

30 June 2023

Mr Paul Verschuer
Executive General Manager
Lodged by email to: iioreport@aemoservices.com.au

Dear Mr Paul Verschuer

Response to Draft 2023 Infrastructure Investment Objectives Report

The Clean Energy Investor Group (CEIG) welcomes the opportunity to provide feedback on the AEMO Services Draft *2023 Infrastructure Investment Objectives Report* (IIO report) published on 16 May 2023.

CEIG represents domestic and global renewable energy developers and investors, with more than 16GW of installed renewable energy capacity across more than 76 power stations and a combined portfolio value of around \$38 billion. CEIG members' project pipeline is estimated to be more than 46GW across Australia. CEIG strongly advocates for an efficient transition to a clean energy system from the perspective of the stakeholders who will provide the low-cost capital needed to achieve it.

CEIG is calling for AEMO Services align the current IIO report to achieve a 1.5 degree outcome

CEIG commends the NSW Government for providing the energy industry with a strong level of certainty through its 20-year pathway for investment in new electricity infrastructure and 10-year plan for conducting tenders for long-term energy service agreements to support that infrastructure.

CEIG recognises that as the IIO report is broadly consistent with AEMO's ISP Step Change scenario, it is therefore not 1.5 degree aligned. CEIG has been advocating strongly for market bodies to base their work on the 1.5 degree aligned scenario presented in our [Decarbonising⁰⁵ Australia - Accelerating our energy transition with a credible 1.5°C scenario](#) commissioned from Baringa.

CEIG understands that AEMO will include a sensitivity in its updated 2023 Inputs, Assumptions and Scenarios Report (IASR) that considers a 1.5 degree aligned Step Change scenario. This demonstrates the importance of market bodies to plan for a 1.5 degree outcome and further supports our recommendation for AEMO Services to align the IIO report to achieve a 1.5 degree outcome.

CEIG response to AEMO's Draft 2023 IASR: Key Points

- CEIG acknowledges that the IIO report has been informed by AEMO's 2021 IASR. As AEMO is currently updating its IASR, CEIG would like to share the key points from our response to the Draft 2023 Inputs, Assumptions and Scenarios Report¹ for consideration. The IASR is vital for investors as the AEMO publications that flow from this work give investors economic information on which to base clean energy investment plans.
- CEIG welcomes the inclusion of recent significant announcements by federal and state governments within the Draft IASR.
 - In its public webinar update for the Draft 2023 IASR, AEMO has signalled that these policy announcements will be considered.
- Considering the Commonwealth Government's commitment to the Paris Agreement, CEIG is disappointed that only one out of four scenarios is 1.5 degree compliant.
 - In its public webinar update for the Draft 2023 IASR, AEMO has signalled that a sensitivity will be included that considers a 1.5 degree aligned Step Change scenario.
- CEIG recommends that AEMO plans more significantly for emission reductions consistent with maintaining warming under 1.5 degrees.
- CEIG is calling for the inclusion of more than one scenario that is 1.5 degree compliant so there is better consistency with international investor expectations and trading partner actions.
- CEIG welcomes the establishment of the Advisory Council on Social Licence to assist in understanding social licence issues facing the energy transition.
- CEIG supports the development of a social licence-related sensitivity in the ISP.

CEIG thanks AEMO Services for the opportunity to provide feedback on its Issues paper and looks forward to continued engagement on those issues. Our Policy Director Ms. Marilyne Crestias can be contacted at marilyne.crestias@ceig.org.au if you would like to further discuss any elements of this submission.

Yours sincerely,



Simon Corbell
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Clean Energy Investor Group Ltd
w: www.ceig.org.au

¹ [CEIG Response: AEMOs Draft 2023 Inputs, Assumptions and Scenarios Report](#)