



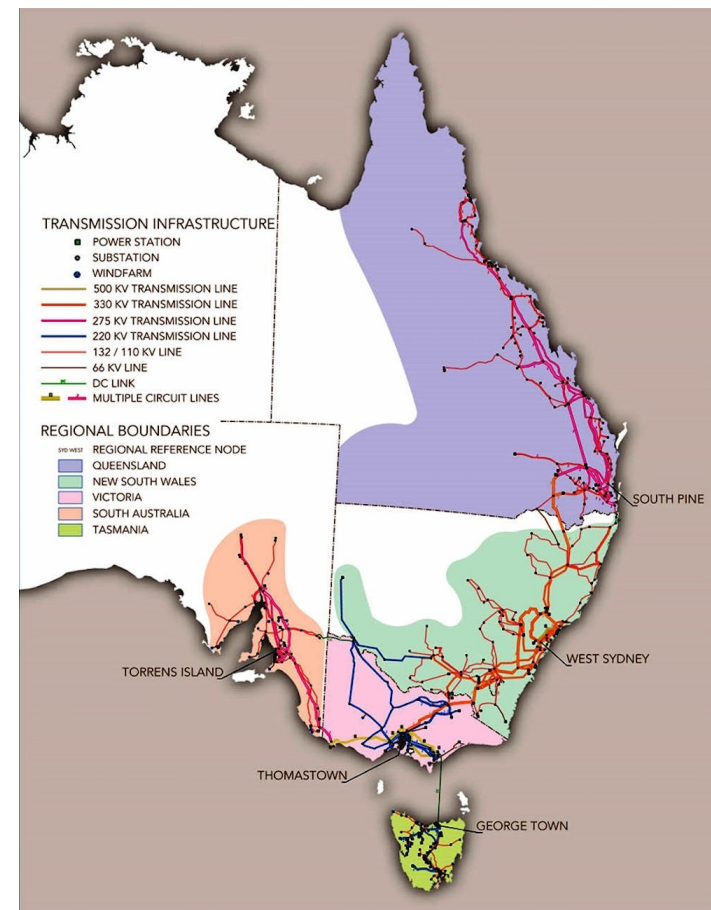
# Regulatory and Policy Framework for Renewable Energy Development - Australian Perspectives

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# Technical → Pragmatic

- From the technical to the pragmatic
- Personal history may explain approach from 1923 to date
- Irish SEM to Aussie NEM
- More than just a lawyer
  - Elliott Green Power
  - Clean Energy Regulator
- Decarbonisation is at the core now



# The Australian Constitution

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- Critical to understanding why and how Australia approaches its energy markets
- The States have sovereignty
- National Electricity Market is an agreement by the States
- Originally a good model...arguably lacks consistency with, for example, competition policy, and other important issues, c.f Irish SEM

# Energy Only Market!?

- Wholesale energy only market fragmented by State (I often think of Alberta!)
- Capacity mechanism talk only recently (...Today perhaps)
- Personal view
  - We all need “Energy with Honesty” in the transition
  - Capacity markets work, particularly for priority dispatch of renewables whilst preserving baseload capability
- Piecemeal approach to date consistent with States’ sovereignty on power
- Regulation should reflect the laws of physics and economics as much as possible consistent with clear policy objectives

# Regulatory Agencies Galore!

- National
  - Australian Energy Regulator (AER)
    - Economic regulator (price controls) and enforcer of the NEM
  - Australian Energy Market Commission (AEMC)
    - Responsible for rule changes to the NEM and some advocacy (market studies...)
  - Australian Energy Market Operator (AEMO)
    - Responsible for supervising the operation of the NEM, including connections, ancillary markets, MLFs...



## And there's more!

- Australian Competition and Consumer Commission (ACCC)
- Energy Security Board (non-statutory)
- Clean Energy Regulator (CER)
  - Responsible for accelerating carbon abatement and administrator of the Renewable Energy Target (RET) amongst other roles
- Australian Renewable Energy Agency (ARENA)
  - Responsible for financial and technical assistance for renewable energy technology and innovation
- Clean Energy Finance Corporation (CEFC)
  - Debt and equity funder for renewable and sustainability projects

## But wait...there's more!

- States have their own energy departments and agencies with own policies (that Australian Constitution again)
- On top is the Federal Department of Climate Change, Energy, the Environment and Water (DCCEEW)
  - The ultimate policy maker and conduit for Government policy



- Renewable Energy Target
  - Small-scale technology certificates (STCs) – 1MWh of renewable electricity
    - Ideal for Australian consumers (should provide a policy “nudge” for VPP’s)
  - Large-scale generation certificates (LGCs) – 1MWh of renewable electricity
    - For utility-scale renewables
- Huge market interest and pricing of these have defied expectations on price, surprising on the upside this decade



## Coming next...

Australia's binding international commitments mean Australia is taking market leading initiatives

- CER and Renewable Energy Guarantee Origin (REGO), particularly Hydrogen and renewable energy products
- Australian Carbon Exchange
- Blockchaining of green electrons and carbon credits?

Leave grid issues and policy for renewables to TransGrid but Renewable Energy Zones are super important



Lots of practical issues policy makers and regulators need to be aware of

- Supply chains and global distance – the Australian tyranny of distance and market size
- The US Inflation Reduction Act and the European Green Deed – investment implications
- Climate
- Stretched grid and resilience – see the NEM's configuration
- Connections, MLFs and renewable energy zones – real impacts
- Litigious nature of Australian market in relation to EPCs (avoiding litigation is a success, trust me!)

# Remember

Regulators need to be as aware of the practical in their application of the technical if one wants a successful renewable energy industry





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