

Invitation for Registrations of Interest

Pioneer Investment

May 2023

Contents

1	Background and Opportunity	2
1.1	Background.....	2
1.2	Bringing back the SEC	2
1.3	Opportunity	3
2	Market Search	3
2.1	Objectives.....	3
2.2	Market Search Process	3
3	Registration of Interest.....	4
3.1	Purpose and Process	4
3.2	Indicative Timing and process	4
3.2.1	Optional Industry Briefing	4
3.3	Benefits to Registration	5
3.4	Evaluation Criteria	5
3.4.1	Minimum Requirements	5
3.4.2	Pioneer Investment Criteria	6
3.5	Evaluation Process	7
4	Terms and conditions.....	8
4.1	SEC discretions and rights.....	8
4.2	Costs.....	8
4.3	No advice.....	9
4.4	Acknowledgement	9
4.5	Confidentiality.....	9
4.6	Collusive and anti-competitive behaviour	9
4.7	Other terms and conditions.....	10
5	Advisors	10
6	How to submit a response	11
6.1	Closing Date and Time	11
6.2	Lodgement	11
6.3	Multiple Submission from one Proponent	11
6.4	Communication and Clarifications	11

1 Background and Opportunity

1.1 Background

The Victorian Government is bringing back the State Electricity Commission (SEC) to accelerate the transition of Victoria's energy sector, putting power back in the hands of Victorians.

The SEC will invest an initial \$1 billion towards delivering 4.5 gigawatts of power through new build renewable energy generation and storage projects. This will increase the amount of renewable energy in the system, drive down emissions and power bills and create thousands of jobs. It will provide the equivalent replacement capacity of coal-fired power station Loy Yang A, which is set to close in 2035.

A search is now underway for its Pioneer Investment in new renewable energy generation and storage projects. The market search process for investment includes a Registration of Interest (ROI) from market participants to identify suitable renewable energy generation and storage projects across Victoria.

1.2 Bringing back the SEC

It is internationally agreed that action needed to reduce emissions and manage climate change is becoming more urgent. Victoria has risen to this challenge, cutting its emissions by more than any Australian state, and doubling its renewable energy in the past five years. But there is much more to do.

Energy powers every part of our lives. Yet today, our state still relies on emissions-intensive coal for 60 per cent of our electricity generation. To achieve Victoria's renewable energy target of 95 per cent by 2035, we need to be bolder, and move faster.

That's why the Victorian Government is bringing back the SEC. The new SEC will accelerate the energy transition, pushing more renewable energy into the system, driving down emissions and power bills, and creating thousands of jobs.

The SEC will do this by:

- ✓ Being an active energy market participant, working with industry to invest in and speed up the delivery of renewable energy.
- ✓ Pushing more renewable energy into the system with the aim of reducing wholesale prices.
- ✓ Working with industry to create thousands of jobs in renewable energy – in solar, wind, storage and emerging energy solutions.
- ✓ Investing in training, skills, and generating the renewable energy workforce of the future.

The government-owned SEC will invest strategically to accelerate Victoria's transition to an affordable, reliable, and zero-emissions electricity system in partnership with the private sector and current and future government initiatives.

For Victorians, this means renewable, more reliable, and more affordable energy.

For industry, this means certainty to invest in renewables and build a skilled workforce.

For our state, this means greater control of our power supply. Owned by Victoria to benefit Victorians

1.3 Opportunity

The SEC Implementation Office (SECIO) in the Department of Energy, Environment and Climate Action is requesting organisations register their interest and provide details of their renewable energy developments which can be considered as opportunities for the new SEC to invest in building a renewable portfolio in Victoria (the Market Search).

This Invitation for ROI process is the first step in engaging with the market to facilitate SEC's Pioneer investment/s and build a pipeline of potential future SEC investment opportunities.

The SECIO will use this process to explore opportunities for the SEC to partner with industry and potential investors to bring forward renewable energy investments and support the acceleration of the renewable energy transition.

2 Market Search

2.1 Objectives

The objectives of the Market Search are to:

- Identify projects where investment from the SEC could help accelerate the delivery of new, additional renewable generation and storage capacity into the market;
- Elicit proposals that would benefit from SEC partnership and as a result, deliver additional value through partnering on the project; and
- Start building a pipeline of potential future investments over the medium to longer term that align with the SEC's emerging objectives and 10 Year Strategy.

2.2 Market Search Process

The SEC's Market Search approach includes the following steps:

- A Registration of Interest (ROI) seeking registration from projects that meet the SEC's project search criteria.
- A select market engagement phase, targeted to specific registered projects which have the potential to best meet the criteria for the investment/s.
- Invitation of interested parties based on select market engagement to submit an investment proposal.
- Assessment of proposals to develop a shortlist of opportunities.
- Detailed due diligence of shortlisted parties, and subject to satisfactory outcomes of this process, preferred investment/s will be recommended to government.
- Execution of deal/s, subject to approval.

