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| To | Company Announcements Office | Facsimile | 1300 135 638 |
| Company | ASX Limited | Date | 23 May 2024 |
| From | Helen Hardy | Pages | 3 |
| Subject | Origin and NSW Government agree to delay closure of Eraring Power Station | | |

Please find attached a release on the above subject.

Authorised for lodgement by:



Helen Hardy
Company Secretary
02 8345 5000



ASX/Media Release

23 May 2024

Origin and NSW Government agree to delay closure of Eraring Power Station

Origin Energy Limited (Origin) advises it has executed an agreement with the New South Wales Government to delay the retirement of Eraring Power Station by two years, to support security of the state's electricity supply through the energy transition.

Under the Generator Engagement Project Agreement (GEPA) Origin has agreed to extend operations at Eraring to 19 August 2027. Origin has submitted a revised notice for closure to the Australian Energy Market Operator (AEMO) consistent with this timing.

Under the terms of the GEPA, Origin may receive compensation from the State to help cover the cost of Eraring's operations and will endeavour to generate at least 6 TWh of electricity during each of the extension periods of FY2026 and FY2027. To be eligible to receive compensation, Origin must advise the State by March whether it will trigger the GEPA for the coming financial year.

If the GEPA is triggered, Origin may recover a portion of Eraring losses calculated for that financial year using an agreed formula that takes into consideration the extent to which the plant's operating and capital costs exceed an agreed revenue profile, capped at \$225 million per annum. In the event Eraring operations are profitable during that period, Origin will pay the NSW Government 20 per cent of Eraring's agreed profit, capped at \$40 million per annum.

Origin retains the right to determine the final timeline for retirement of all four units of Eraring Power Station. However, under the terms of the GEPA, no State compensation will be payable after FY2027, and the plant must retire in full no later than April 2029.

The extension of Eraring's operations remains consistent with Origin's 2030 emissions reduction targets and long-term ambition to be net zero emissions by 2050, as outlined in the company's Climate Transition Action Plan.

Origin CEO Frank Calabria said, "We believe this agreement strikes the right balance, with an extension to operations enabling Eraring to continue supporting security of electricity supply in New South Wales through the energy transition, while making compensation available to Origin in the event economic conditions for the plant are challenging.

"This agreement supports Eraring to continue to play an important role in maintaining reliable power for businesses and households through a period in which there remains considerable uncertainty about the volume and timing of new renewables, transmission and firming infrastructure coming online.

"Importantly, today we can give our Eraring employees, our suppliers and the local community greater certainty around the future of the plant as we transition towards its retirement.

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“When Origin submitted notice to AEMO in February 2022 of the proposed retirement of Eraring power station we did so as the viability of baseload coal-fired power stations was challenging. This remains the case given the changing nature of the National Electricity Market, and Origin does not shy away from the need to exit coal generation as soon as there is sufficient renewable energy, firming and transmission capacity available.

“I want to acknowledge the professionalism and commitment of our entire team at Eraring during a period of uncertainty. We will continue to work with all employees to support them in their career journeys as we progress towards an orderly transition for Eraring’s retirement,” Mr Calabria said.

Origin will continue to provide Eraring employees with a generous transition support package through to the plant’s closure, including career transition support, re-skilling, and redeployment into new roles, where possible. The \$5 million Eraring Community Fund, which was established to support activities that benefit communities affected by the future closure of the plant, will continue with its activities, prioritising projects that are sustainable and deliver an enduring community benefit.

Eraring, a 2880 MW black coal plant on the shores of Lake Macquarie, became fully operational in 1984. Origin had previously targeted closure of the asset by as early as August 2025, subject to market conditions.

Origin has committed to construction of a large-scale battery at Eraring. The first phase of the project consists of a 460 MW two-hour battery located adjacent to the power station, with an operational target date of late in the 2025 calendar year.

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