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## **AGL's LOY YANG CLOSURE TO LEAVE FAMILIES IN THE DARK AND ELECTRICITY BILLS UP 21%**

"AGL's early and unanticipated closure of Loy Yang A is estimated to result in a 21% increase in the average retail electricity bill across the National Electricity Market," said Daniel Wild, Deputy Executive Director of the Institute of Public Affairs.

New IPA research shows the closure of Loy Yang A, a vital source of affordable and reliable energy, will see household electricity bills rise 21%, and 1,000 jobs lost in the Latrobe Valley alone.

"It might be alright for billionaires and inner-city elites to live with expensive and unreliable energy as AGL is proposing. However, it is the families that cannot afford ever-increasing power bills, and the workers who will lose their jobs, that will pay for this renewable energy fashion statement," said Mr Wild.

"The announcement of Loy Yang A's early and unanticipated closure is a dark day for Australia's energy security, Victoria's economic future, and families struggling to pay ever increasing household bills."

The IPA's recent research report, *Australia's Net Zero Energy Crisis: An Analysis of the Electricity Price Implications of Net Zero Emissions by 2050*, found that, historically, every gigawatt of coal-generated capacity removed from the National Electricity Market is linked to an increase in the average wholesale electricity price of approximately \$22 per megawatt hour.

Therefore, Loy Yang A's early decommissioning will increase wholesale prices by approximately \$49 per megawatt hour - a 63% increase on top of the average post-Hazelwood wholesale price of \$78 per megawatt hour.

"The job losses, unaffordable energy price rises, and elevated risk of rolling blackouts from the early and unanticipated closure of critical coal-fired power stations, is evidence of the policy of net zero emissions in action," said Mr Wild.

"Neither side of politics, in Canberra or Spring St, has a plan to prevent the lights going out in Victoria following AGL's reckless and callous decision to shut this vital source of affordable and reliable energy early."

Both the Federal and Victorian Governments should immediately:

- Immediately end all commitments to net zero emissions by 2050.
- Cut red tape and remove all bureaucratic impediments to coal, gas, and oil exploration and development.
- Ensure that any prematurely shut coal-fired power stations are, at worst, mothballed rather than decommissioned, so they can be brought back online, as is happening in Germany.

**For media and comment: Andrew Hudgson, Director of Communications, on 0404 020 896, or at [ahudgson@ipa.org.au](mailto:ahudgson@ipa.org.au)**