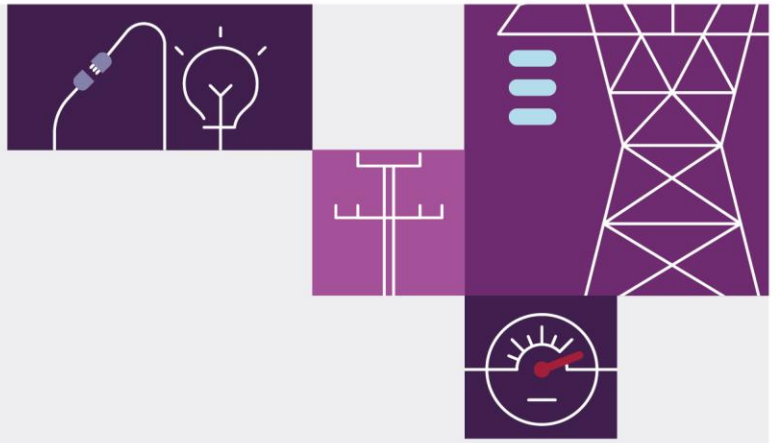


Appendix 1. Stakeholder engagement

December 2021

Appendix to Draft 2022 ISP for
the National Electricity Market





Important notice

Purpose

This is Appendix 1 to the Draft 2022 *Integrated System Plan* (ISP), available at <https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp>.

AEMO publishes the Draft 2022 ISP under the National Electricity Rules. This publication has been prepared by AEMO using information available at 15 October 2021. Information made available after this date may have been included in this publication where practical.

Disclaimer

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Version control

| Version | Release date | Changes |
|---------|--------------|------------------|
| 1.0 | 10/12/2021 | Initial release. |



Draft ISP Appendices

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A1.1 Consultation in the development of the Draft ISP

Consultation and dialogue with all NEM stakeholders is critical to AEMO's role as the National Transmission Planner for the NEM, helping to improve and refine scenario development, forecasting, decision-making and assessment processes.

For the Draft 2022 ISP (Draft ISP), consultation commenced in September 2020, about 10 months before publication of the IASR and the ISP Methodology on 30 July 2021, and has continued through to the eve of publication of the Draft ISP. It will continue even more intensively on this Draft ISP, as AEMO seeks input and views from stakeholders to help finalise the ISP by June 2022.

This appendix provides information about the engagement processes (shown in Figure 1) leading up to the production of the Draft ISP:

- **Section A1.2** summarises the consultation in the development of the *2021 Inputs, Assumptions and Scenarios Report (IASR)* and *2021 ISP Methodology Report*.
- **Section A1.3** explains the expert panel process AEMO used to determine the relative likelihood of different scenarios.
- **Section A1.4** discusses the ISP Consumer Panel's report on the IASR, including what AEMO is doing in relation to each of the Panel's recommendations.
- **Section A1.5** outlines the engagement process for the Draft ISP.
- **Section A1.6** provides details of the consultations on non-network alternatives that are commencing at the same time as publication of the Draft ISP.



A1.2 Consultation in the development of inputs, assumptions and scenarios

Consultations for the Draft ISP commenced in September 2020. The first phase culminated in the 2021 IASR¹ and the *ISP Methodology Report*², both published on 30 July 2021. These reports benefited from the insights of industry and consumer stakeholders, through 88 detailed written submissions, four workshops, and numerous stakeholder meetings.

A further minor consultation on the *ISP Methodology Report* (and the 2021 IASR), focusing on the method for calculation of competition benefits when appropriate, commenced in October 2021 and concluded that, for now, assumptions needing to be made to assess this class of benefits were too uncertain. Consequently, no changes to the *ISP Methodology Report* in relation to competition benefits have been made.

Full details of the process and outcomes of stakeholder engagement are available in the Consultation Summary Report.³

¹ The 2021 IASR, and all supporting materials and demand trace data, are at <https://aemo.com.au/en/energy-systems/major-publications/integrated-system-plan-isp/2022-integrated-system-plan-isp/current-inputs-assumptions-and-scenarios>.

² The *ISP Methodology* and all supporting materials are available at <https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2022-integrated-system-plan-isp/isp-methodology>.

³ 2021 IASR Consultation Summary Report, at <https://aemo.com.au/en/energy-systems/major-publications/integrated-system-plan-isp/2022-integrated-system-plan-isp/current-inputs-assumptions-and-scenarios>, and *ISP Methodology* Consultation Summary Report, at <https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2022-integrated-system-plan-isp/isp-methodology>.



