



WESTERN AUSTRALIA
State of Energy

Plan for Affordable Energy.

October 2026





WESTERN AUSTRALIA
State of Energy

Acknowledgement of Country

The Government of Western Australia acknowledges the traditional custodians throughout Western Australia and their connection to the land, waters and community. We pay respects to all members of Aboriginal communities and their cultures; and to Elders past and present.

Plan for Affordable Energy

© Government of Western Australia

Contents

Premier's Economic Vision	2
Minister's Message	4
Background	7
What we've delivered so far	8
What's been driving up prices for business	10
The cost of operating aging coal fired power	12
Rapid growth in rooftop solar	13
Impact of global energy markets	15
The price of inaction	16
Strategy	18
Avoid overpaying for reserve capacity	20
Get out of costly coal	21
Record investment in transmission infrastructure	22
Renewable Energy Target	24
Energy Affordability Fund for WA manufacturing businesses	25
Support residential solar, home batteries, and EVs	26
Back WA's nation leading domestic gas policy	28
Deliver a gas security strategy	29

Premier's Economic Vision

A State of Energy

Keeping the WA economy the strongest in the nation, and the best place in the world to get a secure and well-paid job, requires a bold economic vision.

A plan where we remain a global leader in resources, and put manufacturing back to the heart of our economy through our Made in WA plan.

This includes becoming the largest naval maintenance and shipbuilding hub in the southern hemisphere, and adding value to our natural resources through downstream processing – including green iron.

To power this economic vision, we must ensure energy remains affordable for Western Australian businesses.

While global events outside our control are driving up electricity prices worldwide, Western Australia faces a local challenge.

Without significant new renewable energy, the rising costs of running and maintaining our ageing coal-fired power plants will cause electricity prices paid by industry to continue climbing over time.

That's why, to keep prices down, the WA Government has developed our Plan for Affordable Energy.

This plan details how we will deliver affordable energy for both WA households and businesses, ensuring Western Australia becomes a renewable energy powerhouse, helping with the cost of living and creating jobs.



It's all part of how we are building a State of Energy in Western Australia, by securing affordable, reliable and lower carbon energy, that is Made in WA.

By delivering more renewables, backed by battery storage and flexible WA gas.

The plan has been developed in consultation with industry, as a key outcome of our 2025 productivity roundtable with Western Australian business leaders.

While discussions highlighted needs around infrastructure, workforce, and project approvals,

industry identified secure, affordable, and lower-carbon energy as the key priority.

It was seen as critical to creating jobs in Perth and seven regional cities across the State.

By getting this right, we will ensure Western Australia becomes a renewable energy powerhouse and remains the best place in the world to live, work and do business.

Hon. Roger Cook MLA

Premier; Minister for Defence Industries; Tourism; Trade and Investment



Minister's Message

What we've been doing so far

It's no secret that Western Australians love rooftop solar and home batteries.

Across the State, families are investing in this infrastructure in record numbers because they know renewables make their power bills cheaper.

Our Plan for Affordable Energy will replicate this on a grand scale, putting downward pressure on energy costs and supporting local businesses to make more in WA.

Without our plan, energy prices paid by industry could be 89% higher by 2032.

We've already done a lot of work to support energy affordability through direct financial relief, expanding our grid, and investing in renewable generation and storage.

Our WA Residential Battery Scheme is supporting homes to install battery storage, with over 33,000 installed since 2025.

The massive Clean Energy Link project is transforming our grid, with \$2.5 billion in essential transmission infrastructure to unlock more renewables.

Beyond the renewable projects currently underway, like the Warradarge and King Rocks wind farms, we have secured enough future wind generation to power over 800,000 Western Australian homes.

Crucially, these major construction projects translate directly into long-term local jobs.

To support this workforce, we are delivering Fee-Free TAFE which is equipping thousands of Western Australians with the practical skills needed to build and maintain our future energy network.



We have kept WA's energy grid in public hands, protecting households from the severe price surges seen on the East Coast, and provided thousands of dollars in direct power bill relief to Western Australian families.

We remain on track to decommission WA's ageing State-owned coal-fired power stations by 2030, and delivering a Just Transition for affected workers and the Collie community.

While all these achievements lay a strong foundation, we understand there is still more to be done to support local businesses feeling the pain of energy prices.

