Bi-annual investment report: Large-scale renewable generation and storage

January—June 2026

CLEAN ENERGY COUNCIL

Acknowledgement of Country

We respect and acknowledge the diversity of communities, identities, and clan groups for all First Nations peoples throughout Australia and recognise the continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

As a collective of diverse businesses operating on a national scale, we understand that the success of our endeavours is intrinsically linked to the wellbeing and prosperity of the communities we operate within. We acknowledge that Aboriginal and Torres Strait Islander communities are rich and diverse, reflecting a tapestry of cultures and backgrounds. This diversity underscores the importance of embracing a range of holistic solutions to address the unique challenges and opportunities that lie ahead.

We recognise the impact of human activity on the cultural landscape of Australia. We understand that these practices have not always been in harmony with the profound attachment and cultural custodianship that First Nations peoples have with the land.

We are committed to forging strong relationships with First Nations communities and stakeholders, recognising their unique perspectives and aspirations. We strive to engage in genuine, meaningful partnerships that honour their rights, culture, and self-determination.

← Cover image:
Collie Battery
Wilmen Noongar Country
Collie, WA
(Neoen)

Contents

Executive summary 1

About this report and methodology 3

Highlights 4

Part A: Data overview 7

- Project pipeline 8
- Generation project analysis 11
- Energy storage project analysis 14
- Capacity Investment Scheme and NSW Long-Term Energy Services Agreements tracker 17

Part B: Policy implications and focus 19

Executive summary

Renewable energy investment holds through tough economic conditions

The first half of 2026 tested the Australian economy. Conflict in the Middle East drove sharp rises in global oil and gas prices, headline inflation reached 4.6 per cent in March, and the Reserve Bank lifted the cash rate to 4.35 per cent in May[1]. Against this backdrop, renewable energy investment in Australia performed exceptionally well.

In just six months, more new generation capacity reached financial close than in the whole of 2025. Twelve projects totalling 2.6 gigawatts (GW) reached financial close, compared with 2.3 GW across all of last year. More large-scale battery storage was also switched on during the period than in all of 2025. Five new generation projects worth more than $2.8 billion began supplying electricity, led by the 756 megawatt (MW) first stage of the Golden Plains Wind Farm in Victoria.

Australian-made energy strengthens Australia's energy security

Most of Australia's refined fuel is imported, and households felt the Middle East shock at the bowser. But electricity told a different story. Wholesale electricity prices fell over the same period, because power generated from Australian sun and wind and stored in Australian batteries is not subject to commodity market volatility.

Every new solar farm, wind farm and battery makes Australia more energy independent. Homes, businesses and industries are increasingly supplied by energy produced here, which helps shield them from global price spikes and supply disruptions.

Batteries are making the grid more reliable - and getting more out of our solar

Nine large battery projects worth $4.3 billion were commissioned and started operations in the first half of 2026. Together they added 7.1 gigawatt-hours (GWh) of storage, already more than the 5.1 GWh added in all of 2025. A further 6.5 GWh reached financial close, including a record 6.3 GWh in the June quarter.

These batteries soak up solar power in the middle of the day, when it is plentiful, and release it in the evening, when demand peaks and the grid has traditionally relied on gas and coal. The results are already visible. In the June quarter of 2026, AEMO reported that average battery output almost tripled and battery supply during the evening-peak rose by 228 per cent. Gas-fired generation fell to its lowest June-quarter level since 2003[2]. Concerns over reliability are being resolved. Australia's record-breaking battery uptake is tackling this critique head on. Household batteries are helping Australians make the most of their rooftop solar and relieving pressure on the grid. At the same time, industrial scale batteries have become the foundation of a reliable renewable grid: capturing energy when it is abundant and delivering it when it is needed.

Lower wholesale prices are starting to reach household bills

Wholesale prices in the National Electricity Market (NEM) averaged $74 per megawatt-hour (MWh) in the June quarter, down 47 per cent on a year earlier[3]. From 1 July 2026, the regulated reference price for household electricity fell – dropping 3.4% to 7.2% for households in NSW and south-east Queensland[4], and by around 5%

[1] Reserve Bank of Australia (RBA), *Cash Rate Target*, Cash Rate Target | RBA
[2] Australian Energy Market Operator (AEMO), Quarterly Energy Dynamics Q2 2026, July 2026, pp. 3 and 36, https://www.aemo.com.au/-/media/files/major-publications/qed/2026/qed-q2-2026.pdf
[3] Australian Energy Market Operator (AEMO), Quarterly Energy Dynamics Q2 2026, July 2026, p. 3, https://www.aemo.com.au/-/media/files/major-publications/qed/2026/qed-q2-2026.pdf
[4] Australian Energy Regulator (AER), Default market offer prices 2026–27: Final determination, May 2026, https://www.aer.gov.au/system/files/2026-05/AER%20-%20Final%20determination%20-%20Default%20market%20offer%202026%E2%80%9327.pdf

in Victoria[5]. The Australian Energy Regulator (AER) has credited those drops to more wind and battery generation and less reliance on gas and hydro in the evening peak[6].

