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New South Wales Government

30 October 2025

Wilpinjong coal mine extension

AGL Energy (AGL) welcomes the opportunity to respond to the NSW Government's consultation regarding the proposed extension of Wilpinjong coal mine (MOD 3 - Pit 8 Extension).

We would like to register support for Peabody's Stage 1 proposal to modify its existing Wilpinjong coal mine licence, involving a minor extension of the operations boundary and the extension of operation of the mine until late 2033. If approved, this extension will provide reliability of the coal supply available to critical baseload electricity generators in NSW, including our Bayswater Power Station.

Energy security and reliability during the transition

AGL is committed to being a leader in Australia's decarbonisation journey with our goal of connecting every customer to a sustainable future and transitioning our energy portfolio. As outlined in our latest Climate Transition Action Plan[1] (CTAP), we are targeting the closure of our coal-fired Bayswater Power Station by the end of 2033, with an ambition to build 12 GW of new renewable and firming capacity by the end of 2035.

According to the Australian Energy Market Operator's (AEMO) 2024 Integrated System Plan (ISP)[2] for the National Electricity Market (NEM), under the "Step Change" scenario that is considered most likely, approximately 10 per cent of current coal generation will still be in operation by 2034-35. This remaining coal generation capacity will require access to reliable and affordable coal until the end of operational life to maintain electricity system reliability in NSW and ensure an orderly transition. The extension of Wilpinjong mine will directly support this objective by securing ongoing coal supply to generators that underpin grid reliability and affordability for consumers.

As a purchaser of coal from the Wilpinjong mine, we recognise the importance of transitional fuel security. While we are committed to accelerating the shift to renewable energy sources as outlined in our CTAP, the continued availability of competitively priced coal is essential to avoid premature capacity withdrawal, price volatility, and reliability risks. Supporting this mine extension is therefore a pragmatic and necessary step to ensure NSW's energy transition is orderly, affordable, and secure.

Global factors have demonstrated the need for reliable and affordable supply

Past domestic and global events have demonstrated the severity and impact of resource constraints in Australian energy markets. These issues have highlighted the vulnerability of the system during the transition period. During April-June 2022 electricity spot prices in NSW increased by 300 per cent compared to the previous year. The primary drivers being the price and availability of thermal coal and natural gas. We note this followed interventions by the Commonwealth and jurisdictional governments into gas and coal markets, respectively.

As we head towards the targeted closure of our Bayswater Power Station by the end of 2033, AGL will require reliable access to thermal coal. The additional coal from the extension of Wilpinjong mine will increase the availability and diversity of coal available to the NSW power generation market until 2033,

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[1] www.agl.com.au/ctap
[2] AEMO 2024 ISP, pg.10

thereby supporting affordable and reliable energy into the NSW market as the transition to net zero continues.

About AGL

At AGL, we believe energy makes life better and are passionate about powering Australian life. Proudly Australian since 1837, AGL delivers around 4.6 million[3] gas, electricity, and telecommunications services to our residential, small, and large business, and wholesale customers across Australia. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind and hydro, and batteries and other firming and storage technology. We are building on our history as one of Australia's leading private investors in renewable energy to be a leader in the transition to a lower emissions and smart energy future in line with the goals of our Climate Transition Action Plan. We'll continue to innovate in energy and other services to enhance the way Australians live, move and work.

If you have queries about this letter, please contact Alifur Rahman at ARahman3@agl.com.au.

Yours sincerely,

David Moretto
Chief Commercial Officer

AGL Energy

[3] Services to customers number is as at 30 June 2025.