3 Registration of Interest

3.1 Purpose and Process

The release of this ROI supports the Market Search, to identify project partners with the most suitable renewable energy generation and storage projects across Victoria.

The ROI seeks registration from project developers with projects that meet the SEC's Market Search objectives and are interested in collaborating with SEC to realise these projects.

Following the evaluation of ROIs, organisations that satisfy the below Minimum Requirements and best align with the Pioneer Investment Criteria, as determined by the SECIO, may be invited to participate further in the market engagement process, and be invited to submit Investment Proposals.

3.2 Indicative Timing and process

The SEC's Market Search approach includes the following indicative timeline:

2 to 15 May 2023

- A Registration of Interest (ROI) seeking registration from projects that meet the SEC's project criteria.

Late May 2023

- A select market engagement phase, targeted to specific registered projects which have the potential to best meet the criteria for the Pioneer investment/s.

Late May to mid-June 2023

- Invitation of interested parties based on select market engagement to submit an investment proposal.

From June 2023 onwards

- Assessment of proposals to develop a shortlist of opportunities.
- Detailed due diligence of shortlisted parties, and subject to satisfactory outcomes of this process, preferred investment/s will be recommended to government.
- Execution of deal/s, subject to approval.

3.2.1 Optional Industry Briefing

The SECIO may undertake an invitation-only industry briefing in early May. To register interest in attending this session, please email Invest.SEC@delwp.vic.gov.au with the subject heading: "Pioneer Investment Industry Briefing Registration: [*company name*]", by **5pm (AEST) Friday 5 May 2023** providing;

- Proposed attendees (Name, title and email),
- The purpose for attendance, and
- A description of the nature of interest in the Market Search Process.

The invitation to the briefing is at the discretion of SEC and any incomplete industry briefing registration may not be considered. Please note that you do not need to participate in this industry briefing in order to be eligible to participate in the ROI process.

3.3 Benefits to Registration

As project developers, the benefits of submitting your project to this ROI include:

1. Eligibility to be shortlisted to enter into market engagement as a potential Pioneer Investment to partner with SEC (subject to the assessment of the project against SEC's Pioneer Investment criteria below).
2. Elicit proposals that would benefit from SEC partnership and as a result, deliver additional value through partnering on the project.
3. Allowing potential partners to realise innovative approaches in partnership with the SEC to overcome gaps to deploying projects.
4. Collaborate with SEC in addressing gaps to accelerating renewable energy deployment, so that future investment can address your specific project requirements and broader market needs.
5. Collaborate with SEC to inform broader State investments, such as sizing and prioritisation of transmission network investments in REZs to accelerate the connection of greenfield renewable energy and storage, which may support your specific project requirements.

3.4 Evaluation Criteria

3.4.1 Minimum Requirements

As a key objective of the Market Search and ROI, the SECIO is seeking to understand the current pipeline of renewable energy generation and storage projects being developed or planned for development in Victoria.

Registrants must satisfy each of the below Minimum Requirements in their ROI.

No.	Minimum Requirement Description
Project Minimum Requirements	
MR1	A renewable energy and/or storage technology that will contribute to Victoria's renewable energy and/or storage targets.
MR2	The project is located in Victoria.
MR3	A new project or augmentation that is yet to be a fully committed development.

If a Registrant does not adequately satisfy each of the above Minimum Requirements, the SEC may choose to not evaluate the ROI further.

3.4.2 Pioneer Investment Criteria

Registrant's ROIs which are assessed as adequately meeting the Minimum Requirements will be considered against the below Pioneer Investment Criteria.

No.	Pioneer Investment Criteria Description
IC1	Strategic alignment: An investment that contributes to the SEC's objectives to accelerate the transition away from coal by securing renewable and affordable energy for Victorians and delivers commercial returns.
IC2	Technology: A proven renewable energy and/or storage technology that will contribute to Victoria's renewable energy and/or storage targets.
IC3	Size: A minimum target of 100 megawatts (MW) in size with a preference for larger capacity. The SEC will explore potential for more than one initial project and will develop a pipeline of projects for future consideration. The pioneer investment may involve a portfolio of multiple projects aggregating to larger capacity than the single project's minimum capacity.
IC4	Location: Located in Victoria, with preference for projects that support Renewable Energy Zone (REZ) development and/or efficient operation of the grid.
IC5	Project Delivery: The ability to meet key government policy objectives including local content (such as capability building, supporting local suppliers, jobs and skills), social licence, early and high standards of engagement of local communities, Traditional Owners' Corporations and Aboriginal Victorians, the Fair Jobs Code, and the Social Procurement Framework.
IC6	Timing: A preference for projects with a defined delivery strategy, and for projects that can begin operations and/or deliver electricity as soon as possible.
IC7	Partnership: Have a partner/s that is seeking commercial returns, is committed to Victoria's energy transition objectives and can bring key capabilities such as development, technical and commercial expertise.

