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KEEPING ERARING OPEN NECESSARY FIRST STEP TO RESTORING AUSTRALIA'S ENERGY SECURITY

"The decision today by the Minns Government to keep Eraring operating for longer is a welcome, albeit small, first step towards keeping the lights on across the National Energy Market and restoring Australia's energy security," said Scott Hargreaves, Executive Director of the Institute of Public Affairs.

Today's announcement by the New South Wales Government that it will seek a deal with the Eraring Power Station's owners, Origin Energy, to keep it running longer is a win for commonsense, and will help prevent the decline of reliable and affordable energy supply across the National Energy Market.

"The release of the O'Reilly Review, and today's announcement that Eraring will remain operating, could be the much-needed circuit breaker to allow for decisions to be made which put energy security and the national interest first, not the demands of activists," said Mr Hargreaves.

"Australia's deteriorating energy security is an existential threat to our economy and to households, which our leaders have for too long ignored."

Last week, the Australian Energy Market Operator released its *2023 Electricity Statement of Opportunities* report, which found energy reliability gaps are set to affect all mainland regions covered by the National Energy Market for the rest of the decade.

"The situation Australia finds itself in today has been caused by the destruction of Australia's affordable and reliable baseload power generation due to the demands of net zero activists and the political class," said Mr Hargreaves.

"AEMO's warning last week of blackouts this summer should be evidence enough that no affordable and reliable generators in the NEM can be allowed to close unless and until there is a like for like baseload replacement available, whether it be from coal, gas, or nuclear."

The Australian Energy Regulator previously found with the closure of the Liddell Power Station earlier this year, surplus capacity in the system was eliminated, with wholesale prices spiking by 38% and grid reliability reduced.

"IPA research found the closure of Liddell was the 'line in the sand' moment for the nation's energy grid, as any further closures of stations like Eraring or Bayswater would terminally compromise Australia's energy security. The Minns Government have done the right thing," said Mr Hargreaves said.

"It is unfortunate that the current state government has been forced to clean up the mess caused by the economic vandalism of the former state Minister for Energy Matt Kean, who let Liddell close and capitulated to activists on the early closure of Eraring."

"Any expense on capacity payments must be weighed against the cost of blackouts and the massive subsidies currently flowing to intermittent renewable energy sources."

To download the IPA's research *Liddell: The Line in The Sand* [click here](#).

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