



Welcome to the June 2024 Integrated System Plan (ISP) newsletter, the final quarterly update on the 2024 ISP. AEMO would like to thank stakeholders for engaging in the development on the 2024 ISP and for providing extensive feedback over the past two years. We're pleased to present the final [2024 ISP](#).

This issue includes updates on:

- Final 2024 ISP publication
- 2024 ISP engagement satisfaction survey
- Non-network consultation
- ISP Consumer Panel update
- 2026 ISP Consumer Panel

Final 2024 ISP

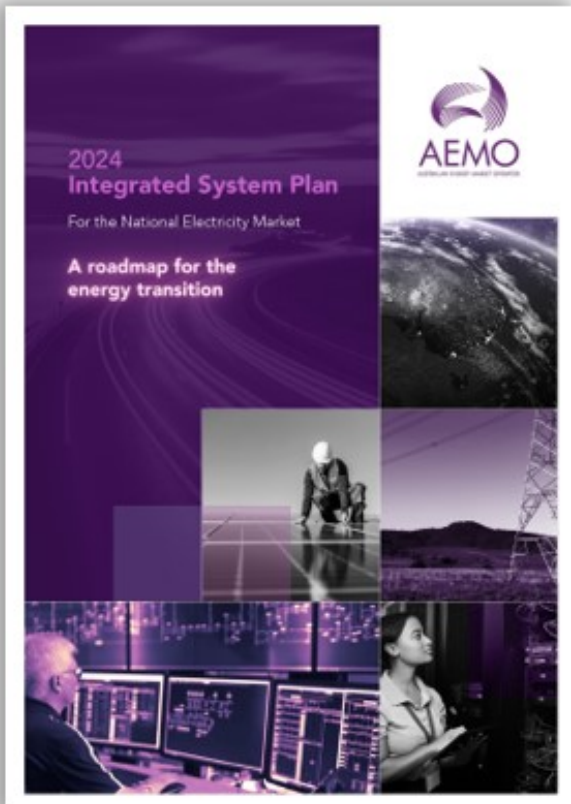
Engagement has now concluded on development of the 2024 ISP. Across the two-year 2024 ISP development process AEMO engaged with 2,100 stakeholders and hosted 12 webinars and considered 220 written submissions.

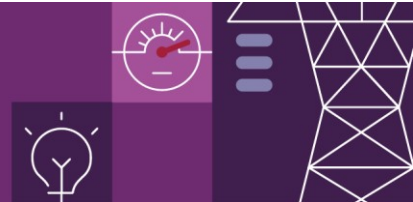
AEMO received 104 submissions specifically on the Draft 2024 ISP with a wide range of feedback from a diverse group of stakeholders. For a full summary of submissions to the Draft 2024 ISP and AEMO's response please refer to the [2024 ISP Consultation Summary Report](#).

AEMO is pleased to present the final 2024 ISP.

2024 ISP Key take-aways:

- With coal retiring, the 2024 ISP confirms that renewable energy, connected by transmission and distribution, firmed with storage, and backed up by gas-powered generation, is the lowest-cost way to supply electricity to homes and businesses as Australia transitions to a net-zero economy.
- The 2024 ISP calls for urgent investment in generation, storage and transmission that targets secure, reliable, and affordable electricity through the energy transition.
- It includes updates to transmission projects from the 2022 ISP, including updated timing to allow for more coordinated and effective community consultation. Seven additional transmission





projects have progressed to 'actionable' status since the 2022 ISP.

- Investment in transmission projects identified in the 2024 ISP will deliver \$22 billion in net market benefits. These transmission projects will avoid costs for consumers by delivering benefits that will repay their investment costs, save consumers a further \$18.5 billion in avoided costs, and deliver greenhouse gas emissions reduction benefits valued at \$3.3 billion.
- If consumer energy resources are coordinated well, they have the potential to help deliver more reliable and secure energy, offset the need for grid-scale investment, lower costs for all consumers, and contribute to lower emissions. If consumer batteries are coordinated effectively, they have the potential to offset the need for an additional \$4.1 billion of grid-scale investment.

