

## BEING PREPARED FOR OLD COAL RETIREMENT

### Resource adequacy and aging thermal generator retirement

Decarbonisation of Australia's economy is well underway and accelerating. Governments are focused on lowering emissions in big emitting sectors like electricity, transport, and agriculture. The rise of cheaper renewables is making a real difference - changing the economics of old, coal plant which is closing early. Increasingly we will see sectors like manufacturing have to prove they are using green power if they want to export. We must get this sorted.

We report back to energy ministers in mid-2021 with final recommendations for a redesigned electricity market.

Have your say: [▶](#)

## PROPOSAL FOR REFORM PATHWAY

### IMMEDIATE



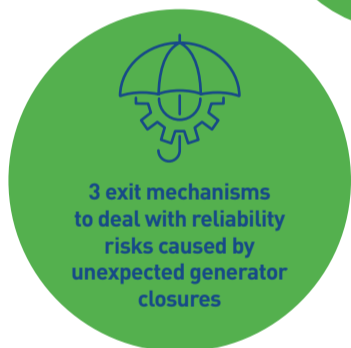
#### IMPACT

To provide jurisdictions with more information on electricity resource needs and timing so their schemes can integrate with the contract market.



#### IMPACT

To encourage investment in generation projects and sharpen wholesale price signals to the market.



#### IMPACT

1. Extra information on seasonal shutdowns and mothballing.
2. Expanding notice of closure requirements to include mothballing.
3. New System and Market Impact Assessment to allow timely state government intervention if closure risks are too great.

### INITIAL



#### IMPACT

To help promote commercial investment, to reduce the risk of unexpected generator closures, increase liquidity in contract market.



#### IMPACT

Additional demand for dispatchable power through an operating reserve could help smooth out short-term changes in supply and demand and trigger more investment.

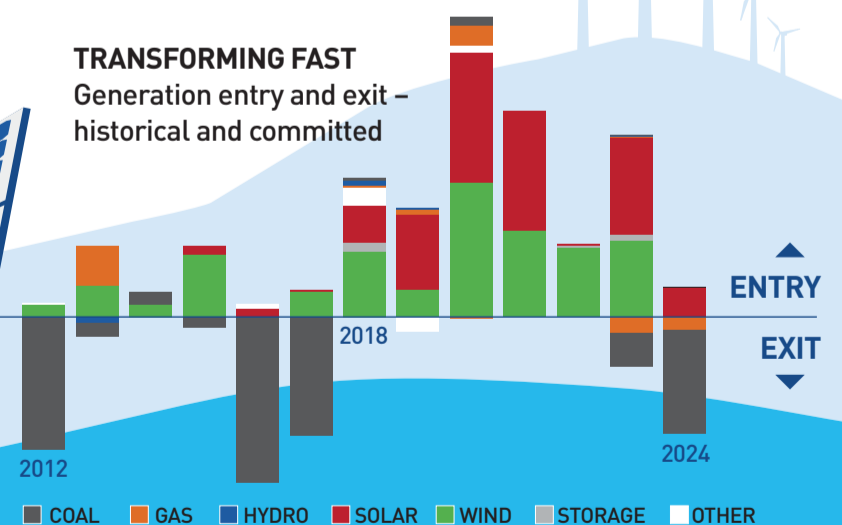
### NEXT



#### IMPACT

To be undertaken by market bodies following implementation of the ESB's post 2025 reforms.

### TRANSFORMING FAST Generation entry and exit – historical and committed



We want essential electricity to keep flowing to all. This requires orderly entry of decentralised, mostly renewable generation and planned exit of old, mostly coal plant, so investors can develop new resources with confidence and governments can support the sector in the most appropriate, low-cost ways.

**Reliability** = is having enough generation when we need it, enough demand side response and enough major transmission to supply consumers' needs