WA's Plan for Affordable Energy represents the next step in our journey.

By giving certainty to industry and delivering reliable energy, in the form of renewables backed by battery storage and flexible gas, we will put downward pressure on prices and ensure affordable power for all Western Australians.

Hon. Amber-Jade Sanderson MLA

Minister for Energy and Decarbonisation; Manufacturing; Skills and TAFE; Pilbara





Background

We're building a State of Energy in Western Australia.

Securing affordable, reliable and lower-carbon energy that is Made in WA.

What we've delivered so far



Keeping WA's energy grid in public ownership to protect WA households from price shocks.



Delivered thousands of dollars in direct financial relief through our Household Electricity Credits.



Retiring ageing State-owned coal-fired generation by 2030.



Delivering a Just Transition for Collie's affected workers and the Collie community.



Increased renewables from 14% of our energy mix in 2017 to 40% in 2025.



Investing \$2.5 billion in our Clean Energy Link projects to connect future renewables to our grid.



Reduced power bills with 2.5GW of distributed solar capacity across the system, with rooftop solar installed on over 40% of SWIS homes.



Helped over 33,000 WA families install a home battery under our Home Battery Scheme.



Built 1,400 megawatts of grid-scale battery storage capacity.



Building Australia's largest vanadium flow battery in regional WA.



Backing WA's proven domestic gas reservation policy, including improving transparency.



Facilitating the expansion of the Kwinana Swift Power Station to add 220 megawatts of flexible, fast-starting gas generation.



Passed new State Development laws to fast-track priority energy projects.



Developing an Advanced Manufacturing Technology Hub in Picton, to build more of our energy infrastructure here in WA.



Training our future energy workforce with over 6,700 Cert III Electrotechnology Electrician TAFE enrolments as of July this year.

What's been driving up prices for business

We understand that global events have impacted business costs through their impact on energy markets and supply chains worldwide.

Western Australia's publicly owned energy system ensures that local households and businesses continue to benefit from more affordable electricity compared to those on the East Coast.

However, the cost of running and maintaining our ageing fleet of coal-fired power stations is increasing. As these facilities surpass their intended design life, they require increasingly expensive interventions just to remain operational, with these costs passed on to business consumers.



The cost of operating aging coal fired power

Coal has powered our state for decades and has played an important role in our economy. It has served us well by providing consistent and stable 'baseload' power.

However, with the huge growth of rooftop solar in WA's suburbs and towns, grid reliability requires energy generation that can quickly scale up and down to meet rapid demand changes.

Since 2017, the share of renewables on the South West Interconnected System grew from 14 per cent to 40 per cent, and continues to grow fast.

At the same time, the cost of mining coal has increased significantly, with the price of coal almost double what it was in 2017. This, plus the cost of maintaining our ageing and unreliable coal fired power stations, will continue to put upward pressure on energy prices.

Rapid growth in rooftop solar

The nature of our energy system has changed, with rooftop solar installed on more than 40 per cent of WA homes, delivering lower energy prices to hundreds of thousands of WA families. In fact, rooftop solar capacity is more than three gigawatts, which is double the capacity of the entire remaining coal fleet.

Distributed solar installations in WA (MW)

