Renewable Energy Risk and Insurance Index 2026

CLEAN ENERGY COUNCIL

LOCKTON

A message from the Clean Energy Council

Australia's clean energy transition is one of the defining economic reforms of our time.

It will shape how we power our homes and industries, and the prosperity and security we pass to the next generation.

The opportunity is enormous, but realising it requires a clear view of the risks involved in ambition and delivery. That is why this Index matters.

The inaugural Renewable Energy Risk and Insurance Index captures the experience of those developing, financing, building and operating renewable energy projects across Australia to better understand where development pressures are emerging.

The survey reveals an industry confident in the future and ambitious in its goals; an industry growing in complexity and looking for changes to help overcome new challenges to delivery. Respondents made it clear that we have the drive and the vision to power a clean energy future, but we need to remain attuned to emerging risks.

State planning acts remain the biggest opportunities for simplifying project development and streamlining approvals processes, while further improvements to address grid congestion and curtailment can resolve challenges of transporting cheap energy supply from generation to consumption.

Availability of both skilled and unskilled labour remains the largest concerns for projects entering construction, and nearly 3 in 4 respondents said meeting community expectations has changed their approach to engagement. For developers, market volatility, policy settings and revenue certainty dominate investment concerns.

The Index's identified risks shape project and investment outlooks, but they are addressable with considered reform and improvements to community engagement. Better systems can ensure that accountability and proper standards deliver confidence for the community as well as for project proponents and investors.

With robust planning and environmental schemes that are coordinated, evidence-based and proportionate it is possible to deliver strong environmental and timely outcomes. Similarly, improvements to transmission planning and connection processes can give investors greater clarity.

There is also significant opportunity for how the sector engages with the community through genuine partnerships, earlier engagement, and clear articulation of the local economic uplift and benefit.

These emerging risks are not a reason to slow down. Properly understood, they show us where to act and steps that can be taken to mitigate.

This Index gives industry, governments, investors and insurers a shared evidence base. A baseline to measure progress, identify emerging pressures and target the coordination, resilience and protection projects need.

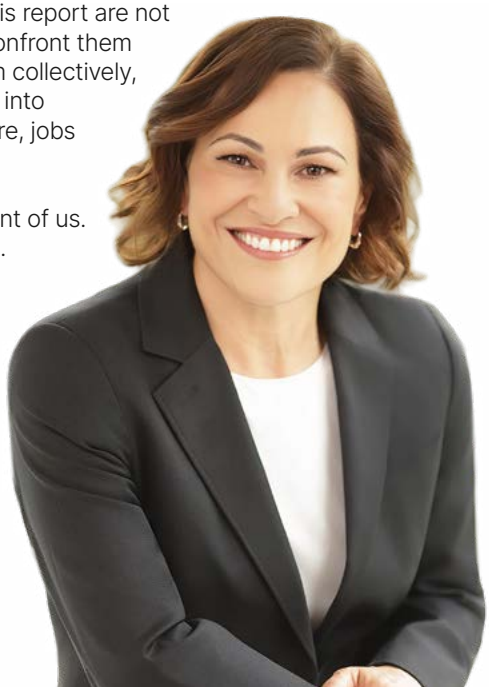
Thank you to everyone who contributed. Your experience and candour have strengthened this report.

Australia has the resources, technology, capital, capability and ambition. What we need now is the discipline and national coordination to deliver.

The risks identified in this report are not insurmountable. If we confront them honestly and solve them collectively, we can turn uncertainty into investment, infrastructure, jobs and prosperity.

The opportunity is in front of us. Let's get on with the job.

The Hon. Jackie Trad
CEO, Clean Energy Council



A message from Lockton

Australia's clean energy transition continues to advance at pace. The opportunities are significant. So too are the challenges.

Projects are becoming larger, technologies continue to evolve, and stakeholder expectations are rising. At the same time, risks that were once viewed in isolation are becoming increasingly interconnected. Grid constraints affect project delivery. Workforce shortages impact capability. Community expectations influence development pathways. Market uncertainty shapes investment decisions.

This is what makes the Renewable Energy Risk and Insurance Index so important.

Rather than starting with what advisers believe the industry should be concerned about, the Index starts with the experiences of those developing, owning, financing and operating Australia's clean energy assets. It offers a valuable perspective on the risks organisations are navigating every day and the issues most likely to shape the sector's future.

The findings reveal an industry managing change on multiple fronts. Some risks are becoming more difficult to manage. Others are not yet being addressed as effectively as they could be. Importantly, many of the challenges identified by respondents cannot be solved by insurance alone.

At Lockton, we believe that distinction matters.

The findings highlight that many of the sector's most significant challenges require a coordinated response.

While insurance remains an important tool, managing risk in today's environment also depends on strong project governance, workforce planning, stakeholder engagement and informed decision-making across the asset lifecycle.

In that context, our collaboration with the Clean Energy Council has been particularly valuable. By bringing together industry perspectives and risk expertise, the Index provides a broader understanding of the pressures shaping project delivery, investment and long-term sector growth.

This inaugural edition establishes an important baseline. Over time, it will help us understand which pressures are easing, which are intensifying, and where new and emerging risks are taking shape.

Most importantly, I hope the Index sparks meaningful conversations across boardrooms, project teams, investment communities and the insurance market. Better visibility of risk leads to better questions. And better questions support better decisions.

We are proud to have developed this Index in partnership with the Clean Energy Council, and I would like to thank everyone who contributed their time, insights and perspective.

I hope you find it valuable.

Marcus Pearson
CEO, Lockton Pacific

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EXECUTIVE SUMMARY

Key findings at a glance

Approvals remain the biggest barrier.

81%

rate state and environmental approvals difficult or very difficult

Social licence has fundamentally changed project development.

73%

say community opposition or social licence risk has changed how they engage with communities

Grid constraints are the sector's biggest growing risk.

85%

identify grid constraints, congestion and curtailment as a growing operational risk

Workforce shortages remain widespread.

Labour shortages

rank as both the most likely and most severe people and workforce risk

Investment confidence depends on certainty.

Market volatility, policy settings and revenue certainty

are dominating developer concerns

Note: Each figure is based only on those respondents who answered that question. Valid bases range from n= 61 to n =146

INTRODUCTION

About this Index

An annual snapshot of how Australia's clean energy sector sees risk.

Lockton and the Clean Energy Council created the Renewable Energy Risk and Insurance Index to benchmark the commercial, operational, and emerging risks shaping Australia's clean energy sector and to identify where gaps in response and protection remain.

By bringing together perspectives from developers, investors, operators, contractors, financiers and other industry stakeholders, the Index is designed to support better decision-making, strengthen engagement between the renewable energy sector and the insurance market, and build greater confidence in investment and project delivery.

