AEMO's office, will not be accepted.
- 15.2. No representation or explanation to Recipients as to the meaning of this ITT is taken to be included in this ITT unless it is contained in an Addendum.
- 15.3. AEMO may, at its absolute discretion, accept or exclude late or non-conforming Tenders.

## 16. Recipient to perform own due diligence

- 16.1. By submitting a Tender, a Recipient is taken to have:
- (a) read and understood the requirements of this ITT;
  - (b) made all reasonable enquiries, investigation, and assessments relevant to the risks, contingencies and other circumstances relating to the Services; and
  - (c) satisfied itself of the requirements of this ITT and to the correctness and sufficiency of its Tender.

- 16.2. This ITT does not constitute legal or business advice and should not be relied on as a substitute for obtaining detailed advice about the Wholesale Electricity Market, WEM Rules, or any other applicable laws, procedures, or policies.

## 17. Tenders commercial-in-confidence

- 17.1. AEMO will retain all Tenders submitted because of this ITT. AEMO may copy and distribute Tenders for the purposes of evaluation. Tenders will be treated as confidential and will not be disclosed outside AEMO unless it is:
- (a) for the purposes of liaising with its professional advisers in connection with this ITT or the Services;
  - (b) for the purposes of liaising with or as requested by any regulatory or other government authority having jurisdiction over AEMO, or its activities;
  - (c) to AEMO's external advisers, consultants, or insurers; or
  - (d) required by law, or in the course of legal proceedings.

## 18. Use of Tenders

- 18.1. Upon submission, all Tenders become the property of AEMO. Recipients will retain all intellectual property rights contained in the Tender.
- 18.2. Notwithstanding the above, each Recipient, by submission of their Tender, is deemed to have granted AEMO a licence (which includes a right to sublicense to its professional advisers or any regulatory or other government authority having jurisdiction over AEMO, or its activities) to reproduce the whole, or any portion, of their Tender for the purposes of enabling AEMO to evaluate the Tender and to define its requirements for the Services and the content of any future request for Tender or other document describing or relating to the Services.

## 19. Withdrawal of Tender

A Recipient who wishes to withdraw a Tender must immediately notify AEMO of that fact. Upon receipt of such notification, AEMO will cease to consider that Tender.

## 20. Status of Tender

- 20.1. Each Tender constitutes a non-binding Tender by the Recipient to AEMO to provide Supplementary Capacity in accordance with the requirements of, this ITT.

## 21. No reimbursement of costs

- 21.1. AEMO and its Representatives will not be responsible for, and no Recipient is entitled to be reimbursed for, any expense, liability or loss incurred in the preparation and submission of its Tender, including (without limitation) for any costs incurred in attending meetings with AEMO.

## 22. Prohibited contact

- 22.1. Without first obtaining the written approval of AEMO, Recipients must not, and must ensure that their Representatives do not contact, make any enquiry to, or have any discussions (in any form, whether written, oral or otherwise) in relation to any aspect of the ITT, the Services or its Tender with Representatives of AEMO (other than as permitted under Section B clause 30.1 (How To Contact AEMO)), the Commonwealth Government, the Western Australian State Government or any local government or any regulator or regulatory authority.
- 22.2. Recipients must not make any public or media announcement about this ITT or the outcome of this ITT without AEMO's prior written permission.

## 23. No anti-competitive conduct

- 23.1. Recipients must ensure that they (and their Representatives) do not:
  - (a) without the prior written consent of AEMO, discuss this ITT with any other person they know has received this ITT or might reasonably be expected to have received it; or
  - (b) engage in any conduct that is designed to, or might have the effect of, lessening competition in the supply to AEMO of an Eligible Service.
- 23.2. Recipients must obtain the prior written approval of AEMO to discuss this ITT with other potential members of any consortium who might provide an Eligible Service to AEMO as part of engaging in legitimate teaming or sub-contracting discussions.
- 23.3. Subject to the above stipulations, it is not necessary for Recipients to obtain AEMO's prior written approval before discussing the delivery of an Eligible Service with potential sub-contractors, equipment suppliers or consultants, provided the potential sub-contractor, supplier or consultant complies with the requirements above.
- 23.4. Each Recipient acknowledges and agrees that it has been made aware of the matters outlined in this Section A clause 23 of the ITT Terms.