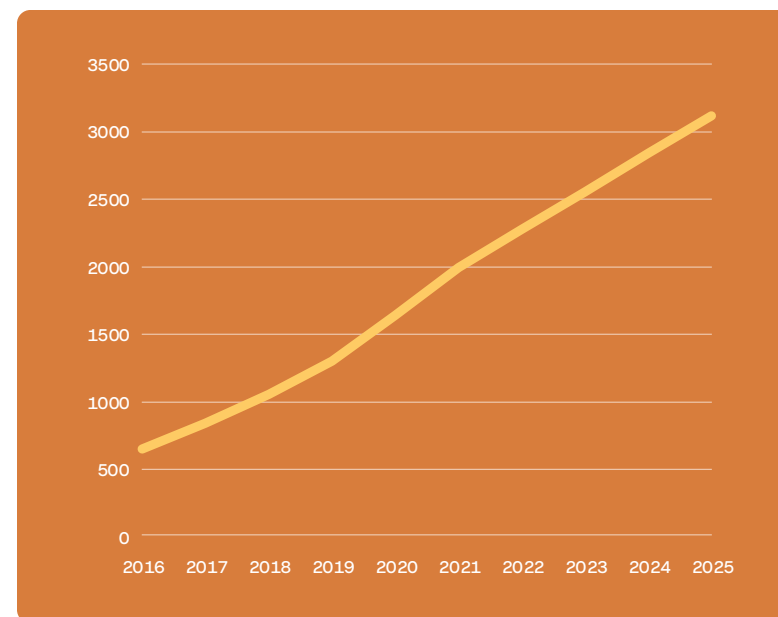


Figure 1 – Source: Clean Energy Regulator

This growth in rooftop solar has lowered the demand for coal-fired generation during the day, further exacerbating commercial and operational challenges for the remaining coal power plants on the system.

Coal is now increasingly used in a firming role, with generation ramping up and down to meet supply and demand patterns driven by rooftop solar. This stresses already ageing infrastructure, with Collie Power

Station nearly 30 years old, and the two remaining Muja D generators over 40 years old. As a result, Synergy's coal generators experience more frequent unplanned outages and growing maintenance costs.

Average Coal Price (\$/tonne)

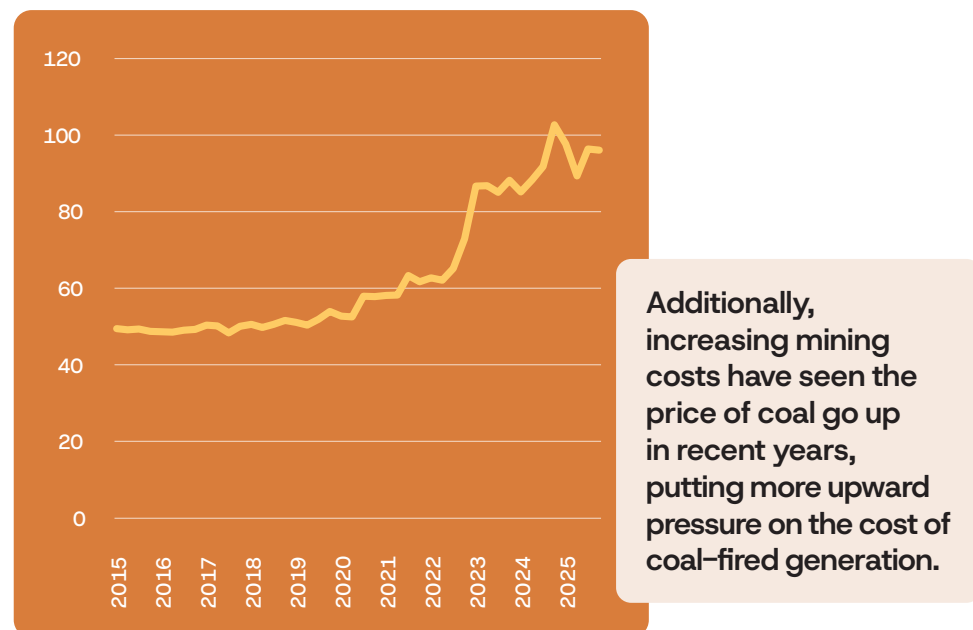


Figure 2 – Source: Department of Energy and Economic Diversification

Impact of global energy markets

Western Australia's domestic gas reservation policy continues to serve us well, with several long-term contracts in place.

However, unscheduled maintenance at our ageing and unreliable coal fired power stations means that gas-fired power generation is often called upon at short notice to provide additional baseload power, in addition to the peaking generation required to support renewables and battery storage.

This urgent and unplanned demand for gas increases the exposure of our domestic energy market to international factors with a significant increase in the gas spot market price since the outbreak of hostilities in Europe and the Middle East.

The cost of performing repairs and maintenance on our ageing coal fired power stations is already a significant impact on the cost of energy. The increased cost of the short-term substitution of gas-fired power generation when this occurs, makes things worse.