This inaugural 2026 edition establishes the baseline. Future editions will track how the risk landscape evolves – which pressures ease, which intensify, and where gaps between risk exposure, management and protection continue to emerge.

What the Index sets out to do

- Capture an industry-wide view of the key risks and concerns facing the sector.
- Compare perspectives across developers, operators and other industry stakeholders.
- Provide a barometer for industry, government and insurers to inform strategy and solutions.
- Establish a long-term annual tracker of how risk awareness evolves with global events, regulation and market dynamics.

How to read the findings

These findings reflect the considered perceptions of a self-selected group of renewable energy industry participants. They are not intended to be a statistical projection of the entire sector, and no margin of error is claimed.

They should be read as an industry snapshot of how the people developing, owning, operating and financing Australia's clean energy assets understand the risks they face.

The 2026 baseline

The Index is based on an online survey developed jointly by Lockton and the Clean Energy Council and delivered through Qualtrics. Responses were anonymous.

A total of 213 responses were received. Of these, 146 met the inclusion criteria and form the analysis base for this index, including 102 (70%) who completed the full questionnaire. As respondents did not necessarily complete every section, the valid response base varies by question and is shown alongside each finding.

Thank you

Our thanks to the Clean Energy Council members and industry participants who gave their time to this survey. Your contribution enables us to build a shared view of the risks shaping Australia's clean energy sector and track how those risks evolve over time.

INTRODUCTION

Who we surveyed

The Index speaks with the people who carry the risk.

The survey was distributed exclusively through Clean Energy Council member channels to a primary contact list of 2600+ industry contacts consisting of chief executives, chief policy officers, directorates and working-group participants. It was not open to non-members and was not distributed publicly.

Four in ten respondents develop renewable energy projects; a further one in five build them, supply their equipment or keep them running. Almost three in ten sit at a board or C-suite level. The Index therefore captures both the people who set risk appetite and the people who meet its consequences on site.

146

Renewable Energy Industry respondents form the analysis base for the 2026 Index

2600+

contacts invited to take part across a four-week fieldwork window

213

responses received in total

30%

own above 4,000+ MW

4

Median of jurisdictions each; 31% also operate globally

72%

work across three or more technologies

85%

involved in battery storage projects

70%

active across NSW, QLD and VIC markets

Top activities represented

Valid n = 146. Single response

Developers

42%

EPC- Engineering Procurement & Construction Contractors, OEMs and O&M

22%

Advisory & professional services

16%

Infrastructure, utilities & asset owners

12%

Investors, financiers & lenders

6%

Government, regulators & others

2%

Top roles represented

Valid n = 146. Multiple response, percentages sum to more than 100%

Project development

29%

C-suite & executive leadership

26%

Advisory, consulting & strategy

23%

Engineering & technical

18%

Operations & general management

12%

Risk, Insurance & legal

7%

Part 1: The five key risks

1. Grid connection & curtailment

Grid constraints are emerging as the leading operational risk for renewable energy projects.

What the survey told us

Grid connection and registration is one of the most highlighted barriers to entry for renewable energy developers. 68% of respondents stated that grid connection and registration is difficult or very difficult. 56% of respondents said it has become harder over the last three years.

- By organisation type, developers were the most likely to rate grid connection and registration as difficult or very difficult, at 75%, against 50% of EPC, OEM and O&M respondents. (Developer, valid n= 61: EPC, OEM and O&M valid n= 32).

- By primary role, C-Suite and Executive leadership was the leading group at 74% who believed grid connection was the leading challenge for project development, whilst those with an engineering or technical background had the smallest share at 58%. (C-suite and Executiveleadership, valid n= 38; engineering and technical, valid n= 26. The role was a multiple-response question; respondents may appear in more than one group.)

Grid constraints, curtailment and congestion emerged as the most significant growing operational risk, identified by 85% of respondents. 69% of respondents believe that grid constraints, curtailment and congestion are poorly addressed by current frameworks/insurance.

Respondents' free-text answers reinforce this unprompted, with repeated references to escalating connection costs, network operators' pricing power, and curtailment that can't be passed on.