Though wholesale costs are only one part of a bill - and network costs are still rising in some regions[7] – the data clearly indicates that more renewables and storage are putting downward pressure on what Australian households pay.

Investors are staying, but conditions are getting tougher

141 projects worth around $32.5 billion are now funded or under construction. Queensland leads on investment ($9.6 billion) and generation capacity (4.5 GW), while NSW has the largest battery pipeline (4.3 GW / 11.2 GWh). Infrastructure Partnerships Australia's 2026 Investment Monitor found that 83 per cent of investors remain highly likely to invest in Australian infrastructure. Battery storage attracted the strongest interest of any energy asset.

Together, this paints a picture of industry resilience and growth in the face of difficult headwinds. That said, clean energy investment is not immune to tougher conditions. Looking ahead, confidence appears to be softening, particularly for onshore wind, with investors naming approvals and transmission as their biggest obstacles.

[5] Essential Services Commission (ESC), Victorian Default Offer 2026–27: Final Decision Paper, 20 May 2026, https://www.esc.vic.gov.au/sites/default/files/documents/Victorian%20Default%20Offer%202026%E2%80%9327%20Final%20Decision%20Paper.pdf; see also ESC, "Regulator reduces Victorian default electricity prices", media release, 25 May 2026

[6] AER, Information Kit – Default Market Offer 2026–27, May 2026, p. 6, Information Kit Default Market Offer 2026–27

[7] AER, Default market offer prices 2026–27: Final determination, May 2026, p. 2.

About this report and methodology

The Clean Energy Council's Bi-annual Investment Report tracks utility-scale renewable generation and storage projects through the development lifecycle, from financial close and construction to the completion of commissioning and full operation.

Data sources and verification
The Clean Energy Council compiles and maintains project data in its own project database, drawing on a range of external sources. Project stages are identified through publicly available information, such as company announcements, media reports and government sources and then verified against data from Green Energy Markets.

Treatment of hybrid projects
Many large-scale renewable projects combine generation and storage components, known as 'hybrid projects'. Where applicable, we count each component of a hybrid project (for example, solar and storage) in the relevant generation and storage totals. This allows more detailed analysis of technology mix than labelling these projects simply as 'Hybrid'. Projects with three or more technologies keep the 'Hybrid' label. As a result, generation and storage project counts overlap and should not be added together.

Limitations
Development stage definitions vary across the industry. The definitions used in this report are set out below, and figures may differ from other datasets covering the same period. Project data is compiled after the fact and may be revised as new public information becomes available.

CEC definitions

Financial close: Publicly available information stating that a project's financing agreements have been signed, and the owner can begin drawing on the financing to commence work on the project. Information can be provided from a range of sources, including news reports, company announcements, or government sites. Typically this aligns with execution of a connection agreement and generator performance standards with the relevant network service provider and AEMO. Otherwise known as 'Final Investment Decision.'

Under construction: Publicly available information that a project has started construction. A project that is currently operational but does not meet the definition of 'Commissioned' will continue to fall under this category. Information can be provided from a range of sources, including news reports, company announcements, or government sites.

Commissioned: Publicly available information that a project is fully completed and operational. Information can be provided from a range of sources, including news reports, company announcements, or government sites. A project that is commissioned has met the following criteria:

- Successful completion of commissioning tests, including sign-off by AEMO and Network Service Provider
- Output assessment shows consistency in scale of output
- Achieves AEMO scheduled capacity
- Project has a formal accreditation under the Renewable Energy Certificate Registry

Pipeline: A general term used to refer to projects either in the financial close or under construction categories.

Highlights

Australia's energy transition is moving from pipeline to power.

In the first half of 2026, more storage energy capacity was switched on, and more generation capacity reached financial close, than in all of 2025. Batteries are now moving from the margins to the centre of the system, solar is driving new project commitments and made up 92 per cent of new generation reaching financial close. It is also, on average, the quickest of the main technologies to build (21 months from financial close to commissioned).

"In the first half of 2026, more storage energy capacity was switched on, and more generation capacity reached financial close, than in all of 2025"

Batteries are becoming a core part of the system

Record storage commissioning: nine storage projects (2.3 GW / 7.1 GWh) were commissioned, already exceeding the full-year 2025 record for energy storage capacity (5.1 GWh). Over three-quarters of all utility-scale storage energy capacity commissioned since 2017 has come online in the past 18 months.

Bigger batteries, more capital: the average commissioned battery size in 2026 is 792 MWh, up from 427 MWh in 2025, and $4.3 billion of storage investment was commissioned in six months, compared with $2.2 billion in all of 2025.

Storage commitments: 13 storage projects (1.6 GW / 6.5 GWh) reached financial close, below H1 2025 (6.6 GWh).

Solar is driving new commitments

More generation financially closed than in all of 2025: 12 generation projects totalling 2.6 GW reached financial close in the first half of 2026, above the full-year 2025 total (2.3 GW). The rolling 12-month average (952 MW) remains below its level a year earlier (1,050 MW).

