



Name: ENGIE

Submission date: 6/06/2025

1. Reduce the cost of meeting carbon targets

1. What could be done to improve the cost-effectiveness and alignment of policies to reduce emissions across the industrial, electricity and transport sectors?

Broadly, ENGIE supports the Productivity Commission's contention that enduring, broad-based market mechanisms are one of the better ways for governments to work with industry to reduce carbon emissions. Long-term policy settings are important to help preserve asset values and strengthen the investment environment by reducing reliance on interventionist measures that can distort market signals. In practice, this stability helps market participants realise stronger revenue certainty for existing assets, while enabling more transparent investment signals for new generation.

In recent years, ENGIE contends that government schemes have generally prioritised emissions reduction over reliability. While this focus is understandable, one of the byproducts of such policy settings is increased price volatility as more short-duration technologies have entered the grid, as well as a growing influence of weather dependency on generation. As such, ENGIE contends that any policy instrument seeking to reduce the costs of meeting carbon targets should balance emissions reduction objectives with maintaining an appropriate level of system security and reliability.

In this context, ENGIE encourages the Commission to consider the role of gas as a firming technology in providing system reliability alongside emission reduction levers. The evolving role of gas has been acknowledged by the Energy and Climate Change Ministerial Council, which has recommended that AEMO more effectively integrate gas into the 2026 Integrated System Plan, recognising gas-fired generation as an important firming technology to support the reliability of the National Electricity Market (NEM).

The NEM Wholesale Market Settings Review will also likely consider recommendations that seek to ensure reliability is maintained as coal-fired generation continues to exit the market. As such, ENGIE contends that the Productivity Commission's recommendations should be complementary to any reforms progressed through that review.

2. Are there gaps in the emissions-reduction policies in the industrial, electricity and transport sectors which should be addressed?

ENGIE notes there are a variety of mechanisms at both a state and national level that have sought to support emissions reductions. Of most prominence in recent years is the Capacity Investment Scheme (CIS), which at the time of writing is due to sunset in 2027. While the CIS is designed to accelerate the deployment of renewable energy, ENGIE notes that its current policy design and available project pipeline suggest that tenders may be skewed toward solar and short-duration lithium-ion batteries.

As such, ENGIE contends that enduring support for long-duration capacity is an

important next step to augment the ongoing build-out of short-duration technologies, particularly in maintaining system reliability and mitigating price volatility. This gap has been recognised in South Australia through the proposed introduction of the Firm Energy Reliability Mechanism, which is intended to provide support to generation assets with at least 30 MW of capacity capable of dispatching at a rated output continuously for eight hours. While the NEM Wholesale Market Settings Review is considering solutions to these challenges, ENGIE also encourages the Commission to consider the importance of long-duration capacity in its recommendations.

3. Are there any duplicative emissions-reduction policies in the industrial, electricity and transport sectors which could be streamlined?

ENGIE notes the growing number of jurisdiction-based certificate schemes as a potential source of duplication in emissions reduction policy. At present, there are eight current or proposed jurisdictional demand-side certificate schemes across Australia (e.g. Retailer Energy Productivity Scheme in South Australia, the Victorian Energy Upgrades program in Victoria). While ENGIE recognises that rolling jurisdictional schemes into a single national framework may be unlikely, there remains scope to harmonise scheme design and parameters, where appropriate. For example, aligning core metrics to energy efficiency or cross-jurisdictional accreditation for certificate creators would reduce compliance costs for retailers, ultimately raising productivity.

2. Speed up approvals for new energy infrastructure

1. Are planning and approvals processes for large energy infrastructure taking too long? If so, what causes the most delay?

ENGIE supports appropriate and purposeful planning and approvals processes that do not compromise regulatory standards. That said, ENGIE's experience across multiple jurisdictions in the NEM is that large energy infrastructure projects can often be subject to delays in the approvals process with governments. While it is difficult to isolate a single cause, ENGIE contends that a contributing factor may be resource constraints within assessment bodies.