## Next steps

### 24. Options available to AEMO

- 24.1. After evaluation of all Tenders, AEMO may, without limiting other options available to it, do any of the following:
  - (a) prepare a shortlist of Recipients and invite further submissions from those Recipients;
  - (b) enter into pre-contractual negotiations with one or more Recipients;
  - (c) decide not to proceed further with the ITT Process or any other procurement process for Supplementary Capacity; and/or

- (d) commence a new process for calling for Tenders on a similar or different basis to that outlined in this ITT.

## 25. No obligation to enter into contract

- 25.1. Notwithstanding the outcome of any evaluation conducted in accordance with this ITT and without limiting any other rights AEMO may have, AEMO is under no obligation to shortlist any Recipients or to enter into a contract with any shortlisted Recipient or any other person.
- 25.2. Irrespective of whether AEMO shortlists any Recipients, if AEMO decides not to enter into a contract in relation to Services, AEMO may proceed with any alternative process to procure Supplementary Capacity in accordance with the WEM Rules.

## 26. No obligation to debrief

- 26.1. AEMO is under no obligation to debrief any Recipient as to AEMO's evaluation of Tenders, or give any reason for the acceptance or non-acceptance of any Tender or any decision not to enter into a contract in relation to an Eligible Service.

## AEMO's rights and governing law

### 27. AEMO's rights

- 27.1. Notwithstanding anything else in this ITT, and without limiting its rights at law or otherwise, AEMO reserves the right, in its absolute discretion at any time, to:
  - (a) cease to proceed with or suspend the ITT Process;
  - (b) alter the structure of, or vary or extend any time or date specified in, this ITT;
  - (c) require additional information or clarification from any Recipient or any other person or provide additional information or clarification;
  - (d) negotiate with any one or more Recipients and allow any Recipient to alter its Tender;
  - (e) call for new Tenders;
  - (f) accept any Tender received after the Closing Date;
  - (g) reject any Tender that does not comply with the requirements of this ITT; and
  - (h) terminate the participation of any Recipient or any other person in the ITT Process.

### 28. Governing Law

- 28.1. This ITT and the ITT Process are governed by the laws applying in the State of Western Australia.
- 28.2. Each Recipient must comply with all relevant laws in preparing and lodging its Tender and in taking part in the ITT Process.

## 29. Glossary

29.1. In this document unless the context otherwise requires:

- (a) a capitalised word or phrase has the meaning set out opposite that word or phrase in the table below; and
- (b) terms capitalised, but not defined in this ITT, have the meaning given to that term in the WEM Rules.
- (c) A word or phrase defined in the WEM Rules, or the Procedure, has the same meaning when used in this document.
- (d) Headings are inserted for convenience and do not affect the interpretation of this Agreement.

Term	Definition
<b>Addendum</b>	Any document issued after the date of this ITT and labelled as an “Addendum” to this ITT; collectively known as “Addenda”.
<b>AEMO</b>	means Australian Energy Market Operator Limited a company limited by guarantee established under the <i>Corporations Act 2001</i> (Cth). References to AEMO include, where the context requires, AEMO’s employees, officers, contractors, consultants, advisers, and other persons authorised to act for AEMO
<b>AEMO Contact</b>	The person specified in Section B clause 30.1 of this ITT.
<b>AWST</b>	Australian Western Standard time
<b>Closing Date</b>	means 21 October 2022.
<b>Confidential Information</b>	<p>The contents of this ITT and any communications in relation to this ITT including any Tender, except to the extent:</p> <ul style="list-style-type: none"> <li>(1) the information is or becomes generally and publicly available other than as a result of a breach of confidence (including a breach of these ITT Terms);</li> <li>(2) the information was lawfully in the Recipient’s possession before it was disclosed in this ITT and was not obtained through any breach of confidence;</li> <li>(3) the information is legally obtained from a third party independent from the ITT Process who is free to disclose it; or</li> <li>(4) the Recipient independently developed the information without reference to the ITT (as proven by contemporaneous documentation).</li> </ul>

