



Investors welcome Energy Ministers' decisive action on transmission access reform

Friday 24 February 2023, Canberra: The Clean Energy Investor Group (CEIG) today welcomed energy ministers' decisive actions on reforms to address grid congestion that will support improved investment conditions for renewable energy projects and lower costs for consumers.

"Energy ministers have agreed to stop harmful reform proposals that are based on locational marginal pricing (LMP). Clean energy investors have long been vocal against reforms such as the Energy Security Board's proposed Congestion Management Model as they would create investor uncertainty and increase costs for consumers," said Simon Corbell, CEO of the CEIG.

"This approach was not supported by industry and CEIG is pleased that Energy ministers have resolved to no longer consider these options," Mr Corbell said.

"This is a clear signal to investors that energy ministers are listening to industry and are focused on accelerating the decarbonisation of Australia's energy system," Mr Corbell said.

At the same time, ministers agreed to continue work on two industry-led proposals that will help to reform the open access regime and unlock congestion.

"Investors will welcome the decision to continue work on the design of a Priority access model and a Congestion Relief Market (CRM), as this will allow for further consultation on key design issues."

"The Priority access model aims to avoid creating congestion in the first place by providing a long-term signal to generators on where to invest in new generation capacity.

"It can be complemented by a CRM which creates a new market to trade congestion relief behind a constraint. The CRM offers new ways to decrease residual grid congestion within each trading interval.

“Ministers have paved the way for collaborative work between government, industry, consumers and market bodies to progress the detailed design of those reforms. CEIG looks forward to engaging with government on those important design issues.”

“CEIG also welcomes Ministers’ decision to fast-track the Enhanced information program. This reform will provide generators with additional information on expected network capacity and congestion to make better decisions on where to locate in the grid. It has broad support across all stakeholders, and it can go a long way towards providing a valuable signal for generators,” Mr Corbell said.

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About the Clean Energy Investor Group

The Clean Energy Investor Group presents domestic and global investors with a combined Australian portfolio value of over A\$38 billion and more than 76 clean energy assets under management. It is an investor body, representing the unique perspective of clean energy investors to regulators, policy makers and the broader energy sector.

<https://www.ceig.org.au/>