Friday, 30 October 2026

Wenona Haddingham

Executive Director, Planning, Analysis and Decarbonisation Policy

Department of Energy and Economic Diversification

Level 1, 66 St Georges Terrace

Perth WA 6000

CEC submission on FESO 2027 Methodology, Inputs, Scenarios and Assumptions

Summary

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia, representing more than 900 leading businesses across renewable energy and energy storage. We are committed to accelerating Australia's transition to a clean energy future as rapidly as possible while maintaining a secure and reliable electricity supply for customers.

The CEC welcomes this opportunity to comment on the WA Government's draft inputs into the Future Energy System Outlook (FESO) 2027 that have been put out for consultation through the Methodology, Inputs, Scenarios and Assumptions (MISA) documentation.

The CEC broadly supports the proposed direction and modelling framework for the 2027 FESO. The development of a transparent, whole-of-system planning framework represents an important opportunity to establish a clear pathway for the efficient transformation of the South West Interconnected System (SWIS) out to 2050. In particular, the CEC supports the use of the three appropriately couched scenarios and the proposed concurrent consideration of demand, generation, storage and transmission in conjunction with better integration and consideration of distributed energy resources on the distribution system. The Draft MISA appropriately recognises the central role of the FESO in identifying a least-cost electricity supply mix while supporting reliability, security, renewable energy integration and lower emissions.

The CEC nevertheless considers that emissions reduction should be more prominent in the FESO modelling and assessment framework. The draft MISA's dedicated Net Zero by 2050 methodology provides an important foundation, but decarbonisation

Phone: +61 3 9929 4100
Fax: +61 3 9929 4101
info@cleanenergycouncil.org.au

Level 20, 180 Lonsdale Street, Melbourne, VIC 3000, Australia

cleanenergycouncil.org.au

ABN: 84 127 102 443

should be more than an end-point constraint. The FESO could assess the pace and trajectory of emissions reduction throughout the modelling period and how alternative pathways affect investment in renewable generation, storage, firming, transmission and emerging technologies. This would help decisionmakers and stakeholders understand whether each pathway achieves net zero and compare the emissions, system costs and investment required along the way.

Greater emphasis on emissions reduction should also be considered in the context of the Government's Plan for Affordable Energy. Affordability and decarbonisation should not be framed as opposing objectives. Rather, the FESO provides an opportunity to identify the transition pathway that delivers emissions reduction at the lowest sustainable whole-of-system cost to consumers. This requires consideration of the timing and coordination of investment. Delaying necessary renewable generation, storage or transmission may reduce expenditure in the near term but potentially create higher costs later if investment subsequently needs to occur more rapidly, or if consumers remain exposed for longer to higher-cost generation and associated fuel costs. Conversely, bringing forward infrastructure before it is required can impose unnecessary costs on consumers. The value of the FESO is therefore in identifying the efficient sequencing of investment, rather than simply minimising near-term capital expenditure.

The CEC recommends that FESO 2027 make this relationship more transparent by reporting, for each scenario, both system cost and emissions outcomes, including the trajectory of emissions reduction over the modelling horizon. This could be complemented by additional sensitivities examining the cost and system implications of faster and/or slower decarbonisation pathways. Such analysis would provide government, industry and consumers with a clearer understanding of the trade-offs involved and, importantly, identify circumstances where earlier investment in renewables, storage, transmission and flexible demand can simultaneously reduce emissions and place downward pressure on whole-of-system costs over time.

Overall, the CEC supports the direction of the Draft MISA and considers FESO 2027 will be another important foundational document for coordinated energy planning in Western Australia. The final methodology should strengthen the connection between affordability, emissions reduction, reliability and investment timing, recognising that enduring affordability is best achieved through an orderly and efficiently sequenced transition. Framing the FESO in this way would support a pathway that protects consumers from unnecessary costs while providing the investment signals required to deliver a reliable, increasingly renewable and progressively lower-emissions SWIS.

The CEC welcomes further engagement with Energy Policy WA as it develops its final MISA and commences the modelling for FESO 2027. Should Energy Policy WA have any further queries or require additional context, please contact James Eastcott at jeastcott@cleanenergycouncil.org.au.

Kind regards,

Martin Kennedy

General Manager – Market, Operations and Grid