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Andrew Turley  
General Manager Forecasting  
AEMO  
530 Collins St, Melbourne  
Submitted by energy.forecasting@aemo.com.au

24-28 Campbell St  
Sydney NSW 2000  
All mail to  
GPO Box 4009  
Sydney NSW 2001  
T +61 2 13 13 65  
ausgrid.com.au

Dear Mr Turley

Ausgrid is pleased to provide this submission to the AEMO on the draft Inputs, Assumptions and Scenarios Report (IASR) consultation.

The energy industry is embarking on rapid changes with high uncertainty around many aspects of future supply and demand as the transition to a net zero future progresses. AEMO's IASR frames a set of inputs, assumptions, and scenarios which energy industry strategies are benchmarked against. Where applicable to our network, Ausgrid aligns with the inputs, assumptions, and scenarios that accompany AEMO's Integrated System Plan process in assessing our network needs.

Ausgrid's embedding of IASR outputs in our planning process is supporting an affordable net zero transition for our customers and communities. Ausgrid's vision is for communities to have the power in a resilient, affordable, Net Zero future.

Ausgrid proposes that AEMO consider the following recommendations when finalising the IASR, to maximise its value to all stakeholders.

**1. Consistency in Scenario naming and development**

- Allows for clear and consistent communication with stakeholders in translating broad scenario themes into spatial forecasts and related investments
- Reduces costs of revisions and communicating them

**2. Consistency in alternate sensitivity testing**

- Similarly to point 1, allows for clear and consistent communication with stakeholders and reduces overall forecast production and development costs
- Allows for similar broad themes to be tested against various network architecture and voltage levels
- Strong Electrification appears to have been dropped as a sensitivity test as an alternate to the Hydrogen Export scenario. While both achieve similar glide paths of decarbonisation, they have wide variation of impacts at different network voltage levels, especially in terms of transmission vs distribution investment requirements.

**3. Where scenario naming and composite elements have changed slightly, specific commentary addressing key changes**

- Commentary should be provided on how the updated scenarios differ and/or are similar to previous 2022 ISP scenarios; and

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- Why the change was pursued in lieu of the status quo scenario position
- 4. Within each scenario, commentary on consumer specific aspects of technology and end use interactions**
- How consumers and technology combine at individual connections can have large variations in demand outcomes at all voltage levels
  - Increasing interaction complexity is proposed in the future as consumers gain access to new markets, tariffs, services and products.
  - Commentary on the assumptions made regarding interaction between consumers and how they use technology is requested to understand the assumptions behind these key interactions
  - Commentary on the participation rates of customers engaging in demand side response
- 5. Commentary of how the macroeconomic settings are assigned in each scenario**
- Variation in macroeconomic settings provide a key source of scenario spread in the range of potential future demand important for adequately testing investment decisions
  - What is not clear in the IASR is whether the macroeconomic settings are assigned in an internally consistent manner or assigned in a manner to maximise scenario spread
  - What methods are used to assign population settings, income variables eg GSP and RHDI to ensure internally consistent scenario development
- 6. Continuation of assessing the likelihood of each scenario**
- Ausgrid strongly supports AEMO assigning scenario likelihood in the 2022 ISP which forms an important evolution in applying scenario planning to investment decisions
  - The Delphi Technique that was used in the 2022 ISP process seems a suitable methodology in achieving the assigning of likelihood to the various scenarios
  - Ausgrid encourages the continuation of assigning likelihood to scenarios when supported by strong consultation and review processes

Thank you for the opportunity to comment on this valuable work. If you would like to discuss our submission, please contact Ed White at [ewhite@ausgrid.com.au](mailto:ewhite@ausgrid.com.au).

Sincerely,

*M Webb*

15 February 2023

Matthew Webb

Head of Asset Investment