

8 December 2023

Committee Secretary
Transport and Resources Committee
Queensland Parliament
By email: trc@parliament.qld.gov.au

Dear Committee Secretary,

Response to the Transport and Resources Committee's Inquiry on *Energy (Renewable transformation and jobs) Bill 2023*

The Clean Energy Investor Group (CEIG) welcomes the opportunity to provide feedback on the Queensland (QLD) Parliamentary Transport and Resources Committee's Inquiry into the *Energy (Renewable transformation and jobs) Bill 2023* (the Bill) initiated on 24 October 2023.

CEIG represents domestic and global renewable energy developers and investors, with more than 16GW of renewable energy capacity in the NEM across more than 76 power stations and a combined portfolio value of more than \$38 billion. CEIG members' projects represent 40% of the NEM's renewable energy capacity and their project pipeline is estimated to be more than 46GW across Australia. CEIG strongly advocates for an efficient transition to clean energy with a focus on the stakeholders who can provide the cost-effective capital required for this transition.

KEY POINTS

- **CEIG commends the high level of engagement** shown throughout the legislative processes of the Bill.
- Stakeholder's views have been listened to and reflected in the Bill through changes to ensure community impacts of renewables are considered and amendments to give stakeholders more clarity.

CEIG WELCOMES CLARITY FOR INVESTORS

- **Public ownership**
 - CEIG supports the revision of the targets for public ownership to 54%, to be achieved by 2035.
 - CEIG supports the clarification of the definition of deep storage assets.

- CEIG welcomes the clarification that generation assets predominantly used to generate electricity for exports are now excluded from the public ownership target.
- **REZ Framework**
 - CEIG welcomes the Bill incorporating detailed provisions for the REZ framework, including opportunities for additional consultation and engagement through the REZ Management Plan.
- **Support for Energy Workers**
 - CEIG commends the Queensland Governments focus on supporting workers in the energy industry, particularly those impacted by the shift towards renewable energy generation, throughout the Bill.

CONCERNS REMAIN IN EMISSION REDUCTIONS

- **Emissions Reduction Pathway**
 - CEIG urges the Queensland Government to align its emissions reduction targets with the 1.5°C global goal and recommends raising its ambition to 80% renewables by 2031.

ENHANCING THE DEVELOPMENT OF THE PUBLIC OWNERSHIP STRATEGY

- Given its direct impact on private investment, **CEIG recommends including a provision for a public consultation on the public ownership Strategy within the Bill** or stating this intention as part of the legislation's second reading speech.
- To aid the Minister in refining the Strategy, and enhance its transparency, fairness and effectiveness, CEIG recommends to the government:
 - set out a comprehensive state-wide investment mandate.
 - make a commitment to transparent procurement
 - set clear and consistent terms and conditions
 - adhere to competitive neutrality principles
 - design a competitive process
 - set eligibility and evaluation criteria

CEIG WELCOMES CLARITY PROVIDED THROUGHOUT THE BILL ON ISSUES THAT IMPACT INVESTORS

CEIG would like to commend the high level of engagement shown by the Queensland Government throughout the legislative processes of the Bill. This collaborative approach has ensured that stakeholders views have been listened. This is reflected in the Bill through changes to ensure community impacts of renewables are considered and amendments to give stakeholders more clarity.

Key areas where this clarity is notable include:

Public ownership

- *Public Ownership Targets* – CEIG supports the revision of the targets for public ownership to 54%, to be achieved by 2035. Setting a target date rather than year-by-year targets is a positive development that offers greater flexibility and predictability, benefiting investors as they plan long-term strategies.
- *Definition of Deep Storage Assets* – The Bill now clearly defines 'deep storage assets' as pumped hydro energy storage capable of generating at least 1,500MW for 24 hours. CEIG supports this definition as it provides investors with a clear understanding of the assets that qualify under this category, enabling more precise investment planning.
- *Exclusion of Generation Assets for Export* – CEIG welcomes the clarification that generation assets predominantly used to generate electricity for exports are now excluded from the public ownership target. This change clarifies the scope of public investment and provides investors with well-defined parameters to work within to achieve the 54% public ownership goal by 2035.

