



**Clean Energy
Investor Group**

Energy reform must be a priority for the federal government after the election

Embargoed until 2 May 2022, Canberra: The Clean Energy Investment Confidence Survey for Q3 2021-22 has been released and it shows that investor confidence has been hit by an uncertain reform direction for the National Electricity Market in an environment of uncertainty created by the Russian invasion of Ukraine.

Simon Corbell, CEIG CEO said “The Q3 FY 2021-22 Clean Energy Investment Confidence Survey shows that the incoming federal government will have to do a lot of work to focus and accelerate reform in the National Electricity Market.

“Investors report that the most negative development affecting clean energy in the quarter has been the Russian war against Ukraine with its associated impacts on the global economy.

“Investor Confidence has stayed the same this quarter. The direction of reform has failed to improve for the second quarter in a row. Australia is getting further off track against the Step Change scenario and out of step with international investor sentiment.

“There were big international and national headlines over the quarter but investors reported that the most important development was the announcements from Origin Energy and AGL bringing forward the closure dates for coal power stations in NSW and Victoria. This was the most positive headline for clean energy but does also carry some risk depending on how the NSW, Victorian and federal government respond.

“Investors were positive about the NSW government’s response to the coal closure announcements in its decision to accelerate the Electricity Infrastructure Roadmap. Investors responded enthusiastically to the Renewable Energy Zone (REZ) Registration of Interest rounds for the Hunter REZ with 40 GW of proposal and 34 GW for the South West REZ. This shows that despite the regulatory risks faced by clean energy investment in the NEM, the underlying economics is strongly positive.

“The second most important headline for clean energy was the Ukraine war. Investors viewed the federal budget as having no impact on the investment environment.

“Most investors reported that the key risks faced by clean energy investment in the NEM have stayed the same over the quarter. These are

- Complex and lengthy transmission planning and connection processes
- Potential introduction of locational marginal pricing
- Lack of marginal loss factor reform
- Emissions policy uncertainty
- Unrealistic NEM scenario planning and timetable for coal closure,” said Mr Corbell.

ENDS

Media Contact:

Simon Corbell Simon.corbell@ceig.org.au

Attachment: Q3 FY 2021-22 Clean Energy Investment Confidence Survey Results.pdf

Survey questions available on request.