Average Gas Price (\$/GJ)

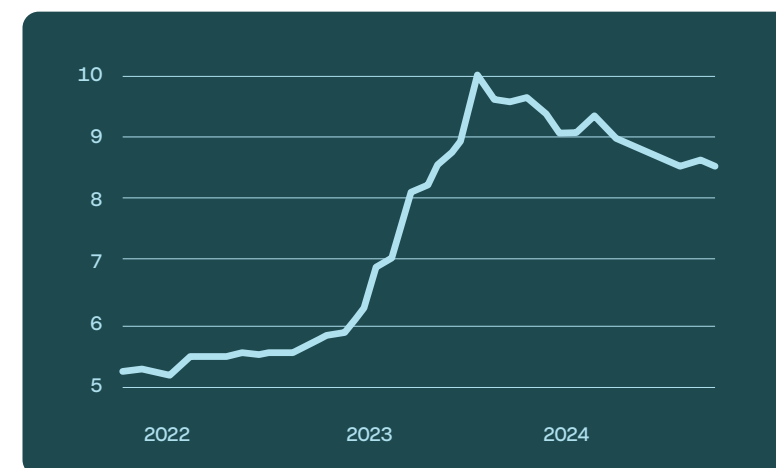


Figure 3 – Source: gasTrading Spot Market

The price of inaction

Without the initiatives outlined in our Plan for Affordable Energy, electricity prices for industry will continue to rise, putting upward pressure on the cost of living, damaging our economy and costing jobs.

Modelling undertaken by the Department of Energy and Economic Diversification and assured by Boston Consulting Group, demonstrates that without the initiatives outlined in this Plan electricity prices paid by industry could be 89 per cent higher by 2032.

That's why we're taking action now to address these challenges, building on our recent successes with WA's Plan for Affordable Energy.

Electricity cost scenarios (\$/MWh)

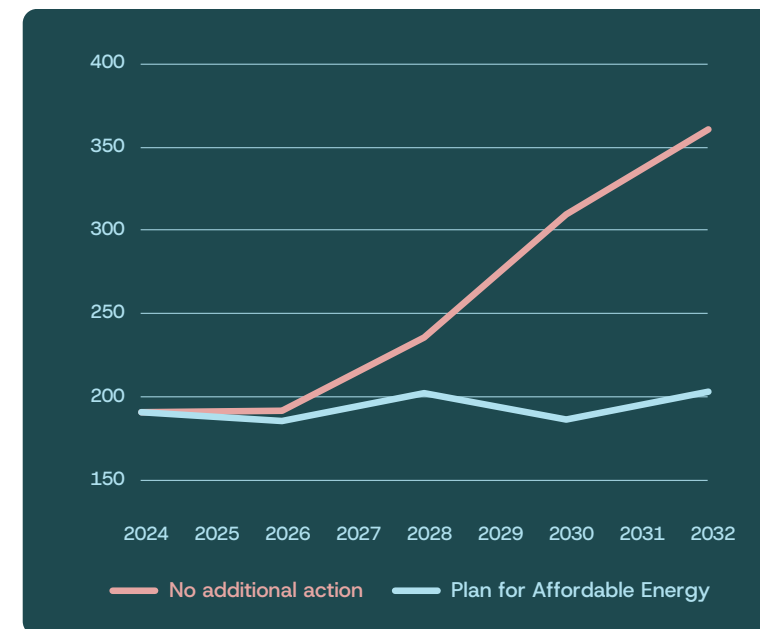


Figure 4 – Source: Department of Energy and Economic Diversification (assured by Boston Consulting Group)



Strategy

Our Plan for Affordable Energy outlines eight critical initiatives designed to deliver affordable energy over the short, medium and long term.

Securing affordable, reliable and lower-carbon energy, through renewables backed by battery storage and flexible WA gas, will put downward pressure on the cost of living and create jobs.

Plan for Affordable Energy Initiatives:

- 1 Avoid overpaying for reserve capacity
- 2 Get out of costly coal
- 3 Record investment in transmission infrastructure
- 4 Renewable Energy Target
- 5 Energy Affordability Fund for WA manufacturing businesses
- 6 Support residential solar, home batteries and EVs
- 7 Back WA's nation leading domestic gas policy
- 8 Deliver a gas security strategy



1. Avoid overpaying for reserve capacity

We pay generators to provide capacity, so they are ready to power our homes at times of peak energy usage – those hot, still evenings during a heat wave.

WA runs the most isolated electricity network of its kind in the world and has reliability standards 10 times more stringent than the East Coast Energy Market.

Preserving this reliability is important. But, with government taking a range of other actions to support new capacity entering our market, it is important we don't pay for more capacity than we need.