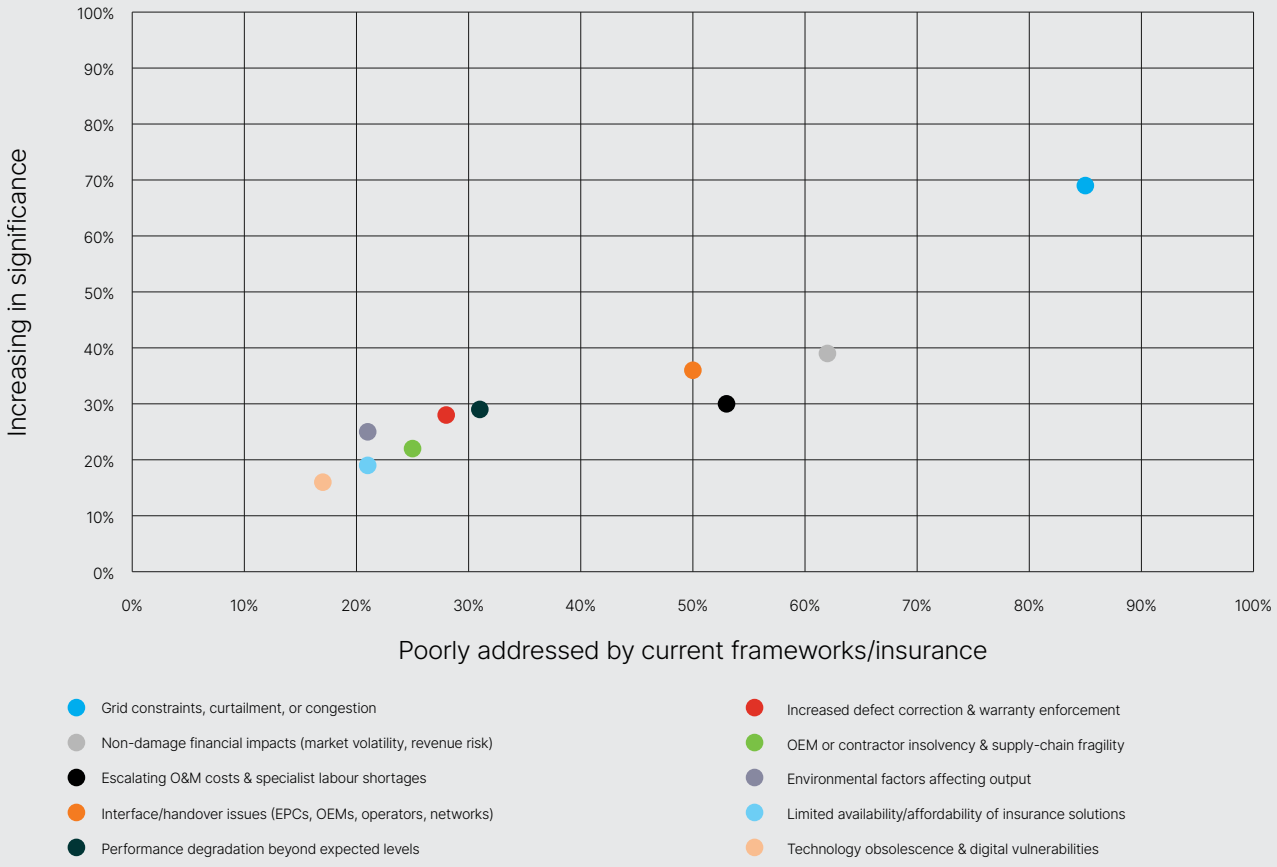

Chart 1: Operational risks by share respondents identifying each as increasing in significance (vertical) against the share identifying it as poorly addressed by current frameworks (horizontal), (%). n =112.

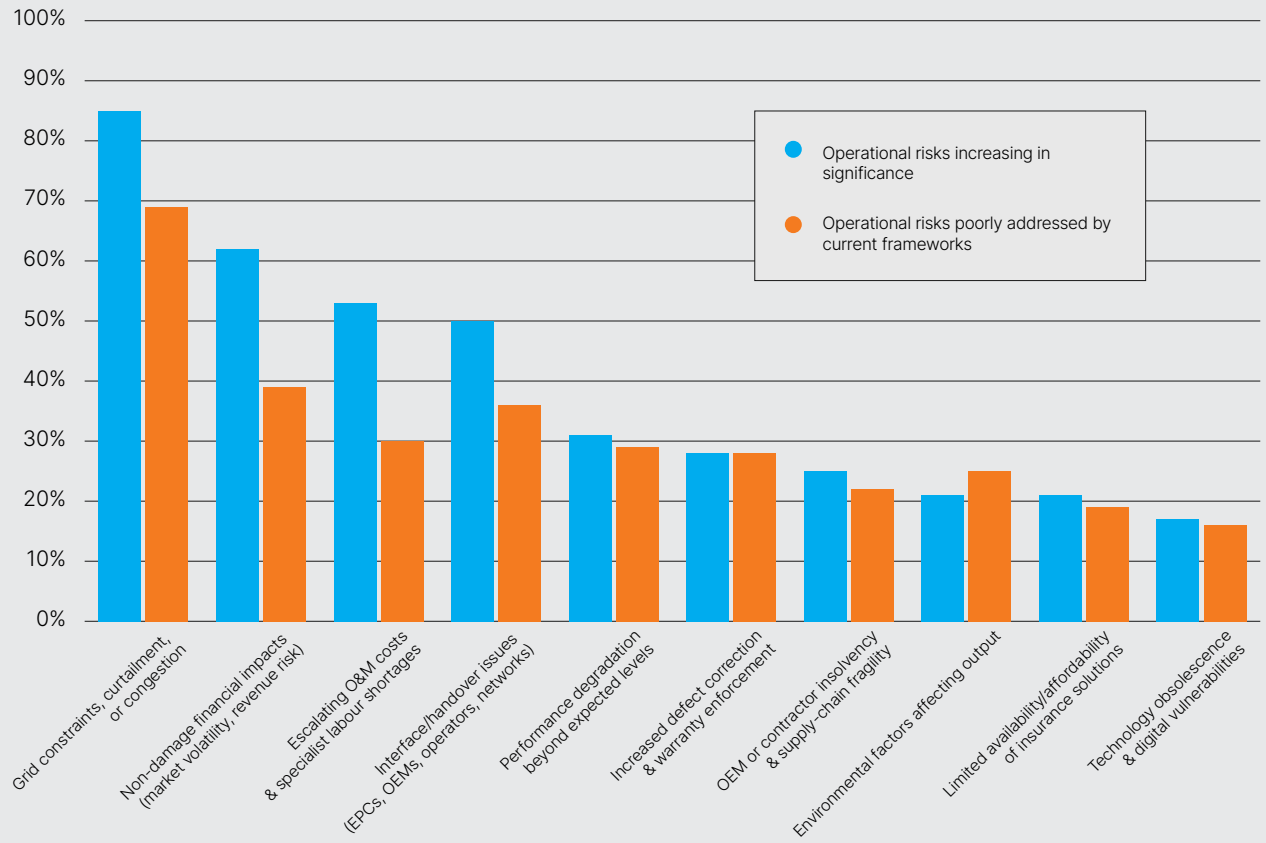

Chart 2: The same two measures shown side by side and ranked by share of respondents identifying each risk as increasing in significance and poorly addressed. (%). n = 112

Why it matters

Grid connection is one of the key requirements of exporting power. The process to connect to the grid can be complex, slow and expensive and involve a number of factors outside of the developer's control influencing project development timelines and viability.

As it currently stands, the expansion of the grid is one of the key difficulties facing the Australian energy transition. The grid is outdated, historically constructed for large, centrally located energy producers such as coal and gas power stations. With electricity demand rising and an increased call for renewable energy, it requires the transmission network to be extended to regional areas to allow for connection of the required renewable energy assets – an exercise which is both slow and very expensive.

Relevant government entities and network providers are primarily doing this via Renewable Energy Zones ('REZ') and concentrated network expansions, which provide large transmission 'highways' and hubs that allow renewable energy projects to connect into the grid via a more centralised approach. This exercise is a slow burn, with many renewable energy developers waiting on the roll-out of these colossal transmission projects, which require a significant volume of raw materials and billions of dollars of investment, in order to progress their developments. The evolution of the network is in its infancy and still has a long road ahead, all of which will be guided by political, regulatory and economic factors – adding further complexity and uncertainty to the process.

In addition to the hurdles faced by developers in relation to the physical network connection, the connection registration process has also been highlighted as a key difficulty facing respondents. The grid connection registration process is complex, encompassing various levels of feasibility studies, modelling, technical assessments and application processes in order to gain final approval and execution. Developers need to be adequately equipped for this, allowing for dedicated resources and a lengthy application process which can extend for 12+ months, all of which needs to be invested in and successfully carried out in order to ensure project viability.

Lockton insight

When it comes to project development and delivery, grid connection is a key consideration for developers. It's a primary workstream, can carry material costs and heavily influences project delivery timelines. Ultimately, the ability to connect will define project viability in most instances.

