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**MEDIA RELEASE**

23 March 2018

**LIDDELL'S FUTURE REINFORCES NEED  
FOR THE NATIONAL ENERGY GUARANTEE**

Advice by the Australian Energy Market Operator (AEMO) released today vindicates the Turnbull Government's concern about the proposed closure of AGL's Liddell Power Station in 2022 and reinforces the need to ensure sufficient dispatchable power in the system.

At 1800MW, the Liddell Power Station supplies more than 10 per cent of New South Wales' demand and provides energy to around one million homes.

While AGL says they are willing to undertake all three stages of their replacement plan, the 100MW Bayswater upgrade is, according to AEMO, the "only committed resource at this point in accordance with criteria AEMO applies for determining new supply".

Without the implementation of AGL's full plan or equivalent investment by others, AEMO has concluded there will be an 850MW shortfall in dispatchable power and in their words "a high risk of load-shedding" following the closure of Liddell.

The existence of a major shortfall in dispatchable power following Liddell's closure would clearly present an unacceptable situation undermining the stability of the system.

This is a serious challenge and not as Bill Shorten said "an issue for down the track".

The focus must now be on driving more dispatchable power into the market. The Government is doing its part through major projects like Snowy 2.0, ARENA-supported battery and pumped-hydro projects and securing more gas for domestic use so that previously mothballed gas plants can come back online.

Market participants have a key role too and this is why it would be preferable for AGL to commit as soon as possible to the next stages of their plan.

As outlined by the Energy Security Board, having the right policy framework to create investment certainty is critical.

The National Energy Guarantee, specifically through its reliability obligation, will encourage the type of investment we need.

This is a point underlined in the AEMO advice when it says "ideally an agreed National Energy Guarantee will serve as a market mechanism to address this gap" and the closure of Liddell represents exactly "the type of challenge the National Energy Guarantee is intended to solve".

In light of this unequivocal and powerful advice from the independent energy market operator, AEMO, it is incumbent on governments at federal, state and territory level to get behind the National Energy Guarantee as our pathway to a more reliable and affordable energy system.

**Ends**