

An aerial photograph of a vast landscape at sunset. The sun is low on the horizon, casting a warm orange glow over the scene. A faint rainbow is visible in the lower-left quadrant. The landscape consists of rolling green fields, scattered trees, and a small cluster of buildings in the distance. The right side of the image is partially covered by a large, semi-transparent orange and dark green graphic element.

Accelerating deployment of distribution connected storage

Market Forum

3 March 2025

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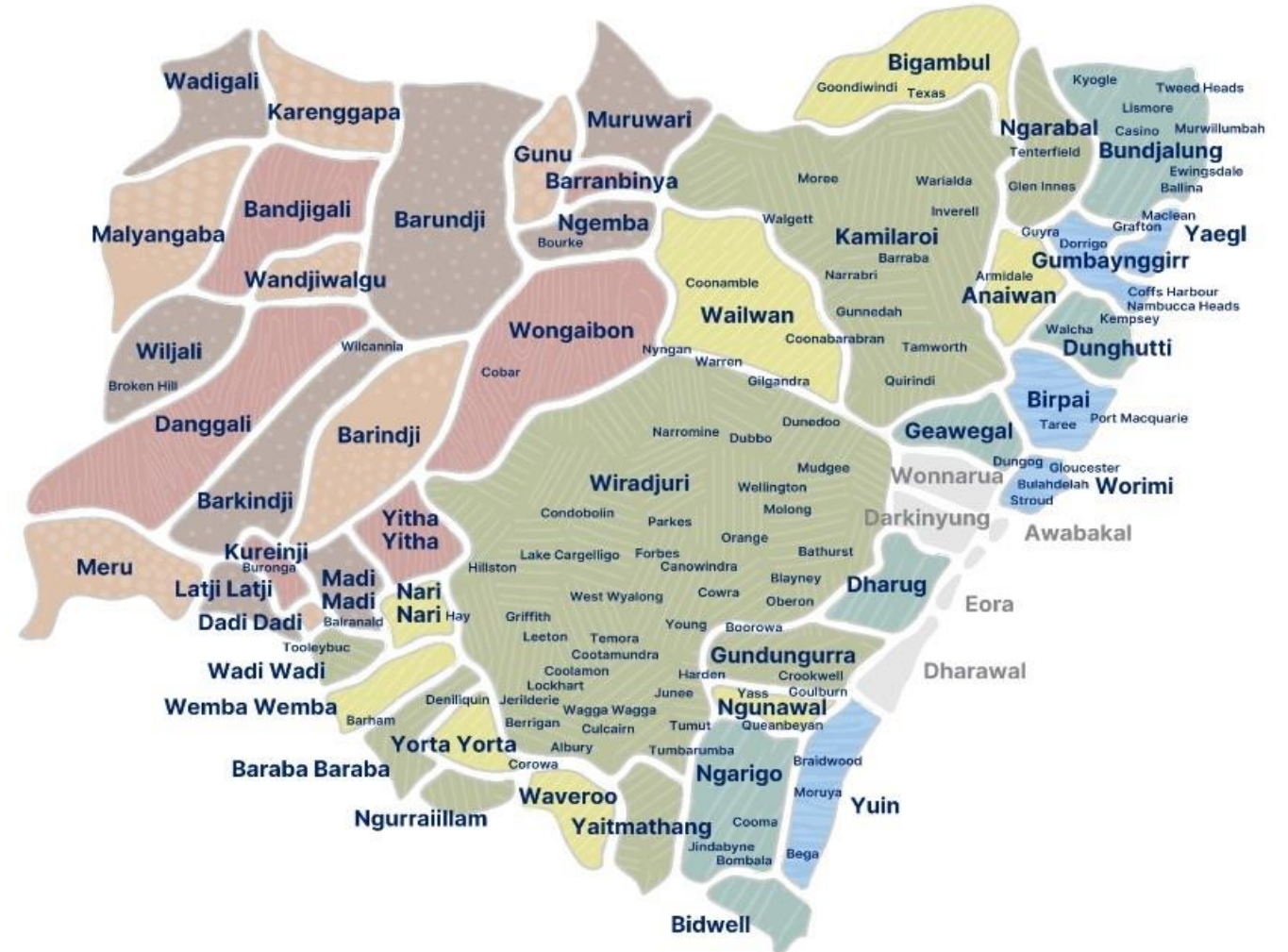


Acknowledgement of Country

In the spirit of Reconciliation, we would like to begin by acknowledging the traditional custodians of country throughout Australia and their connections to land, sea and community.

We pay our respects to the ancestors and Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

We also encourage all persons to embrace that respect.