Term	Definition
<b>Eligible Service</b>	has the meaning given in clause 4.24.3 of the WEM Rules
<b>Invitation to Tender or ITT</b>	means this invitation to tender.
<b>ITT Process</b>	The process commencing on the issuing of this ITT and concluding when AEMO or its Representative has notified each Recipient whether or not it has been shortlisted, or upon the earlier termination of the process by AEMO.
<b>ITT Terms</b>	The terms set out in clauses 2 to 29 in Section A (Introduction and ITT Terms) of the ITT.
<b>Load</b>	has the meaning given in the WEM Rules.
<b>Maximum Contract Value per Hour</b>	has the meaning given in clause 2.3 of the Procedure.
<b>MW</b>	means megawatt.
<b>MWh</b>	means megawatt hour
<b>Permitted Purpose</b>	Recipient preparing and submitting a Tender.
<b>Procedure</b>	means the Market Procedure: Supplementary Reserve Capacity published on the WEM Website, as updated or amended from time to time.
<b>Recipient</b>	Any person in receipt of this ITT.
<b>Registered Facilities</b>	has the meaning given in the WEM Rules.
<b>Relevant Person</b>	means AEMO, any director, officer, or employee of any of the preceding, or any adviser or consultant to any of the preceding.
<b>Representative</b>	In relation to AEMO or a Recipient (as the context requires), means its employees, officers, contractors, consultants, advisers, and other persons authorised to act for AEMO or a Recipient (as the context requires).
<b>Reserve Capacity</b>	has the meaning given in the WEM Rules.
<b>Section</b>	Means a section of this ITT
<b>Services</b>	means the provision of Supplementary Capacity pursuant to clause 4.24 of the WEM Rules
<b>Supplementary Capacity</b>	means capacity to be made available for the purposes of clause 4.24 of the WEM Rules by the provision of Services.
<b>Supplementary Capacity Contract</b>	has the meaning given in the WEM Rules and includes a contract substantially in the form attached to Appendix B of this ITT.
<b>Supplementary Capacity Contract Period</b>	has the meaning given in Section C clause 34.3
<b>SWIS</b>	has the meaning given in the WEM Rules.

Term	Definition
<b>Tender</b>	The tender developed and submitted by a Recipient to provide Supplementary Capacity in response to this ITT.
<b>WEM Rules</b>	means Wholesale Electricity Market Rules made under the <i>Electricity Industry (Wholesale Electricity Market) Regulations 2004 (WA)</i> and contemplated by section 123 of the <i>Electricity Industry Act 2004 (WA)</i> , as amended from time to time.



## Section B: ABOUT THIS ITT

### 30. How to contact AEMO

30.1. All enquiries must be directed via our eSourcing tool, VendorPanel. If you are unable to make contact, please contact AEMO's Procurement Team – Procurementteam@aemo.com.au.

### 31. Steps and timing for this ITT

This timetable is provided to give Recipients an indication of the anticipated timing for the ITT Process. Unless otherwise specified in this ITT, dates preceding the Closing Date in this timetable are indicative only, not yet finalised and are subject to change.

#### Steps in ITT Process:

ITT Opening Date	23 September 2022
Deadline for questions from Recipients:	14 October 2022
Deadline for AEMO to answer Recipients' questions:	19 October 2022
Closing Date	21 October 2022

#### Timing for Proposals:

Successful Recipients notified of award of Supplementary Capacity Contract:	<b>week starting 28 November 2022</b>
Anticipated Supplementary Capacity Contract start date:	<b>1 December 2022</b>

## Section C: Our requirements

Tenders are invited by the Australian Energy Market Operator (AEMO) for provision of one or more Eligible Services to provide Supplementary Capacity to meet a forecast shortfall of Reserve Capacity in the 22/23 Capacity Year.

## 32. Background

- 32.1. AEMO is required by the Wholesale Electricity Market Rules (WEM Rules) to secure sufficient generation and load reduction capacity in the SWIS to maintain Power System Security and Power System Reliability.
- 32.2. If at any time AEMO considers that inadequate Reserve Capacity will be available in the SWIS to maintain Power System Security and Power System Reliability, using the most recent published forecasts and the Planning Criterion, AEMO must seek to acquire supplementary capacity in accordance with clause 4.24.2 of the WEM Rules.
- 32.3. AEMO has prepared a revised estimate of the forecast maximum demand and the capacity that is expected to be available for the Hot Season (1 December to 1 April) of Capacity Year 2022/23, which identifies a potential capacity deficit of up to 174 MW during some Trading Intervals over the Hot Season of Capacity Year 2022/23.
- 32.4. In accordance with section 4.24 of the WEM Rules, AEMO is seeking tenders from potential suppliers of Supplementary Capacity to provide one or more Eligible Services to meet the potential capacity deficit during the Hot Season of Capacity Year 2022/23.