Network expansion timelines are typically long-winded and can be unreliable. Additionally, the lengthy connection registration process requires dedicated resources, with this still being largely dependent on network service providers and market operators, as well as being influenced by ongoing developments in the region.

The high number of influencing factors, further complicated by political and regulatory regimes and bureaucratic efficiency, mean that the viability and connection status of a renewable energy project can change multiple times throughout a development period. This level of uncertainty can be difficult for developers, adding further barriers to project delivery.

These hazards and the impact that they can have on project delivery are largely external, driven by macro-environmental influences. Unfortunately, this makes them difficult to transfer via insurance or other non-traditional methods. Whilst it is an area that has been explored, it can be hard to quantify and is typically branded as a commercial risk.

2. Planning & environmental approval barriers

Planning and environmental approval frameworks are a key challenge for renewable energy project development in Australia, and they are becoming harder to navigate.

What the survey told us

Planning and environmental approval processes are emerging as the most significant barrier to renewable energy project delivery.

Survey respondents reported that securing planning and environmental approvals for renewable projects is becoming increasingly challenging at both state and federal levels.

State-based development and environmental approvals received the highest difficulty rating of all eight project stages, with 81% of respondents rating these as difficult or very difficult. Notably, 71% of respondents reported that state-based development and environmental approvals have become harder over the past three years.

A similar picture exists at the federal level: 66% of survey respondents rated Commonwealth approvals as difficult or very difficult, and 48% said that they have become harder to obtain over the past three years.

Written responses reinforce these concerns. Respondents' comments highlight a sector grappling with increasingly lengthy, complex and costly planning and environmental approval processes, which are reducing certainty for developers and contributing to higher rates of project failure.

> "Engagement has shifted from late-stage consultation to earlier, more continuous and genuine involvement, recognising that projects now depend not just on technical or regulatory approval, but on building trust and delivering tangible local benefits.
>
> **- Developer**

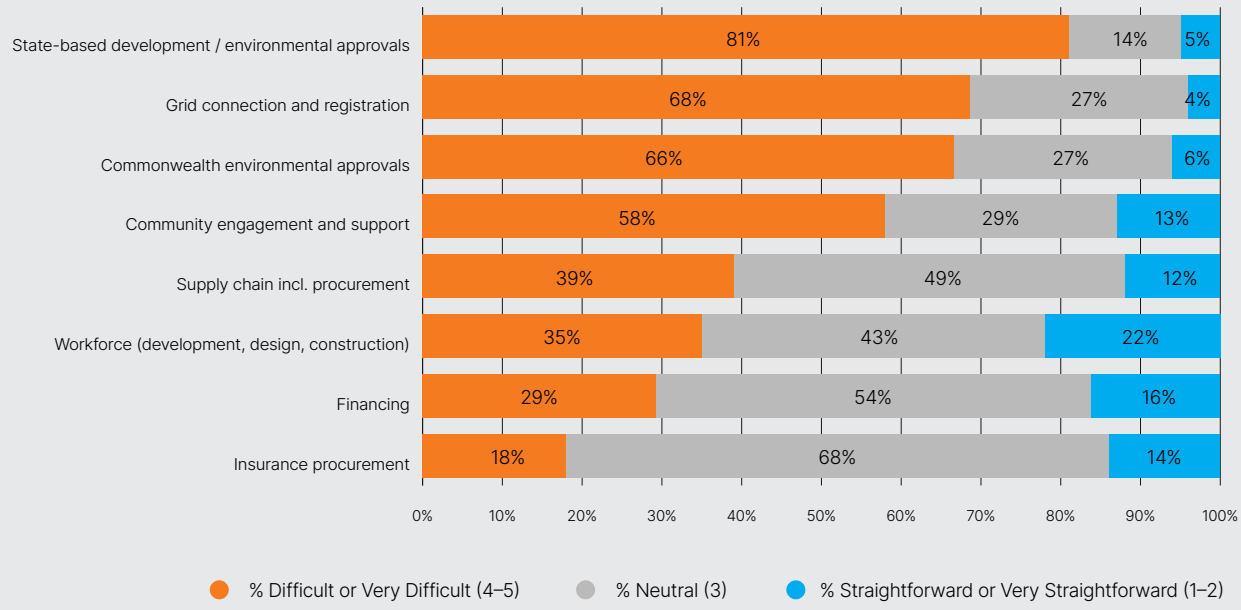

Chart 3: Difficulty rating for progressing large-scale renewable energy projects by category, (%). n=146

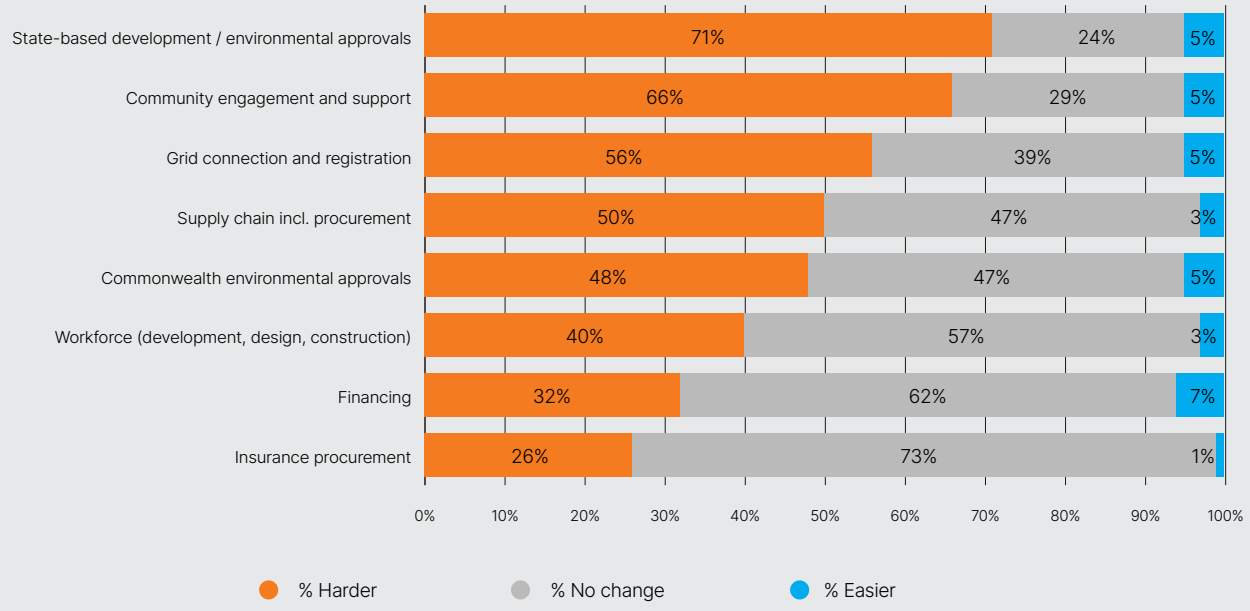

Chart 4: Change in rating over the last three years for progressing large-scale renewable energy projects by category, (%). n=146

Note: Figures may not sum to 100% due to rounding

Why it matters

Projects cannot be built without the necessary planning and environmental approvals. Proponents face growing challenges in navigating approval processes and securing outcomes that are timely, workable and proportionate.