Solar-led: 11 of the 12 projects were solar or solar hybrids. One onshore wind project (133 MW) reached financial close. Over half of new generation capacity is in Western Australia.

Build times by technology: on average, projects take 21 months from financial close to commissioned for solar, 24 months for storage and 30 months for onshore wind.

New generation coming online

1.4 GW commissioned: five generation projects ($2.8 billion) were commissioned, led by Stage 1 of Victoria's Golden Plains Wind Farm (756 MW). The rolling average for commissioned capacity (912 MW) is the highest since early 2022, up 56 per cent on a year earlier. A further eight projects (1.9 GW) began construction during the reporting period.

The pipeline ahead

$32.5 billion under way: 141 projects are at financial close or under construction: 76 generation projects (11.7 GW) and 79 storage projects (12.6 GW / 35 GWh), with hybrid projects counted in both. The pipeline for storage (12.6 GW) exceeds the pipeline for generation (11.7 GW).

Queensland leads generation, NSW leads storage: Queensland holds the largest share of pipeline investment ($9.6 billion), generation capacity (4.5 GW) and and half of the onshore wind pipeline by generation capacity (2.5 GW). NSW holds the largest storage pipeline (4.3 GW / 11.2 GWh) but one financially closed onshore wind project (414 MW).

Underwriting behind most new storage: five Capacity Investment Scheme projects reached financial close, accounting for 37 per cent of new generation capacity (980 MW) and 71 per cent of new storage energy capacity (1,131 MW / 4,293 MWh). Of 113 projects awarded CIS agreements to date, 25 (22 per cent) have reached financial close.

PART A:

Data overview

H1 2026

Project pipeline

As of June 30th, there are 76 renewable electricity generation projects in total that have either reached financial close or are under construction, representing approximately 11.7 GW of generation capacity. There are another 79 storage projects (either standalone or hybrid projects) in the pipeline, equivalent to 12.6 GW / 35 GWh in capacity / energy output. Together, these 141 total projects represent around $32.5 billion of investment.

Since 2017, 278 generation and storage projects have been commissioned, representing 22.6 GW of installed electricity generation capacity and 6.1 GW / 14 GWh of energy storage.

Queensland accounts for the largest share of pipeline capital investment ($9.6 billion, 30 per cent) and generation capacity (4.5 GW, 38 per cent). New South Wales has the largest storage pipeline (4.3 GW / 11.2 GWh, around one third of the national total). Pipeline storage capacity (12.6 GW) exceeds financially closed generation capacity (11.7 GW).

A breakdown of all projects currently in financial close or under construction stages across the states and territories is shown below. Note that the 76 generation and 79 storage projects combine as hybrid in many instances, meaning the project count below will be different.

Current generation and storage projects either in financial close or under construction, by state – H1 2026

State	Project count	Total project capital investment ($M)	Generation project capacity (MW)	Storage project capacity (MW)	Storage project energy output (MWh)
ACT	1	400	0	250	500
NSW	33	7,695	2,178	4,307	11,228
NT	7	185	45	75	109
QLD	27	9,639	4,528	2,788	8,928
SA	20	3,460	945	2,549	6,688
TAS	1	50	21	-	-
VIC	26	6,369	1,571	1,963	5,323
WA	26	4,670	2,427	701	2,207
TOTAL	**141**	**32,467**	**11,714**	**12,633**	**34,983**

Note: Projects that have been in the pipeline for an extended period have been removed in this edition. Figures are therefore not directly comparable with previous reports.

Current onshore wind projects either in financial close or under construction

State	Project count	Total project capital investment ($M)	Generation project capacity (MW)
ACT	0	-	-
NSW	1	820	414
NT	0	-	-
QLD	6	5,893	2,453
SA	2	1,500	544
TAS	1	50	21
VIC	2	2,650	782
WA	5	1,963	628
TOTAL	**17**	**12,876**	**4,842**

Current solar projects either in financial close or under construction

State	Project count	Total project capital investment ($M)	Generation project capacity (MW)
ACT	0	-	-
NSW	13	2,627	1,679
NT	3	49	45
QLD	6	1,000	1,690
SA	6	534	401
TAS	0	-	-
VIC	11	1,228	784
WA	7	712	1,609
TOTAL	**46**	**6,149**	**6,207**

Project pipeline

Queensland accounts for 51 per cent of onshore wind capacity at financial close or under construction. New South Wales has one onshore wind project (414 MW), 9 per cent of the total.

Queensland, New South Wales and Western Australia all share approximately 27 per cent of solar capacity either at financial close or under construction.

Solar accounts for 53 per cent of generation capacity at financial close or under construction, onshore wind 41 per cent, and other technologies 6 per cent (13 projects, 665 MW).

H1 2026

Generation project analysis

Strong first half for generation capacity reaching financial close

In the first half of 2026, 12 large-scale renewable generation projects totalling 2,623 MW reached financial close, more than the full-year 2025 total of 2,283 MW. H1 2026 was the second-highest result since H2 2020 (2,704 MW), behind H2 2024 (3,100 MW).