A1.3 Consultation on scenario weightings for the Draft ISP

A1.3.1 The use of scenario weighting in determining the Optimal Development Path

The AER's Cost Benefit Analysis (CBA) Guidelines⁴ specify that AEMO is required to use a scenario-weighted average approach as one of the approaches used to rank alternative investment development paths against each other. This evaluation relies on the definition of scenario weightings, or likelihoods.

The CBA Guidelines also allow AEMO to apply alternative approaches. The ISP Methodology describes a Least-Worst Regrets (LWR) approach and a Least-Worst Weighted Regrets (LWWR) approach. These approaches aim to identify the development paths that minimises the potential regret associated with under- or over-investment, considering the uncertainties reflected across the scenarios. This approach may also rely on the scenario weightings in determining the scale of regrets.

The weightings given to each scenario therefore provide an important input to the selection of the ODP in the Draft ISP.

A1.3.2 Expert panel to develop scenario weightings, using the Delphi method

The Delphi method is an approach to elicit expert opinions that seeks to synthesise and extract collective wisdom regarding complex considerations, especially the making of predictions about technological, social and economic change. The Delphi method aims to overcome human behavioural biases and organisational interests, to allow experts to provide high-quality opinions. It also promotes a process of reflection and ongoing consideration among participants to move the group towards highly robust final outcomes and, in an ideal world, consensus.

The key elements of AEMO's Delphi panel process were:

- **Selection of participants** – the careful identification of experts from a broad cross-section of the Australian energy industry, policy makers and consumers to participate in the Panel.
- **Anonymity** – maintaining the complete anonymity of participants in the Delphi process, both during and after. This is a key element of the Delphi method, and encourages participation without fear of judgement and minimises the risk that responses could be deliberately biased to counter a known view from another member. The results reported below only identify participants as being from one of six cohorts.
- **Question design** – the question participants were asked to consider was developed with the ISP Consumer Panel. It was:

Based on your expectations for the future development of energy technology, policy and consumer investment preferences in the NEM, take yourself to 2040: what is the relative likelihood that the NEM is facing the world described by each of the four {five} scenarios below?

Please indicate the relative likelihood of each scenario by allocating 100% across the four {five} options. The higher the percentage, the higher the likelihood.

⁴ AER, Cost benefit analysis guidelines – 25 August 2020, at <https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/guidelines-to-make-the-integrated-system-plan-actionable/final-decision>.

- **A guided process of repeated response and reflection** – using a web-based platform, participants were given the opportunity to provide their views on likelihoods and written reasons. All participants were shown these comments, each individual value entered, and the average weighted, in real time. Participants were guided through a number of rounds in which they were given specific periods to answer, reflect on the comments of others, and consider revisions to their own answers. This was repeated until the number of changes to values being made by participants reduced to near zero.
- **Participants were repeatedly encouraged to provide their views as informed and practicing experts**, not to ‘vote up’ the likelihood of the future in which their organisation or stakeholders might stand to benefit most.