Given the tight margins on which many renewable energy projects operate, significant delays in approvals can materially increase project costs and jeopardise viability. Delays in assessment and approval timeframes can also exacerbate other challenges, including financing and consultation fatigue. As a result, project developers face increasing uncertainty around delivery timelines, costs and their ability to reach financial close.

These impacts extend beyond individual projects. Approval challenges and delays can reduce investment certainty across the sector and constrain the efficient rollout of projects needed to support Australia's energy transition, emissions reduction goals and long-term energy security.

Australia's planning and environmental regulatory landscape continues to evolve, with significant reforms underway to Australia's national environmental legislation, the Environment Protection and Biodiversity Conservation Act 1999, as well as a range of planning and environmental reforms across state jurisdictions. This creates an important opportunity to address the barriers identified by survey respondents and improve the efficiency, certainty and consistency of approval processes, while maintaining strong environmental outcomes.

CEC perspective: Better approvals processes while maintaining strong environmental outcomes

To support the timely delivery of renewable energy projects, approval systems must be clear, coordinated, risk-based and proportionate.

Improving planning and environment approval pathways does not mean reducing environmental standards. Rather, it should focus on better sequencing and coordination, reduced duplication, more timely decision-making and workable conditions. Assessment and approval processes, including conditions, should be evidence-based and proportionate to risk, reflecting the scale and likelihood of potential impacts.

Priority areas include:

- Reduced duplication, particularly through prioritising the negotiation of bilateral agreements (both assessment and approval bilaterals) between the Commonwealth and states and territories.
- Proportionate and risk-based approaches to environmental approvals, including approval conditions.
- Sufficient capability and resourcing within assessment agencies to enable timely decision-making.
- Clear guidance to help proponents navigate approval frameworks, including guidance on accessing streamlined approval pathways and understanding acceptable and unacceptable project impacts.
- Consistent and transparent assessment timeframes and costs, including better management of requests for further information (RFIs) and greater consistency in planning fees and costs across states and territories.

3. Workforce & supply chains

Labour shortages remain the most pervasive people-related risk facing renewable energy projects, but the implications extend well beyond recruitment.

What the survey told us

Labour shortages are the sector's clearest people-related concern, ranking as a top-three risk for 77% of respondents in likelihood and 76% in potential severity. Attraction and retention of talent follow closely, ranking in the top three for 70% by likelihood and 61% by severity.

These pressures are also being felt across project delivery. 40% of respondents say workforce challenges have become harder over the past three years, while 50% say the same for supply chain and procurement.

Changing legislation, including industrial manslaughter laws, presents a different risk profile. While it ranked lower in likelihood than labour shortages, a higher proportion of respondents ranked it among their top risks for potential severity – 34% by likelihood compared with 48% by severity.

Together, the findings suggest that workforce risk is no longer simply about whether organisations can recruit enough people. It increasingly encompasses workforce sustainability, retention, leadership, safety, contractor management and the ability to maintain critical capability as Australia's clean energy sector expands.

Why it matters

Australia's clean energy sector is competing for critical skills with construction, mining, defence, traditional energy and other major infrastructure sectors at a time when demand for specialist labour continues to grow.

For employers in renewable energy, attracting people to the industry – and giving them compelling reasons to stay – is becoming a strategic challenge. Remuneration remains important, but career development, skills pathways, leadership, employee benefits and the overall employment proposition are increasingly important when competing for scarce capability.

The challenge can be particularly acute across both construction and operational workforces in regional and remote locations. Employers may face a smaller local talent pool, while workers may need to relocate or operate under FIFO/DIDO arrangements. These models can create additional pressures around fatigue, time away from family, access to services and workforce wellbeing, making attraction and long-term retention more difficult even where remuneration is competitive.

There is also a demographic dimension. As experienced workers approach retirement, organisations risk losing technical knowledge and institutional experience that may have taken decades to develop. Without structured succession planning and knowledge transfer, capability gaps can emerge as assets, technology, and project delivery models become more complex.

The implications extend beyond recruitment. Persistent skills shortages can increase labour costs, constrain project schedules, increase reliance on contractors and specialist resources and place additional pressure on existing teams.

That pressure can become self-reinforcing. Increased workloads, overtime and resource constraints can contribute to fatigue, burnout, safety incidents and further retention challenges. In other words, workforce shortages can create the conditions that make existing workforce challenges even harder to solve.

Lockton insight: Workforce risk needs to move beyond the HR agenda

Workforce availability should increasingly be viewed as a strategic project and operational risk, rather than solely an HR issue.

For boards and executive teams, the "so what?" is significant: an organisation that cannot attract, retain and safely deploy the right capability may struggle to deliver projects on schedule, maintain operational continuity, transfer critical knowledge or meet investor, community and regulatory expectations.

Addressing this requires a more integrated approach to workforce planning. Organisations can strengthen resilience by developing longer-term workforce pipelines through partnerships with schools, universities, TAFEs and apprenticeship providers, while creating clearer pathways into the sector for new entrants.

At the same time, the industry can broaden the talent pool by looking beyond candidates with direct experience in renewable energy. Capability-based recruitment and targeted upskilling can create pathways for people from mining, oil and gas, traditional energy, defence, manufacturing and other adjacent sectors.

Retention is as important as recruitment

For many organisations, solving workforce shortages will not come from recruitment alone. Structured mentoring, succession planning, phased retirement options, and formal knowledge-capture programs can reduce the risks posed when experienced employees leave the workforce.

Retention strategies should also reflect that employees are not a homogeneous group. Different career stages bring different expectations around development, flexibility, financial security, leadership, wellbeing and the role work plays in an individual's life.

Organisations that understand these differences and design employment experiences accordingly may be better positioned to retain scarce capability over the long term.

This is one area where Lockton's approach can extend beyond traditional insurance placement. Workforce resilience requires organisations to consider the intersection of people strategy, employee wellbeing, risk management, safety, leadership, and operational continuity – rather than treating each issue in isolation.

Psychosocial risk is becoming part of the risk landscape

Employers should also consider growing regulatory expectations around psychosocial risk and job design alongside traditional physical safety risks.

