Response
2025 Productivity Commission.
Investing in cheaper, cleaner energy and the net zero transformation.

Energy Security First

Australian Government
Productivity Commission
Attn: Mr Barry Sterland, Mr Martin Stokie - by electronic submission

Dear Sirs

Thank you for the opportunity to provide feedback on the Productivity Commission's Interim Report 2025 - Investing in Cheaper, Cleaner Energy and the Net Zero Transformation.

Ascera Energy welcomes the Productivity Commission's interim report and strongly supports its focus on accelerating the clean energy transition through consistent, technology-neutral market settings, faster approvals for energy infrastructure, and reforms that improve cost-effectiveness and transparency. As a developer, owner and operator of renewable energy generation and battery storage assets across Australia, we see these reforms as critical to enabling timely private investment and ensuring that Australia meets its emissions-reduction targets while maintaining affordability and reliability for businesses and consumers.

Ascera Energy is also a developer, owner and operator of firming infrastructure, providing energy to customers through batteries and solar, backed by Federation Asset Management, an Australian alternative asset management business that manages $3bn of assets.

With a 300MWh battery storage plant in Riverina, and a plan to operate 4GWh of outstanding projects across Australia, Ascera seeks to contribute to the energy transition by prioritising communities, customers, and collaboration.

Interim Report Feedback

We offer the following feedback, structured according to key components of the paper:

#	Your Draft recommendation	Our Comments
1.1	Governments should prioritise introducing enduring, broad-based market settings in the electricity sector beyond 2030. The settings should: • create nationally consistent incentives for lowest-cost clean energy, irrespective of generation technology or jurisdiction • embed	Enduring, Broad-Based Market Signals (Draft Recommendation 1.1) ○ We strongly support the call for nationally consistent, technology-neutral incentives in the electricity sector beyond 2030. ○ Ascera's experience demonstrates that fragmented state-based schemes distort investment decisions and increase costs for consumers. A stable,

	investment incentives to ensure reliability and system security are maintained. Governments should also phase out any jurisdictional- and technology-specific incentives over time.	nationally coordinated framework is essential to drive scale investment in batteries and renewable energy zones. ◦ We are also keen for consistency across the National Energy Market Reform, with the Netzero Authority, as well as any other policies from the Productivity Commission – there is a risk that energy will become adversely overregulated, disadvantaging small and midsized players as a consequence. This will result in higher energy prices.
1.2	The Safeguard Mechanism should cover more industrial facilities and carbon leakage provisions should be improved	We believe that decarbonising electricity is the cheapest and fastest pathway to netzero transformation. While we support broadening coverage, lowering the threshold to 25,000 tCO_2-e risks capturing small facilities with limited abatement options. Therefore, we encourage a phased and sector-sensitive approach to avoid compliance burdens that could discourage industrial decarbonisation investments.
1.3	Introduce an emissions-reduction incentive for heavy vehicles and phase-out policy overlaps for light vehicles	-
1.4	Apply frameworks to achieve emissions targets at least cost and improve transparency	We support the intention however we are becoming increasingly concerned with the pressure on the sector leading to the inflation of costs and resources. A boom/bust market design is not ideal, and we would caution against fast and high targets.
2.1	Reform national environment laws	There is currently no national consistency. We welcome a practical approach recognising that some projects are already performing against the current standards, and that increasing standards will increase costs and reduce options of projects. Instead, we call for the federal government to lead on environmental issues such that investors are

		not dealing with various level of government across the same issue. The current approval timelines for large-scale battery and solar projects are unacceptably slow, adding significant costs and uncertainty. We endorse the proposed national environmental standards, stricter statutory deadlines, and the establishment of a Coordinator-General and strike team. These reforms will materially de-risk projects and accelerate delivery of clean energy capacity. Importantly, embedding the "needs of the energy transition" within the EPBC Act decision-making framework would allow regulators to balance environmental protection with national decarbonisation priorities.
2.2	Set up a specialist 'strike team' for priority projects	We believe this could be a welcome proposal provided that the strike team doesn't imply or manifest a further burden in the approval process. It would be ideal if the role of the strike team would be in lieu of current approvals rather than in addition to.
2.3	Establish a Coordinator-General for priority projects	We don't believe this is necessary. We currently have the Australian Energy Infrastructure Commissioner (AEIC), Tony Mahar, and it is unclear a secondary Coordinator Generator role and responsibility is necessary.
2.4	Consider the energy transition in approval decisions - The Environment Protection and Biodiversity Conservation Act 1999 (Cth) should be amended to require the minister to consider the needs of the energy transition when deciding whether to approve an energy project that will have a significant impact on a matter of national environmental significance.	We welcome this decision. We suggest consideration be given to a dual approval from both the Minister of Environment and Treasurer.
3.1	Set up a climate risk information database covering all climate hazards	We support the creation of a central climate risk database and a nationally consistent resilience rating system. These initiatives will

3.2	Develop a nationally consistent climate resilience rating system for housing	improve investor confidence, particularly in long-lived infrastructure assets, and help households and businesses adapt to climate-related risks.
3.3	Governments should agree on a series of actions to improve housing resilience over time	
3.4	Give the Climate Change Authority responsibility for monitoring, evaluation and learning regarding adaptation policy	

<u>Areas for Further Consideration</u>

1. Harmonisation with other policies
    - We are observing the National Energy Market Review (Nelson Review), as well as other key reviews undertaken by other bodies.
    - We welcome a collective and united approach, to ensure the investment signal is clear in response to the government involvement in the market.

2. Integration of Storage and Flexible Loads
    - The report under-recognises the critical role of battery storage and flexible demand in maintaining system security at least cost.
    - We recommend explicit recognition of storage and flexible loads within enduring market settings, including consideration of capacity and system services markets, to ensure adequate investment signals.

3. Role of the AEMO
    - The Australian Energy Market Operator is the only government authority with no appeals process or dispute resolution mechanism, and has the absolute power regarding connections.
    - We recommend that the Climate Change Authority be authorised as an appeals body empowered to hear AEMO related disputes.

4. Financing and Investment Certainty
    - Faster approvals and clear policy signals must be matched with mechanisms that improve the ability to finance large projects. The report could strengthen recommendations on expanding access to concessional finance, credit support, or capacity investment mechanisms that crowd-in private capital.

5. FIRB
    - Whilst we are an Australian fund with a number of potential foreign investors. There is no way to distinguish between our circumstances or a 100% control foreign entity.
    - We recommend an acceleration process for FIRB to include organisation investing in Australia through an Australian entity, on the basis that a 1%

foreign owner has no control compared to a majority/controlling foreign owner.

Conclusion

Ascera Energy appreciates the opportunity to comment and looks forward to continued engagement with the Productivity Commission on this important work. Australia's clean energy transition will only succeed if investors have confidence in policy stability, approval timeframes, and a clear national pathway to net zero. The Productivity Commission's interim report makes important recommendations in this direction.

We urge the Commission to ensure that its final report:

- embeds technology-neutral, nationally consistent incentives,
- mandates reforms that materially shorten approval timeframes;
- avoid creating booms and busts in the sector by creating short timeframes to meet long term goas; and
- strengthens recognition of storage, flexible loads, and financing frameworks.

We look forward to the release of the final recommendation and the opportunity to continue collaborating on building regional resilience through clean energy.

Kind regards,

Sally Torgoman
CEO
Ascera Energy