## 33. Supplementary Capacity

- 33.1. Under clause 4.24.3 of the WEM Rules, Supplementary Capacity may be provided by the following services or a combination of them (**Eligible Services**):
  - (a) load reduction measures to reduce a consumer's consumption of electricity supplied through the SWIS but excluding reductions associated with the operation of Registered Facilities (including registered Loads) and reductions provided by a Market Participant with a Demand Side Programme that does not satisfy its Reserve Capacity Obligations for the current Reserve Capacity Cycle in accordance with clause 4.8.3(d) of the WEM Rules at the time AEMO seeks to acquire supplementary capacity;
  - (b) the generation of electricity by Energy Producing Systems that are not Registered Facilities.
  - (c) the generation of electricity by Energy Producing Systems, or load reductions provided by Loads, that are Registered Facilities but only to extent that the electricity is generated, or the load reduction is provided, by capacity for which the relevant Market Participant, either:
    - (i) does not hold Capacity Credits in the current (Capacity Year 22/23) Reserve Capacity Cycle; and
    - (ii) has not held Capacity Credits in the current (Capacity Year 22/23) Reserve Capacity Cycle or a previous Reserve Capacity Cycle; and
    - (iii) holds Capacity Credits in a subsequent Reserve Capacity Cycle (Capacity Year 23/24 or later), or
    - (iv) provides evidence satisfactory to AEMO, prior to a Supplementary Capacity Contract taking effect, that:

- (A) costs have been incurred to enable the provision of the capacity through the installation of physical equipment; and
- (B) the capacity is in addition to the sent-out capacity of the Energy Producing Systems, or the maximum amount of load that can be curtailed, that existed prior to the installation of the physical equipment.

## 34. Capacity requirement

- 34.1. AEMO is seeking a total of 174 MW of Supplementary Capacity for Capacity Year 2022/23.
- 34.2. Tenders must specify for each Eligible Service offered:
  - (a) the Supplementary Capacity Contract Period;
  - (b) the aggregated maximum amount of Supplementary Capacity to be provided by the Eligible Service over the Supplementary Capacity Contract Period that it is prepared to offer;
  - (c) the aggregate maximum amount of Supplementary Capacity to be provided by that Eligible Service each day over the Supplementary Capacity Contract Period; and
  - (d) The aggregated minimum amount of Supplementary Capacity to be provided by that Eligible Service over the Supplementary Capacity Contract Period.
- 34.3. Subject to the limitations on availability specified by the Recipient in Appendix A Schedule 1 (i.e. number of hours each day and number of hours over Supplementary Capacity Contract Period etc), the Eligible Service must be available to be activated (if required) over a period of no longer than 12 weeks, commencing on or after 1 December 2022 and ending on or before 1 April 2023 (**Supplementary Capacity Contract Period**).
- 34.4. Each Eligible Service must be available in blocks of no less than 1 hour at any time and must be available to be utilised during the hours of 5 pm through to 9 pm (AWST).
- 34.5. When activated, each Eligible Service must provide at least 1 MW of Supplementary Capacity.
- 34.6. If and when required:
  - the Eligible Service must be able to be activated by 9 hours' notice or less; and
  - each Eligible Service must be available to be activated for at least 1 hour at a time during the Supplementary Capacity Contract Period.
- 34.7. Each Eligible Service may be utilised for up to 4 hours per day during the Supplementary Capacity Contract Period. As required by the WEM Rules, this period will be used as part of AEMO's assessment of the Maximum Contract Value per Hour.
- 34.8. The Supplementary Capacity provided by each Eligible Service must be measurable.

## 35. Payment

- 35.1. Providers of Supplementary Capacity will be paid:
- (a) an availability price for the provision of each Eligible Service (in \$ per MW per day), which will be paid for each day of the Supplementary Capacity Contract Period and irrespective of whether or not the Eligible Service is activated or utilised; and
  - (b) an activation price per MWh of Supplementary Capacity provided for each hour, or part thereof, when the Service is activated or utilised.
- 35.2. Tenders must specify:
- (a) an availability price (expressed as \$ per MW per day); and
  - (b) an activation price (expressed as \$ per MWh),
- for the provision of each Eligible Service.
- 35.3. Tenderers should note that the values in Section C clause 35.2 must meet the requirements of clause 4.24.7(j) of the WEM Rules and that the Maximum Contract Value per Hour determined under section 2.3 of the Procedure and specified in the advertisement for the call for tenders (published on AEMO's website) was \$2,380.23 per MW per hour of Services offered.
- 35.4. The prices specified by the Recipient must be fixed for the Supplementary Capacity Contract Period.