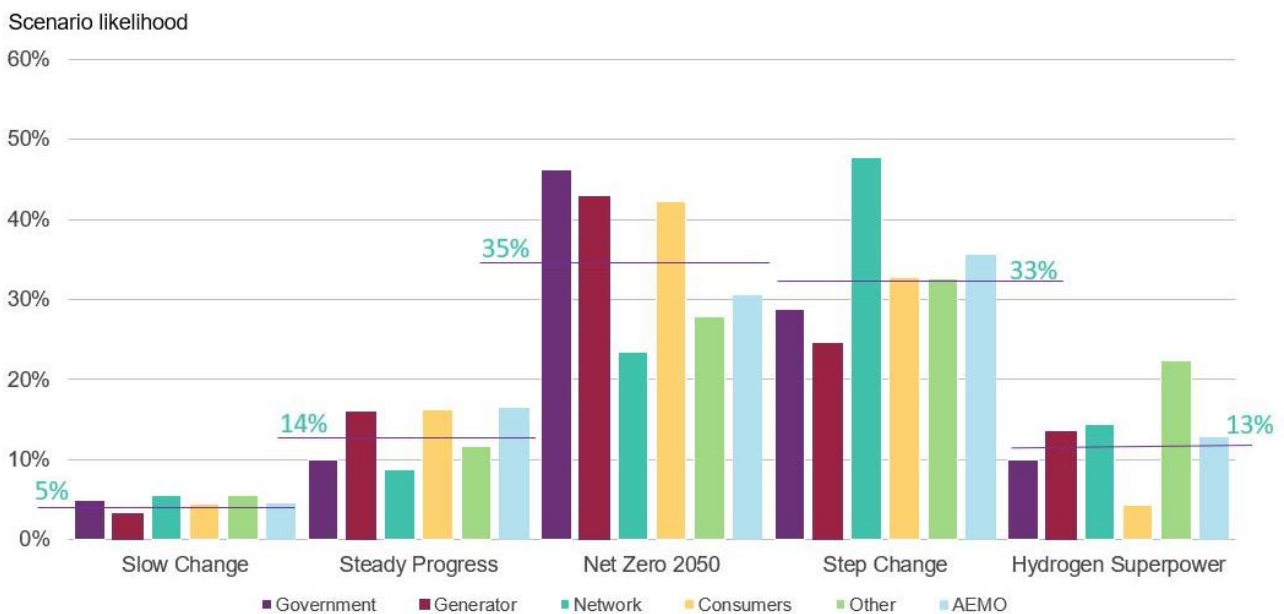
A1.3.3 Results of Delphi Panel 1

The first Delphi Panel session was convened on 5 October 2001. There were 32 participants, as shown in Table 1. The results of Delphi Panel 1 are shown in Figure 2, which demonstrates the relative weightings provided by each cohort, and the average of all participants for each scenario.

Table 1 Delphi Panel 1 participants by cohort

| | |
|----------------------------|----|
| Government | 4 |
| Generator/developer | 7 |
| Network | 5 |
| Consumer | 4 |
| Other | 5 |
| AEMO | 7 |
| Total | 32 |

Figure 2 Results of Delphi Panel 1



A1.3.4 Consultation on the results of Delphi Panel 1

AEMO undertook public consultation on the results of Delphi Panel 1 and the other steps that could be taken to finalise scenario weightings. A public forum was held on 22 October 2021, at which the results of Delphi Panel 1 were published and explained, along with the Delphi process. Attendees were specifically asked whether they had any concerns about the use of the scenario weightings that resulted from Delphi Panel 1.⁵

Stakeholders were also asked what impact an Australian Government commitment to reduce carbon emissions across the economy to net zero by 2050 would have on the likelihood of the *Steady Progress* scenario, and whether it remained a useful element of the ISP analysis. In addition, AEMO invited comment on a proposed formula for adjusting the remaining four scenarios if it were deemed appropriate to remove the *Steady Progress* scenario. While some stakeholders agreed with the logic of the proposed formulation to scale up the remaining four scenario weights proportionally to restore a total of 100%, there was limited support overall for converting responses to five scenarios into weightings for four. Rather, stakeholders supported AEMO convening a second Delphi Panel.

Following the forum, written comments were invited via a structured survey. Nine responses to the survey were received, as listed in Table 2. All comments received via the survey are available on AEMO's website.⁶

Table 2 Respondents to ISP scenario weighting written survey

| | | |
|--------------------------------------|---|-----------------------|
| Electrical Trades Union of Australia | Network of Illawarra Consumer of Energy | Vast Solar Pty Ltd |
| ISP Consumer Panel | AER | RE-Alliance |
| Origin Energy | Climate Works Australia | Beyond Zero Emissions |

Comments both at the forum and received via the survey supported the proposal that if such a commitment was made by the Australian Government, a second Delphi Panel should be convened. There was some support for Delphi Panel 2 only considering four scenarios, but also support for Delphi Panel 2 to reconsider all five scenarios, or even modifying/removing the *Slow Change* scenario.

A1.3.5 Results of Delphi Panel 2 – Final scenario weightings and names

Delphi Panel 2 was conducted on 16 November 2021. There were 25 participants.

Participants were first asked whether they agreed that in light of Australia's commitment to net zero emissions by 2050, the *Steady Progress* scenario should no longer be used in the ISP development process. There was strong agreement, with 19 of 25 participants (76%) supporting such a move.

Several participants also questioned the continued relevance of *Slow Change*. AEMO explained its view that this scenario should be retained as it considers slower operational consumption growth and a slower trajectory to achieve net zero emissions (beyond 2050). Therefore, it allows AEMO to assess if there is a risk to consumers of over-investment under such conditions.

⁵ The presentation for the forum is available at <https://aemo.com.au/-/media/files/major-publications/isp/2021/scenario-weighting-stakeholder-workshop-presentation.pdf?la=en&hash=EFA839272A52D742D22BD456662F238D>. The recording of the public forum is available at <https://aemo.com.au/-/media/images/videos/2021/isp-scenario-weightings-public-forum-recording-221021.mp4?la=en&hash=3FC12A61803D62AB4F61703EEB03547C>.