The largest new renewable generation project reaching financial close in H1 2026 was Western Australia's Turner River Solar Hub, with a size of 690 MW. 11 out of the 12 projects were either a solar farm or solar hybrid, with Western Australia's Nullagine Wind Project the only onshore wind farm to reach financial close so far this year, with a capacity of 133 MW. Onshore wind accounted for 5 per cent of the generation capacity reaching financial close in H1 2026.

The renewable generation projects to reach financial close were:

- Eva Copper Mine Power Facility, 118 MW
- Guthrie's Gap Solar Power Station, 300 MW
- Jinbi Solar Project, 75 MW
- Lower Wonga Solar Farm, 380 MW
- Muswellbrook Solar Farm, 135 MW
- Nullagine Wind Project, 133 MW
- Project Helios – Phase 1, 30 MW
- Seaspray Solar Farm, 5 MW
- Smoky Creek Solar Power Station, 300 MW
- Solomon Airport Solar Farm, 440 MW
- Surat Gas Project North Solar Farm, 17 MW
- Turner River Solar Hub, 690 MW

The rolling 12-month average for new generation capacity rose to 952 MW in Q2 2026, up from 585 MW in Q1 2026 but below 1,050 MW in Q2 2025.

Commissioned generation capacity reaches highest rolling average since 2021.

The first half of 2026 saw five projects commissioned[8] within their respective grids. This represents 1.4 GW of new generation capacity and over $2.8 billion worth of investment. The largest of these projects was Victoria's Stage 1 of the Golden Plains Wind Farm, with a maximum capacity of 756 MW, 54 per cent of the capacity commissioned in H1 2026. This is now the largest operating onshore wind farm across Australia.

The rolling 12-month quarterly average for newly commissioned capacity has now reached 912 MW, an increase of 56 per cent compared to the same period 12 months ago. This is the highest rolling average seen since Q1 2022.

A further eight generation projects (1,943 MW) reached the construction stage in H1 2026.

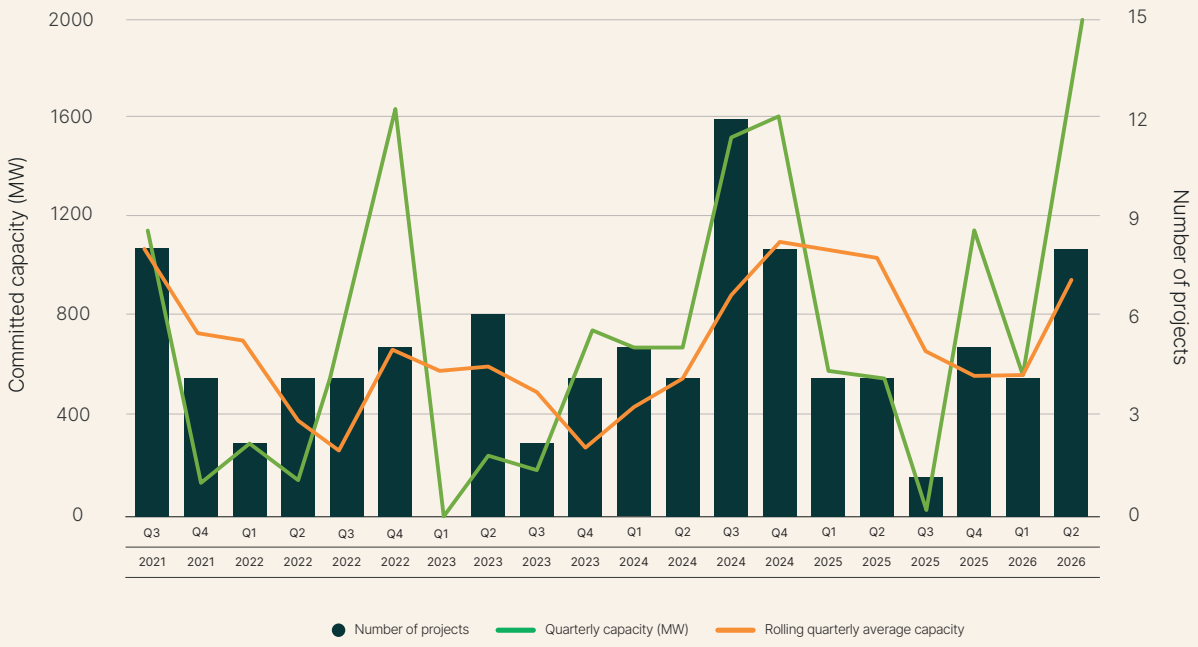
Generation projects overview by development stage reached

		Financial close	Under construction	Commissioned
H1 2026 results	Projects	12	8	5
	Total capacity	2,623 MW	1,943 MW	1,410 MW

