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Submissions on the Draft 2026 Integrated System Plan

Coal Australia welcomes the opportunity to provide a submission on the Draft 2026 ISP for the National Electricity Market (NEM).

As at December 2025, the *International Energy Agency* reported that global coal demand would hit at an historic high of 8,845 Mt. Additionally the *OECD* – which represents the world’s most advanced economies - confirmed power generation from coal increased by 4.5% year-on-year in *OECD* countries as at October 2025.

Consistent with global trends, Coal Australia endorses the revised assumption in AEMO’s Optimal Development Path (ODP) that confirms coal will be retained in the NEM until 2049 – eleven years longer than AEMO’s projection of just two years ago.

Specifically, Coal Australia endorses that:

“Coal is retained in the NEM until 2049, compared to 2038 under Step Change in the 2024 ISP, reflecting the intent of the Queensland Energy Roadmap”.

Given this welcome revision over such a short period of time from the 2024 ISP, Coal Australia submits that the Draft 2026 ISP should give greater prominence to the potential for further extensions to coal-fired power plants.

The Draft ISP projects that:

“Under the ODP, two-thirds of the remaining fleet [of coal-fired generators] would close by 2035, in many cases earlier than publicly announced closure dates, with all due to retire by 2049”.

When examining this statement, Coal Australia believes there could be greater focus on the intent of the *Queensland Energy Roadmap* that specifically keeps alive the very real option of coal-fired generators operating beyond their technical lives.

In our submission, the Draft ISP should also give greater weighting to the reality that other states have/are or likely will consider, delaying planned closure dates as already announced by the New South Wales government in relation to the nation’s largest coal-fired power station, Origin’s Eraring facility.

This is in addition to the recent decision of the Western Australian government to extend public financing to Griffin Coal as the supplier to Bluewaters power station, while Loy Yang B has a technical life to almost 2050.

The *Queensland Energy Roadmap* specifically states:

“The Roadmap resets indicative operating timeframes for state-owned coal assets at least to technical lives, with options to further extend into the future where needed”.

In its narrative the Draft ISP repeatedly flags a claimed risk that “*coal plants retire earlier than announced*” or “*coal plants are likely to experience deteriorating reliability as they age, and retirements may occur earlier than the expected closure dates*”.

However, the Draft ISP should give greater acknowledgement to the current reality of governments extending planned closure dates.

Not only does the Draft ISP fail to give weight to the reality that coal-fired generators may also go for longer than their planned closure dates or their current assumed technical life, but the Draft ISP should also factor in planned renewed investment in maintenance and upgrades of coal-fired power generators.

There are repeated references to “deteriorating” coal-fired generators without any acknowledgment that the *Queensland Energy Roadmap* specifically adverts to renewed investment in maintenance and upgrades as a part of its *Electricity Maintenance Guarantee*.

These factors need to be addressed in the Draft ISP given Queensland is a consistent nett exporter within the NEM; and given the Draft ISP states it wants to reflect the intent of the *Queensland Energy Roadmap*.

Coal Australia also notes that AEMO’s Draft ISP has factored in government policies into its conclusion that:

“AEMO continues to find that renewable energy connected with transmission and distribution, firmed with storage and backed up by gas is the least cost way to supply electricity to homes and businesses through to 2050, as coal plants retire and while meeting government policies”

While it is practical for AEMO to factor in “government policies”, such a caveat carries the risk of overlooking cheaper options.

The Draft ISP references government policies as such:

“The ODP would meet all relevant government energy and environmental policies and targets, including that 82% of the NEM’s supply be from renewable sources by 2030”.

If AEMO is aware that government policies are preventing or curtailing cheaper and more practical forms of electricity supply, then it should also provide that modelling to better reflect future consumer and market demand for cheaper forms of electricity.

Given a significant purpose of the Draft ISP is to assist guiding investments to deliver a reliable, secure, and least-cost power system, Coal Australia submits that amendments should be made to give sufficient weight to the growing reality that coal-fired power stations will, in many cases, continue operating beyond flagged closure dates; and possibly beyond their assumed technical life.

It should also state clearly that the transition of the NEM through to 2050 will remain underwritten by coal.