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EXCLUSIVE

'Serious risk of blackouts': Report reveals flaw in AEMO's renewable energy plan

The AEMO CEO is confident a power system run on 100 per cent renewable energy is possible, but a report that was quietly published contradicts that ambition.

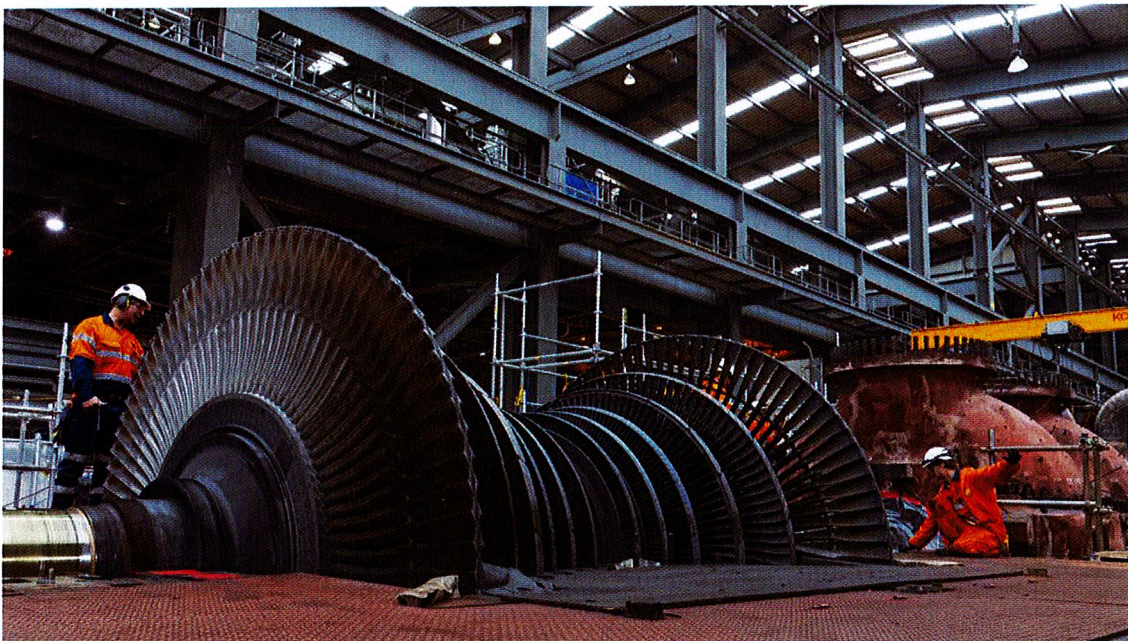


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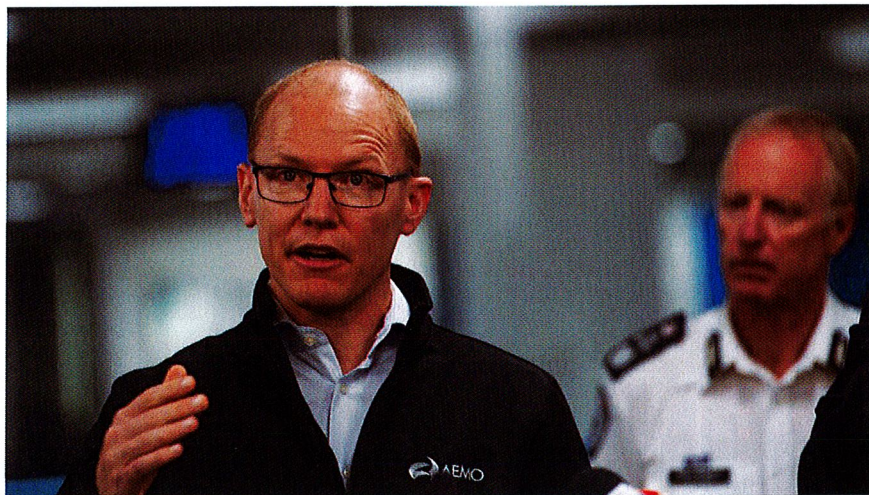
Origin Energy's Eraring coal station in NSW Hunter Valley. Picture: Supplied / Origin Energy

The boss of Australia's chief energy market operator told a clean energy conference they were on track to "run a power system on 100 per cent renewable energy" despite warnings that grid instability is inevitable after 2027 when the Eraring Power Station shuts down.

On Monday, Daniel Westerman, CEO of the Australian Energy Market Operator, told the Clean Energy Summit in Sydney: "I set an ambition in 2021 for us to understand what it takes to run a power system on 100 per cent renewable energy. And today, we're confident that with targeted investments in system security assets, we can do just that."

However, a Transgrid regulatory report quietly published on the AEMO website in mid-July reveals that there will be "risk(s) of going to the minimum level of system strength" to

July reveals that there will be risks of gaps to the minimum level of system strength to keep the lights on in NSW from 2027, when Eraring is scheduled to close.