⁶ ISP Scenario Weightings – Public Forum, 22-Oct-21, Survey Comments, at <https://aemo.com.au/-/media/files/major-publications/isp/2021/survey-comments.pdf?la=en&hash=222C5D5404988F7AEDDB03D20AF928D2>.

Participants then deliberated on the likelihood of the remaining four scenarios. In light of the highly effective deliberations and stakeholder balance in the second Delphi Panel, and the smaller panel size, AEMO elected to exclude answers from internal AEMO participants to remove any perception of bias.

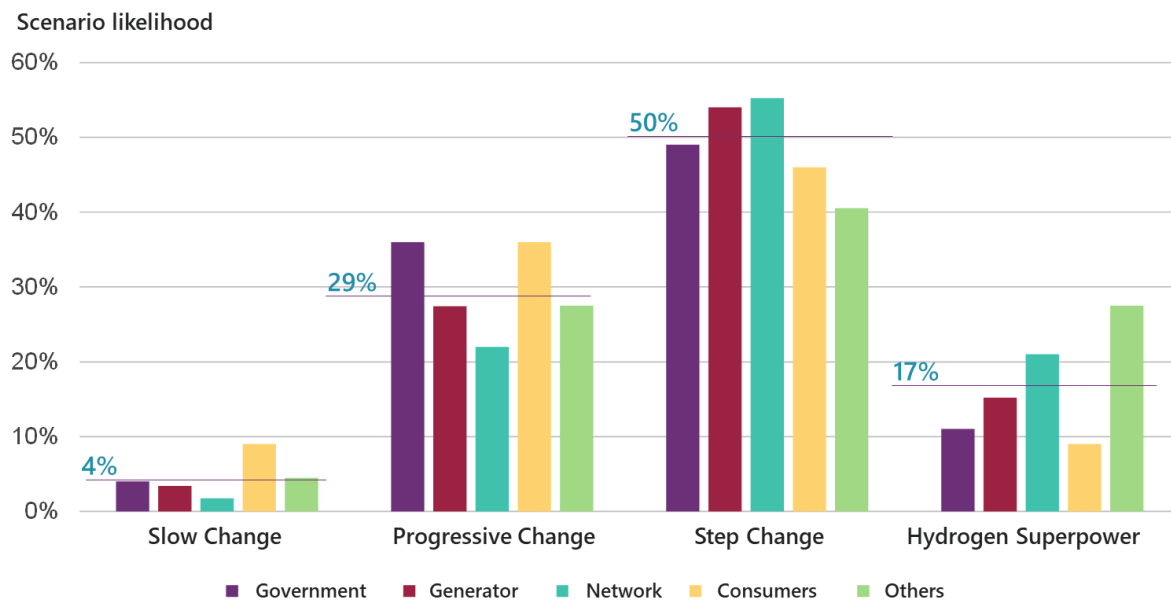
Table 3 provides the breakdown, by cohort, of the participants whose likelihoods were used in the final calculation. The final weightings of scenario likelihoods used in the Draft ISP are shown in Figure 3, also by cohort.

Following Delphi Panel 2, AEMO also took the decision to rename the *Net Zero 2050* scenario as *Progressive Change*. The previous name had led to confusion and incorrect assumptions about the extent to which the scenario mirrored specific elements, or the specific intent, of Commonwealth or State Government policies and commitments. While acknowledging that any scenario name change has potential to create confusion for stakeholders, on balance AEMO considered that a change now, at the same time as one scenario was being removed, was the most enduring outcome as it would avoid ongoing future confusion.

Table 3 Delphi Panel 2 participants by cohort

| | |
|----------------------------|----|
| Government | 5 |
| Generator/developer | 5 |
| Network | 4 |
| Consumer | 2 |
| Other | 4 |
| Total | 20 |

Figure 3 Results of Delphi Panel 2





A1.4 ISP Consumer Panel's report on the IASR

A1.4.1 About the ISP Consumer Panel

The National Electricity Rules (Rules) require AEMO to establish and support an ISP Consumer Panel (the Panel)⁷. The Panel is required to submit two reports to AEMO, within two months of the final IASR and Draft ISP. The Rules further stipulate that the Panel's reports should provide their "assessment of the evidence and reasons supporting" the IASR and Draft ISP and that in preparing these reports the Panel "must have regard to the long term interests of consumers"⁸.