Renewable Energy Zone (REZ) Framework

- CEIG welcomes the Bill incorporating detailed provisions for the REZ framework. This includes opportunities for additional consultation and engagement through the REZ Management Plan. Such openness in the legislative process is crucial for addressing concerns and facilitating effective collaboration between the government and stakeholders.

Support for Energy Workers

- CEIG commends the Queensland Government's focus on supporting workers in the energy industry, particularly those impacted by the shift towards renewable energy generation, throughout the Bill. By prioritising advocacy and support for these workers and affected communities, the Bill aligns with the principles of a Just Transition. This focus is not only socially responsible but also vital for ensuring the sustainable and equitable development of the energy sector.

ADDRESSING REMAINING CONCERNS IN EMISSIONS REDUCTION

CEIG acknowledges the Queensland Government's efforts in providing clarity on public ownership strategies and REZ details in the Bill. However, we must highlight persisting concerns that could impact investor confidence and the effectiveness of the Bill in meeting broader environmental goals.

Emissions Reduction Pathway

While the Bill takes commendable steps towards emissions reduction, there is room for greater ambition to align with a 1.5°C target. CEIG proposes that the Bill be amended to accelerate the renewable energy target, aiming for 80% renewables by 2031, instead of the current 2035 goal. This adjustment would not only reinforce Queensland's acknowledgement that "we are facing a climate emergency"¹ but also provide clearer,

¹ [Qld Gov \(2022\): Energy and Jobs Plan: Premier's 2022 State of the State address](#)

more ambitious guidelines for investors looking to support the energy transition.

ENHANCING THE DEVELOPMENT OF THE PUBLIC OWNERSHIP STRATEGY

The commitment to public consultation in developing the Bill is commendable. This approach must continue, particularly in shaping the public ownership strategy (the Strategy). Given the Strategy's direct impact on private investment, ongoing dialogue with investors is essential.

CEIG recommends including a provision for a public consultation on the Strategy within the Bill or stating this intention as part of the legislation's second reading speech.

Furthermore, to aid the Minister in refining the Strategy, and enhance its transparency, fairness and effectiveness, CEIG presents a range of recommendations and considerations, building on our previous submission²:

Clear State-Wide Investment Mandate

CEIG recommends the Queensland Government sets out a comprehensive state-wide investment mandate. This would clarify the Government-Owned Corporations' (GOCs) objectives, scope of asset interest, investment strategies, and timelines.

The mandate should detail acquisition objectives and criteria, affirming a commitment against compulsory acquisition of generation projects to meet public ownership targets.

Considering the Commonwealth Governments newly announced Capacity Investment scheme, the mandate should also outline how Queensland Government owned assets will participate in the scheme.

Commitment to Transparent Procurement

Given the Strategy's scale, CEIG strongly encourages the Queensland Government to ensure a high visibility over its programs, setting expectations for transparency in Power Purchase Agreements (PPAs) and direct equity processes.

Transparent processes will ensure value for Queensland energy consumers by promoting the selection of competitive projects based on merit rather than less transparent criteria.

Clear and consistent terms and conditions

A clear program outlining consistent terms from GOCs or state entities should be established, encompassing PPAs and equity investment.

The Government should communicate its policy objectives for each program (e.g., local content, employment conditions) and set clear expectations for market participation.

Adherence to Competitive Neutrality Principles

CEIG encourages clear guidelines on how GOCs will adhere to competitive neutrality principles, ensuring fair treatment for privately owned projects. While GOCs are bound by

² [CEIG response: QLD Govt QEJP draft legislation](#)

the *Competition & Consumer Act 2010*, explicit application and enforcement guidelines are necessary.

Competitive Process Design

CEIG supports the use of auctions and other competitive processes to be used for participant selection, designed with clear rules, schedules, and transparent assessment criteria. This maximises competitive pressure and lowers costs.

Eligibility and Evaluation Criteria

CEIG recommends eligibility criteria to ensure participation from sufficiently advanced projects and prevent speculative hoarding.

Broad evaluation criteria should be established, reflecting economic, social, and environmental goals, such as community engagement, benefit sharing, and project capability.

CEIG thanks the Transport and Resources Committee for the opportunity to provide feedback on the Bill and looks forward to continued engagement on those issues. Our Policy Director Ms. Marilynne Crestias can be contacted at marilyne.crestias@ceig.org.au if you would like to further discuss any elements of this submission.

Yours sincerely,



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