We will extend temporary price caps for older generators to help keep costs lower for WA businesses and explore a range of other measures to ensure we do not over-pay for capacity.

2. Get out of costly coal

We're on track to retire Western Australia's State-owned coal power stations by 2030.

Without this decision, over the next decade, we will continue to pay higher prices for coal-fired power generation, through higher mining costs and increasingly expensive and frequent shutdowns of our ageing coal fired power stations for repairs and maintenance.

This, in addition to the subsidies paid by government to keep the system going – all of which would contribute to higher energy prices.

For generations, Collie has powered Western Australia and will continue to play a central role in our State's future.

That's why we're working closely with industry, workers, unions, and community representatives to secure energy supply, support workers and position Collie for the future as part of our Plan for the Collie Basin.



3. Record investment in transmission infrastructure

To deliver affordable, clean energy from the locations it is generated to where it is used – we need new and upgraded transmission infrastructure.

That is exactly what we're delivering through our record investment in transmission networks across the State – including through the construction of the Clean Energy Link projects on the South West Interconnected System.

By investing in our transmission build out, we will connect more renewables, reduce the cost of generation, and keep prices lower for WA households and businesses. This includes more than one gigawatt of new wind projects currently being facilitated by our new State Development laws.

This once-in-a-generation build will also support thousands of quality Western Australian jobs during construction.

Energy projects on the SWIS



Figure 5

Source: Department of Energy and Economic Diversification



4. Renewable Energy Target

Everyone with rooftop solar knows renewables are the cheapest form of energy. The more renewable projects that come online, the lower prices will be.

Since 2017, the share of renewables on the South West Interconnected System has grown from 14 per cent to 40 per cent in 2025. Our Plan for Affordable Energy, will build on this, by setting a target of 75 per cent renewable energy generation by 2031.

Delivering this target will lower energy prices and reduce emissions.

It will ensure WA manufacturers and businesses have access to the affordable and lower-carbon energy they need to remain competitive and create jobs.

The target clearly signals our ambition to become a renewable energy powerhouse, helping us to secure global capital in renewable projects, in a world where most countries are seeking that investment to decarbonise.

5. Energy Affordability Fund for WA manufacturing businesses

Through the launch of our Plan for Affordable Energy, we're opening applications for our \$150 million Made in WA Energy Affordability Investment Program.

This will mean local manufacturers will be able to access low-interest loans of up to \$15 million to invest in their own solar energy and battery systems, along with equipment updates to take advantage of this cheap energy and reduce their costs.

This will make local WA businesses more competitive, putting downward pressure on the cost of living and allowing them to grow the size of their operations and create more jobs.