AEMO appointed five members to the Panel, including a Chair, in November 2020. Since its creation, the Panel has engaged in great depth on numerous aspects of development of the 2021 IASR. As well as engaging in direct discussions with AEMO on key issues, the Panel has provided extensive written advice in the form of submissions to additional consultations within the overall IASR process, and attended multiple Forecasting Reference Group meetings.

Further information on the Panel, including terms of reference, member biographies and all the Panel's reports and submissions, is available on the Panel's page of AEMO's website⁹.

It is important to note that the Panel is not a replacement for engagement with energy consumers or their advocates in the ISP process. While some members of the Panel work as energy consumer advocates, and the Panel has actively sought to engage with the broader consumer advocate community as part of its work, it remains AEMO's responsibility to directly pursue effective engagement with consumer stakeholders.

AEMO wishes to thank the Panel for its contribution to the development of the 2022 ISP thus far. AEMO looks forward to continuing to draw on the Panel's expertise, as outlined in Section A1.5.4 below, after receiving their report on the Draft ISP.

A1.4.2 The ISP Consumer Panel's report on the 2021 IASR

The Panel provided their report on the 2021 IASR to AEMO on 30 September 2021. The report provides a detailed assessment of AEMO's processes and the final elements of the IASR. The report states that the Panel "consider that AEMO's selected scenarios are appropriate and are consistent with the mandatory requirements and discretionary principles set out in the AER's [Cost Benefit Analysis] Guidelines"¹⁰. The report also states that in the Panel's assessment of AEMO's approach and responsiveness to feedback, they "consider that AEMO has generally met the requirements of the AER's Guidelines"¹¹.

The report also provides 23 recommendations, grouped across four strategic themes, as shown in Table 4. The Panel makes recommendations regarding improvements to the next IASR and ISP process, as well as changes that could be made to AEMO's overall engagement approach.

⁷ NER 5.22.7(a)

⁸ NER 5.22.7(d)(2) and ((e)(3)

⁹ At <https://aemo.com.au/en/energy-systems/major-publications/integrated-system-plan-isp/2022-integrated-system-plan-isp/get-involved/consumer-panel>.

¹⁰ ISP Consumer Panel, *Report on the 2021 IASR*, 30 September 2021, p. 37, at <https://aemo.com.au/-/media/files/major-publications/isp/2021/isp-consumer-panel-report-on-2021-iasr.pdf?la=en>.

¹¹ *Ibid*, 43.



A1.4.3 AEMO's approach to the Panel's recommendations

AEMO acknowledges the issues raised by the Panel and the recommendations to address the issues. AEMO developed an approach to the process of considering, consulting on, and implementing the recommendations that aligns with the ISP development cycle and AEMO's governance, as appropriate. The three elements of this approach can be summarised as:

1. Adopting elements of some recommendations immediately, as part of the development of – and consultation on – the Draft ISP. Examples include seeking to involve stakeholder groups who have been identified in preliminary stakeholder mapping and analysis as having not participated in the ISP process, such as agricultural groups and those involved in the electrification of transport. Another example is the effort taken to structure the Draft ISP in a way that is accessible to a wide range of stakeholders.
2. Considering and consulting on recommendations regarding the next IASR and AEMO's engagement approach in a specific process, including engagement with stakeholders as part of an assessment and planning process for the 2024 ISP and related AEMO forecasting activities. This process has already commenced, and further stakeholder engagement will occur once the primary period of public consultation on the Draft ISP is complete, around March to May 2022.
3. Consideration by AEMO's senior executives of recommendations that go beyond the IASR and ISP processes, as part of their ongoing efforts to maximise AEMO's effectiveness. An example is engagement capacity across the organisation, which AEMO acknowledges is important, and is currently being reviewed and addressed as part of a wider AEMO program.

AEMO will be working closely with the Panel over coming months to develop an action plan with clear timelines on how these recommendations can be implemented. AEMO will seek to identify and implement 'low hanging fruit' and pursue a co-design approach with the Panel and our other stakeholders that aims to develop an ISP engagement strategy and framework by end of June 2022 in preparation for the 2024 ISP.

