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Australian Rail Track Corporation

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2027 Hunter Valley Access Undertaking

AGL Energy (AGL) welcomes the opportunity to respond to the Australian Rail Track Corporation (ARTC) 2027 Hunter Valley Access Undertaking (HVAU) renewal stakeholder consultation.

About AGL

Proudly Australian for more than 185 years, AGL supplies around 4.5 million energy and telecommunications customer services. AGL is committed to providing our customers simple, fair, and accessible essential services as they decarbonise and electrify the way they live, work, and move.

AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market (NEM), comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and gas production and storage assets. We are building on our history as one of Australia's leading private investors in renewable energy to now lead the business of transition to a lower emissions, affordable and smart energy future in line with the goals of our Climate Transition Action Plan (CTAP).

Key concerns

- We consider the proposed 10-year contract term is too long and should be reconsidered.
- We also consider the 10-year TOP requirement also too long, given we do not know which mine we will be sourcing our coal from.
- We have found the rail path secondary market difficult to use, since our contracted paths terminate at Antiene, NSW. This requires us to either upgrade paths to run to the export terminal (without being an exporter) or seek ARTC's approval pre-transaction.

Future opportunities

- As we approach closure of our Bayswater Power station between 2030 and 2033, in line with our CTAP, we are transitioning its Hunter site to an Industrial Energy Hub, which includes repurposing the extensive network of existing infrastructure (rail, water, power). This provides an opportunity for AGL to pivot towards non-coal freight or containerised rail freight to support local manufacturing as the entire region manages the transition to a lower carbon economy.
- We consider the HVAU should recognise the changing resources and energy landscape (i.e. domestic coal gradually declining and other freight increasing) and allow for optionality and fair access for domestic coal and non-coal freight vs. export coal.

If you have queries about this submission, please contact Alifur Rahman at ARahman3@agl.com.au.

Yours sincerely,

Chris Streets

Senior Manager Wholesale Markets Regulation