GOVERNMENT OF WESTERN AUSTRALIA

Department of
Energy and Economic Diversification

Kalgoorlie Vanadium Battery Energy Storage System

Expression of Interest: Stage Two
General Clarification Questions and Answers

1. Purpose

This document:

- sets out the requests for clarification and questions which the Department of Energy and Economic Diversification (DEED) has received from Proponents during the conduct of Stage Two of the Kalgoorlie Vanadium Battery Energy Storage System (VBESS) Expression of Interest (EOI) Process;
- is published in accordance with clause 7.9.4(c) of the EOI Conditions and contains clarification questions and answers of a general nature;
- does not include the identity of the Proponent who submitted the question or questions which relate to proprietary aspects of Proposals;
- will be updated during Stage Two, as required; and
- is current as at **15 July 2026**.

2. Questions and Answers

Questions posed ahead of the industry briefing by DEED on **8 June 2026**:

1. Can Proponents make public statements about the EOI Process or their intention to participate in Stage Two?

Clause 7.12.1(f) of the EOI Conditions requires that a Proponent not make a media release or other public announcement or statement in relation to the Proposal Guidelines or EOI Process without the prior written consent of the State.

Proponents must submit their communication materials to DEED for consideration and approval prior to their publication.

2. Is DEED able to facilitate introductions between potential Proponents considering participation in Stage Two, through a consortium or otherwise?

Due to probity considerations, DEED is unable to facilitate introductions between Proponents while Stage Two is ongoing.

3. If a Proposal contained battery technology/chemistry other than vanadium flow battery (VFB) technology, would it be eligible for consideration?

No. The VBESS EOI Process is not technology-agnostic. As set out in section 2.2.2 of the Proposal Guidelines and the Eligibility Criteria, the Proponent will be responsible

for delivering a 50-megawatt (MW)/500-megawatt-hour (MWh) battery energy storage system utilising VFB technology in the Kalgoorlie region.

4. Does the VBESS need to be physically located in the Kalgoorlie region and connected to the South West Interconnected System (SWIS)?

Yes. This is set out in section 2.2.2 of the Proposal Guidelines.

5. The timeline has 'to be advised' for when the Preferred Proponent will be announced and when the negotiations will take place. Is DEED able to provide any further information about the expected timing of these milestones?

The time taken to announce the Preferred Proponent and commence negotiations on the Funding Agreement will largely depend on the length of the evaluation process and the volume and quality of Proposals. This includes the State's need to clarify any matters or conduct interviews and receive presentations from Proponents.

DEED will provide further advice on the expected timing of the EOI Process milestones as appropriate and will make best endeavours to announce the Preferred Proponent as soon as practical.

6. Is it necessary for the Proponent to identify collaborating parties before it submits its Proposal, or will the State Government be satisfied with a commitment to negotiate with other parties after selection as the Preferred Proponent?

It is not necessary for a Proponent to identify all collaborating parties before submitting its Proposal. However, Proposals will be evaluated on the proposed governance arrangements and delivery model employed across the various stages of the VBESS Project. Where the Proponent has gaps in current plans, Proponents must provide an explanation of how and when the Proponent will address these gaps with that information being taken into consideration when evaluating the Proposal.

In Part B – Returnable Information, in relation to its Proposal, Proponents must identify the legal entity responsible for each stage of the VBESS Project, and any additional component of the vanadium supply chain included in it.

7. Has DEED identified a preferred site for the VBESS? Will the project site be provided by the State or will securing it be the Proponent's responsibility?

As set out in section 2.2.2 of the Proposal Guidelines, the Preferred Proponent will be responsible for identifying and securing all necessary land and tenure required for the VBESS Project. The location may include, but is not limited to, industrial land owned by DevelopmentWA.

Where Proposals identify Strategic Industrial Areas or General Industrial Areas administered by DevelopmentWA as the preferred location for the VBESS, DEED will help facilitate the Preferred Proponent's initial engagement with relevant Government agencies.