3.5 Evaluation Process

The evaluation process will involve two phases as set out below:

Phase	Description
1. Minimum Requirements Check	A review to determine whether the Registrant has provided an ROI which satisfies the Minimum Requirements.
2. Evaluation	An assessment of each ROI that progresses to Phase 2 of the Evaluation Process against the Pioneer Investment Criteria.

The evaluation of ROIs will be based on, but not limited to:

- the ROI information submitted as part of this Invitation;
- any material provided by Registrants in response to requests for clarification from the SECIO; and
- any other information that the SECIO, in its absolute discretion, considers relevant to evaluating the ROIs.

It should be noted that the Invitation for ROI process is a pre-qualification for the subsequent engagement process for Pioneer Investment/s. Without limiting SECIO discretion and rights, future documentation will only be made available to organisations that complete the Invitation for ROI questions in accordance with this Invitation for ROI and who can demonstrate their ability to meet the minimum requirements listed above (as determined by the SECIO in its absolute discretion).

4 Terms and conditions

4.1 SEC¹ discretions and rights

No part of this Invitation for ROI or any discussions relating to this Invitation for ROI constitute a recommendation, offer, invitation or solicitation in relation to the SEC investment pipeline or creates any obligation on the SEC to invest in any projects.

Notwithstanding any other provision of this Invitation for ROI, the SEC may conduct the process for the evaluation of ROIs and the selection of qualified Registrants to invite to a future procurement phase as it considers appropriate. The SEC has the right, in its absolute discretion and without giving reasons, to vary, suspend, cancel or terminate any part of the Market Search at any time, including to:

- reject any or all ROIs for any reason;
- select a Registrant for any reason including where the Registrant has not satisfied the minimum requirements;
- deal with different Registrants on different terms, including varying the level of disclosure of information, and the timetable as between Registrants and entering into separate transaction documents with more than one Registrant which may be on different terms;
- restrict any recipient's access to information or management;
- enter into special arrangements (including, without limitation, exclusivity arrangements) with any Registrant without notifying the other Registrants involved in the Market Search;
- pursue an alternative strategy to satisfy the objectives of the SEC, whether in addition to or as an alternative to the Market Search; or
- terminate any Registrant's further participation in the process; or
- terminate or amend the process set out in this Invitation for ROI.

The SEC has no obligation to review, consider or accept any ROI submitted to the SEC, whether such ROI is submitted on time and in accordance with this Invitation for ROI or otherwise. The SEC has no liability or obligation to any recipient, their related bodies corporate or their respective directors, officers, employees, agents, representatives, financiers and advisers in connection with the modification, suspension, cancellation or termination of the Market Search or the rejection or acceptance of any ROI, proposal or otherwise.

The SEC does not need to give any reason for any decision or the exercise of any discretion under this Invitation for ROI or relating to the Market Search to any recipient or its advisers or representatives.

4.2 Costs

Each recipient's involvement in the Market Search is at its own cost, irrespective of whether its ROI progresses or is rejected for any reason. On no basis will the SEC or any of its employees, partners, agents, representatives, advisers or consultants (the **SEC Parties**) have any liability or obligation to compensate or reimburse any party or person for any liabilities, costs, expenses or taxes incurred in connection with participation in the Market Search, including due diligence, preparing and lodging a ROI, reviewing and negotiating transaction documents and preparing any application or notification for and seeking any approvals or consents necessary to enter into or participate in the Market Search.

¹ References to the SEC in these Terms & Conditions are references to the State Electricity Commission Implementation Office in the Department of Energy, Environment and Climate Action, and to its respective successors and permitted assigns (including any new SEC entity or its related entities).

4.3 No advice

Recipients must make and rely on their own investigations and satisfy themselves in relation to all aspects of the Market Search. The SEC:

- does not make any recommendation, representation or warranty (express or implied) in respect of any investment or any involvement with the Market Search; and
- will not be liable for any incorrect or misleading information; for any omission to disclose information associated with the Market Search; or for any recipient's reliance on any information disclosed during the Market Search, except in each case to the extent expressly set out in definitive transaction documentation which is signed in connection with the Market Search.

4.4 Acknowledgement

By accepting this Invitation for ROI and submitting a ROI response, each recipient confirms its acknowledgment and acceptance of the terms set out in this Invitation for ROI and agrees and undertakes by its conduct to comply with the obligations imposed on it and to procure that its associates, related bodies corporate and respective directors, officers, employees, agents, representatives, financiers and advisers comply with those obligations to the extent applicable to them.