A1.4.4 Consideration of recommendations

Table 4 displays the individual recommendations contained in the Panel's report and identifies the process or processes through which each recommendation is to be fully considered. Colours are used to identify the three different processes listed above, as shown:

| | | |
|---|---|---|
| For immediate action (including through Draft ISP consultation) | For consideration in engagement review and planning process | AEMO-wide, to be considered by AEMO Senior Executives |
|---|---|---|



Table 4 ISP Consumer Panel recommendations and AEMO comments

| No. | Title | Description | AEMO response | |
|---|----------------|--|---|---|
| A: Further expand AEMO's stakeholder engagement capability | | | | |
| A1 | Capacity | Allocate adequate resources to build AEMO's capacity for ISP engagement. | Relates to management of AEMO as a whole. | Unmet engagement need should be identified as part of review and planning. |
| A2 | Evaluation | Establish an evaluation framework for engagement. | To be part of engagement review and planning. | |
| A3 | Accountability | Establish KPIs for engagement and accountability within AEMO. | Relates to management of AEMO as a whole. | |
| A4 | Plan | Develop a more comprehensive and tailored stakeholder engagement plan for the 2024 ISP, including undertaking a stakeholder mapping exercise to identify relevant stakeholders and how to best engage with them. | AEMO to proactively approach additional groups who may be under-represented (e.g. landholders, transport groups). | Stakeholder mapping and 2024 ISP planning to be part of engagement review. |
| A5 | Manage | Develop and maintain a stakeholder management system to regularly assess stakeholder needs and interests and identify gaps in stakeholder representation and participation. | The appropriateness of AEMO's existing and new system to be assessed as part of engagement review and planning. | |
| A6 | Share | Formalise internal and external interrelationships to share knowledge across consultations. | Such structures to be considered as part of engagement review and planning. | |
| A7 | Co-design | Adopt a collaborative and co-design approach to engagement. | AEMO is committed to understanding the engagement needs of stakeholders and taking a collaborative and co-design approach to engagement wherever possible, including as part of the Draft ISP consultation. | Engagement co-design and AEMO's desire to understand stakeholder needs will be part of engagement review. |
| A8 | Understand | Implement a program of social research to better understand consumer and community attitudes and perceptions about the future energy market. | The potential contribution of such research to the delivery of AEMO's functions to be considered as part of engagement review and planning. | |
| B. Focus efforts on inputs and assumptions that are most material to the consumer interest and have most uncertainty | | | | |
| B1 | Materiality | There is an ongoing need to draw attention to the inputs and assumptions that are most material to the consumer interest. | To be considered in engagement review and planning, ahead of the next IASR and ISP cycle. | |
| B2 | Complexity | There is an ongoing need to manage the complexity and volume of information in order to foster wider engagement. | AEMO has carefully structured the Draft ISP and accompanying materials to allow the contents to meet the needs of a range of stakeholders. | |
| Consider alternative or additional ways of forecasting and engaging on these material, but highly uncertain, inputs and assumptions for the 2024 ISP. | | | | |
| B3 | Public Policy | Calibrating the ISP to public policy commitments, and vice-versa, must be an ongoing priority. | | |

| No. | Title | Description | AEMO response | |
|---|--------------------|--|---|---|
| B4 | Gas Prices | The use of external consultancies to provide forecasts makes engagement challenging. The balance between external and in-house capabilities should be regularly reviewed. | Alternative or additional ways of engagement to be considered as part of engagement review and planning. | |
| B5 | Transmission Costs | Significant progress has been made but the risk of under-estimating costs remains. Continue to improve the Transmission Cost Database. | | |
| B6 | Discount Rates | This parameter did not receive the attention it deserved in this ISP cycle. Consult earlier and wider for the 2024 ISP. | | |
| B7 | Electrification | The likely impacts on the power system of electrification to reach economy-wide decarbonisation objectives did not receive the attention it deserved in this ISP cycle. Consult earlier and wider for the 2024 ISP. | | |
| B8 | Hydrogen | While stakeholders expressed a great deal of interest in the role of hydrogen in the different scenarios, there is much uncertainty in the demand for hydrogen from Australia's future export and domestic economies. A strategic approach to further forecasting is warranted. | | |
| B9 | Decentralisation | Integration of forecasts and uncertainties in distribution network issues (particularly the uptake and use of customer-owned solar, batteries, EVs and other devices) has significant scope for improvement. Decarbonisation and decentralisation are the 'megatrends' – the ISP must be calibrated to both. | The best way of developing forecasts for these things will be part of developing the next set of forecasts, as part of the 2024 ISP. The emerging role for hydrogen is rapidly evolving and forecasts will be monitored and reviewed extensively as better information comes to hand. | |
| C: Elevate the status of the scenario work, engage on it earlier and more widely and separate it from the ongoing forecasting and modelling work | | | | |
| C1 | Earlier, Broader | Engage early on scenarios for the 2024 ISP and use this process as an entry point for a wider group of stakeholders. | Engage with under-represented stakeholder groups as part of consultation on the Draft ISP. | To be fully considered as part of engagement review and planning. |
| C2 | Consumer Panel | Appoint the next ISP Consumer Panel before the scenario development process commences. | The appointment of the next ISP Consumer Panel will be scheduled as part of the engagement review and planning process. | |
| D: Following the IASR, focus engagement on how uncertainty is managed prior to publishing the Draft and Final 2022 ISP | | | | |
| D1 | Scenario Weights | The relative weightings applied to scenarios is a material piece of 'judgment' to be exercised before the Draft ISP is published. AEMO should continue to engage with stakeholders prior to the Draft ISP on the <i>Delphi Panel</i> process and how the final weightings are determined. | AEMO's process was consistent with this recommendation. AEMO undertook public consultation on the results of the Delphi Panel and, following feedback, convened a second Delphi Panel. | |
| D2 | Public Policy | Governments are strongly encouraged to work closely with AEMO and provide as much detail as possible for incorporation into the Draft ISP. AEMO should consult on how to incorporate any material changes in government policies that occur between the IASR and Final ISP. | AEMO notes this recommendation, which relates to actions from Government. | |