Work intensification, fatigue, leadership behaviours, workload and organisational design can affect both employee wellbeing and operational performance. As regulatory expectations continue to develop, failure to adequately identify and manage these risks can create not only workforce and retention consequences, but also regulatory and reputational exposure.

For clean energy employers managing rapid growth, project deadlines and geographically dispersed workforces, psychosocial risk should be treated as a core WHS and safety governance issue. Depending on the organisation and risk profile, it may also warrant a dedicated standalone safety initiative, rather than being viewed primarily through an HR lens.

Industrial manslaughter: from legal risk to governance risk

Industrial manslaughter legislation adds another dimension to the workforce risk landscape. While industrial manslaughter prosecutions remain relatively limited, our review of recent case law highlights increasing scrutiny of how organisations manage fatal risks, contractor oversight, supervision and the verification of critical safety controls.

For renewable energy organisations, this is particularly relevant because project delivery frequently involves contractor-heavy workforces and activities with potentially catastrophic consequences, including:

- high-voltage electrical work;
- battery energy storage systems;
- energisation and commissioning;
- large-scale lifting and turbine installation;
- mobile plant interactions;
- work at height;
- remote and isolated work;
- complex contractor and subcontractor arrangements; and
- fire, stored-energy and thermal-runaway hazards.

This analysis reinforces an important distinction: **industrial manslaughter should not be viewed solely as a legal or compliance issue. It is fundamentally a governance issue.**

For directors and senior officers, the questions are increasingly whether they can demonstrate that critical risks have been identified and appropriate controls established and whether those controls are operating effectively in practice.

This places greater emphasis on active assurance. Boards and executives need confidence that:

- critical risks are clearly understood;
- critical controls are defined and verified;
- contractor and subcontractor risks are effectively managed;
- supervision is appropriate to the risk environment; and
- the safety information reaching senior leadership provides an accurate picture of what is happening on the ground.

For clean energy businesses working across multiple contractors, sites and jurisdictions, this becomes particularly important. Rapid project delivery or complex contracting structures do not diminish an organisation's workplace health and safety responsibilities.

The practical implication is that governance, contractor assurance and critical-risk verification need to evolve alongside the scale and complexity of the energy transition.

What can leading organisations do now?

A more resilient workforce strategy should bring together several actions:

- **Build the pipeline.** Develop longer-term relationships with education and training providers and strengthen the industry proposition for school leavers, apprentices and graduates.
- **Expand the talent pool.** Create practical pathways for transferable skills from adjacent industries rather than relying exclusively on experienced renewable energy candidates.
- **Protect institutional knowledge.** Use mentoring, succession planning, phased retirement and technical knowledge-capture programs to reduce dependency on individual employees.
- **Strengthen the employee proposition.** Consider remuneration alongside career development, leadership capability, wellbeing, job design and support for regional employees and their families.
- **Integrate workforce and safety governance.** Treat psychosocial risk, fatigue, contractor management and critical-risk assurance as interconnected elements of workforce resilience.
- **Give boards better assurance.** Ensure executives have meaningful visibility over whether critical safety controls are functioning in practice – not simply whether policies and systems exist.

Looking ahead

Over the next decade, workforce capability is likely to become one of the primary determinants of success for Australia's energy transition.

Organisations that can attract new talent, retain critical skills, draw on transferable capabilities and preserve institutional knowledge will be better positioned to deliver major infrastructure projects and maintain operational resilience.

But workforce capability alone will not be enough. As the sector grows, organisations will also need to demonstrate that increasingly complex workforces, contractors, and high-risk activities are being effectively governed.

The organisations best positioned for the next phase of the energy transition will therefore be those that treat workforce strategy, employee wellbeing, safety and operational risk as interconnected business priorities, and give boards and senior leaders the information and assurance they need to act before workforce pressures translate into project, people or reputational failures.

4. Social licence & community expectations

Community expectations are reshaping how renewable energy projects are developed.

What the survey told us

Community engagement is emerging as one of the defining challenges of renewable energy project delivery.

Survey respondents reported increasing difficulty in securing and maintaining community support, with 58% rating community engagement and support as difficult and 66% saying it has become harder over the past three years. Most significantly, nearly three-quarters (73%) said community opposition or social licence risk has directly changed the way they engage with communities.

Written responses reveal a sector adapting to a more complex engagement environment. Respondents described beginning engagement earlier in the project lifecycle, investing in specialist communications and community engagement teams, and adopting more continuous forms of engagement throughout development.

Misinformation and disinformation were repeatedly identified as contributing to community opposition, while consultation fatigue was cited in regions experiencing multiple renewable energy projects. Concerns for the safety and wellbeing of community-facing staff also emerged as recurring themes.

For many organisations, community engagement is no longer a supporting activity. It has become a core project workstream influencing timelines, resourcing, project design and project viability.

> “As Australia’s renewable energy strategy progresses, more projects are being established in similar regional areas e.g. REZ. The increase in the volume of projects is having an impact on those communities from a raft of socio-economic impacts including health and environmental all the way to tourism.
>
> **- Developer**

Why it matters

Australia's clean energy transformation is taking place in communities across the country. The success of that transition depends not only on investment, policy settings and infrastructure, but also on maintaining community trust and confidence.

As renewable energy development accelerates, communities are being asked to engage with a growing number of projects and increasingly complex energy infrastructure. At the same time, expectations around transparency, participation and local benefits are evolving. Communities want to understand how projects will affect them, how decisions are made, and how benefits will be shared.

The survey findings suggest social licence has evolved from a stakeholder engagement consideration into a material project delivery factor. Community expectations now influence project timelines, project costs, workforce requirements and, ultimately, investment outcomes. Delays or loss of community confidence can compound other project challenges, including approvals, regulatory uncertainty and project economics.

Importantly, respondents' comments suggest community engagement is becoming more resource-intensive and more specialised. Developers are investing earlier and more heavily in engagement activities, while also navigating increasingly organised opposition campaigns and the spread of misinformation.

The result is a more demanding operating environment, but also an opportunity for industry to strengthen trust through meaningful engagement, transparency and local partnerships.

