



New report urges collaboration between governments and private investors to accelerate renewable energy transition

Wednesday 12 April 2023, Canberra: The [Clean Energy Investor Group \(CEIG\)](#) and the [Investor Group on Climate Change \(IGCC\)](#) have today released a joint report that urges governments to collaborate, and not compete, with private capital in the clean energy transition.

The report highlights the role of governments in reducing transition risk for emerging technologies like offshore wind, long-duration storage, and renewable hydrogen. However, it underscores that the private sector is best positioned to be a majority owner of established technologies such as onshore wind and solar.

New public entities should not deter private investment but encourage "crowding in" of private investment. Including a diverse range of investors, governments can tap into a wide range of expertise, resources, and networks, building scale and competitive market forces. In contrast, seeking to partner with a narrow group of investors may send negative signals to the market and reduce investor confidence, slowing down the energy transition.

The position paper stresses the importance of supportive policies, funding, and incentives from governments to accelerate the transition to a low-carbon future and reduce associated risks. Financial risks, for example, can be reduced through contracted revenues whilst achieving broader government objectives.

The four investor positions on public ownership of renewable energy announced today are:

1. Government can support decarbonisation by reducing transition risks
2. Governments must design efficient and effective policy to best accelerate the energy transition including new transmission
3. The private sector is best placed to be a majority asset owner of established technologies
4. Private investors need clarity on corporate governance of public enterprises

This is the first time CEIG and IGCC have collaborated on a report, providing valuable guidance to investors and governments on designing effective policies for public investment and support for renewable energy projects.

“The electricity sector has a critical role to play in this transition. By decarbonising the electricity sector, we can enable the decarbonisation of other sectors, including transport and manufacturing. This transition will require collaboration between governments and private capital,” said Simon Corbell, CEO of the CEIG.

“Governments are currently planning public investment in the transition to achieve specific policy outcomes and CEIG recognises that this is a legitimate policy choice, but we need clarity around how it will work.”

Mr Corbell also stated that, “Investors are ready to work together with governments on the design of policy to support the transition. This collaboration will be critical to achieving the decarbonisation of the NEM, and the broader economy, and will also result in reduced risk and lower cost to consumers.”

Rebecca Mikula-Wright, CEO of IGCC, added, “Achieving deep, rapid and sustained cuts to emissions in Australia is in the national interest and will require high up-front capital deployment from both public and private investors.”

“For Australia to remain an attractive market for investment in clean energy, unprecedented levels of co-ordination and close collaboration will be required: International markets, including the EU and USA, are moving ahead at pace, setting incentives that provide attractive risk and return profiles for clean energy investors.” said Ms Mikula-Wright.

The full report is available at: <https://ceig.org.au/>

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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/>

About the Investor Group on Climate Change

The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand institutional investors focused on the impact of climate change on investments. IGCC represents investors with total funds under management of over \$3 trillion in Australia and New Zealand and \$30 trillion around the world. IGCC members' beneficiaries include more than 7.5 million people in Australia and Aotearoa New Zealand.

<https://igcc.org.au/>