8. Can DEED confirm the preferred Point of Connection for the VBESS?

DEED's preference for the VBESS's Point of Connection is the West Kalgoorlie Terminal. However, alternatives will be considered because Proponents are responsible securing necessary land and tenure for the facility and for grid connection activities (refer to section 2.2.2 of the Proposal Guidelines).

9. What connection voltage is anticipated for the VBESS?

As above, the Preferred Proponent will be responsible for grid connection activities. However, DEED anticipates the VBESS will connect to the SWIS at 132 kV.

10. Does DEED have a preference on the type and location of the VBESS's connection assets?

The Preferred Proponent will be responsible for grid connection activities. Finalisation of specific connection arrangements will be dealt with as the VBESS progresses through Western Power's Major Customer Connection Process.

11. Has DEED completed any preliminary technical studies (including hosting capacity, fault level, connection studies etc.) and can they be shared with Proponents?

Proponents are responsible for undertaking their own enquiries and due diligence to support their Proposals, and for providing relevant documentation for evaluation as part of their Proposals.

12. Who will be responsible for funding and delivering any network augmentation required to connect the VBESS?

The Preferred Proponent will be responsible for grid connection activities. These matters will be subject to commercial arrangements between the Preferred Proponent and Western Power under applicable frameworks including the Major Customer Connection Process.

13. Can DEED provide guidance on key project milestones, implementation expectations and the target commercial operation date?

The State Government's target commercial operation date for the VBESS Project is by the end of 2029.

In responding to the Evaluation Criteria, Proponents must provide a written response which demonstrates the level of confidence the Proponent has in its ability to deliver the VBESS and a description of how and when it will be delivered.

If a Proponent considers that the State's target date is not achievable, it should describe its rationale and the basis for its proposed project milestones.

The final project milestones and implementation expectations will be subject to the negotiation of the terms and conditions of the Funding Agreement.

14. The Proposal Guidelines note the VBESS Project may be offered up to $150 million in financial support. Can DEED provide guidance on the form of support being contemplated and what conditions it will be subject to?

Subject to negotiating and entering into a Funding Agreement with the Minister for State Development, the Preferred Proponent will be offered up to $150 million in financial support. Per section 2.2.1 of the Proposal Guidelines, the payment will be structured on an agreed basis, such as the achievement of certain milestones or outcomes.

In responding to the Evaluation Criteria, the Proponent must provide details on how the State's funding will be allocated and proposed timing/milestones for access to the funding. The final structure, timing and conditions of the funding will be subject to the Funding Agreement and must comply with the requirements of the *Industry and Technology Development Act 1998* (WA).

15. Is the State considering offering the Preferred Proponent any revenue support mechanisms in addition to capital funding support?

No. The State Government will provide up to $150 million in financial support to the Preferred Proponent, as outlined above. Proponents must confirm that their Proposal does not depend on State Government financial support greater than the $150 million committed towards the delivery of the VBESS Project.

Further, Proponents are responsible for securing and maintaining all required equity and debt financing to reach financial close and deliver the VBESS Project. In responding to the Evaluation Criteria, Proponents must provide an overview of the pathway and steps to financing the VBESS Project including the need to participate in the Wholesale Electricity Market (WEM), Reserve Capacity Mechanism and Real-time Market.

16. How does DEED envisage the VBESS being charged? Has the State Government identified specific generation sources or projects?

The VBESS must connect to the SWIS and participate in the WEM. It will charge and discharge through its participation in the Real-Time Market.

17. Are there minimum technical performance requirements Proponents should consider, including duration, availability, response times, efficiency, grid support services or other operational requirements?

The Eligibility and Evaluation Criteria set out the specific requirements for Proposals, including the VBESS being sized at 50 megawatts/500 megawatt-hours and having grid forming capability.

More broadly, as the VBESS must connect to the SWIS and participate in the WEM, it must comply with relevant standards, policies and procedures which include the Technical Rules and the Electricity System and Market Rules.

