



23 July 2025

To: Net Zero Economy Authority

Re: Community of Interest process for Eraring Power Station

Thank you for the opportunity for the Institute for Energy Economics and Financial Analysis (IEEFA) to provide input to the Net Zero Economy Authority's consultation on the potential application of an Energy Industry Jobs Plan in the context of the scheduled closure of Eraring Power Station.

IEEFA is an independent energy finance think tank that examines issues related to energy markets, trends and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy.

Prior IEEFA research on [Just Transition strategies](#) found that "planning for energy transition must go hand in hand with planning for a Just Transition, especially in fossil fuel-dependent communities. This is to ensure that the shift to a low carbon economy does not deepen existing socio-economic inequalities... A Just Transition aims to manage this change fairly by protecting affected workers and communities, creating new opportunities for economic growth, and ensuring that the benefits of the transition are shared widely."

IEEFA recommends the Net Zero Economy Authority ensure the following actions are undertaken to manage the implications of the Eraring power station exit to ensure the transition protects affected workers and communities as much as possible, while creating new opportunities for economic growth.

- **The Energy Industry Jobs Plan (EIJP) framework should be applied to the Eraring Power Station closure** to ensure all affected workers receive structured support, including retraining and redeployment. Implementing the EIJP at Eraring would improve outcomes for workers, communities, and industry, and serve as a national example for managing coal closures fairly and effectively.
- **Certainty should be provided around the Eraring closure date.** Certainty around the Eraring closure date would assist workers with making the transition to new industries. [IEEFA has previously found](#) that coal exit date certainty also provides greater confidence for investors in low-emissions electricity replacement capacity – helping ensure that replacement electricity generation capacity is available in advance of the Eraring exit date.
- **The Net Zero Economy Authority should play a key role in coordinating the transition strategy for the Eraring Power Station closure.** Effective institutional coordination and strong stakeholder engagement are essential to achieving positive outcomes for workers, communities, and industry. IEEFA considers the Net Zero Economy Authority uniquely positioned to lead this process by bringing together state



and federal governments, affected businesses, new employers, workers, and local stakeholders to ensure a well-managed, inclusive, and forward-looking transition.

In addition to the above, IEEFA recommends that the Net Zero Economy Authority engage with the NSW Government and other relevant stakeholders to ensure that the electricity system is prepared for the Eraring closure and that new economic opportunities are created in the local area.

- **The Net Zero Economy Authority should engage with the NSW Government around opportunities to ensure sufficient replacement generation and storage capacity, alongside the required transmission infrastructure, is available well in advance of the Eraring closure.** This could include wind, utility scale solar PV, storage and transmission, as well as commercial and industrial (C&I) solar and batteries and other technologies. In particular, C&I solar and batteries in the Lake Macquarie area could be one area of interest for the Net Zero Economy Authority as it could generate new employment opportunities in the local area while helping replace the exiting coal-fired generation capacity.
- **The Net Zero Economy Authority could also work with the NSW Government to promote demand-side measures to reduce pressure on the electricity system resulting from the Eraring closure and to create new economic opportunities for households and businesses in the local area.** Possible demand reduction measures could include the following.
 - **Installing efficient electric appliances, rooftop solar and batteries in NSW homes.** IEEFA [research](#) has found that household energy bills in the Sydney area could be reduced by 94% for a typical household (from \$2,782 to \$167 per year) by undertaking energy upgrade measures, including installing efficient electric appliances, rooftop solar and batteries. The savings would be similar in the Newcastle and Central Coast areas as the climate is comparable to Sydney's, as we mentioned in the [technical appendix](#) of the report. These household energy upgrades can deliver direct savings on household energy bills.

IEEFA research has found that [phasing out inefficient electric appliances in NSW](#) households could reduce annual residential electricity demand by 5.8 terawatt-hours, delivering a net 20% reduction in residential electricity demand, even if all of the state's gas appliances were also electrified. IEEFA [research](#) also found that solar PV and batteries can also dramatically reduce average household peak demand, taking pressure off the electricity system as Eraring exits.

Installation of solar, batteries and efficient electric appliances could also create economic opportunities for businesses in Lake Macquarie and surrounds.

The Net Zero Economy Authority should work with the NSW Government to make sure that NSW energy upgrade schemes (such as the Peak Demand Reduction Scheme (PDRS) and Energy Efficiency Scheme (ESS)) fairly value the cost



savings, emissions savings and peak demand reduction potential of solar, batteries and efficient electric appliances.

- **Improve the thermal efficiency of NSW homes.** NSW hosts the largest share of old homes in the country, and although NSW's BASIX standards require new homes to meet a seven-star rating (out of ten), its existing housing stock likely falls [well below this benchmark](#). Inefficient homes impose higher-than-necessary energy demand. Improving the thermal efficiency of NSW homes through measures such as insulation, draught proofing and window sealing can reduce annual NSW electricity demand and peak demand, taking pressure off the electricity system. It can also create job opportunities in the local area in terms of installation and maintenance. The Net Zero Economy Authority should advocate for the NSW Government to review and update its energy performance and upgrade schemes, including the ESS, PDRS and rental minimum standards to include a broader range of thermal efficiency upgrades.

Thank you for the opportunity to provide input to the consultation process. We welcome any questions on our submission.

Kind regards,

Johanna Bowyer – Lead Analyst, Australian Electricity