To find out more [register here](#) to attend the final 2024 ISP report publication webinar on 2 July 2024, 12.30pm – 2.30pm AEST or download the [2024 ISP Overview](#) or the [2024 ISP](#).

Have your say

How did we go engaging with you on the 2024 ISP?

We would like to hear feedback on your experience engaging with AEMO during the development of the 2024 ISP. You can provide feedback through the [final 2024 ISP engagement satisfaction survey](#) open until 17 July 2024.

This is the last survey in a series of three surveys, which combined will help us continue to improve for the development of the 2026 ISP.

For more information, visit our [2024 ISP stakeholder engagement](#) page or email ISP@aemo.com.au.

AEMO will provide more information on opportunities for engagement in the coming months as we start to prepare for the 2026 ISP.



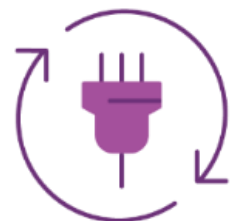
Non-network consultation

With the 2024 ISP identifying new actionable projects, AEMO has issued calls for submissions on non-network options for four new actionable ISP projects:

- Sydney Ring South,
- Mid North South Australia REZ Expansion,
- Waddamana to Palmerston transfer capability upgrade, and
- Queensland – New South Wales Interconnector (QNI Connect).

Submissions for a non-network proposal are open to ISP@AEMO.com.au until 18 September 2024.

AEMO will provide all submissions and proposals to the relevant project proponent identified in the 2024 ISP to consider during the Renewable Investment Test for Transmission (RIT-T) process. These project proponents are required to consider any credible non-network options that were not previously considered in the 2024 ISP that meet the identified need and maximise the net economic benefit to all those who produce, consume and transport electricity in the market. For more information about the RIT-T process, see the [AER RIT-T guidelines](#).



HEAR FROM: ISP Consumer Panel

In this issue, the 2024 ISP Consumer Panel share their thoughts on the two-year development of the ISP. Members of the 2024 ISP Consumer Panel include Mark Henley, Mark Grenning, Beverley Hughson and Craig Memery.

“The 2024 Integrated System Plan has now been finalised. This is the fourth biennial Integrated System Plan which had its origins in the review of the ‘Future Security of the National Electricity Market’ which was announced in October 2016 and Chaired by Dr Alan Finkel. A key recommendation of the review being to dramatically boost planning and integration of core aspects of Australia’s energy system.



A Consumer Panel was first established under the National Electricity Rules in November 2020 as part of the oversight framework that accompanied the introduction of the ISP. As the second ISP Consumer Panel, the 2024 Panel had the advantage of utilising the base provided by the 2022 Panel and has been able to enjoy a strong and respectful working relationship with AEMO staff and consequently has been able to impact many aspects of the 2024 ISP. The Panel has reflected briefly on our 20-month task and makes the following observations:

1. As a two-year process, the ISP timeline might have felt somewhat relaxed, in initial thinking. This is not the case, two years is very tight! The ISP cycle is four roughly 6-month processes: 1. Scenarios 2. Draft IASR 3. Core inputs – Transmission Expansion Options Report/GenCost/ISP Methodology 4. Draft ISP.

2. The sequencing of the process works. There is a clear timetable that is well laid out in advance and seeks to ensure that all crucial topics are adequately explored.
3. There is also room for spontaneity which is a credit to the AEMO staff that they are willing to consider and ask about new possibilities, policies and processes as they arise.
4. The 2024 ISP was more intense than 2022, with willingness of AEMO staff to engage more and on an ongoing basis.
5. The data is great. The ISP process gathers substantial, up to date data and makes it publicly available, this is a substantial planning and policy asset.



Our influence on the 2024 ISP process

- Consumer Risk Preferences: this project was a direct result of 2022 Panel who wrestled with the question “are we building too early or too late?” Also “what are consumers prepared to pay to respond to the associated risks?”