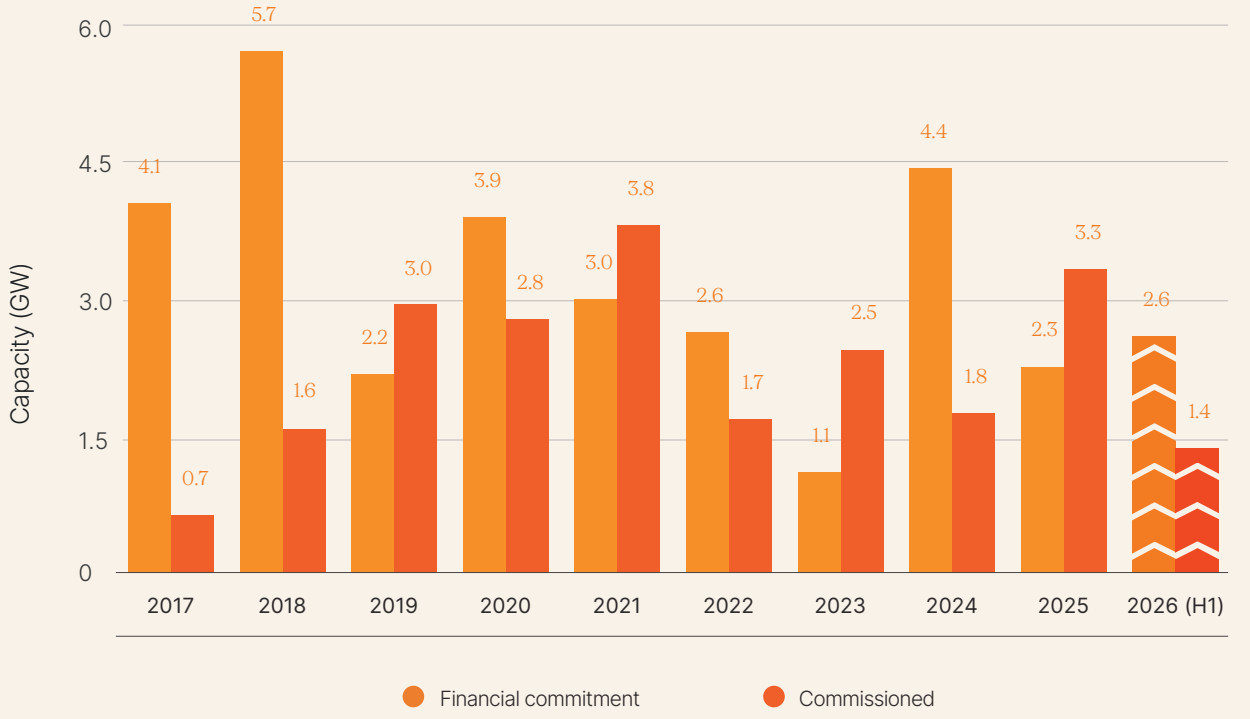
Note: Projects that reach multiple stages during the reporting period have been counted in each stage.

[8] Please refer to definitions in report methodology.

Financially closed generation projects and capacity, quarterly MW



Total capacity of generation projects by development stage, annual GW



Project completion time by state

On average across Australia, it takes solar projects 21 months to progress from a financial investment decision to becoming fully operational. Onshore wind projects, meanwhile, take an average of 30 months to progress across these stages, whilst storage projects take an average of 24 months.

South Australia has the shortest average time from financial close to commissioning for each technology type (solar 19 months, onshore wind 23 months and storage 20 months). Western Australia is the only state with a sufficient sample size for hybrid projects (projects with two or more technologies) to be included in the data, where it takes 16 months to progress from financial close to commissioning. Onshore wind projects take on average nine months longer than solar projects. Queensland, which accounts for around half of onshore wind capacity at financial close or under construction (Table 2), has the longest average onshore wind completion time (37 months).

Project completion time – from financial close to commissioning

Time from financial commitment to commissioning by state & technology (months)**

State	Solar	Onshore wind	Storage	Hybrid
VIC	22	29	24	N/A
NSW	22	31	23	N/A
QLD	23	37	27	N/A
SA	19	23	20	N/A
WA	21	N/A	27	16
Total average by tech:	**21**	**30**	**24**	**16**

Notes - Average based on solar, onshore wind and storage projects that have reached commission since 2017.

The stated timeframes are from date of financial close to commissioning.

Each technology type needs to have at least five commissioned projects in a state for the average to be included.

H1 2026

Energy storage project analysis

Utility storage pipeline continues to deliver strong investment in the first half of 2026

Across the first six months of 2026, 13 projects worth 1.6 GW / 6.5 GWh of capacity / energy output reached financial close. This compares with 6.6 GWh (10 projects) in H1 2025 and 6.8 GWh (10 projects) in H2 2025. The rolling 12-month quarterly average was 3.3 GWh, broadly unchanged from 3 GWh in Q2 2025.

Queensland had five storage projects reach financial close, the most of any state or territory, including the two largest: the Smoky Creek Solar Power Station BESS and Guthrie's Gap Solar Power Station BESS, each 300 MW / 1,200 MWh (four-hour duration) and co-located with solar.