While ENGIE commends the Australian Government's intention to address approval challenges through the development of the National Renewable Energy Priority List, ENGIE is concerned about the lack of meaningful consultation with industry in the design of this initiative. The resulting project list was developed using a methodology created by DCCEEW, based on weightings and criteria that were not tested with industry stakeholders. This top-down approach may result in prioritisation outcomes that do not fully reflect on-the-ground challenges or investment realities. A key lesson from this process is the importance of embedding industry engagement in the design of policy tools, particularly those aimed at addressing delays in planning and approval pathways.

ENGIE also notes that opaque governance has emerged as a key barrier to approvals. At the jurisdictional level, ENGIE is particularly concerned about governance overlaps, such as the proposed social license criterion in VicGrid's Grid Impact Assessment, which largely duplicates the stakeholder and Traditional Owner engagement requirements outlined in the Department of Transport and Planning's established planning guidelines. In this example, there is a real risk of further complicating what is already a well understood and detailed planning and approvals process.

2. How can planning and approvals processes be sped up without unduly compromising regulatory standards?

In ENGIE's view, while regulatory integrity is key, some planning and approvals regulations are no longer fit for purpose. For example, in New South Wales, the receipt of more than 50 objections during the public consultation of a renewable project's Environmental Impact Statement can trigger a public hearing by the Independent Planning Commission. While the intention of this regulation is admirable, ENGIE has heard first-hand evidence of coordinated groups of anti-renewables advocates routinely lodging objections via the NSW Major Projects Portal, despite living hundreds of kilometres from the site. This example highlights how regulations that are not fit for purpose can unintentionally delay renewable energy projects without substantive reasoning.

3. Should clean energy projects be treated differently to other projects for the purpose of environmental and other approvals? If so, how?

Treating clean energy projects differently from other projects in the planning and approvals processes may seem appropriate; however, ENGIE's experience suggests that differential treatment can also lead to adverse outcomes. In Queensland, renewable energy projects have historically been exempt from the standard state approval pathways applied to other industries. In recent years, however, shifting government priorities have prompted a policy response to update the State Development Assessment Provisions to add further regulatory barriers for wind farms under State Code 23: Wind Farm Development.

Currently out for consultation is State Code 26, which proposes to mandate that a Social Impact Assessment and Community Benefit Agreement be negotiated and executed with the relevant local council before a Development Application can be submitted. This change is an example of how treating renewable energy projects differently from other projects risks delays, while creating additional regulatory hurdles.

4. What can be done to build local community support for new energy infrastructure projects?

ENGIE's experience is that building local community support for new energy infrastructure projects requires early and transparent engagement that reflects the bespoke perspectives of communities near the site. ENGIE's Goorambat East Solar Farm in Victoria, where a group of landowners proactively reached out to a developer to host generation on their properties. ENGIE has also committed to providing financial contributions to local councils through a voluntary planning agreement as part of the proposed Hills of Gold Wind Farm, which includes contributions towards projects within 20km of the project site and for use within the broader region. Both these examples illustrate how strong local support, in tandem with developer engagement, can play an important role in shaping project outcomes.

ENGIE contends that a key challenge in building local community support may lie in clarifying where responsibility for community engagement sits - whether with developers, governments, or both. This challenge may be particularly relevant for REZs where there is mixed responsibility for the choice of project location. As highlighted in other areas of this submission, clear governance frameworks are needed to define roles and accountability to avoid duplicative processes.

5. Please outline any evidence showing the productivity benefits of faster approvals for energy projects.

The participant did not respond to this question.

3. Encourage adaptation by addressing barriers to private investment

1. What are the barriers and enablers impacting decisions by owner-occupiers, landlords and developers about how housing is built and updated over time so that it is resilient to the effects of climate change?

The participant did not respond to this question.

2. What information do people need to make decisions about where to live, how to build and how to upgrade their homes to appropriately factor in climate change?

The participant did not respond to this question.

3. What are the most cost-effective retrofitting options for improving the resilience of Australia's existing housing stock? What are their costs and benefits?

The participant did not respond to this question.

4. What role might minimum standards play in ensuring the resilience of Australia's housing stock?

The participant did not respond to this question.

5. The impacts of climate change are being factored into the regulation of where and how houses are built in different ways around Australia. What does leading practice look like? Where is there room for improvement? Are there lessons we can learn from other countries?

The participant did not respond to this question.