

Our Ref: AER213404

Generator notice of closure exemption application

Decision notice

The Australian Energy Regulator (AER) has issued this notice to communicate that it has granted an exemption to AGL Macquarie Pty Limited (AGL) to submit an amended closure date for the Hunter Valley Gas Turbines (HVGTS) of 1 January 2022.

AER assessment

HVGTS is currently inoperable and has not generated into the market since early 2020. AGL advised that HVGTS would require extensive works to return to an operational status and that it believed such works to be uneconomical.

In considering AGL's application, the AER consulted with AEMO, which advised that it had no security or reliability concerns with the early closure of HVGTS. As HVGTS is currently inoperable and small, the AER expects its early closure will have little impact on the market.

The AER found that granting exemption for AGL to close HVGTS early will provide clarity to AEMO and the market regarding the generator's future.

Application details

On 13 October 2021, the AER received an application from AGL seeking exemption from the generator notice of closure obligations under section 2.10.1 of the National Electricity Rules (NER). The application was for the following generating units:

Generating unit (region)	Registered capacity	Applied-for closure date	Current closure date	Current expected closure year
Hunter Valley Gas Turbines - HVGTS (NSW)	50 MW	1 January 2022	N/A	2035

In its application, AGL identified the following reasons why it is seeking exemption:

- HVGTS is an aged generator and it is currently in an inoperable condition
- HVGTS previously was used to provide system restart services for the Bayswater power station but is no longer required for this purpose.

Background

Under the NER, generators are required to provide 42 months' minimum notice of their intention to close. A generator must apply to the AER for exemption from this requirement if its intended closure date is in less than 42 months' time. The AER's [guideline](#) sets out the approach we applied for handling applications for exemption.

15 December 2021

A handwritten signature in black ink, appearing to read 'S. Jolly'.

Stephanie Jolly
General Manager
Market Performance