Commissioned storage projects in H1 2026 exceed the full-year 2025 total

Nine storage projects totalling 2,295 MW / 7,132 MWh were commissioned in H1 2026. This exceeded the full-year 2025 output total (5,124 MWh) as well as capacity (1,972 MW), despite fewer projects compared to 2025 (12).

The largest battery to be commissioned was Western Australia's Collie BESS, with a size of 500 MW / 2,400 MWh and duration of 4.8 hours. For the first time ever, the rolling 12-month quarterly average for commissioned storage projects surpassed 2 GWh, and is now sitting at 2.8 GWh. This is more than four times the level of 12 months earlier.

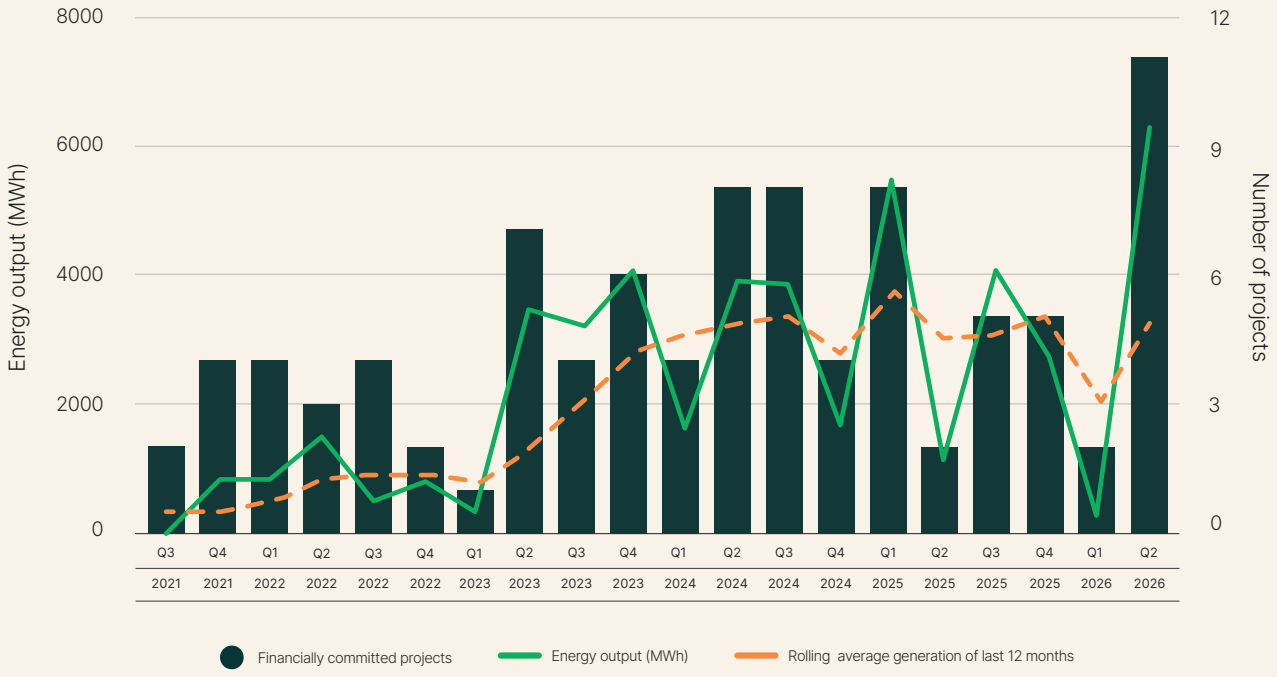
Battery energy storage system projects by development stage reached, H1 2026

Battery Storage		Financially closed	Under construction	Commissioned
H1 2026	Project count	13	6	9
	Project capacity	1,602 MW	889 MW	2,295 MW
	Project energy output	6,523 MWh	3,342 MWh	7,132 MWh

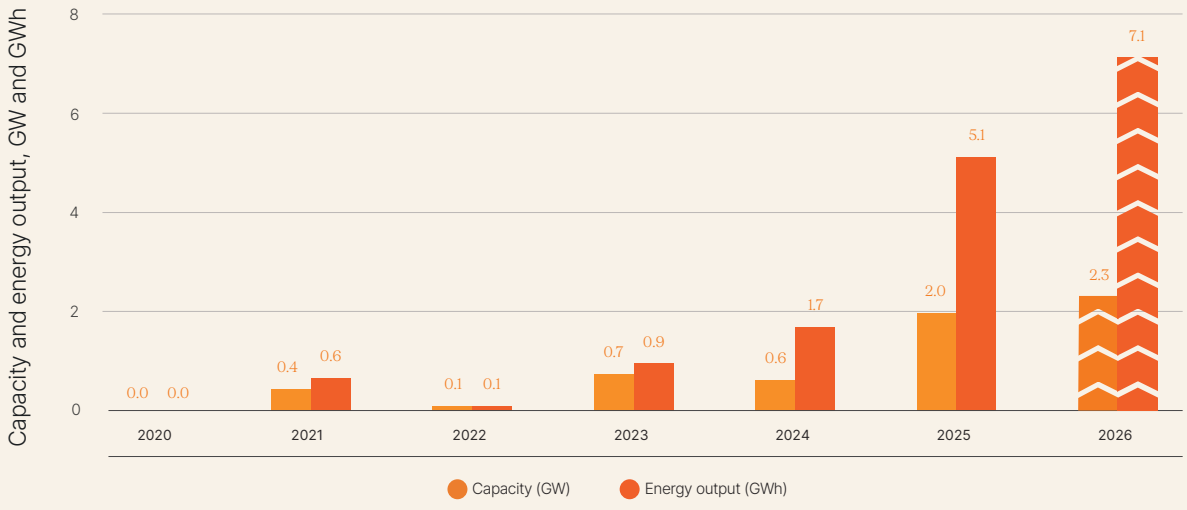
Notes - Includes hybrid projects with a storage component

