

Welcome to our first 2024 Integrated System Plan Newsletter!

AEMO is seeking deep and constructive engagement with all interested stakeholders as part of the development of the Integrated System Plan (ISP) – our 30-year roadmap for investment in Australia’s future power system.

The involvement of energy market participants, consumer advocates, consumers, independent experts, policy makers and the community is essential to the production of a robust plan for the future of the National Electricity Market (NEM). Due to the complexity of the process, AEMO is taking steps to assist resource-constrained stakeholders, especially energy consumer advocates, to participate – as detailed below.

At a glance

- This newsletter is the first in what will be a regular series providing updates on the development of the 2024 ISP.
- AEMO is currently consulting on the Draft 2023 Inputs, Assumptions and Scenarios report (IASR), with submissions due **16 February 2023**. The final 2023 IASR will set out key parameters that will be ‘fed in to’ the ISP model as part of developing the final plan.
- Upcoming opportunities to join the discussion and provide input on the ISP:

- o **Tuesday 24 January 2024:** AEMO and ISP Consumer Panel introductory session - ‘What is the ISP and why does it matter to consumers?’ – a complete introductory session for consumer advocates with little or no existing understanding of the ISP wishing to become more involved. No prior knowledge is assumed. Register [here](#) to attend.
- o **Thursday 2 February 2023:** public webinar on the Draft 2023 IASR.
- o **Thursday 9 February 2023:** energy consumer advocates verbal submissions session on the Draft 2023 IASR. Comments made will be written up by AEMO and, once endorsed by participants in the session, will constitute a formal written submission to the Draft 2023 IASR.

What is the ISP?

The [ISP](#) is a whole-of-system plan for the development of the NEM for the next 20 years and beyond. The ISP is focused on the long-term interests of electricity consumers to ensure the efficient development of the power system and the delivery of reliable, affordable energy.

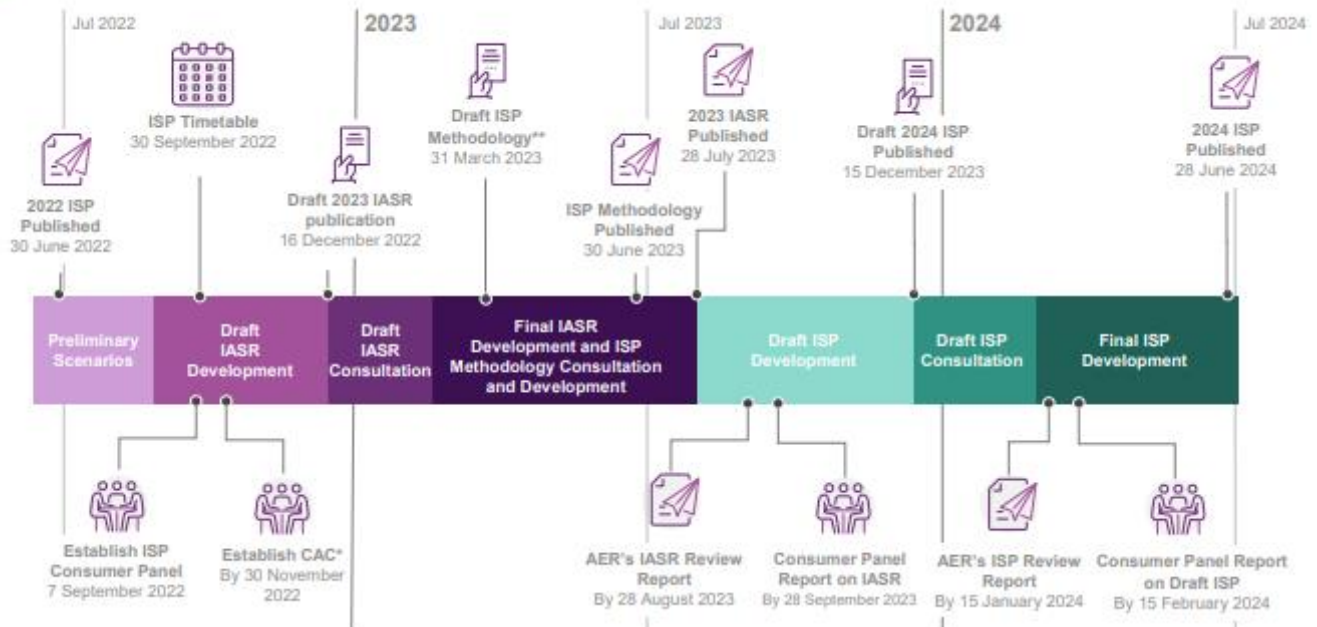
AEMO releases a new ISP every two years. The next ISP will be published in July 2024.

