

Our Ref: AER212749

Generator notice of closure exemption application

Decision notice

The Australian Energy Regulator (AER) has issued this notice to communicate that it has granted exemption to AGL Macquarie Pty Limited (AGL) to submit an amended closure date for Liddell power station unit 3 (LD03) of 1 April 2022. This exemption is granted on the terms proposed by AGL that it delay the closure date of Liddell power station unit 4 (LD04) to 1 April 2023.

AER assessment

LD03 and LD04 are identical units. After assessing the performance of LD03 and LD04, the AER found, based on recent performance, that swapping the closure dates of LD03 and LD04 should improve the availability of the Liddell power station in its last year of operation.

The AER assessed and accepted AGL's submission that the performance of LD03 had declined since it first provided notice of closure for all Liddell units in August 2019. Across 2020 there has been progressively less capacity available on average at LD03, when operational. By comparison, LD04 has been more consistent and this trend has continued into 2021. LD03 has also had significantly more time offline in recent years due to unplanned outages than LD04.

As part of considering AGL's application, the AER consulted with AEMO, which advised that it had no concerns with the closure date swap as proposed by AGL.

Application details

On 30 April 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
Liddell power station unit 3 - LD03 (NSW)	500 MW	1 April 2022	1 April 2023

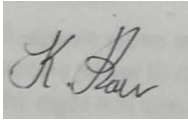
In its application, AGL identified the following reasons why it is seeking exemption:

- Following recent engineering assessments of LD03 and LD04, AGL now considers LD04 to be a more reliable generating unit, as compared to LD03.
- Contingent on exemption being granted, AGL proposed delaying the closure date of LD04 to 1 April 2023, LD03's current closure date.

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.

16 July 2021

A square image containing a handwritten signature in dark ink. The signature is written in a cursive style and appears to read 'K. Kaur'.

Kami Kaur
General Manager (A/g)
Market Performance