| No. | Title | Description | AEMO response |
|-----|---------------------|---|--|
| D3 | Preliminary results | Keep the Panel and other stakeholders apprised of themes emerging from results as the modelling unfolds and sensitivities are tested in order to build confidence that material uncertainties are being captured. | AEMO will engage on these issues through consultation on the Draft ISP. Sensitivities are often identified once materiality of a key input or assumption is better understood, and this is often not able to be determined until initial modelling is conducted. |
| D4 | Sensitivities | The IASR and ISP Methodology do not set out the full list of proposed sensitivities or 'event-driven scenarios'. What these are and how they are used may have a material impact on the Draft and Final ISP. AEMO should engage with stakeholders on these issues prior to the Draft ISP. | |



A1.5 Consultation on the Draft ISP

AEMO strongly encourages all interested stakeholders, including any who have not been part of the process to date, to participate in consultation on the Draft ISP. For the final ISP to be as robust as possible, it is vital that a wide variety of stakeholders scrutinise and comment on the Draft. This section provides further information about written submissions, public forums, and specific engagement for energy consumer advocates. Table 5 provides key information about the elements of the Draft ISP consultation process.

AEMO acknowledges that the Draft ISP has been published shortly before the summer holiday period. The deadline for written submissions and the timing of forums have therefore been designed to allow meaningful stakeholder engagement outside of the holiday period.

AEMO also welcomes the opportunity to understand the specific engagement needs of any stakeholders. If there is an opportunity to support more effective engagement in the ISP process, please contact AEMO via ISP@aemo.com.au.

Registrations for all events are available via the ISP Opportunities for Engagement page, at <https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2022-integrated-system-plan-isp/opportunities-for-engagement>.

Table 5 Stakeholder consultation forums and milestones for the Draft ISP

| Date | Event | Purpose |
|-------------|----------------------------------|--|
| 10 Dec 2021 | Draft ISP published | Provide a basis for consultation on Draft outcomes of the ISP modelling and analysis process. |
| 10 Dec 2021 | Public Briefing | Online event to provide explanation of the Draft ISP, as well as an opportunity for stakeholders to ask initial questions and seek initial clarifications. |
| 15 Dec 2021 | AEMO Consumer Forum | Provide a tailored briefing and opportunity for questions from Consumer Forum attendees. |
| 1 Feb 2022 | Public Forum | Provide all stakeholders with the opportunity to ask more in-depth and specific questions arising from their consideration of the Draft ISP materials. |
| 4 Feb 2022 | Consumer advocate verbal comment | Allow energy consumer advocates to make verbal comments on the Draft ISP, which AEMO will record and consider. |
| 11 Feb 2022 | Submissions close | Seek written comments on the Draft ISP from all stakeholders. |

A1.5.1 Invitation for written submissions

AEMO welcomes and encourages written submissions from all stakeholders on any aspect of the development path outcomes, and including any stakeholder responses to the following questions:

- Do you consider that the draft ODP appropriately reflects the consumer risk preferences? Is the reasoning for the ODP clear? Are there any other risks that should be quantified?
- Is the proposed staging for HumeLink and VNI West, with early works as the first stage and then proceeding to implementation subject to conditions, appropriate?
- Is the proposed treatment of Marinus Link as a single actionable ISP project appropriate?
- Do you consider that REZ design reports are warranted for the indicated REZs?
- Do you have any feedback on the Addendum to the 2021 *Inputs, Assumptions and Scenarios Report*?

Submissions need not address every question posed and are not limited to them, but should not be related to inputs and assumptions or methodology which have been consulted on separately.