For example, are they willing to pay more earlier to avoid risk of paying more later? AEMO and the Panel toiled valiantly to seek answers to this important and challenging question. The question is relatively straightforward to ask but is really tough to answer.

The Panel members didn’t fully agree on the value of this work, some believing that it was a good start, albeit frustrating, others suggesting that consumer risk preferences can’t be adequately included using a quantitative approach.

Even if consumers are willing to pay more to build earlier, social licence and supply chain

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ISP Consumer Panel

factors are driving the timetable not willingness of consumers to pay. This project has been the start of a journey to better understand consumer risk preferences.

- The Panel enabled an increase in the level of consumer engagement for the 2024 recognising that this is a crucial, ongoing challenge.
- The Panel had input into 2024 GenCost capital cost considerations, including with consultants Aurecon (limited input) and CSIRO, and with Mott McDonald who advised with a report on Transmission Expansion Options (TEOR).
- We also contributed to considerations about the future role of gas and helped to clarify settings for 'renewable gas' considerations.
- The Panel also made a submission to the Commonwealth Review of the ISP and met with staff supporting this Review.
- We met fortnightly with AEMO staff which provided an opportunity to explore key issues and processes in their genesis.

Reflection on trends and issues

We conclude our term with reflection on some of the trends and issues that will continue to be significant for future ISP's:

- Jurisdictional intervention is changing the nature of the ISP. The large and continued expansion in the 'public policy settings' means there is less variability possible in scenario inputs and the modelling outcomes. The Consumer Panel's view is that there is a risk that the 2026 ISP will be increasingly constrained as State and Federal Government policy scope continues to expand.

- The rise and rise of social licence. The varying aspects of social licence are increasingly dominating ISP considerations. Social licence operates in parallel to supply chain constraints for delays and costs at local and regional level while at the broader level of public acceptance of the transition to a net zero future, the public discourse remains fractious and 'social licence' difficult to establish and maintain.
- CER and Orchestration: The 2024 Panel has highlighted the importance of Community Energy Resources (CER) and the energy system benefits that can occur through better CER orchestration opportunities. This topic needs policy leadership and also a greater role of distribution businesses in ISP development. We're pleased to see that greater collaboration with Distribution businesses has commenced in preparation for the 2026 ISP.
- The role of gas (hydrocarbon and renewable) will continue to be a 'hot topic' for the 2026 ISP, both regarding the role of gas in electricity generation and the rate and processes for transition from gas to electricity for households and small-medium businesses.
- The impact of projects going through the approval process under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC). For example, the offshore wind terminal planned for the Bay of Hastings. Others have been delayed as they meet the lengthy and detailed EPBC requirements. We observe the growing tension between renewable energy projects and environmental considerations.



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ISP Consumer Panel

- Public opinion surveys are showing consumer support for the energy transition is softening, in the face of high cost of living concerns. Support is conditional on who pays – if Governments do, support remains¹. The Panel has emphasised the importance of the ‘who pays?’ question, and will continue to pursue this question through the 2026 ISP.

The 2024 ISP Consumer Panel is now handing over to the 2026 Panel who are already exploring and debating the scenarios for the 2025 IASR.”

The Panel is contactable on ISP@aemo.com.au



2026 ISP Consumer Panel

In April 2024, AEMO announced the [2026 ISP Consumer Panel](#), appointing Mark Henley (Chair), Beverley Hughson, Craig Memery and Dr Jarra Hicks as the four-members to engage with AEMO and represent consumer interests throughout development of the 2026 ISP.

AEMO welcomes Dr Hicks as a new panellist, with the other three panellists continuing for a second term. AEMO would also like to thank outgoing ISP Consumer Panel member Mark Grenning for his invaluable contribution to the development of the both the 2022 and 2024 ISPs, over four years of continuous service as a panel member.

¹ This is the Panel's summary of their reading of the [SEC Newgate Mood of the Nation April 2024](#) and [Energy Transition Survey \(csiro.au\)](#)