

24 July 2023

Lodged via the AEMC website

Dear Ms Collyer,

Response to National electricity amendments (accommodating financability in the regulatory framework) rule change Consultation paper

The Clean Energy Council (CEC) welcomes the opportunity to comment on the AEMC's June 2023 consultation paper for the National electricity amendments (*Accommodating financability in the regulatory framework*) rule change.

As the peak body for the clean energy industry in Australia, the CEC represent over 1,000 of the leading businesses operating in renewable energy, energy storage and renewable hydrogen. We are committed to accelerating the decarbonisation of Australia's energy system as rapidly as possible, while maintaining a secure and reliable supply of electricity for customers.

The CEC acknowledge that as part of the Stage 2 Transmission planning and investment review (TPIR), the AEMC observed that the current regulatory framework gives rise to the risk that major transmission projects are not financeable. We agree with this finding and note that a range of recommendations were put forward to address the issue as part of the review.

The objective, as we understand it, is to promote timely and efficient investment in new transmission infrastructure to facilitate the transition to net-zero emissions in the electricity system at least cost to consumers. We note the ongoing process to include emissions in the national electricity objective (NEO), as well as the recently commenced rule changes related to the harmonisation of the NER, NERR and NGR with the emissions reduction limb of the NEO.

One of the key decisions in this rule change is the appropriate balance to be struck between adopting a discretionary approach to enable flexibility, or a more prescriptive approach to provide greater certainty..

The clean energy sector has long experience with policy settings influencing the investment environment. Uncertainty has a significant impact on the costs of reaching financial close, constructing and commissioning major infrastructure projects. This has been the case for investors in large-scale renewable energy and storage projects. We consider its likely this would be amplified for the more typically risk averse investors in regulated infrastructure.

For this reason, we consider that an approach that provides investor certainty would allow investors in regulated network assets to commit to and progress major projects as early as possible. This is key to accelerating the buildout of renewable generation and storage, which is in turn central to maintaining the reliability and security of the power system.

As always, the CEC welcomes further engagement from the AEMC on this reform. Further queries can be directed to Christiaan Zuur on czuur@cleanenergycouncil.org.au.

Kind regards,

Christiaan Zuur
Director, Market, Investment and Grid