## Section D: HOW WE EVALUATE PROPOSALS

### 36. ITT Documents

In addition to the Sections of this ITT, the following documents are incorporated as part of the ITT. These have been uploaded on VendorPanel and are available for all interested Recipients to complete. These documents form part of this ITT and Recipient's response to these documents must be completed and submitted as part of its Proposal and will form part of our evaluation criteria. The evaluated documents are listed below:

The Supplementary Capacity Contract

### 37. Evaluation criteria

Tenders will be evaluated for value according to the content provided by the Recipient in response to the following criterion:

Offers must be for the provision of Eligible Services.
AEMO must be satisfied that the Eligible Service will be available during times of system peak demand during the Hot Season (1 December to 1 April) of Capacity Year 2022/23.
Tenders will be awarded on the basis of providing the lowest cost mix of Supplementary Capacity Contracts that will meet the Supplementary Capacity requirement or, failing that, that will minimise the remaining Reserve Capacity shortfall, where the cost of each Supplementary Capacity Contract is the sum of the availability price offered in the Tender, plus the product of the activation price offered in the Tender and the lesser of 336 hours and the maximum number of hours that the Service will be available over the Supplementary Capacity Contract term as specified in Appendix A Schedule 1.
AEMO must be reasonably satisfied that, where applicable, the Recipient has access to the SWIS.
Risks posed by the Recipient (which may include its commercial viability and alignment to Wholesale Market Objectives) that would hinder the successful delivery of the Services.
Compliance and acceptance of the ITT or the extent and potential impact of the Recipient's requested amendments to the ITT.
Responses to vendor pre-qualification questions presented as part of the Tender submission process.
Verbal and/or written reference checks, if deemed necessary by AEMO.
Compliance and acceptance of the Supplementary Capacity Contract attached as Appendix B of this ITT or the extent and potential impact of the Recipient's requested amendments to the Supplementary Capacity Contract.
The existence or future addition of telemetry equipment that will enable AEMO to remotely monitor and measure the real-time, or near real-time, power demand, or power generation, at the location and NMI associated with the Eligible Service.

### 38. Acceptance of tenders

38.1. In determining the outcome of this Invitation to Tender and entering into Supplementary Capacity Contracts:

- (a) AEMO must only accept an offer for the provision of Eligible Services;

- (b) AEMO must not accept an offer for the provision of Eligible Services if AEMO is not satisfied that the Eligible Services offered will be available during the time and in the form specified in this Invitation to Tender during the Supplementary Capacity Contract Period;
- (c) AEMO is not obliged to accept the maximum Supplementary Capacity offered by the Recipient and may accept the minimum Supplementary Capacity offered or any amount between the minimum Supplementary Capacity and the maximum Supplementary Capacity; and
- (d) subject to this Section D clause 38, AEMO will seek to enter into the lowest cost mix of Supplementary Capacity Contracts, as required by clause 4.24.8(c) of the WEM Rules.

38.2. AEMO may enter into Supplementary Capacity Contracts that:

- (a) meet the requirement for Supplementary Capacity as set out in Section C clause 34; or
- (b) do not meet the requirement for Supplementary Capacity as set out in Section C clause 34 but minimise the Reserve Capacity shortfall; or
- (c) exceed the requirement for Supplementary Capacity as set out in Section C clause 34,

depending on what AEMO, in its sole discretion, determines is the lowest cost mix that will deliver sufficient Supplementary Capacity for the purpose of section 4.24 of the WEM Rules.

38.3. AEMO is not under any obligation to accept any Tender, or enter into any Supplementary Capacity Contract in respect of any Tender provided in response to this Invitation to Tender including, but not limited to, where AEMO is of the opinion that accepting the Tender will exceed its requirement for Supplementary Capacity as set out in Section C clause 34.1.

38.4. In selecting a successful Tender, AEMO will forward to the Recipient a notice in writing accompanied by the Supplementary Capacity Contract in duplicate for execution by the successful Recipient.

38.5. The successful Recipient must execute the Supplementary Capacity Contract and return the Supplementary Capacity Contract duly executed to AEMO as soon as practicable but not later than 5 Business Days after AEMO forwards the Supplementary Capacity Contract to the Recipient for execution.

