

Victorian Offshore Wind Auction Bid Support



The Challenge

Competition for government support will be intense. Securing a support agreement in early auction rounds will be crucial for projects to achieve FID within feasibility the 7-year license term.

The reward for successful proponents:

Up to 20 years of CPI-indexed government viability gap funding enabling timely project development and execution.

How Energise can support:

Bid support can be tailored to clients' needs ranging from full end-to-end bid management and drafting to discrete services informing bids.

Background

Feasibility licenses with a 7-year term have been awarded to 12 projects in Gippsland, totalling a combined capacity of 25 GW.

The Victorian Government has set a target of 2 GW by 2032, increasing to 9 GW by 2040.

All project LCOEs are expected to be above the forecast wholesale market prices, making them reliant on government support for commercial viability.

Revenue support for the first ~2 GW will be awarded through an auction process, with the EOI phase closing in Q1 2025 and the RFP phase closing in Q1 2026.

Auction cadence is expected to be 2-3 years.

It is likely that only two auction rounds, awarding ~4 GW of capacity, will occur within the required timeframe for project FID within the 7-year term.

Expected support package design

Price criteria:

- A 20-year support package term.
- A CPI-indexed, revenue-neutral contract-for-difference (CfD) set by the government at its average market price forecast over the support package term.
- A monthly availability-style payment contingent upon project availability as the key biddable financial element.

Non-price criteria:

- Delivery timeline.
- Local content and employment opportunities.
- Traditional Owner partnerships and community benefits.

Energise services

End-to-end bid management and drafting of EOI and/or RFP documents.

Competitor landscape assessment – competitor profiling, relative LCOE, bid appetite and schedule progress assessment.

Financial modelling to conduct project valuation, scenario analysis and sensitivity analysis.

Strategic advice on optimising competitive bid variables to balance value for money for Victorians with maximising project returns.

Strategic review of bid documents.

