

AEMO has assessed the relative likelihood of key energy planning scenarios to inform the 2026 Integrated System Plan (ISP).

Ahead of the Draft 2026 ISP release on 10 December 2025, AEMO has assessed the relative likelihood of key energy planning scenarios that all meet government energy and emission policies.

These scenarios are used to identify the Optimal Development Path (ODP), using detailed modelling methodologies developed specifically for the ISP, and were developed with consideration of stakeholder input to the [2025 Inputs, Assumptions and Scenarios Report \(IASR\)](#).

This overview outlines the 2025 IASR scenario weighting results, the process used to determine them, and how they will be applied in the 2026 ISP.

About the ISP

The ISP is a roadmap for the transition of the National Electricity Market (NEM) power system over at least the next 20 years.

A key requirement of each ISP is identifying the ODP that outlines the optimal mix of generation, storage and network investments required to meet government energy policy and emissions reduction targets at the lowest cost to consumers.

The development of the ISP involves two years of consultation and engagement with stakeholders to develop our inputs, assumptions, scenarios and a range of development options for assessment, combined with detailed modelling.

For more information, see the ISP Toolkit available on [AEMO's website](#).

How are scenarios used in the ISP?

AEMO uses scenario planning to assess future investment needs in the energy system.

In the 2025 IASR, three scenarios were outlined that provide a range of possible futures and represent a broad range of global and domestic influences on Australia's energy transition, while meeting government policies. The scenarios are *Slower Growth*, *Step Change*, and *Accelerated Transition* and underpin AEMO's planning activities, including the 2026 ISP.

Scenario weighting outcome

***Step Change* has been identified as the most likely of the three scenarios for the Draft 2026 ISP (46%), with equal weighting of 27% likelihood for *Slower Growth* and *Accelerated Transition*.**

- AEMO received input from expert stakeholders through a full-day deliberative workshop with 25 energy sector representatives in September 2025 to help inform scenario weightings.
- Participants assessed the relative likelihood of 18 parameters that underpin the scenarios through individual and anonymous voting, supported by group discussions and shared insights.
- Participant views were mapped to the 2025 IASR scenarios to estimate scenario weightings for each parameter, with each parameter then weighted for importance and impact.
- These scenario weightings will impact the selection of the 2026 ISP ODP, with *Step Change* as the most likely scenario. The Draft 2026 ISP will be released on 10 December 2025.



2026 ISP Scenario weighting workshop

In September 2025, AEMO convened a diverse panel of experts for a full-day deliberative workshop. The aim of the workshop was to identify stakeholder views on the likelihood of key parameters influencing Australia’s energy transition in the NEM.

We selected 25 expert stakeholders representing a broad cross section of the energy sector, government, consumer and community groups, and academia. The panel included some of the industry’s leading thinkers on system design, project development, and the energy market. To accommodate broader attendance, the workshop was held in a hybrid format.

By engaging participants with different backgrounds and experience, we were able to gather well-rounded insights. The diverse participation reflected the importance experts placed on contributing to this key phase of the ISP’s development, and we thank them for their time and insights.

