

Australia's largest coal-fired power plant to close

February 17 2022, by Andrew Beatty



Australia is one of the world's largest coal producers—among them this plant in Singleton.

Australia's largest coal-fired power plant will shut in 2025—several years sooner than planned—operators announced Thursday, saying the

facility is no longer viable given the low cost of renewables.

Origin Energy told investors the "influx of renewables" was "undermining the economics" of the vast decades-old Eraring plant just north of Sydney.

Australia is one of the world's largest coal producers and the climate polluting fuel is an important source of export revenue, with the current administration backing more such plants.

"Today we have signalled the potential to accelerate Eraring's closure to mid-2025," Origin Energy CEO Frank Calabria said, acknowledging the move would be "challenging" for hundreds of staff.

The plant has been operational for almost 40 years and was due to be decommissioned in 2032.

"The reality is the economics of coal-fired power stations are being put under increasing, unsustainable pressure by cleaner and lower-cost generation, including solar, wind and batteries," Calabria said.

The plant currently includes four 720-megawatt coal-fired generators and one 42-megawatt diesel generator, supplying Australia's most populous state New South Wales with around a quarter of its electricity.

The company has an Aus\$240 (US\$173) million plan to repurpose the plant and install a large 700-megawatt battery.

Origin is the latest Australian [energy](#) producer to announce the early closure of coal assets, despite the conservative administration's insistence on backing new coal projects.

Several coal mines and plants are also located in fiercely contested

electoral seats, meaning both the government and the opposition Labor party have tried to avoid irking coal-backing voters.

The Mining and Energy Union said Eraring workers had been "blindsided" by the decision.

"For the many Lake Macquarie and Hunter Valley families that rely on the Eraring power station for their livelihoods, today's announcement creates uncertainty for the future," said union representative Robin Williams.

'A dying industry'

Pro-coal government coalition MP Matt Canavan said the closure is "going to be a disaster," predicting high energy prices.

Energy minister Angus Taylor, who has backed taxpayer investment in new coal plants, vowed to ensure there was a "like-for-like replacement" for the plant.

The move "puts affordability & reliability at risk", he tweeted.

Monash University energy expert Ariel Liebman said while Origin Energy's decision was made on commercial grounds, it pointed to a broader shift in how Australians get their energy.

"Everything is aligning to continually accelerate the energy transition to renewables," he said.

Any price spike resulting from the closure will probably be shortlived, he added.

"Higher energy prices are not likely to last long as this announcement

will bring forward several large wind and solar projects. It may even finally kick off an Australian off-shore wind revolution."

Environmental groups cheered the news, but other experts warned it underscored the need for Canberra to face the reality that coal-fired [plants](#) will soon be a thing of the past.

"These decisions are entirely economic and the closures inevitable," said Richie Merzian, a climate and energy expert at the left-leaning Australia Institute think tank.

"There are thousands of workers in Australian coal-fired [power stations](#). They deserve certainty," he said.

"Australian policymakers need to be planning to look after communities and workers in coal power regions, rather than selling false hope by trying to prop up a dying industry."

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