



## **EXTENSION OF ERARING POWER STATION THREATENS RENEWABLE INVESTMENT**

*Thursday 23 May 2024, Canberra:* The Clean Energy Investor Group (CEIG) strongly opposes the NSW government's decision to extend the operation of the Eraring coal power station until August 2027, with the potential for a further extension to 2029. This move not only represents a significant setback but will also have far-reaching implications for investor sentiment, renewable energy targets, and climate commitments.

The decision to extend the Eraring power station raises significant concerns for investors, risks deterring capital from being invested in the NSW and risks making NSW much less attractive as a clean energy investment destination.

CEIG further calls on the NSW government to make it clear that the Eraring power plant extension is a one-off, that it will actively work towards not extending it further and that similar action will not be taken to extend other coal generators. This is vital to maintain confidence and predictability in market conditions and to unlock the capital required for the NSW energy transition at least-cost.

Recent updates from the Australian Energy Market Operator (AEMO) underscore the urgent need for timely investments in new generation, storage, and transmission infrastructure to manage reliability risks driven by retiring coal plants. CEIG strongly urges the NSW government to prioritise investments in renewable energy infrastructure over the extension of Eraring's operations.

The NSW Government's decision to provide taxpayer subsidies for extending the life of Eraring coal power station contradicts the urgent need for transitioning to firmed renewables. Allocating substantial public subsidies to prolong the operation of Eraring represents a significant setback to the accelerated transition towards cleaner energy sources.

Delaying the closure of Eraring, with an option for a further extension, will have significant consequences, casting a chilling effect on investor confidence and impeding the growth trajectory of the renewable energy sector. It risks undermining the progress made in accelerating clean energy projects and may impede Australia's transition to a sustainable energy future.

Furthermore, CEIG underscores the importance of maintaining certainty and fostering a conducive environment for renewable energy investment.

Investment in renewable generation and storage projects is pivotal to ensuring a resilient energy system and to ensure reliability, the NSW Government must encourage investment in clean energy and storage assets. CEIG welcomes Minister Penny Sharpe's recent announcement of additional funding to expedite the connections process for key battery projects across the state. The \$8.4 million allocation to Transgrid and the Australian Energy Market Operator (AEMO) will fast-track grid connections for four key battery projects, each boasting over 100 megawatts of storage capacity.

In addition, CEIG urges the NSW government to improve the planning approval process for renewable energy projects to expedite the rollout of clean energy infrastructure. This move not only facilitates a smoother transition to renewable energy but also bolsters investor confidence and supports the state's sustainable energy goals. With these steps, the government can send a positive market signal and pave the way for a future where the long-term extension of the power plant is not warranted.

CEIG urgently calls upon the NSW government to reconsider its decision and prioritise investments in renewable energy projects. The government must take decisive action to ensure that renewable energy investments can flow unhindered, safeguarding our environment and securing a sustainable future.

### **Quotes attributable to Marilyne Crestias, Interim CEO Clean Energy Investor Group**

*"CEIG strongly opposes the NSW government's decision to extend the operation of the Eraring coal power station until August 2027, and to possibly extend it even further to 2029. This decision sends a concerning signal to renewable energy investors, potentially hindering our transition to clean energy."*

*"We urge the government to carefully consider the long-term implications of extending Eraring's operation. This decision will impact investor confidence in the renewable energy sector and hinder our progress towards a sustainable future."*

*"The extension of the Eraring power plant cannot set a precedent for other plants to be extended, and the NSW Government must make that clear to the investors who stand ready to finance the NSW energy transition. CEIG calls on the NSW government to make it clear that the Eraring power plant extension is a one-off, that it will actively work towards not extending it further and that similar action will not be taken to extend other coal generators."*

*"The NSW government must release the details of its agreement with Origin. Having clarity over such a material intervention is vital to maintain confidence and predictability in market conditions."*

## **ENDS**

### **Media Contact**

Anna Mincham

amincham@banksiasp.com.au

+61 407 206 965

### **About the Clean Energy Investor Group**

The Clean Energy Investor Group presents domestic and global investors with a combined Australian portfolio value of over A\$38 billion and more than 76 clean energy assets under management. It is an investor body, representing the unique perspective of clean energy investors to regulators, policy makers and the broader energy sector.

<https://www.ceig.org.au/>