For map notes and information sources see
essentialenergy.com.au/acknowledgement

48 First Nations
96 Depot locations



Agenda

1. About Essential Energy
2. Drivers for distributed BESS
3. Procurement objectives & portfolio
4. Evaluation Criteria & probity
5. Next steps & timing
6. Q&A



Essential Energy

Essential Energy builds, operates and maintains one of Australia's largest electricity distribution networks



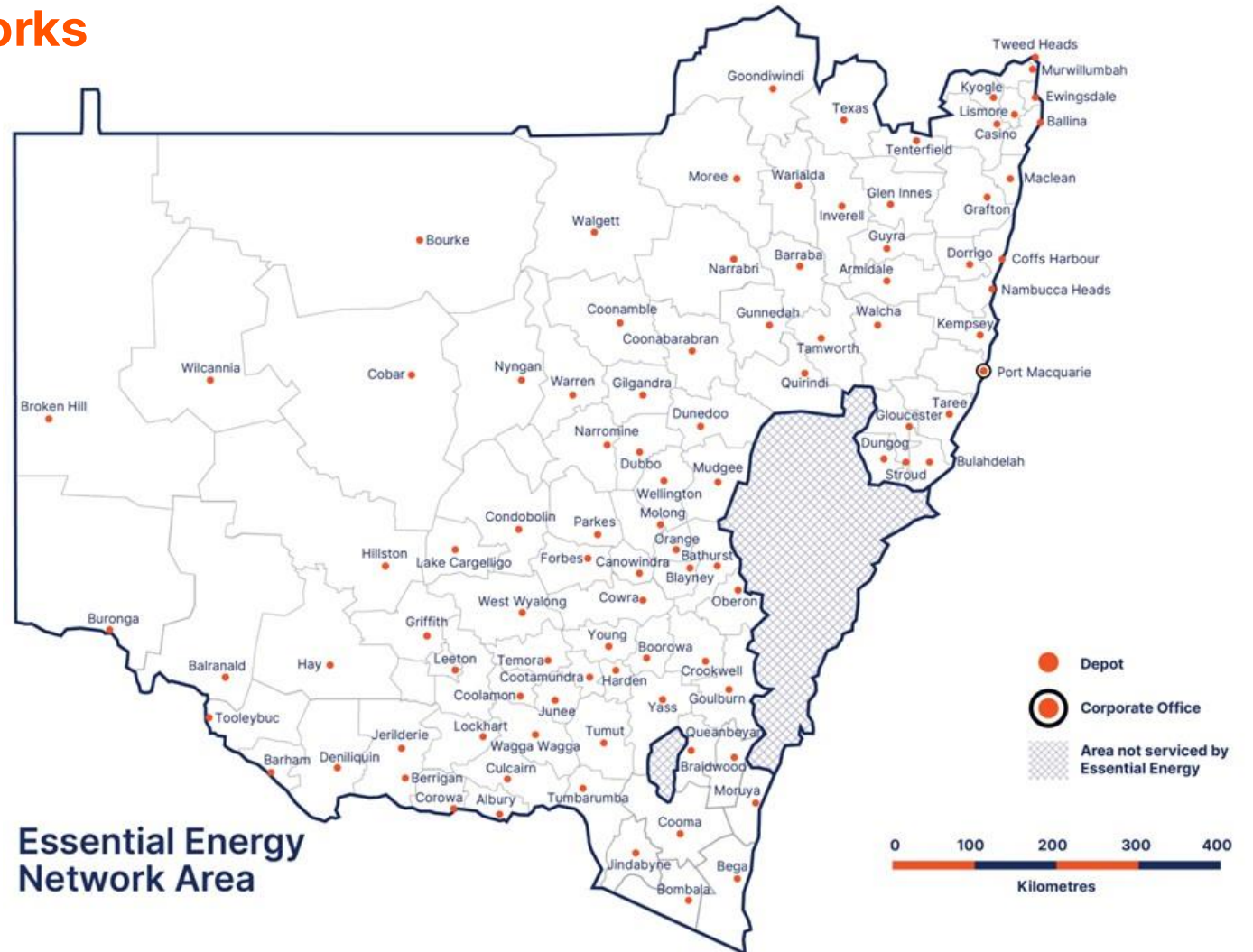
► A vital service to over 890,000 customers



► 737,000 km² of network footprint



► 4.86 customers per km of powerline



Distribution BESS today

Essential Energy has delivered or supported delivery of a number of distribution connected storage projects

- **Third party projects** - ~240 MW of third-party owned BESS built, committed or under construction
- **Network battery** - Sovereign Hills, at 1MW/2MWh, deferring network capex
- **Community batteries** – at Goulburn, Leeton and Maloneys Beach, 192kW/530kWh
- **Pole mounted batteries** – 7 x operational in each of Wagga Wagga, Armidale and Port Macquarie, with a further 7 x in each of Bathurst and Dubbo in early 2025.
- **~8GW of renewable projects** in the connections process, creating need for additional storage.