Projects that reach multiple stages have been included in each stage.

Financially closed storage projects by energy output, quarterly MWh



Total commissioned storage projects by capacity & energy output, annual GW & GWh



Commissioned storage projects by year

Commissioned energy storage projects

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Number of projects	1	3	3	1	4	5	8	5	12	9
Investment (A$m)	90	129	72	42	353	98	960	1,325	2,244	4,287
MW	150	90	130	13	426	79	724	619	1,972	2,295
MWh	194	115	135	4	647	111	947	1,677	5,124	7,132
Average MW	150	30	43	13	107	16	91	124	164	255
Average MWh	194	38	45	4	162	22	118	335	427	792
Average duration (MWh/MW)	1.3	1.3	1.0	0.3	1.5	1.4	1.3	2.7	2.6	3.5

H1 2026

Capacity Investment Scheme and NSW Long-Term Energy Services Agreements tracker

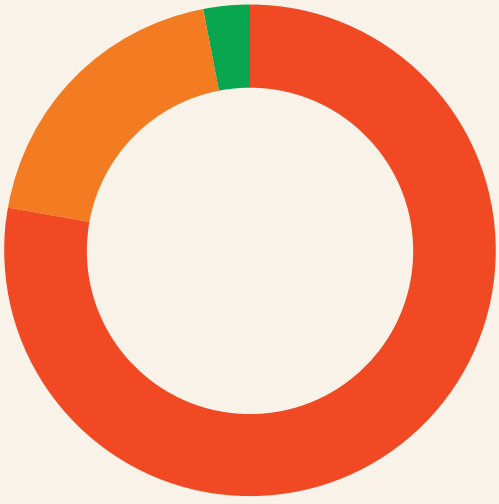
Capacity Investment Scheme and NSW Long-Term Energy Services Agreements tracker

The Capacity Investment Scheme (CIS) is an Australian Government revenue underwriting scheme designed to accelerate investment in renewable energy generation and storage. The CIS aims to support 40 GW of new capacity nationally. To date, ten tenders have been closed and another three are currently in progress to support projects in the National Energy Market (NEM) and the WA Wholesale Electricity Market (WEM).

The successful recipients of Tenders 5 through to 8 were announced in the first half of 2026, awarding capacity to a total of 44 projects. By the end of June 2026, 113 projects had been awarded CIS capacity and nearly a quarter of these projects have progressed beyond financial close. Their status by delivery stage is summarised below.

Five CIS projects reached financial close during the reporting period, accounting for 37 per cent of new generation capacity (980 MW) and 71 per cent of new energy storage capacity (1,131 MW / 4,293 MWh). Of 113 projects awarded CIS capacity to date, 25 (22 per cent) have reached financial close.

Status of all awarded CIS supported projects by definition stage, H1 2026



Pre-FID	78%
FID / Under construction	19%
Commissioned	3%

Source: DCCEEW's Capacity Investment Scheme site - Capacity Investment Scheme - DCCEEW

Capacity Investment Scheme and NSW Long-Term Energy Services Agreements tracker

Long-Term Energy Services Agreements (LTESAs) support the New South Wales Government's Electricity Infrastructure Roadmap by offering generation, storage and firming projects the right to access minimum cash flows for periods within a long contract term. This reduces price uncertainty for investors, bringing forward investment in new sources of renewable energy projects. To date, seven tenders have been closed and announced to support projects in NSW, while a ffurther two have yet to announce the successful applicants. To date, 24 projects have been awarded an LTESA, and half have progressed beyond financial close. Their status by lifecycle stage is summarised below.

Status of all awarded LTESA supported projects by definition stage, H1 2026

Pre-FID	50%
FID / Under construction	25%
Commissioned	25%

Source: ASL's LTESA site - Current NSW LTESA Projects

PART B:

Policy implications and focus

In the first half of 2026, more of the pipeline turned into operating assets. Nine storage projects were commissioned, totalling 2.3 GW / 7.1 GWh. Energy storage capacity has already passed the full-year record set in 2025. Another 13 storage projects reached financial close. That puts 2026 on track for another very strong year. Utility-scale solar drove a record quarter for new generation. Solar or solar hybrids made up 92 per cent of the 2.6 GW committed over the half.

