

Q1 FY 2022-23 Clean Energy Investment Confidence Survey

27 October 2022



**Clean Energy
Investor Group**

Q1 FY 2022-23 Summary

**Investor Confidence
Increased**



Investors are more optimistic but significant risks remain for investors and the federal government should take more control over energy market reform.

Simon Corbell
Chief Executive Officer CEIG

**Cost of equity risk premium
Unchanged**



Clean energy investors report that the risk premium on the cost of equity has stayed the same over the quarter.

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

Q1 FY 2022-23 Reform headlines

Headline issues

- ✓ Legislated national climate targets
- ✓ Energy ministers support transition
- ✓ State-based policy support to drive investment
- ✓ Australia's first offshore renewable energy infrastructure area

The most important development was that energy ministers are working together to support the transition.

Direction of reform **Improved**



Energy ministers have set a positive reform agenda in the NEM backed by legislated national climate targets.

Q1 FY 2022-23 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



Clean energy investors continue to face critical risks that delay projects and increase cost.

Project pipeline

	Projects
Wind	0
Solar	1
Battery	2
Pumped Hydro	0
Green Hydrogen	0

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

About the Survey

The Clean Energy Investment Confidence Survey was launched at the start of the 2021-22 financial year. 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 3rd October and 12th October 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

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