

18 October 2024

Select Committee on Energy Planning and Regulation in Australia  
Parliament of Australia  
Commonwealth Government  
Lodged online via the [submission portal](#)

Dear Select Committee,

### **Response to Select Committee's Inquiry into Energy Planning and Regulation in Australia**

The Clean Energy Investor Group (CEIG) welcomes the opportunity to provide feedback on the Select Committee's Inquiry into Energy Planning and Regulation in Australia established in September 2024.

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 future on behalf of the investors who will provide the low-cost capital required for this transition.

#### **Key Points**

- **CEIG welcomes the establishment of the Select Committee** and views the Inquiry as a critical opportunity to assess whether existing institutional and regulatory structures are fit-for-purpose to meet Australia's energy and climate goals.
- **The Inquiry must go beyond addressing existing gaps and must consider the future design of Australia's energy market.** The focus should be on enabling the transition to a clean energy system rather than making adjustments to outdated systems and regulatory arrangements.
- Planning for this future must begin immediately as **the energy system needs to be prepared for a post-coal, 100%+ VRE grid with diverse technologies well ahead of 2030.**

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- **CEIG advocates for a deep, coordinated rethink of the NEM** and associated governance frameworks to provide a clear pathway for investment in clean energy technologies, transmission, and storage.
- **However, maintaining consistency during the transition is crucial;** while a significant refresh is needed, **a sudden and complete overhaul would risk adding further uncertainty.**
- **CEIG is particularly focused on the roles of AEMO, AER, and AEMC. They must each be tasked with a forward-looking mandate** that reflects the urgent need for new generation and transmission infrastructure, aligned with long-term signals for investors, and stronger coordination amongst them is essential.
- As an essential grid planning document, CEIG highlights that the **ISP must be supported by strengthened regulatory and policy frameworks to enable the timely delivery of critical infrastructure and ensure its effectiveness, with Energy Ministers ultimately accountable over its timely implementation.**
- CEIG believes that over time, the **Government's role in the future energy market will shift from direct intervention to enabling and incentivising private investment.** Whilst the government should enhance coordination during this early transition phase, **regulatory frameworks must eventually foster private market engagement and clean energy investment.**
- **CEIG recommends providing market participants with formal opportunities to review market bodies' decisions** and exploring new or improved dispute and review mechanisms in the NER.
- **CEIG recommends establishing an Innovator and Investor Panel, similar to ECA,** to provide formal guidance to AEMO on legislation and regulation.

## GENERAL COMMENTS

CEIG welcomes the establishment of the Select Committee on Energy Planning and Regulation in Australia. We view the Inquiry as a critical opportunity to assess whether existing institutional and regulatory structures are fit-for-purpose to meet Australia's energy and climate goals.

Planning for Australia's clean energy future must begin immediately as the energy system needs to prepare for a post-coal, 100%+ variable renewable energy (VRE) grid with diverse technologies well ahead of 2030. This will require a focus on enabling the transition to a clean energy system rather than making adjustments to outdated systems and regulatory arrangements that may no longer serve the needs of a rapidly evolving energy landscape.

## FUTURE DESIGN OF AUSTRALIA'S ENERGY MARKET

Over the past decade, piecemeal reforms have created some challenges for long-term clean energy investment. Therefore, CEIG stresses that the Inquiry goes beyond merely addressing existing gaps and instead considers the future design of Australia's energy market.



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This review should lay the groundwork for a cohesive energy market reform agenda post-2030 that ensures the grid can operate securely and efficiently as legacy assets exit the system.

CEIG advocates for a deep, coordinated rethink of the National Electricity Market (NEM) and associated governance frameworks to provide a clear pathway for investment in clean energy technologies, transmission, and storage.

### **Stronger coordination needed between AEMO, AER and AEMC**

CEIG is particularly focused on the roles of the Australian Energy Market Operator (AEMO), the Australian Energy Regulator (AER), and the Australian Energy Market Commission (AEMC). We believe that stronger coordination among these entities is essential to streamline processes and facilitate effective decision-making during this transition.

The current system's fragmented approach has created challenges for efficient investment and the delivery of renewable energy projects, thus CEIG stresses the importance of maintaining consistency during the early phase of the transition. Whilst a comprehensive refresh of the system is needed, a sudden and complete overhaul of these organisations would be excessive and could introduce further uncertainties.

Instead, market bodies must be tasked with a forward-looking mandate that reflects the urgent need for new generation and transmission infrastructure, aligned with long-term signals for investors to promote confidence and facilitate investment in clean energy projects.

### **Importance of the ISP**

AEMO's Integrated System Plan (ISP) serves as a comprehensive roadmap that strengthens investor confidence and highlights the transformative potential of clean energy investments. It is important that the ISP remains central to Australia's energy planning and is supported by robust regulatory and policy frameworks. These frameworks should enable the timely delivery of critical infrastructure and ensure the effectiveness of the ISP, along with clear accountability frameworks to ensure that Energy Ministers are ultimately tasked with ownership over the ISP's timely implementation.

### **Evolving role of Government**

CEIG believes that the Government's role in the future energy market is evolving from direct intervention to enabling and incentivising private investment. While it is crucial for the Government to enhance coordination—especially during this early phase of the transition—regulatory and policy frameworks should eventually transition to foster an environment conducive to private market engagement. Regulatory and policy frameworks must reflect this evolving role and create an environment that supports clean energy investment.



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### **Establishing an Innovator and Investor Panel**

CEIG advocates for meaningful stakeholder consultation and transparency in decision-making processes. Given the complexities of the energy transition, it is essential that investor perspectives are appropriately considered in regulatory and policy design. This consideration is particularly important for planning post-coal market dynamics, where clear and predictable rules will underpin new business models and investments.

CEIG recommends establishing an innovator and investor Panel, similar to Energy Consumers Australia (ECA), to provide formal guidance to AEMO on legislation and regulation. This panel would bring expertise critical to navigating the energy transition, focusing on national interests while emphasising the importance of the private sector in driving innovation and investment.

Finally, market participants should have formal opportunities to interrogate the decisions made by market bodies<sup>1</sup>. It may also be beneficial to consider new or improved dispute and review mechanisms in the National Electricity Rules (NER), such as a broader dispute resolution process, independent review panels, or expedited referral processes to standing panels.

CEIG thanks the Select Committee for the opportunity to provide feedback on its inquiry into Energy Planning and Regulation in Australia and looks forward to continued engagement on those issues. Our Head of Policy and Advocacy can be contacted at [policy@ceig.org.au](mailto:policy@ceig.org.au) if you would like to further discuss any elements of this submission.

Yours sincerely,

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<sup>1</sup> [CEIG \(Aug-21\) Unlocking low-cost capital for clean energy investment](#)