

# Q3 FY 2021-22 Clean Energy Investment Confidence Survey

Monday 2 May



**Clean Energy  
Investor Group**

# Q3 FY 2021-22 Summary

Investor Confidence  
**Unchanged**



Cost of equity risk premium  
**Unchanged**



*The incoming federal government must lead reform of the NEM and build the investor confidence Australia needs to replace retiring coal generators with renewables and storage.*

Simon Corbell

Chief Executive Officer CEIG

Clean energy investors report that the risk premium on the cost of equity has not improved.

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

# Q3 FY 2021-22 Reform headlines

## Headline issues

- ✓ Cannon-Brookes & Brookfield AGL bid
- ✓ Origin & AGL early coal retirements
- ✗ Federal Budget
- ✓ Accelerated NSW Roadmap
- ✗ Ukraine War

The early retirement of coal generators and NSW's accelerated Electricity Infrastructure Roadmap were positive developments.

## Direction of reform

**Stayed the same**



Investors reported mixed signals about the direction of reform, with a majority reporting it has stayed the same.

# Q3 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



Investor do not report improvement to key risks and some confusion about reform processes.

## Project pipeline

	Projects
Wind	2
Solar	20 projects \$100 mill
Battery	0
Pumped Hydro	0
Green Hydrogen	0

Investors reported modest additions to the pipeline.

## 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 Thursday 7 April and Wednesday 13 April 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.

[ceig.org.au](https://ceig.org.au)

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