Key drivers for BESS roll-out

The distribution network presents a significant opportunity for the effective deployment of storage close to customers

Essential Energy has been preparing the groundwork for this opportunity for some time, driven by:

- impacts on our network operations from distributed energy resources
- the ability of storage to alleviate these impacts
- demand from the market for access to land near our existing network assets
- desire to accelerate the deployment of BESS in the most efficient and effective way



Procurement Objective

Essential Energy wants to actively collaborate to drive the rapid deployment of BESS on our network, on land we own immediately next to our substations

- Select one or more parties who have a proven record of delivering & operating BESS projects
- Enter into arrangements with one or more parties governing the portfolio development activities
- Execute Development Licences with one or more parties granting development rights to specific sites
- Agree form of land leases governing construction & operations at each site
- Achieve commercial operation of the first Facility by as early as end of CY 2026
- Build relationships with one or more individual parties or consortia for the long term
- Drive value for Essential Energy and its network customers through the delivery of these projects
- Potentially unlock a highly efficient multi-year, multi-MW BESS build out

Essential Energy intends to select one or more parties for either part (< 5MW *or* > 5MW) or all (<5MW *and* > 5MW) of the initial tranche of strategic sites.



Portfolio composition

Essential Energy has completed a review of site suitability based on key success factors applicable to BESS

- sufficient land available and accessible for a range of BESS sizes
- technically simple grid connection options
- efficient physical connection route over Essential Energy owned land
- low risk environmental factors / limited environmental impact
- limited to no expected visual or sound amenity impacts on nearby receivers
- target total opportunity in tranche 1 expected to be ~200MW with material upside potential
- power and energy capacity varies, with final site determination before second phase of procurement

Essential Energy expects that this site suitability assessment will materially reduce the time, cost and risk of prospecting on a site-by-site basis



Evaluation Criteria

Each Expression of Interest (EOI) will be evaluated on the following basis:

- **Delivery Approach:** the Applicant's ability to deliver the first Facility as early as Q4 2026 including relevant planning approvals and connection works; stakeholder, community and First Nations engagement; and their plan for the on-going portfolio delivery in particular collaboration and relationship management with Essential Energy.
- **Performance Record:** the Applicant's demonstrated capability to deliver BESS projects of this nature and proven performance record on health, safety, security, environment and stakeholder/community/First Nations matters.
- **Commercial Proposal:** the extent to which the Applicant's proposal represents value for money for Essential Energy and its network customers (i.e. how the proposed payment amounts, timing, and structure to Essential Energy represent value for money) and appropriate risk and responsibility allocation between the parties.
- **Financial Capacity:** the Applicant's financial capacity and capability to fund the development, delivery and operations of the portfolio of projects, and its obligations to Essential Energy.
- **Technical Capacity:** the Applicant's technical capacity and capability to develop, deliver and operate the portfolio, including technology selection, and individual team and/or consortium members' experience.

Essential Energy will undertake a risk assessment of each proposal at the EOI phase which will inform the evaluation against the above criteria



Probity

“integrity, uprightness and honesty” – making and being able to demonstrate good process and outcome decisions

Probity principles that underpin this procurement

- Managing impartiality and fairness throughout process
- Maintaining accountability and transparency
- Managing conflicts of interest
- Maintaining confidentiality and security of documentation
- Achieving value for money given the prevailing circumstances

OCM has been engaged to help identify, assess and manage probity risks during the EOI and subsequent stages of the procurement process.

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Timeline & Next Steps

Essential Energy is seeking to enter into applicable contract(s) with preferred partner(s) by the end of CY2025

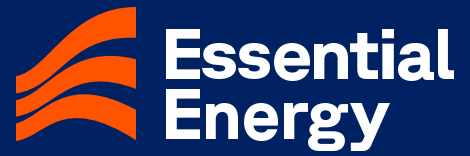
Key Dates (CY2025)	Milestones
3 March	Market Forum
17 March	Issue date of the EOI
7 April	Closing date of the EOI
Q2	Stage II Procurement
Q3	Enter into applicable contracts

Prospective applicants are invited to register for the EOI: hvbess@essentialenergy.com.au

Pre-qualified Applicants will be required to access our Oracle procurement portal in order to access EOI documentation and participate in any Q&A process.

You are encouraged to pre-qualify as soon as possible to avoid delays in accessing the EOI via Oracle.





Q&A

Thank you



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