38.6. The Supplementary Capacity Contract will be effective as at the date it is executed by AEMO.

For and on behalf of

AUSTRALIAN ENERGY MARKET OPERATOR LTD

By:

Date:

## Appendix A. Tender Form and Schedule 1

### A1.1 Tender Form

In response to the Australian Energy Market Operator's Invitation to Tender dated 23 September 2022 and in accordance with the terms and conditions prescribed in the Invitation to Tender, we hereby tender and offer to provide Supplementary Capacity in accordance with the ITT documents, including the attached completed Schedule 1 submitted with this Tender.

We certify that and agree that:

- all information in our tender is true and correct;
- other than as specified in the WEM Rules, this Invitation to Tender does not confer any obligations on AEMO and AEMO is not required to undertake any further act in relation to this Invitation to Tender, or any act in relation to a Tender;
- we have relied entirely on our own enquiries in relation to all matters in respect of this Invitation to Tender and the WEM Rules;
- we have examined and understood this Invitation to Tender, each Addendum issued under this Invitation to Tender, the WEM Rules and any other information available to us in respect of this Invitation to Tender;
- we have made all reasonable enquiries and examined all information relevant to the risks, contingencies and other circumstances having an effect on our Tender that is obtainable by the making of reasonable enquiries;
- we do not rely on any warranty or representation of a Relevant Person;
- we acknowledge and agree that no Relevant Person makes any warranty or representation, express or implied, in respect of the accuracy, reliability or completeness of this Invitation to Tender or any Addendum issued, or other information provided under or in connection with this Invitation to Tender;
- we have not entered into and will not enter into any unlawful arrangement with any other person in respect of this Invitation to Tender;
- we make this offer on the basis of our own experience and interpretation of all information provided to us by AEMO and all other information available to us;
- we will comply with all timelines for this ITT Process set out in the Invitation to Tender document; and
- if successful in our Tender, we will execute the Supplementary Capacity Contract forwarded to us by AEMO within the time specified in clause 38.5.

We confirm receipt of the following Addenda, which we have taken into account before submitting this tender:

[insert details of addenda if issued by AEMO]

Date 2022

Signed for and on behalf of )

[insert name] )

by authority of its directors in )

accordance with section 127 of )

the Corporations Act )

Signature of Director

Signature of \*Director/\*Secretary

Print name of Director

Print name of \*Director/\*Secretary

\*delete that which does not apply



## A1.2 Schedule 1

[Where further space is required, please annex additional pages to this Tender]

Your company or business details	
Name of your company or business	
ABN Number	
GST Status	

Your Contact Person	
Contact person's name	
Position held in company	
Postal address	
Phone number - Office - Mobile	
Email Address	
Fax number	

Eligible Service Offer		
Earliest date and time the Service could commence		
Nature of Service (load reduction or generation)		
Amount of Service* – MW (must be at least 1 MW per Eligible Service and not be more than 174 MW in total)		
Minimum amount of Service* that the Recipient offers – in MW (must be at least 1 MW per Eligible Service)		
Maximum number of hours that the Service will be available over the Supplementary Capacity Contract term		
Maximum number of hours on each day that the Service will be available over the Supplementary Capacity Contract Term		

Eligible Service Offer		
Time of day during which the Service will be available (during 5 pm to 9 pm AWST)		
Any additional information required to complete the Supplementary Capacity Contract for the Service and full details of any amendments to the standard form Supplementary Capacity Contract required by the Recipient, if any (please provide a marked-up version of the standard form Supplementary Capacity Contract provided in Appendix B)		
The process, procedure, and mechanism to activate the Service		
The maximum notice required to activate each Eligible Service (must not exceed 9 hours)		
The mechanisms available for measuring the Services provided.	Interval Meter Data *	
Availability price (dollars per MW per day) # Note that this figure is not to exceed \$ 704.91 per MW per day	\$	X
Activation Price per hour of activation (\$ MWh), where this price must not exceed \$2,204 MWh#	\$	Y
The location of the Service and the associated national meter identifier (NMI).		
Maximum Contract Value per Hour (\$2,380.23 per MW per hour)	\$	

\* AEMO will verify the quantity of Service provided, where the Service has been provided as a load reduction, by subtracting the historical median consumption during the 12 Trading Intervals, with the highest demand in the preceding Hot Season, from the data relating to the aggregate amount of the Supplementary Capacity actually supplied in accordance with an Operating Instruction from AEMO during Trading Intervals during the Trading Month, as measured in accordance with the Supplementary Capacity Agreement.

# Subject to clause 4.24.7(j) of the WEM Rules.

Date: 2022

\_\_\_\_\_  
For and on behalf of Recipient

## Appendix B. Supplementary Capacity Contract