# Media Release

Embargoed until 12:01am Tuesday 1 December 2026

## Timely delivery critical for next phase of the NEM transition

AEMO today published its annual Transition Plan for System Security (TPSS) and an update to the 2026 Electricity Statement of Opportunities (ESOO), triggered by the revised commissioning schedule for Snowy 2.0.

Together, the reports use the latest information available to AEMO to identify emerging reliability and system security needs as early as possible, giving industry and governments time to act.

AEMO CEO Daniel Westerman said that a record-level pipeline of new projects is being delivered, but the energy transition is becoming increasingly complex, reinforcing the importance of timely and coordinated delivery before major transition points in the National Electricity Market (NEM).

“Australia is 15 years into a multi-decade energy transition, having already delivered the generation, storage and network investments needed to replace 10 coal-fired power stations,” Mr Westerman said.

“Over the next decade, asset owners have scheduled the retirement of seven major power stations as electricity demand is forecast to grow.

“That makes the timely and co-ordinated delivery of new energy infrastructure critical to maintaining reliability, keeping the grid secure and minimising costs over the years ahead,” he said.

**Transition Plan for System Security**

The TPSS identifies the capabilities needed to keep the power system secure as coal retires, giving industry and governments time to respond. Reliability means having enough electricity supply available when needed, while system security means the ability to operate the power system within safe technical limits.

Coal generators have traditionally provided many of these essential system services. As they retire, those capabilities will increasingly come from a mix of new technologies and infrastructure, including batteries, synchronous condensers, transmission and emerging grid-forming technology.

The TPSS identifies 2028 and 2029 as a significant period of change, with four announced synchronous generator retirements across South Australia, Victoria, New South Wales and Queensland, alongside the planned connection of the Central-West Orana Renewable Energy Zone.

Progress is already being made. Renewables reached a record 80% of NEM generation over a 30-minute interval in September 2026, transmission-connected battery capacity has doubled over the past year, and network service providers are progressing longer-term system security investments.

**Update to the 2026 NEM ESOO**

AEMO has updated its 2026 NEM ESOO, released in August, after Snowy Hydro revised the commissioning schedule for Snowy 2.0 from all six units being commissioned by December 2028 to progressive commissioning between March and September 2029.

Under the National Electricity Rules, AEMO updates the annual ESOO when new information materially changes the supply or demand outlook, providing governments, industry and investors with the latest reliability analysis to inform investment and policy decisions.

AEMO has now published updates to the ESOO in six of the past seven years, reflecting the frequency of market-sensitive announcements including revised power station closure dates and changes to major project timings.

Another 2.7 gigawatts of new generation and storage have progressed towards commissioning since August. Despite this, reliability gaps in New South Wales and Victoria are now forecast to emerge from winter 2029, a year earlier than previously anticipated.

“There is now more new generation and storage seeking to connect to the NEM than the system’s existing capacity. That strong pipeline is encouraging, but what matters for consumers is getting these projects delivered on time,” Mr Westerman said.

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A reliability gap is not a prediction that customers will lose supply. It is a signal that forecast reliability is outside of the regulated standard, signalling that additional investment or other responses may be needed.

Under AEMO's broader Government Schemes and Actionable Developments assessment, modelling shows that the NEM can remain within the reliability standard, even with the delay to Snowy 2.0. This assessment assumes the timely delivery of committed and anticipated projects, additional government-supported generation and storage, actionable transmission, coordinated consumer energy resources and demand flexibility.

AEMO will work with industry, governments and regulators on responses to the forecast reliability gaps, including progressing projects already in the development pipeline and considering appropriate regulatory mechanisms such as the Retailer Reliability Obligation (RRO). If triggered, the RRO would require liable electricity retailers to hold sufficient qualifying contracts to cover their share of forecast peak demand during the identified period.

**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.*

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