



Investor proposal for reform of National Electricity Market elevated by Energy Security Board

6 May 2022, Canberra: The peak body for clean energy investors in Australia has welcomed a policy move by the Energy Security Board (ESB) to identify solutions to the grid congestion problems that are slowing down the transition to renewable energy and pushing up costs.

Simon Corbell, CEIG CEO said, “Investors have proposed a solution that will unlock tens of billions of dollars to develop new clean generation and storage assets in the National Electricity Market (NEM). That investment is critical for energy security as ageing coal power stations become less reliable and their owners bring their retirement dates forward.

“For the first time an investor led proposal has been included in a shortlist of priority reform options from the ESB. CEIG has participated in the ESB’s process at the highest level to help achieve this outcome for clean energy investors.

“We strongly welcome the focused work done by the Energy Security Board under its new Chair Anna Collyer who is also the AEMC’s Chair.

“This week the ESB released its current thinking on the Post 2025 redesign of the NEM which includes a detailed proposal formulated by CEIG to fix grid congestion issues. CEIG commissioned infrastructure consultants Castalia to work with leading international and Australian investors to develop an efficient system for managing the massive build-out of the NEM that all governments have signed up to through the Integrated System Plan.

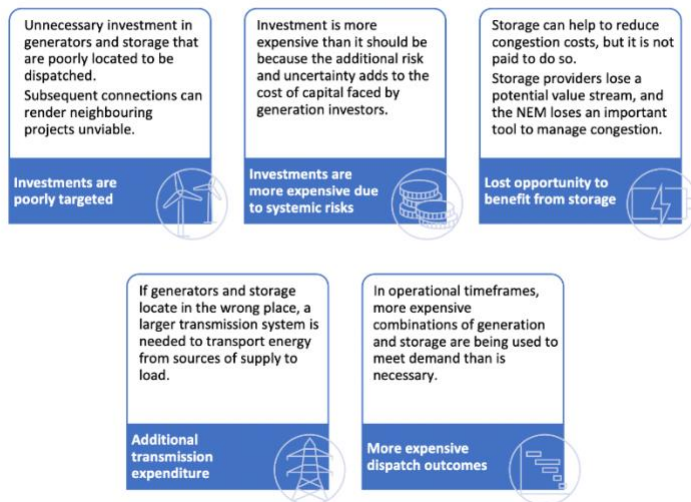
“Key outcomes of the CEIG proposal are ;

- Development of a priority access order to the grid for renewable energy generators,
- Reduced risk of additional curtailment over the operational life of a clean energy asset
- Improved confidence on future revenue streams, reducing the risk premium for clean energy investment in Australia.

“The ESB is also moving to address key elements of the Clean Energy Investor Principles framework proposed by the CEIG in 2021 and we welcome working with all jurisdictions after the federal election to progress these vital areas for reform,” said Mr Corbell.

These key investor concerns have been recognised by the ESB as highlighted in figure 7 below from the ESB consultation paper on Transmission Access Reform.

Figure 7 Consequences of failing to act on access reform



Further detail on the CEIG Grid Access Reform proposal developed by Castalia can be found at <https://ceig.org.au/wp-content/uploads/2022/02/2022-02-23-Report-on-Transmission-Access-Reform.pdf>

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