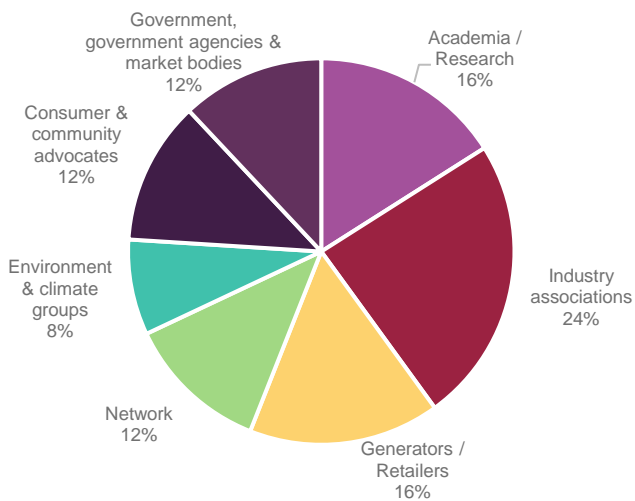
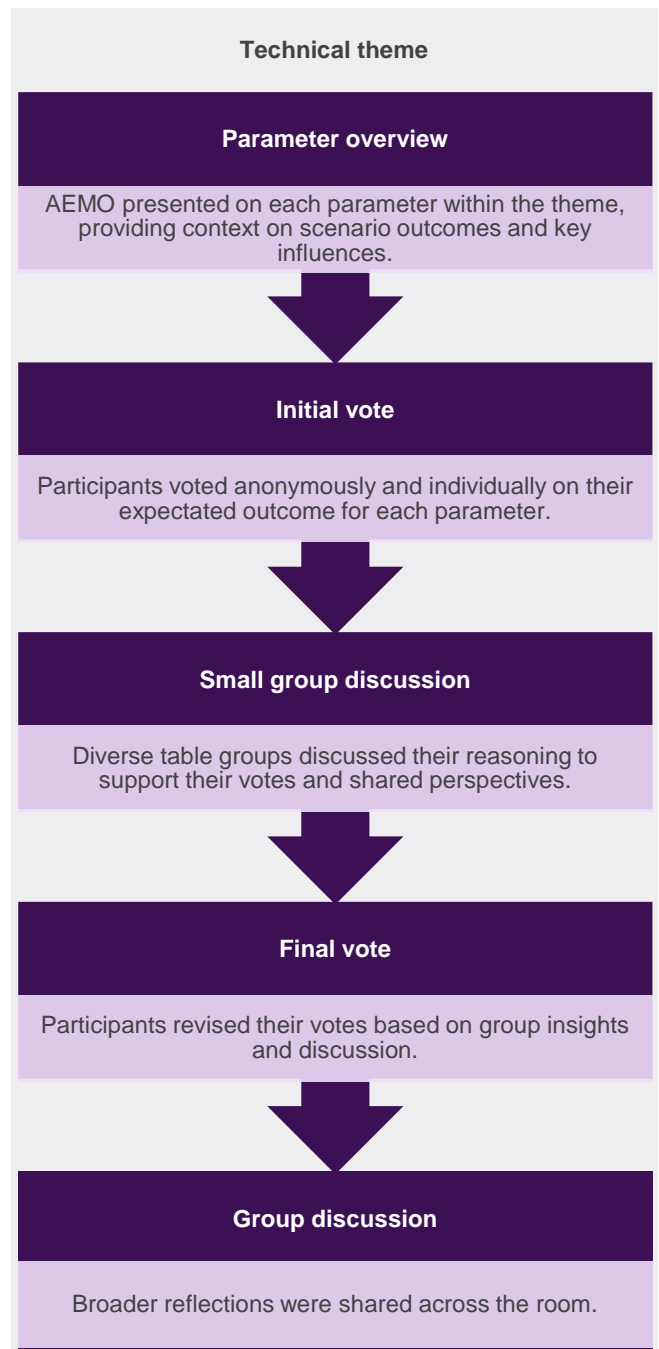


Figure 1: 2026 ISP Scenario weighting workshop composition

What did the panel do?

The panel considered 18 key parameters that underpin AEMO’s scenario framework. These were grouped into five technical themes presented by AEMO, followed by group discussion. Each session focused on one theme: economic and climate drivers, residential and commercial drivers, consumer energy resources (CER) drivers, energy intensive load drivers and electricity supply drivers.





Scenario weighting methodology

AEMO refined its approach to scenario weightings for the 2026 ISP. In previous years, AEMO used an online Delphi Panel survey with a single question to gather stakeholders' assessments of the likelihood of each scenario. Instead of using this single-question approach, participants this year were engaged using a deliberative forum to describe their expectations on each of the underlying scenario parameters. This allowed deeper analysis of the various drivers of each scenario, while enabling stakeholders to engage with the diversity of perspectives and expertise in the forum.