The following figure shows the timing of key milestones to develop the 2024 ISP, and opportunities for input.

The latest ISP was published in July 2022 and to better understand this important publication, you can find it [here](#).



Figure 1 Timetable milestones



ISP Consumer Panel and AEMO Advisory Council on Social Licence established

AEMO appointed four members to the ISP Consumer Panel in September 2022. Work undertaken by the previous ISP Consumer Panel, on the 2022 ISP, is available [here](#).

The role of the ISP Consumer Panel is to bring a consumer-focused perspective to the ISP development process, in particular having regard to the long-term interests of consumers.

The panel consists of four members:

- Craig Memery, advocate with the Public Interest Advocacy Centre's Energy and Water Consumer Advocacy Program
- Jo De Silva, senior leader at the Australian Energy Regulator (Consumer Reference Group) and Energy & Water Ombudsman SA

- Mark Grenning, Director of Policy and Regulation at the Energy Users' Association of Australia
- Mark Henley, advocate for vulnerable people and communities.

Details about the current members of the ISP Consumer Panel are on the AEMO [website](#).

In addition to the ISP Consumer Panel, AEMO recently established an AEMO Advisory Council on Social Licence, comprising 11 members. The role of the Advisory Council is to bring social, cultural and environmental insights to enrich the ISP, and to advise AEMO to help shape the energy transition to benefit all. The Advisory Council and ISP Consumer Panel will work together to provide input to AEMO on the ISP.

More information about the Advisory Council is available [here](#).



Update from the ISP Consumer Panel

The following section is an update directly from the ISP Consumer Panel members: Mark Henley, Jo De Silva, Mark Grenning and Craig Memery.

This newsletter is the first of what will be regular updates to consumers and industry about how the ISP is progressing and issues that the Consumer Panel thinks are of particular interest. In conjunction with AEMO, the Consumer Panel may also use this newsletter to ask for input on key topics of discussion, and we encourage involvement from consumers and consumer advocates in what is an important process that may impact them.

Our primary area of focus is to seek to ensure the ISP reflects consumer views, particularly with regard to investment timing and affordability. This is important because:

- If there is over-investment or premature investment (paying too much for the capacity added to the shared network, building too soon or in the wrong place), consumers will pay more than necessary.
- If there is under-investment or overdue investment (not adding capacity to the shared network in the right places, soon enough), there will also be higher costs to consumers from not being able to share as much generation capacity, an increased risk of power outages due to reduced security of supply, or failure to meet emissions reduction targets due to an inability to connect new renewable generation as the existing generation fleet retire.

A key part of this is working with AEMO to better identify consumer risk preferences, an issue highlighted in the [2022 ISP Consumer Panel report on the Draft 2023 ISP](#). The Panel worked closely with AEMO in developing the scope of work to be

undertaken by a consultant. The scope of work for this project is broken down into two phases:

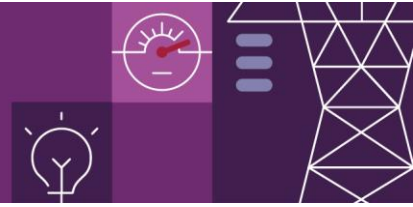
- Research & methodology development that will deliver a consumer risk preference literature review report and a methodology paper with calibrated range of possible outcomes.
- Consumer engagement that would consist of a deliberative approach to determine consumer risk preferences through focus groups and surveys.

It is expected at the end of this project, consumer preference values would be developed and applied to the ISP market modelling process. The project is expected to run from January till July 2023, with March and April being the period of consumer engagement. AEMO is requesting involvement of industrial energy users to undertake focused industry engagement.

Apart from the consumer risk preference work, the other major areas of focus for the Panel over the next three months are:

- Presenting at the AEMO session on 24th January. You can register for that session [here](#).
- Preparing a submission on the Draft 2023 IASR, due 16 February 2023.
- Engaging with AEMO and its consultant on the Transmission Cost Database.
- Exploring aspects of the ISP methodology ahead of a submission in May 2023.
- Engaging with the AEMO Advisory Council on Social Licence.

The Draft 2023 IASR is a major input into the 2024 ISP and we encourage you to get involved in the consultation. The Draft 2023 IASR was released on 16 December 2022 with responses due on 16 February 2023. The Panel regards this report as a very important kickstart for the 2024 ISP because it lays out the detail and priorities for the rest of the 2024 ISP process.



Staying engaged with the ISP development process

All AEMO engagement activities being undertaken as part of the development of the 2024 ISP are listed on the [Opportunities for Engagement page](#). This forward calendar of activities is updated regularly.

If you have any questions for the AEMO ISP team, please email ISP@aemo.com.au.

Any questions or comments for the Consumer Panel, please email ISPconsumerpanel@aemo.com.au