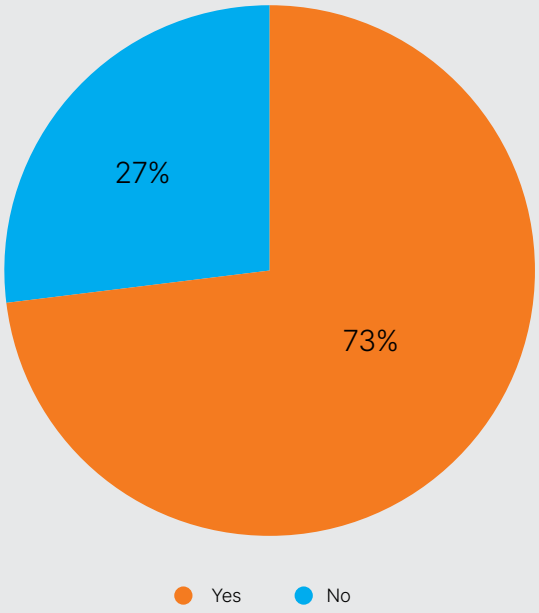

Chart 5: Has community opposition / social licence risk changed how you engage? (%). n=104

CEC perspective: Building trust and maintaining confidence.

Expectations from communities have shifted as the development timelines of clean energy projects and their associated infrastructure have progressed further through the planning process. The survey identified the need for better articulation of the local economic uplift and benefit derived from major project investment.

Consistently, feedback from communities is showing a desire to be more fully integrated into the decision making process and clarity on what is in scope for community feedback.

Empowerment and agency to the extent possible are the strongest enablers of community endorsement of local projects and have been deployed consistently as part of the sector's development process.

5. Investor confidence, market sentiment & revenue certainty

The industry's biggest investment concerns increasingly relate to revenue certainty rather than technology performance.

What the survey told us

Overall, the findings indicate that risks affecting revenue and returns are increasingly dominating the risk landscape, with grid constraints and curtailment, market volatility and revenue loss continually highlighted as primary concerns for respondents.

Grid constraints and curtailment have emerged as the most significant and fastest-growing operational risk, with 85% of respondents identifying them as a growing concern – 23 percentage points higher than any other risk – and also highlighting them as the least adequately addressed risk through contractual, regulatory and insurance mechanisms.

From a performance and revenue perspective, market risks (including volatility, revenue loss, etc.) were the leading non-damage concern, cited by 69% of respondents, with 58% identifying asset underperformance as a key non-damage concern.

Even when considering natural disasters and extreme weather events, these were primarily viewed through their impact on reducing return on investment, rather than direct physical damage alone.

> "Regulatory change keeping pace with improvements in technology to provide the lowest cost of energy outcomes.
>
> **- Investor**

Why it matters

In order for a project to be viable, it needs to be able to generate requisite levels of revenue. As such, the ability to source, quantify and guarantee relevant levels of revenue is key to successful project delivery and investor confidence. In light of this, revenue risk is a significant consideration for renewable energy projects in Australia, driven by a number of highlighted factors such as grid constraints and curtailment, market risks and overall asset performance and availability.

The wholesale energy market in Australia is inherently volatile. The range of factors influencing prices and generation makes both short and long-term revenue difficult to predict. In light of this, fully merchant projects are typically challenging to finance on a non-recourse project-financed basis. To ensure bankability, developers generally require a degree of contracted revenue, often through an offtake (or similar) agreement, to provide financiers with greater certainty. Whilst securing these agreements can introduce additional complexity and can reduce the potential revenue levels, this is typically a requirement to provide enough investor confidence to achieve successful financial close.

Grid constraints and curtailment are a further challenge to project revenue, and were identified as a key concern by respondents. Curtailment can arise through economic curtailment, where high levels of supply drive wholesale prices to very low or negative levels, such as during the daytime “duck curve” when high levels of solar generation coincide with relatively low demand, or through network curtailment, where transmission constraints, interconnector limitations, maintenance or network faults restrict a project’s ability to export electricity.

Asset performance and availability is also a key concern for project owners and developers in ensuring project returns, with the ability to generate at projected outputs vital for achieving expected revenue levels and a key input to financial models. Risks are broad, including exposures such as equipment (under)performance and degradation, weather variability influencing wind yields and solar irradiation as well as project downtimes due to maintenance, adverse events or mechanical breakdown.

CEC perspective: When it comes to project development

From a risk management perspective, reduced revenue arising from market fluctuations and curtailment remains predominantly a commercial risk, with limited insurance solutions currently available to directly protect against these losses.

Ultimately, developers must balance returns, project viability and bankability, while managing the uncertainty associated with market prices, generation and grid constraints, to achieve successful financial close.

Part 2: What the data is telling us

What's working

The clean energy sector continues to build momentum

The findings of the inaugural Renewable Energy Risk and Insurance Index highlight a sector that is growing, adapting and investing for the future.

Across the survey, respondents demonstrated the scale and maturity of Australia's clean energy industry. Organisations are operating across multiple technologies, jurisdictions and stages of the project lifecycle, while expanding their capability to deliver increasingly complex projects.

Battery storage is a clear example of this progress. More than 85% of respondents are involved in storage projects, reflecting the growing role batteries will play in supporting a reliable and secure energy system. The industry is also continuing to evolve how it delivers projects. Community engagement is becoming more sophisticated, workforce capability is growing and significant investment is being made in the transmission infrastructure needed to support the next phase of the energy transition.

Importantly, despite the challenges identified throughout this report, there remains strong confidence in the long-term opportunity ahead. The findings point to a sector that is not standing still. It is learning, adapting and building the foundations for Australia's clean energy future.

What's shifting

The transition is entering a new phase

The survey findings show that the nature of the challenge is changing.

A decade ago, much of the conversation focused on technology, cost and proving the case for renewable energy. Today, the challenges are increasingly centred on delivery, coordination and confidence.

Community expectations are evolving. Investors are seeking greater revenue certainty. Workforce shortages are becoming more acute. Hybrid projects and storage are changing how energy projects are designed and operated.

As the sector grows, so too does the complexity of the environment in which it operates.

These shifts are a sign of a maturing industry. Renewable energy is no longer an emerging technology. It is becoming the backbone of Australia's future energy system, and the focus is increasingly turning to how projects can be delivered efficiently, responsibly and at scale.

The transition is no longer just about building renewable energy projects. It is about building the systems, skills and relationships needed to support them.

What's holding us back

Delivery is now the biggest challenge

The survey findings point to a clear message: the greatest barriers facing the clean energy sector are no longer technological.

Projects continue to face delays and uncertainty stemming from approvals, grid access, workforce shortages, community opposition and changing policy settings.

These challenges are interconnected. Delays in approvals can affect financing and project viability. Grid constraints can impact investment decisions. Workforce shortages can slow construction. Community concerns can influence project timelines and outcomes.

None of these issues are unique to a single project or organisation. They are system-wide challenges that affect the pace at which Australia can deliver the energy transition.

The good news is that they are also challenges that can be addressed. Through better coordination, clearer policy, stronger infrastructure planning and meaningful community engagement, there is an opportunity to remove barriers and accelerate progress.

