Media Release

Embargoed until 12:01am Tuesday 25 August 2026

Reliability can be maintained with timely investment as demand grows

The Australian Energy Market Operator (AEMO) has today published the 2026 Electricity Statement of Opportunities (ESOO) report, showing there is a clear pathway to maintain reliable electricity supply across the National Electricity Market (NEM) over the coming decade.

Each year, AEMO assesses future electricity supply and demand against reliability standards to determine whether enough resources are expected to be available to maintain reliable electricity supply as demand grows and the power system evolves. The ESOO provides early signals to support investment, planning and policy decisions.

AEMO Chief Executive Officer Daniel Westerman said the report shows the reliability outlook has improved, while reinforcing the need for continued investment as generation retires and electricity demand grows.

"The reliability outlook has improved, supported by record levels of new generation and storage, and a strong pipeline of projects expected over the next decade," Mr Westerman said.

"There is a clear pathway to maintain reliable electricity supply across the NEM.

"As electricity demand continues to grow and ageing generation retires, continued investment in generation, storage, transmission and consumer energy resources will be needed to maintain reliability," he said.

Relative to last year's report, the reliability outlook has improved, with no forecast reliability gaps identified before 2030. This improvement has been supported by a record 9.1 GW of new generation and storage capacity connected in 2025-26 and a 40 GW pipeline of committed and anticipated projects expected to be delivered by the early 2030s.

Over the next decade, around 15 GW of coal and gas generation is scheduled to retire, while electricity consumption is forecast to increase by more than 40 per cent as homes, businesses and industry electrify and data centre demand grows.

"The report finds a significant amount of new capacity is expected to be delivered between now and the early 2030s, helping to replace retiring generation and support growing electricity demand," Mr Westerman said.

"Beyond 2030, the next wave of investment will be critical to maintaining reliability," he said.

Forecast reliability gaps are not forecasts of power outages. They are an early signal that continued investment or other action may be needed to maintain reliability beyond 2030.

Alongside reliability, maintaining system security will require continued investment in grid-supporting capabilities and essential system services as the share of inverter-based resources continues to grow.

The 2026 ESOO also includes updated forecasts of data centre electricity demand and enhancements to AEMO's forecasting methodology to better reflect how this rapidly growing sector develops and operates in practice. This includes project attrition during the connection process, the difference between connection capacity and actual electricity use, and the gradual ramp-up of demand over time.

Data centre electricity consumption in the NEM is forecast to increase from approximately 5 terawatt hours (TWh) in 2025-26 to 34 TWh by 2035-36, increasing from around 3% to approximately 13% of electricity supplied through the grid.

ENDS

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About AEMO

AEMO is responsible for operating Australia's largest gas and electricity markets and power systems in the best interests of Australian energy consumers. These include the National Electricity Market and interconnected power system in Australia's eastern and south-eastern seaboard, the Wholesale Electricity Market and power system in Western Australia, the Victorian gas transmission system and gas markets across Australia.

As Australia's independent energy markets and power systems operator, AEMO provides critical planning, forecasting and power systems security advice and services to deliver energy security for all Australians. AEMO is a not-for profit entity. For more information, head to www.aemo.com.au.