



**Clean Energy
Investor Group**

Investors looking to new federal government to address risk in the NEM and reform governance

Thursday 4 August 2022, Canberra: The peak body for clean energy investors has released its latest survey of industry confidence and said that it shows energy ministers must reform governance of the National Electricity Market (NEM) and reject the Energy Security Board's (ESB) current capacity market proposal.

The Clean Energy Investment Confidence Survey for Q4 2021-22 has been released by the Clean Energy Investor Group. The Survey found that the energy crisis and legacy risks in the NEM have hit investor confidence over the quarter.

Simon Corbell, CEIG CEO said "The Q4 FY 2021-22 Clean Energy Investment Confidence Survey gives energy ministers a clear signal to urgently reform governance of the NEM and direct the market bodies to accelerate transformation. If Australia establishes a sound framework to become self-sufficient from our vast clean energy resources, that would ensure this is the last energy crisis Australia faces.

"The latest Clean Energy Investor Survey reveals how much work the new federal government must do to repair investor confidence that has been degraded by years of policy uncertainty and market risk.

"The five main market risks facing clean energy investment have all failed to improve 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

“It is unsurprising that the new government has not yet rebuilt investor confidence held down by the climate and energy policies of the previous government. The direction of reform has failed to improve for the third quarter in a row. International headwinds from the energy crisis and the subsequent suspension of the wholesale electricity market were the most impactful development this quarter and an almost entirely negative one.

“The federal election result was one of the most positive developments that clean energy investors have reported across the four quarters since we inaugurated our survey. CEIG is already working productively with the new government to improve the environment for clean energy investment, which is the fastest way to improve energy security and resolve the energy crisis.

“AEMO’s adoption of the more ambitious Step Change scenario was viewed positively by most investors.

“Encouragingly, one of CEIG’s investor members reported that financial close was reached on a billion-dollar wind project. We urge all governments to heed the results of this survey and collaborate on reforms to increase investor confidence so the level of investment grows to meet the energy security challenges Australia faces,” said Mr. Corbell.

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Attachment: Q4 FY 2021-22 Clean Energy Investment Confidence Survey Results.pdf

Survey questions available on request.