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### **RE: 2025 Benchmark Capacity Providers Consultation**

Neoen welcomes the opportunity to provide a submission on 2025 Benchmark Capacity Providers Review.

As you may be aware, Neoen is a specialist, independent power producer with a long-term vision that translates into a strategy to produce renewable, competitively priced energy, sustainably and on a large scale. With more than 8 GW in operation or under construction globally, we are aiming to add another 10 GW by 2030. In Western Australia, our flagship asset, Collie Battery, has recently commissioned its second stage and we have a pipeline of renewable generation and storage projects actively under development in the SWIS.

Neoen broadly supports the review's recommendations and appreciates the detailed consultation undertaken by EPWA. A more transparent and predictable process reduces risk for proponents, enabling developers to access cheaper capital and lowering the overall cost of the transition. Neoen also notes that the build times assumed by the review are unreasonably optimistic. While it is technically possible to construct a 6-hour battery in 1.3 years, this would increase overall costs due to the need to compensate suppliers for priority delivery and would also require that detailed engineering and procurement processes had already been completed. Such a pathway would only be possible if the business case placed a very high value on an earlier start date. For a typical greenfield BESS, Neoen assumes a 2–3 year construction period. We do not consider the necessary premium to reduce this timeframe is reflected in the assumed CAPEX costs in the Review. Additionally, degradation is not typically addressed in OPEX costs, instead it is accounted for by overbuilding in the first year i.e. increased CAPEX.

We recognise that changes to timing of the broader processes surrounding the BRCP may be beyond the scope of this review; however, we consider that alignment of the BRCP with capacity cycles must be improved to support efficient investment decisions. Neoen believes that a shift to longer-duration BESS (6+ hours) is likely by the 2028 Reserve Capacity Cycle. It would therefore be beneficial if the ERA's decision included provisions—such as an appendix noting an 8-hour BESS as a candidate facility—in anticipation of this shift. This would enable the Co-ordinator of Energy to update the BRCP for the 2028–29 cycle to reflect technologies capable of meeting the ESROD. Providing this pathway would reduce investor risk and uncertainty, foster stronger competition, lower the cost of capital, and ultimately drive greater investment in the SWIS.

We look forward to engaging with you further on this initiative. For further clarification please contact Arkar, WA State Leader, via [arkar@neoen.com](mailto:arkar@neoen.com) in the first instance.

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