Submissions should be sent in PDF format to ISP@aemo.com.au, and will be responded to if received by 11 February 2022.

Please identify any parts of your submission that you wish to remain confidential and explain why. Unless deemed confidential, all submission will be posted on AEMO's website.

A1.5.2 Public forums on the Draft ISP

AEMO is holding two public forums as part of the Draft ISP consultation.

- The first is a public briefing on the ISP contents, to be held on 10 December 2021, the day the Draft ISP is published. This session will provide an overview of the ISP content and process that is accessible to any interested stakeholders, including those with little or no prior exposure to the ISP process. Stakeholders will also have the opportunity to ask questions. The forum was advertised in advance to both subscribers to the ISP Mailing List and in the weekly AEMO Communications email, in which all significant AEMO announcements are made.
- The second forum will be held on 1 February 2022. This is 10 days before submissions are due and is intended to offer stakeholders the opportunity to ask more in-depth questions, based on review and consideration of the Draft ISP.

A1.5.3 Specific engagement offerings for energy consumer advocates

AEMO recognises that energy consumer advocates, including residential, business and agricultural groups, are faced with the need to participate in numerous important policy and regulatory processes, with very limited resources. In earlier stages of the ISP process, based on requests from consumer groups, AEMO successfully employed two specific channels to improve the effectiveness of engagement. These approaches will again be employed for engagement on the Draft ISP.

Specifically, AEMO will:

- Continue to use the AEMO Consumer Forum as a way to offer consumer advocates tailored engagement on the ISP process. The ISP has been discussed at almost all recent meetings of the Consumer Forum, in an effort to build attendees' capacity to participate in and benefit from the process.
- Conduct a consumer advocate verbal feedback session on the Draft ISP. This session offers energy consumer advocates the opportunity to make verbal comments on the ISP, with AEMO experts receiving the comments and engaging in discussion to clarify any key issues. AEMO will then produce a written record of comments from consumer advocates which, once endorsed as accurate by commenters, is considered along with all written submissions.
- Use energy network customer councils to present the Draft ISP customer groups and other stakeholders. Members of these customer councils are often well informed about specific projects related to individual networks and can offer important input.

A1.5.4 ISP Consumer Panel Report on the Draft ISP

As outlined above, the ISP Consumer Panel is required to provide a report on the Draft ISP to AEMO within two months of the draft being published.

AEMO looks forward to working with the Panel through the Draft ISP consultation process and to support the development of the Panel's report. AEMO also intends to continue to work with the Panel following the submission of their report, as the 2022 ISP is finalised for publication in June 2022.

A1.5.5 AER's Transparency Review of the Draft ISP

The NER require the AER to review and report on whether AEMO has adequately explained how it has derived key inputs and assumptions at both the IASR development stage and for the Draft ISP.¹²

On 30 August 2021, the AER published its transparency review of the 2021 IASR (the IASR review report).¹³ This review report focused on the adequacy of AEMO's explanation of the inputs and assumptions to be used in the cost benefit analysis to identify the ODP in the Draft 2022 ISP. AEMO has published an IASR Addendum in response to certain matters raised by the AER in its report.¹⁴

The AER will undertake the second transparency review of the Draft ISP (an ISP review report) as to whether AEMO has adequately explained how it has derived key inputs and assumptions and how these inputs and assumptions have contributed to the outcomes in the Draft 2022 ISP.¹⁵

AEMO looks forward to receiving the AER's Transparency Review of the Draft ISP, which is an important element of the process to produce the final 2022 ISP.

¹² NER 5.22.9 (IASR review report) and NER 5.22.13 (ISP review report).

¹³ AER, *Transparency Review Integrated System Plan 2022: Final Inputs, Assumptions and Scenarios Report*, at <https://www.aer.gov.au/networks-pipelines/performance-reporting/transparency-review-of-aemo-2021-inputs-assumptions-and-scenarios-report>.

¹⁴ IASR addendum

¹⁵ NER clause 5.22.13(a) requires the AER to publish this ISP review report within one month of the publication of the Draft ISP.



A1.6 Notices of consultation on non-network alternatives

The Draft ISP identified two new actionable ISP projects:

- New England REZ.
- Reinforcing Sydney, Newcastle and Wollongong Supply.

Whenever the ISP identifies new actionable projects, a process is triggered to consult on non-network solutions to meet the identified need.

All materials related to consultations on non-network alternatives for the two projects is available via the consultations section of AEMO's website at <https://aemo.com.au/consultations/current-and-closed-consultations>.