18. Are there minimum Western Australian industry participation, local content or regional employment expectations that proponents should consider?

The Proposal Guidelines do not prescribe minimum or specific requirements. However, Proposals will be evaluated against Evaluation Criterion 4 (Made in WA and Broader Outcomes) and the extent to which they would positively impact the economy, community and/or local industry.

19. Can DEED provide guidance on the relative importance of the following objectives within the evaluation process: network reliability, renewable integration, long-duration energy storage capability, regional economic development, local industry participation and development of a Western Australian vanadium value chain?

As set out in the Proposal Guidelines, Proposals will be evaluated against the Evaluation Criteria. The Evaluation Criteria have been assigned weightings (expressed in percentage terms) which indicate the relative importance of each criterion in the qualitative evaluation of Proposals. The weightings apply at the whole-of-criterion level and are not divided between sub-criteria.

Questions posed during the industry briefing by DEED on **8 June 2026**:

20. Are there any detailed items under each of the Evaluation Criteria? For example, what parameters are considered during the evaluation of commercial attractiveness?

The Proposal Guidelines contain all the information required and the parameters for what will be considered during evaluation. The Evaluation Criteria set out matters which Proponents must address, including case studies and scenario responses.

21. Is a Class 5 cost estimate for the project sufficient? Or, will higher class estimates (e.g., Class 4 or Class 3) result in a more favourable score during evaluation?

Class 5 cost estimates (-50% to +100%) are sufficient for Proposals. More precise estimates will not necessarily result in a more favourable score, but they will allow for Proposals' commercial propositions to be more closely evaluated. Proposals containing Class 5 estimates will contain greater risk, which will be considered during evaluation.

The State Government has committed a maximum of $150 million in financial support to the Preferred Proponent. As set out in the Eligibility Criteria, Proposals must not depend on funding greater than this amount to deliver the VBESS, irrespective of the cost estimates provided.

22. What level of detail is required to prove grid forming capability?

The SWIS does not currently have a definitive specification for grid forming capability. Industry was consulted on the development of the technical requirements and access standards for this technology in 2025. A final specification for grid forming capability is expected to be published later this year.

Evaluation sub-criterion 2B (appropriateness of technology solution) sets out the information that Proponents must provide about their selected VFB systems, power conversion systems (PCS) technology and any other relevant equipment.

Proponents are requested to provide any supporting documents relevant to their response to the sub-criterion, including VFB and PCS specification sheets; reports, feasibility, modelling or other materials; and details of relevant projects completed by suppliers or project partners using the relevant VFB or PCS technologies.

23. As Proponents are expected to engage with local industry, suppliers, Traditional Owners and other stakeholders, can DEED clarify the extent to which Proponents may publicly discuss participation in the EOI Process and prospective opportunities associated with the VBESS Project during Stage Two?

DEED notes that the EOI Conditions require that Proponents not make a media release or other public announcement or statement in relation to the Proposal Guidelines or EOI Process without the prior written consent of the State.

However, direct engagement by Proponents with potential Traditional Owner partners, community members, potential consortium partners and suppliers is encouraged.

24. In the Eligibility Criteria, is the 500 MWh capacity at Point of Connection intended to be at beginning of life?

Yes.

25. Is there a minimum expected reliable operational life?

No. In responding to evaluation sub-criterion 2B (appropriateness of technology solution), Proponents are requested to provide an explanation of nameplate VBESS storage capacity and usable sent-out AC capacity (in MWh per daily cycle), including degradation over its expected life.

26. If a Proposal is shortlisted, can Proponent Members be added or substituted before Funding Agreement negotiation, provided that probity and capability requirements are satisfied or improved?

Proponents must comply with clause 7.11 of the EOI Conditions if there are any material changes to the Proposal or status of the Proponent.

The State reserves the right to assess the change and to terminate a Proponent's further participation in the EOI Process, or to invite the Proponent to amend its Proposal accordingly. Proponents are not permitted to amend their Proposal after it has been submitted, unless invited or requested to do so by the State.