

ESOO UPDATE LAYS BARE THE IMPACT OF CLOSING DOWN OLD ASSETS BEFORE NEW ONES ARE READY TO GO

The Australian Energy Market Operator's (AEMO) Electricity Statement of Opportunities (ESOO) Update released today, clearly demonstrates the impact of closing down old electricity assets before new assets are generating, said leading advocate for commercial and industrial (C&I) energy users, the Energy Users' Association of Australia (EUAA).

"We congratulate AEMO on this important ESOO update that shows clearly that pragmatic decisions need to be made in order to avoid blackouts", said EUAA Chief Executive Officer, Mr Andrew Richards.

"The outlook for Victoria and NSW is alarming. The roll-out of new generation is not happening fast enough for a variety of reasons. This should ring alarm bells for governments and the energy industry itself - it is a warning on what the future could look like should we choose to turn off existing assets if we do not have new ones ready to replace them."

"There are plans in place, such as the Federal Government's expanded Capacity Investment Scheme, that will make a significant difference to the outlook, but many hurdles remain such as planning delays, supply chain constraints and labour and skills shortages."

EUAA members provide essential goods and services to the Australian community every day. Like all consumers, they require affordable and reliable power. In recent years AEMO has increasingly used the Reliability and Emergency Reserve Trader (RERT) – a program that pays businesses to turn off their facilities - to fill gaps in electricity generation so that residential customers do not lose power.

"Rational decisions to ensure reliable and affordable electricity for consumers, such as using gas to firm renewables and extending the life of existing assets until their replacement is operating, should be a pragmatic part of the solution to help smooth the transition."

"We fear that the community will lose faith in the transition to net zero if the lights start going out, which is the last thing any of us want to see."

The EUAA is the peak body representing Australian industrial and commercial energy users. EUAA membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined EUAA members employ over one million Australians, pay annual energy bills in the many billions of dollars and support the development of a lasting national energy and climate change plan that puts downward pressure on electricity and gas costs.

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