

## Capacity Investment Scheme Expansion Hawker Britton Occasional Paper 23 November 2023

On 23 November 2023, Minister for Climate Change and Energy the Hon Chris Bowen MP announced that the Albanese Government, in conjunction with the states, is expanding the existing Capacity Investment Scheme (CIS) and the National Energy Transformation Partnership (NETP) to support the delivery of more reliable, affordable and low-emissions energy.

First announced in December 2022, the CIS was established to provide a national framework to:

- encourage new investment in dispatchable renewable energy;
- support reliability of the electricity grid; and
- reduce the risk of price shocks in Australia’s rapidly changing energy market.

The CIS underwrites new renewable generation and storage, providing certainty for renewable investors and cheaper, cleaner energy for households and businesses.

The successful projects from the CIS pilot auction in NSW were announced yesterday, 22 November 2023, and are expected to deliver more than 1 GW of dispatchable power across the state. The 1 GW announced yesterday will be delivered by six projects, representing \$1.8 billion in energy infrastructure and the creation of 400 jobs.

The expansion announced today will take the CIS from the current pilot stage to 9 GW of dispatchable capacity and 23 GW of variable capacity nationally – for a total of 32 GW nationally. This is intended to increase private investment in renewable energy generation and storage capacity, which is needed to meet Australia’s target of 82% renewable energy by 2030.

The Australian Government will also negotiate new bilateral Renewable Energy Transformation Agreements (RETAs) with state and territory governments under the Partnership. Half of the capacity offered under the CIS will be subject to these agreements.

### Further information

For more information, please contact Hawker Britton’s Managing Director Simon Banks on +61 419 638 587.

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