

30 May 2023

NEW SOUTH WALES VITAL TO KEEPING AUSTRALIA'S LIGHTS ON

"The closure of the Liddell Power Station has placed Australia's energy generation network on the brink. Today the challenge is clear, no more affordable and reliable energy can be safely removed from the grid," said Scott Hargreaves, Executive Director of the Institute of Public Affairs.

In a landmark report on Australia's energy security, *Liddell the Line in the Sand*, the Institute of Public Affairs has analysed the deleterious effect the closure of the Liddell Power Station has had on Australia's energy security, and how further rushed closures will threaten energy reliability.

"What is occurring in Australia has already been tried, and has failed, elsewhere. Germany and California offer sobering lessons for Australia on the risks of moving towards a higher level of dependence on renewable energy," said Mr Hargreaves.

"For too long Australia's energy network has been used as an experiment by ideologues who want to impose their renewable energy dreams, without taking into account how we actually keep the lights on."

New South Wales Premier Chris Minns now holds the fate of the National Electricity Market in his hands and must do all he can to ensure the Eraring Power Station remains open beyond 2025, with the Australian Energy Market Operator forecasting reliability gaps across mainland Australia.

"Premier Minns has made some positive comments about keeping Eraring open beyond its artificially early closure date of 2025. He must do all he can to keep Eraring open to keep the lights on across Australia," said Mr Hargreaves.

"Removing affordable and reliable energy generation from our network has resulted in skyrocketing energy bills, which will increase between 31% and 25% next year alone, meaning many Australians will be faced with the cold hard reality of whether to heat their homes or eat."

"This has happened before, following the closure of the Hazelwood Power Station in Victoria wholesale prices jumped more than 70% compared with the previous year, and over the next three years were 135% higher than the average over the previous decade."

Compared to other electricity grids around the world, Australia already has a very high share of intermittent renewable energy in the system, which is why prices are up and reliability is coming down.

"The bottom line is that it's time we pause the removal of affordable and reliable baseload power generation unless, and until, a like for like baseload replacement – be it coal-fired or nuclear – is ready to come online," said Mr Hargreaves.

To download the IPA's research [click here](#)

For media and comment: Andrew Hudgson, Director of Communications, on 0404 020 896, or at ahudgson@ipa.org.au