The industry has demonstrated it can deliver. The focus now is creating the conditions that allow it to do so faster and with greater certainty.

What matters most

A consolidated national effort and long-term support for the strategy.

States across Australia are facing the same infrastructure build but are reluctant to take learnings from each other. The Index survey results highlight the risks that are facing the industry and if we attempt to solve this problem separately for each state instead of coming together as a nation we are going to slow the transition down for everyone. Projects such as CopperString demonstrate both the scale of infrastructure required and the opportunity to think beyond state borders. In an increasingly competitive global market for capital, skills and materials, Australia's greatest advantage will come from acting not as eight separate energy transitions, but as one national effort with a shared purpose and long-term commitment.

From ambition to delivery

Taken together, the findings reveal an industry that remains confident in the future, but increasingly focused on what it will take to turn ambition into action.

Australia has the resources, expertise and investment needed to deliver the clean energy transition. The technologies are available. Industry capability continues to grow. New projects continue to be developed across the country.

The challenge is ensuring the systems around those projects can keep pace.

The findings consistently point to the same priorities: improving approval pathways, expanding and modernising the grid, building workforce capability, strengthening community trust and providing the certainty needed to unlock long-term investment.

These are not barriers to the transition. They are the next stage of it.

The message from industry is clear. Success will depend not only on building renewable energy projects, but on building the confidence, coordination and capability required to deliver them at the scale Australia needs.

The opportunity is significant, and so is the momentum. The task now is to convert that momentum into delivery.

Recommendations and looking ahead

Clean Energy Council priorities

Actions for industry, governments and investors.

Fundamentally this report highlights the risks that the utility generation sector is trying to mitigate and manage as part of being able to deliver new utility electricity generation projects.

The greater degree of risk within a project will attract higher risk premiums from investors and financiers that ultimately flow through to electricity users on their electricity bills.

Governments and industry can work together to minimise project risks and limit the levels of uncertainty through the development phase.

As outlined in this report the major risk areas being experienced by the utility sector are grid connection, project approvals, workforce, social licence and investor confidence.

These issues are reflected in the CEC's policy agenda and our efforts to develop solutions with industry to resolve these issues and propose them to government.

Our policy agenda relating to the above areas covers several core themes:

- Enabling regulatory and policy settings
- Connections and infrastructure
- Markets and investment signals

These areas broadly reflect a significant proportion of where the development risk lies that impacts upon financing arrangements for projects. Resolving or ameliorating these issues can improve certainty in a project's development making it easier for projects to reach a Final Investment Decision (FID) and deliver the full suite of benefits promised to communities as part of a project.

The flow-on effects then can result in improved social performance of the industry in a region as projects transition from paper into reality and the local benefits, procurement, community measures and other economic activity starts to be felt locally.

The Clean Energy Council and its members have been developing reform solutions for both state and federal governments to help provide more certainty for industry to reduce risk. We look forward to continuing these discussions in detail.

Endnote

The report started by asking what risks are shaping renewable energy delivery. The findings reveal a sector that remains confident in the long-term opportunity, but increasingly challenged by the practical realities of delivery.

The industry's biggest concerns are not technology risks. They are coordination risks. Grid capacity. Approval pathways. Workforce capability. Community trust. Revenue certainty.

The message from respondents is clear: Australia has the ambition and investment required for the energy transition. The challenge now is ensuring that infrastructure, policy frameworks and market settings evolve quickly enough to support it.

About the Partners behind the Index

The Renewable Energy Risk and Insurance Index brings together the Clean Energy Council's industry leadership and engagement with Lockton's expertise in risk, insurance and resilience. Together, we aim to provide a clearer understanding of the challenges, opportunities and emerging risks shaping Australia's clean energy future.

LOCKTON®

Creating confidence through better risk management.

Lockton is the world's largest privately owned insurance brokerage. Our independence allows us to take a long-term view, reinvest in our people and capabilities, and focus on one thing: delivering exceptional value for our clients.

With more than 13,100 Associates doing business in over 155 countries, Lockton combines local market knowledge with deep global expertise to help organisations understand, manage and transfer complex risk.

In Australia, our specialist Power & Energy team works across the energy lifecycle, supporting developers, owners, operators, investors and financiers across renewable generation, battery energy storage, transmission and distribution and other major energy infrastructure. Our team provides risk advisory, insurance placement and transaction due diligence support from project development and financial close through construction, operations and decommissioning.

We work alongside clients to understand the commercial and operational realities of their projects, identify emerging exposures and develop practical risk strategies that support project resilience, investment confidence and long-term performance. This reflects Lockton's broader philosophy: specialists embedded in client conversations, supported by global depth and empowered to provide advice centred on the client.

Learn more
global.lockton.com

Creating the conditions for Australia's clean energy future.

The Clean Energy Council is the peak body for Australia's clean energy industry, representing the organisations and people driving the nation's energy transformation.

Its members span the breadth of the sector, including renewable energy developers, generators, investors, manufacturers, retailers, network businesses, consultants and service providers.

The Clean Energy Council is committed to accelerating Australia's transition to a clean, reliable and affordable energy system. It works closely with governments, industry and communities to support investment, strengthen workforce capability, advocate for effective policy settings and build public confidence in renewable energy.

Through research, data and industry insights, the Clean Energy Council helps inform decisions that shape the future of Australia's energy system. The Renewable Energy Risk and Insurance Index is part of that commitment, creating a shared evidence base to better understand the challenges and opportunities facing the sector.

Learn more

cleanenergycouncil.org.au

APPENDIX

Methodology

Research Questions

- Where does the sector believe its risks are concentrated?
- Which risks are not being addressed and which are carried without protection?
- Where do developers and operators see it differently?
- What should an annual Index track from here?

Stage 1 · Design

Questionnaire designed jointly by Lockton and the Clean Energy Council

19 questions across five sections

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Built and administered by Lockton on Qualtrics

Anonymous link; no IP or geolocation captured

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Population defined: CEC members active in the renewable energy sector.

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Questions were routed by demographics, including multiple-choice, ranking, and open-ended questions.

Stage 2 · Fieldwork

Launch email to CEC members involved in large-scale renewable energy

20 April 2026

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Member newsletter, portal banner and CEO / CPIO circulation

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Two reminder emails, plus a final extension

↓

Fieldwork closes with 213 responses received, 15 May 2026

Stage 3 · Analysis

Inclusion rule applied: answered at least one substantive risk question

Analysis base n = 146

↓

Available-case reporting: every figure carries its own valid n

↓

Segment analysis by activity, role, scale and jurisdiction

↓

Selected findings reviewed with relevant Lockton specialists

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