CEO and Managing Director of AEMO Daniel Westerman. Picture: Newswire / Nicki Connolly

The report reveals that there will not be enough large devices called “synchronous condensers” that help stabilise the grid as more and more renewable power is introduced into the system by 2027, leading to “risks of gaps” occurring as much as two per cent of the time.

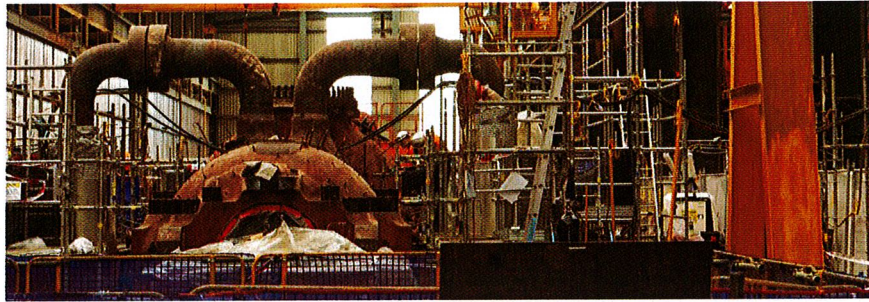
According to the report, there could be as much as a two year gap between the shutdown of Eraring and the availability of the condensers.



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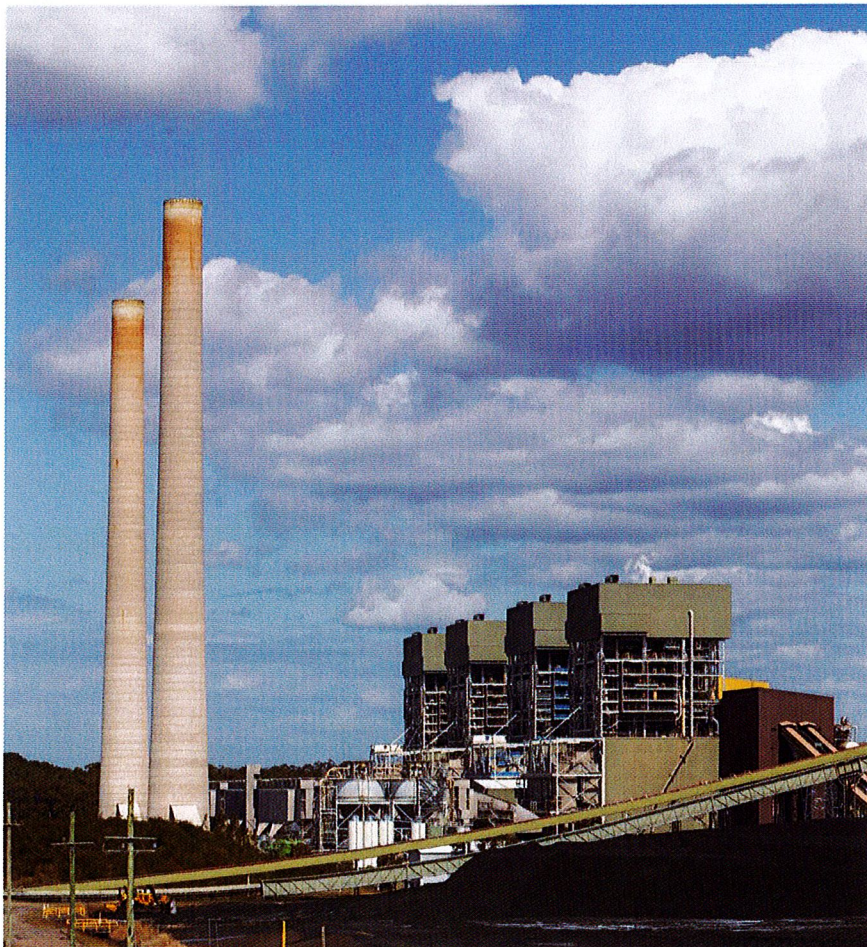


Origin Energy's Eraring coal station in NSW Hunter Valley. High pressure turbine disassembly. Picture: Supplied / Origin Energy

“Transgrid identified the credible timing synchronous condensers are first available is between March 2029 and February 2030,” it says, adding that Transgrid will have to spend at least \$1.6 billion purchasing the new condensers.

Synchronous condensers are “large spinning fly wheels that provide the inertia that helps stabilise the grid,” said Aidan Morrison, Director of Energy Research at the Centre for Independent Studies.

“This inertia used to be provided for free by the turbines in coal and gas plants, but since we are trying to shut them down, we need to spend billions of dollars on new machinery to replace that valuable service.”





Origin Energy's Eraring coal station in NSW Hunter Valley. Eraring power station viewed across coal stockpile. Picture: Supplied / Origin Energy

“What the Transgrid document really shows is that we have a serious risk of blackouts if Eraring closes in 2027.”

A spokesperson for AEMO noted that in his speech Mr Westerman was realistic about the challenges of the energy transition, stating that “system security is a very strong focus for us at AEMO, in order to enable the next set of transition points in Australia’s energy transition.”

