

'Even more confident' Eraring will close in 2025: new energy report

By [Matthew Kelly](#)

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A surge in renewable energy generation and battery storage projects will allow Eraring power station to close in mid-2025, a new analysis says.

The report [The Lights Will Stay On: NSW Electricity Plan 2024-2030](#), produced by think tank Climate Energy Finance, shows an unprecedented number of clean energy projects have come online over the past six months.

They contain more than enough generation and storage capacity to offset the 2880 megawatts of coal-fired generation that will be lost from the closure of Eraring.

"The Australian Energy Market Operator's October 2023 Energy Security Target Monitor Report for NSW Climate and Energy Minister Penny Sharpe supports our contention, showing that once federal and state capacity schemes are included, there is no NSW reliability gap forecast in any year this coming decade, notwithstanding the on-time closure of Eraring in 2025," the report says.



Meanwhile, discussions between Eraring's owner, Origin Energy, and the state government are continuing about the possibility of keeping the plant open beyond 2025.

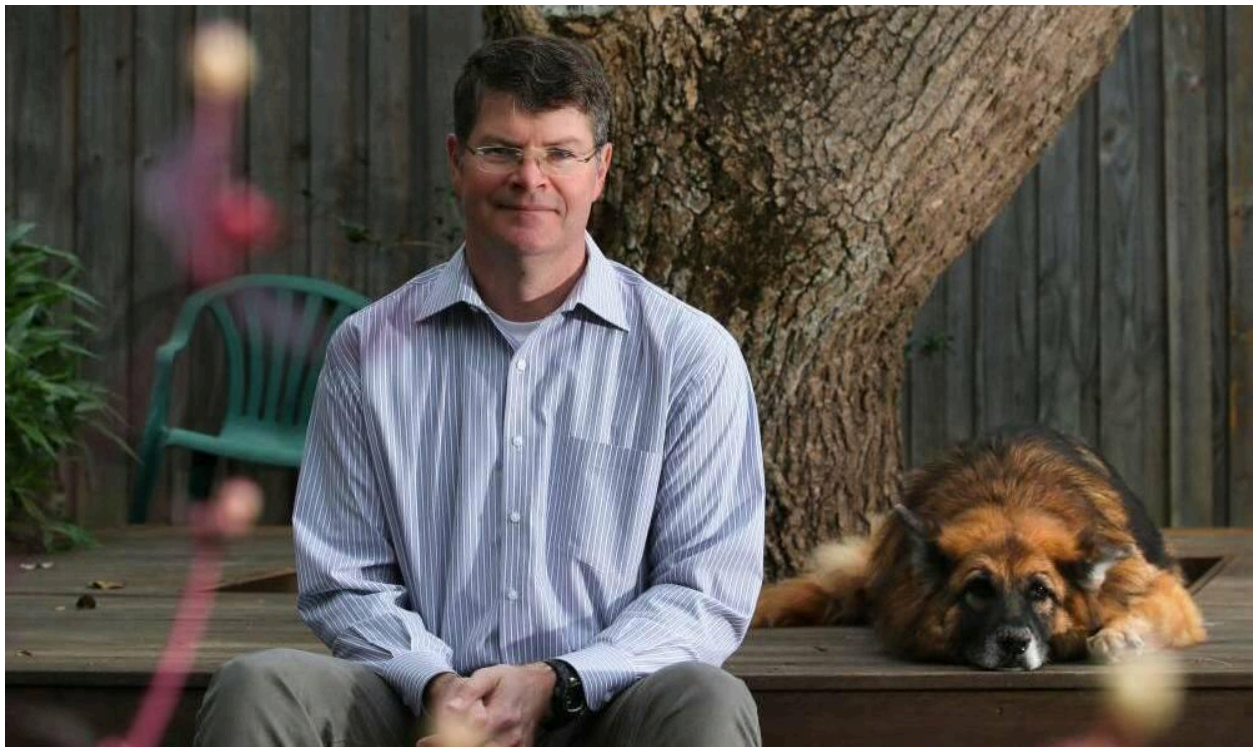
Among the large projects in the Hunter that are creating new generation and storage capacity are the 850 megawatt Waratah Super Battery at the site of the former Munmorah power station, the 500 megawatt Liddell battery and the 700-megawatt Eraring battery.

Snowy Hydro's 750-megawatt gas peaker at Kurri is also due to come online later this year.

"If anything, we have even more confidence today than we had six months ago that the lights will stay on; we can deal with (the closure of) Eraring," Climate Energy Finance director Tim Buckley said.

"You can see that in the wholesale power prices. They were down 50 per cent last calendar year and down 40 per cent year-on-year in the fourth quarter. So we're almost back to the long term wholesale average."

In addition, the uptake of consumer energy resources remains very robust, with 3.17 gigawatts of rooftop solar installed across Australia in 2023.



Tim Buckley

"We have urged the NSW government to prioritise collaboration with the federal government to introduce policies to accelerate deployments, along with behind the meter storage, vehicle to grid, building and energy efficiency, as well as the rollout of smart meters and consumer energy resource orchestration," Mr Buckley said.

The report highlighted the risk of losing 2880 megawatts of baseload power at a time when the energy grid is undergoing an unprecedented transformation.

NSW Energy Minister Penny Sharpe said at the time that she did not want to keep Eraring open for a day longer than it needed to be.

"We accept the recommendations from Cameron O'Reilly that we will engage about the future, but we come from the starting point that we don't want coal-fire (power) to be open one day longer than it needs to and not one extra cent that needs to go into it from the people of NSW," she said.

The Institute of Energy Economics and Financial Analysis (IEEFA) last month [said new renewable energy projects would provide more than enough capacity to allow Eraring to close in 2025.](#)

The IEEFA analysis said extending the life of Eraring would undermine the financial viability of the remaining coal generators, and possibly lead to their early closure.

"Essentially, propping up Eraring is like robbing Peter to pay Paul, with other coal power stations left vulnerable," IEEFA report said.

<https://www.newcastleherald.com.au/story/8490878/2025-eraring-closure-target-boosted-by-renewable-energy-surge/?cs=305&msg=login>