



Investors say tackling congestion and revenue uncertainty urgent priorities for national electricity market design

Sydney, 30 April 2020: The [Clean Energy Investor Group](#) (CEIG) today urged the Energy Security Board and governments to ensure tackling grid congestion and revenue uncertainty were the urgent priorities for future electricity market design.

Responding to the release of the Energy Security Board's (ESB) latest consultation on Post 2025 Market Design Options, Board Chair and CEO of the Clean Energy Investor Group, Mr Simon Corbell said:

"Clean energy investors are ready to deploy substantial amounts of capital to accelerate Australia's clean energy transition but currently face significant uncertainty due to the unpredictability of revenue streams primarily caused by growing grid congestion."

"This uncertainty means many projects cannot currently reach final investment decision or face potential additional costs and delay if they do proceed."

Mr Corbell said CEIG welcomed the release of the latest consultation paper on future market design options but signalled key investor concerns needed to be heeded by the ESB.

"The latest options developed by the ESB are detailed and wide ranging. The ESB has properly identified the challenges being faced by Australia's electricity market as it transitions to a clean energy future, Mr Corbell said.

"However without a clear focus on the cost of capital implications of its proposed grid access reforms the ESB will fail to address the key issues of concern to investors and Australia's electricity market will continue to face significant investment uncertainty", he said.

"In particular the ESB's continued preference for Locational Marginal Pricing (LMP's) and Financial Transmission Rights (FTR's) will only push up the cost of capital for clean energy projects, making the energy transition more expensive for consumers and governments."

"In addition the ESB's proposals for potential intervention to keep thermal coal plants operating for longer in certain circumstances risks further distorting investment signals in an already unpredictable investment landscape."

CEIG will be further considering the detail of the ESB consultation papers and looks forward to further engagement with the ESB and governments.

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About the Clean Energy Investor Group

The [Clean Energy Investor Group](#) represents 17 domestic and global investors with a combined Australian portfolio value of over A\$9 billion and a total of 49 clean energy assets under management. It is an investor body, representing the unique perspective of clean energy investors to regulators, policy makers and the broader energy sector.