

1 May 2026

Dear Department of Home Affairs

Potentia Energy welcomes the opportunity to provide comments on the proposed amendments to the Ministerial Powers under SOCI Act.

Potentia Energy is a long-term owner and operator of renewable energy assets across Australia, which includes 9 critical infrastructure assets¹. Potentia Energy support the proposed reform's policy intention. Our response focuses on Measure 3 of the proposed Ministerial Directions Power.

Background

Australia's renewable energy transition depends on globally integrated supply chains. Most of the manufacturers in the renewable energy sector are located overseas. Once built, equipment is in place for 10-30 years, depending on its operational life.

Renewable energy developers start identifying equipment and service options when designing the proposed renewable assets. Once high-level design is completed, the procurement process starts 6-12 months prior to the start of construction. The construction and commissioning of renewable energy projects take 2-3 years. The asset becomes critical infrastructure when it becomes operational.

Renewable energy assets must adhere to strict connection requirements to protect the smooth operation of the electricity grid. Replacing equipment may cause disruption to the asset, and the electricity system. Replacing key equipment when assets are operational may require asset operators to re-negotiate connection agreements with the network. This may require significant financial and technical resources.

During the construction phase, renewable energy developers typically engage with suppliers and contractors either through a fully wrapped contract (where all equipment and labour is provided by one supplier), or split contract (where equipment and labour is provided by a number of suppliers) for construction. It is possible that problematic vendors are not directly engaged with the asset developer or operator. If ministerial direction is issued during the construction phase, developers will need to work with the contractor to identify and procure alternative equipment. This may cause delay and significant cost increase.

During the operation phase, asset operators are responsible for procuring equipment if a ministerial direction is issued. We may face issues including limited comparable technology and integration with legacy OT.

¹ Bungala 1 Solar Farm, Bungala 2 Solar Farm, Cohuna Solar Farm, Girgarre Solar Farm, Clare Solar Farm (joint venture), Flat Rocks Wind Farm, Warradarge Wind Farm (joint venture), Albany Grasmere Wind Farm (joint venture), Greenough River Solar Farm (joint venture)

Recommendations

We recommend the following additions to the proposal:

1. The Minister should publish ministerial directions against high-risk vendors, products and services

Due to the lengthy procurement process, and disruptions caused by later replacement, the renewable energy industry requires advance notice regarding any high-risk vendors, products and services. As mentioned above, procurement contracts are entered into years before asset becomes operational. In addition, many of these vendors, products and services are not engaged directly by the developer or responsible entity. If any of these parties are not aware of the ministerial direction, there is a risk that the critical infrastructure will be built with high-risk products or vendors.

Ministerial directions must be published to ensure the whole sector avoids the high-risk vendors, products or services.

2. The Government should consult with industry and evaluate impact before issuing each direction

The impact of replacing each equipment and vendor is unique and must be evaluated to minimise disruption to the operation of critical infrastructure.

Prior to the issuance of each direction, the Government should work collaboratively with the affected industry to evaluate the potential impact of the restriction, and formulate phased plan for replacement.

The ministerial direction should be the last step after sector-wide engagement, and direct engagement with the problematic vendor for rectification and remediation. The government should also consider measures to introduce cyber security standards for products imported from overseas.

Should you have any questions regarding our comments, please do not hesitate to contact me at [REDACTED]

Yours Sincerely,

[REDACTED]

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