4.5 Confidentiality

Information submitted as part of the Invitation for ROI will be treated as confidential by SEC including its agents, representatives and advisers. SEC may require persons and organisations requiring access or a copy of the ROI responses or certain parts of it, to execute a deed of confidentiality (in a form satisfactory to SEC) before access is granted or a copy is provided.

The information subsequently supplied or given by all relevant parties (e.g., SEC and proponents) in connection with this Invitation for ROI is confidential and accordingly any such information must be kept strictly confidential at all times and may not be published, reproduced, copied or disclosed to any person, other than the organisation's employees and professional advisors engaged for the purposes of preparing the ROI, or used for any purpose other than as stipulated in this Invitation for ROI.

Any organisation receiving and/or submitting a response to this Invitation for ROI must not make any public statement, press release or other communication relating to the information contained or subsequently supplied within this Invitation for ROI without the prior written approval of the SEC.

All non-public information relating to the Market Search or disclosed to the SEC or any of its advisers by a recipient shall be held in confidence by the SEC. If the SEC has reason to believe that any confidential information has been disclosed to anyone not bound by confidentiality undertakings or has otherwise entered into the public domain, the SEC shall inform the recipient without delay.

4.6 Collusive and anti-competitive behaviour

By participating in the Market Search, each recipient agrees and undertakes by its conduct that it will not directly or indirectly engage in any collusive or anti-competitive behaviour in relation to the Market Search or any behaviour which could harm the integrity of the Market Search.

Each recipient also confirms that, for the purposes of the Market Search, it is not a party to, and will not enter into any arrangement, agreement or understanding which has or may have the purpose, effect, or likely effect of substantially lessening competition.

4.7 Other terms and conditions

No SEC Party makes any representation or warranty, express or implied, as to the accuracy, adequacy, completeness, currency, reliability, sufficiency or truth of the contents of any information provided during any stage of the Market Search. The only representations and warranties which will have legal effect will be those expressly included in the final legally binding transaction documents entered into.

The SEC is under no obligation to update, or to amend or correct any inaccuracies in, any written or oral information provided to a recipient in connection with the Market Search.

Each SEC Party expressly disclaims and excludes, to the maximum extent permitted by law, any liability, whether direct or indirect, for any loss or damage suffered or incurred by any party however caused (including by negligence), including (without limitation) consequential loss, arising in any way from, in connection with, or relating in any way to:

- the information made available in connection with this Invitation for ROI or the Market Search, whether written or oral, including any liability or responsibility as a result of the use of or purported reliance on any such information; and
- the Market Search and the conduct of any person in the Market Search (which, for the avoidance of doubt, includes the period up to any transaction documentation).

The Market Search and the terms and conditions set out in this Invitation for ROI are governed by, and construed in accordance with, the laws of Victoria. By participating in the Market Search, you agree to submit to the non-exclusive jurisdiction of the courts of Victoria.

5 Advisors

SEC has engaged a number of advisors to support the pioneer investment process, including Ernst & Young Strategy and Transactions Pty Ltd as lead advisor for the market search and investment evaluation.

6 How to submit a response

6.1 Closing Date and Time

The Invitation for ROI process will close at 3:00pm AEDT on 15 May or another date as notified by the SEC. The SEC reserves the right to extend the Closing Date and Time, which will be advised on the SEC website. ROIs received after the Closing Date and Time will be deemed to be 'late'. A late ROI will only be admitted for consideration if the SEC, at its absolute discretion, makes a decision to do so.

6.2 Lodgement

This ROI document is intended as a guide.

Responses to the Invitation for ROI are to be submitted by [completing the online form](#) available on the SEC website.

If you have problems accessing or completing the online form, please send an email to invest.sec@delwp.vic.gov.au with the subject heading: *"ROI Lodgement Issues"*

6.3 Multiple Submission from one Proponent

A Proponent may submit more than one Proposal provided the Proposals are each capable of acceptance individually. Proposal/s can be delivered as separate projects or for a portfolio of projects.

6.4 Communication and Clarifications

Any questions or clarification of the ROI (or any other document issued in connection with the ROI Process) can only be submitted via email to invest.sec@delwp.vic.gov.au with the subject heading: *"ROI Clarification Question"*. The clarification process will close on 9 May 2023.

Respondents must not otherwise contact any of the SEC parties, advisors (as per section 5) or any departmental officers, Ministers, or Ministerial advisers in relation to this Market Search.

Any unauthorised contact may be deemed a breach of the terms of this Invitation for ROI, which may result in exclusion from the Market Search and / or may result in legal action.