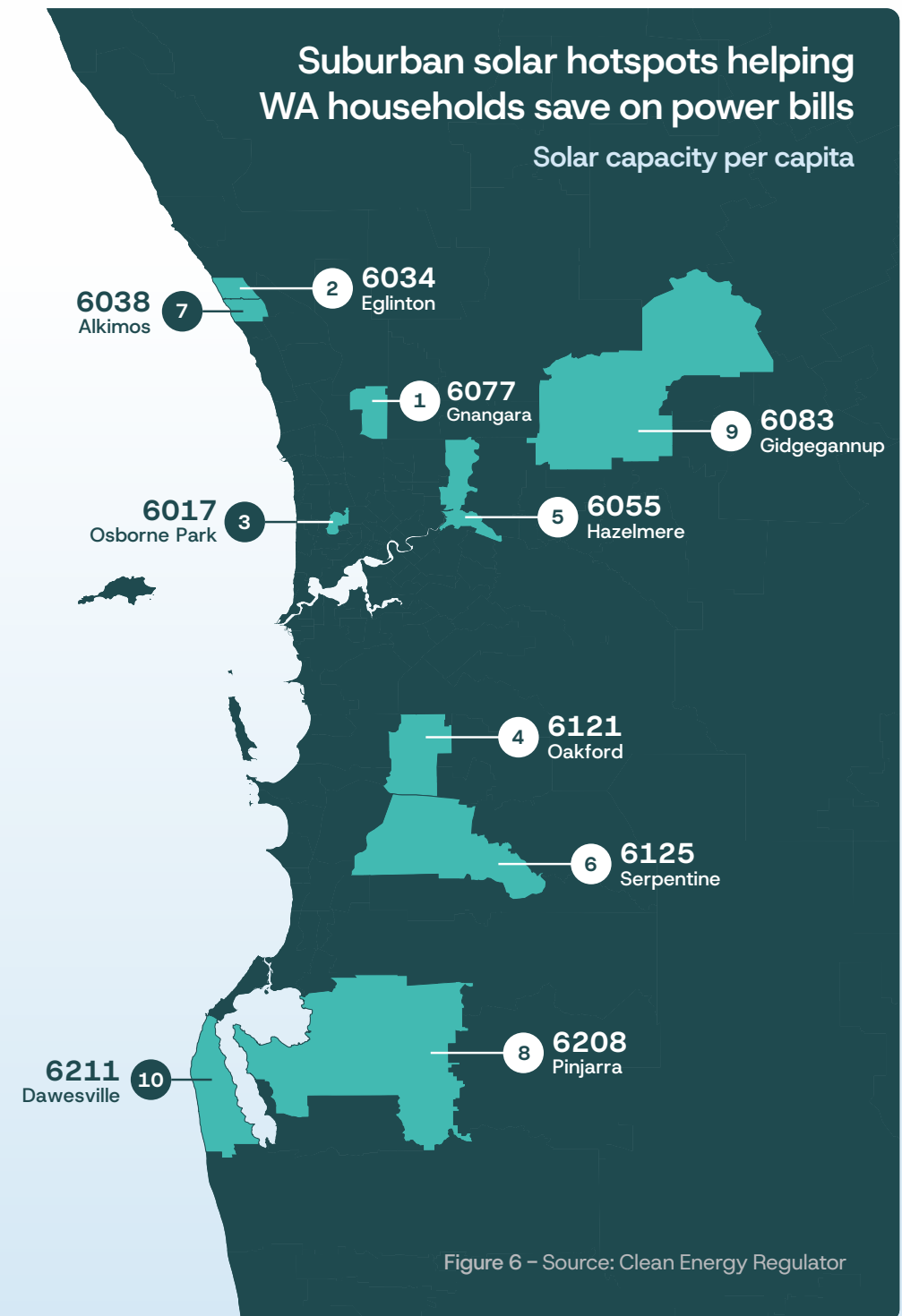
It will also take pressure off our electricity grid, delivering more reliable and affordable energy for households and other WA businesses.

6. Support residential solar, home batteries, and EVs

More than 40 per cent of WA households are already benefiting from the cheaper energy renewables can deliver, and more than 33,000 homes have installed batteries to capture these savings through our Residential Battery Scheme.

We're now working with Synergy to offer complementary tariff structures that maximise energy savings for these customers, as well as customers who can be flexible with the timing of their energy consumption.

We're also currently piloting the 'better offer' program, which sees Synergy contact customers to advise them of more cost-effective tariff structures for their circumstances. These programs will mean lower power bills for households.



7. Back WA's nation leading domestic gas policy

For 20 years, our nation-leading domestic gas policy has helped secure affordable and reliable energy for WA households and businesses.

It has been a major reason why WA has become the strongest economy in the nation and the best place to get a secure and well-paid job.

This policy has helped us secure more than 20 per cent of gas export volumes for the domestic economy for years, just as it should. Because these gas resources belong to all Western Australians.

And they should be used to meet Western Australia's energy needs, before we service export markets.

We'll continue to back-in this policy, so that our gas generators have the gas they need to support renewables and batteries to deliver affordable, reliable and lower-carbon energy for Western Australians.



8. Deliver a gas security strategy

Work is currently underway to develop a WA Gas Security Strategy, to ensure Western Australia has long term gas supplies we need to provide feedstock for industries like fertiliser production and critical minerals processing, while supporting renewables and batteries in the delivery of affordable, reliable and lower-carbon energy for WA households and businesses.



There has always been an energy about Western Australia

It flows through our land, our regions, and our people. This energy powers dynamic industries, fuels innovation and sparks creativity to solve global challenges.

By securing affordable, reliable and lower carbon energy, that is Made in WA.

We will keep costs lower for Western Australian households and ensure WA remains the best place in the world to get a quality job and raise a family.

**Together, let's
continue to build
a State of Energy.**





WESTERN AUSTRALIA
State of Energy