

# Q2 FY 2021-22 Clean Energy Investment Confidence Survey

14 February 2022



**Clean Energy  
Investor Group**

# Q2 FY 2021-22 Summary

Investor Confidence →  
**Unchanged**

*Investors remain concerned that the pace of regulatory and policy reform is not facilitating the level of investment needed to realize the Step Change scenario in the Integrated System Plan.*

Simon Corbell  
Chief Executive Officer CEIG

Cost of equity risk premium ↗  
**Unchanged/worse** →

Clean energy investors report that the risk premium on the cost of equity has not improved, with equal responses 'unchanged' and 'worse'.

CEIG's August 2021 [Investor Principles](#) report found the risk premium for clean energy investment in the NEM was 100-250 basis points.

# Q2 FY 2021-22 Reform headlines

## Headline issues

Queensland 3GW draft Renewable Energy Zones plan

Glasgow Climate Pact

AEMC's Energy storage rule change

Draft 2022 ISP

The draft 2022 ISP was the most important and most positive headline issue over the quarter.

Direction of reform 

**Stayed the same**

Most investors surveyed reported that the direction of reform in the NEM has stayed the same or improved. Some reported it has deteriorated.

# Q2 FY 2021-22 Risks stall projects

## Key risks

Emissions policy uncertainty



Unrealistic NEM scenario planning & coal closure timetable



Complex & lengthy transmission development processes



Potential introduction of locational marginal pricing



Lack of marginal loss factor reform



Glasgow and the draft ISP have improved long-term planning, but investors remain concerned about slow market reform.

## Project pipeline

	Projects
Wind	0
Solar	50 MW + 2 other projects
Battery	0
Pumped Hydro	0
Green Hydrogen	0

The volume of projects reaching financial close is insufficient to deliver Step Change.

## About the Survey

The Clean Energy Investment Confidence Survey was launched in November 2021. It is a regular survey of CEIG members that provides an indicator of investor sentiment and analysis of key issues that affect it. Members completed an online survey between 26 January – 2 February 2022.

## About CEIG

The Clean Energy Investor Group was formed in 2019 to respond to the increasing market volatility and risks faced by investors in utility-scale renewable energy projects in Australia. CEIG advocates on behalf of investors on the policy and market design needed to help unlock low-cost capital for Australia's clean energy transformation. We use our unique "voice of capital" for coordinated and targeted advocacy and market engagement in the best interests of institutional investors.

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