The policy changes in 2026 have something in common. Each one gives investors more certainty on one of three things that decide whether a project goes ahead: how it will earn revenue; clear market signals and stable planning forecasts; and how quickly it can be approved and built.

Batteries are reducing price volatility. Solar and storage are growing together. That is a sign of a maturing market. There is now 35 GWh of storage at financial close or under construction. That is more than double the 14 GWh commissioned since 2017, and almost three-quarters of that 14 GWh came online in the past 18 months. As more storage comes online, batteries are narrowing the daily price gap between the middle of the day and the evening peak. This lowers price volatility. So the long-term value of storage is expected to come more and more from firming and system services.

Wind remains an essential part of the energy mix, but its pipeline is thin. Wind is a natural partner to solar and storage. Its generation profile also makes better use of the electricity network overall. In H1 2026, one onshore wind project (133 MW) reached financial close. That was 5 per cent of new generation commitments. In NSW, one onshore wind project (414 MW) is at financial close or under construction. Yet building wind at scale is what will allow Eraring, the state's largest coal generator, to be replaced as planned. Right now, new wind needs strong, long-term contracted revenue to go ahead. The 408 MW Gawara Baya wind and battery project in Queensland shows what works. It reached financial close in August with long-term offtake agreements and CIS support. More wind projects have reached financial close in the second half of 2026, which is outside the reporting period for this Report. This increase will be reflected in the next biannual Investment Report, which covers that period.

Government schemes are being adjusted to support delivery and replacement capacity. The CEC has worked with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) to help refine how Capacity Investment Scheme (CIS) tenders are assessed. From Tender 9, two criteria will each rise from 12.5 to 20 per cent of the assessment. These are deliverability and timeline, and organisational and financial capability. Financial value drops from 50 to 35 per cent.

As the CIS nears its final rounds, the Electricity Services Entry Mechanism (ESEM) will provide an ongoing revenue framework. The NEM Wholesale Market Settings Review recommended it. The ESEM will buy bulk zero-emissions energy, shaping and firming through standard, tradeable long-term contracts. This extends investment signals over a 3-to-30-year horizon.

New demand is bringing new supply. Data centres have become a significant new source of long-term offtake. On 15 July, the Prime Minister announced that large-scale data centres will be legally required to be net generators. They will need to match their consumption with new renewable generation and firming.

Approvals reform is well under way. Implementation of the reformed EPBC Act is well under way. The National Environmental Protection Agency commenced on 1 July 2026, the first four National Environmental Standards were made in August and the new approval tests and streamlined assessment pathway are due to commence on or before 1 December 2026. The standards provide an objective benchmark for accrediting state and territory processes, opening the way for bilateral agreements under which a project moves through a single assessment.

The CEC is working to ensure the standards are practical for real projects, that guidance is in place ahead of 1 December, and that jurisdictions move promptly to new bilateral agreements.

The CEC's NSW planning and biodiversity paper sets out 29 recommendations to make state approvals more predictable. The CIS weighting change reinforces this from the market side, rewarding projects with a credible path through approvals and construction, which matters most for onshore wind, with an average of 30 months from financial close to commissioning, against 21 months for solar and 24 months for storage.

Transmission planning remains a key risk. Possible cancellation of VNI West, reopens a transmission decision that renewable zones in western Victoria and southern NSW depend on. Victoria currently has 26 projects ($6.4 billion) at financial close or under construction. Reopening decisions already taken introduces new uncertainties that the CIS and CEC's proposed Safeguard reforms are trying to resolve.

Recommendations

Design the ESEM to be bankable and to value firming. The CEC is working with governments and market bodies to co-design the contract settings. The focus is on terms that developers and financiers can bank on. The contracts should value firming and system services, not just shaping. The CEC supports these services being valued within the ESEM.

Firm up coal closure timelines through the Safeguard Mechanism. Revenue certainty for new capacity is strongest when investors are also confident about when coal will exit. The CEC's submission to the Safeguard Mechanism review proposes extending the mechanism to major generators. It would set facility-level baselines and declining emissions-intensity obligations for them. These would line up with the closure dates asset owners have announced. This would give investors clearer market forecasts. It would also let them make investment decisions based on firm exit pathways for retiring coal assets. Paired with the ESEM, it would match the signal for new capacity to enter with a clear, firm timeline for coal to exit. Over time, it would also reduce the government underwriting needed.

Ensure new demand brings genuinely new supply. The CEC's white paper, Powering the Digital Economy, sets out a Flexible Contracting Framework to do this. It proposes a net-new renewable generation obligation. This would be met through power purchase agreements and renewable electricity certificates on a glide path. It would sit alongside on-site storage that supports grid flexibility.

Keep power system planning stable. Transmission planning decisions guide and drive investment. Reopening these decisions can add late-stage risk to investment decisions. It can also have wider effects on energy security and reliability. Major generation and transmission projects take a long time to plan and consult on with communities. Because of this, investment is best supported when projects marked Actionable in the Integrated System Plan go ahead as planned.

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