The methodology outlined below explains how stakeholder views were used to inform the scenario likelihoods.

1. Mapping response ranges to IASR scenarios

The response ranges were firstly assigned to the nearest IASR scenario as shown in Figure 2. For example, if a given stakeholder's expected level of a particular parameter aligned most closely with the scenario outcome for *Step Change*, then that response was assigned to this scenario.

2. Determining scenario weightings for each parameter

The scenario weightings for each parameter were then inferred by calculating the proportion of stakeholder responses aligning with each scenario. For example, if 30% of stakeholder responses aligned with *Step Change*, then a 30% scenario weighting was applied for that parameter.

3. Weighting parameters by importance

As in all scenario forecasting, some parameters will have a greater influence on the likelihood of different futures. For example, the greenhouse gas emission trajectory has a significant influence on the rate of change in the energy system, and as a result, this parameter was assigned a high importance weighting. Other parameters assigned high importance weightings included data centre loads, industrial loads and green hydrogen production. Based on previous experience, these parameters also have the most material influence on infrastructure investment needs.

4. Combining to determine overall scenario weightings

The overall scenario weighting was calculated by combining all the parameter-specific scenario weightings, taking into account parameter importance.

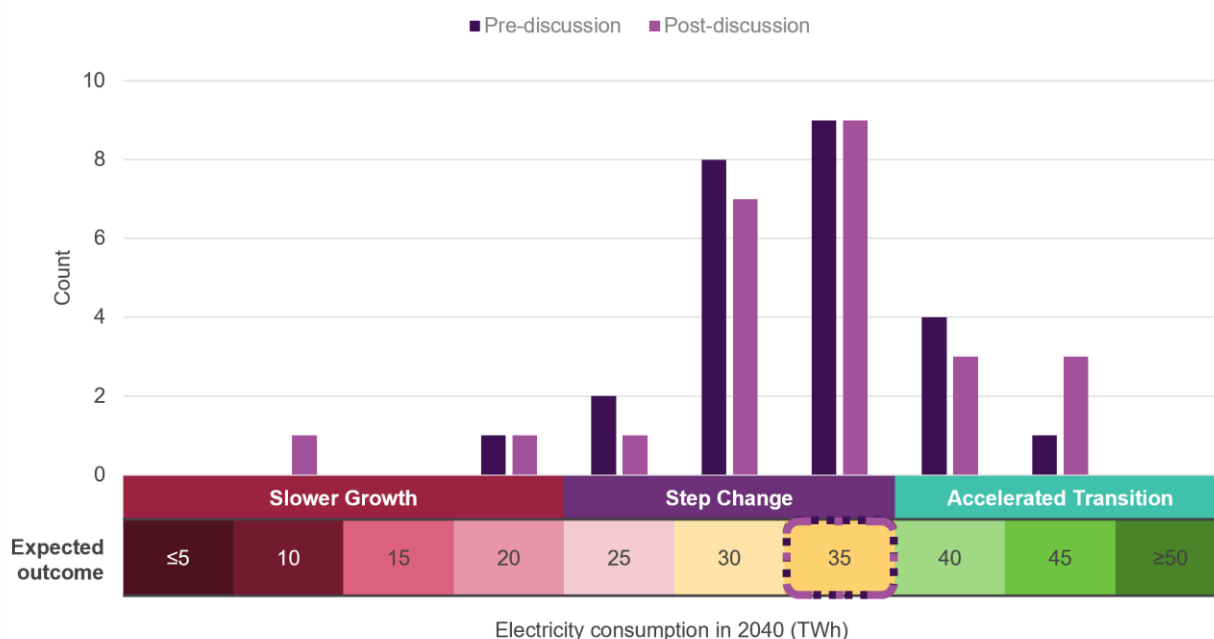


Figure 2: Sample survey question mapped to IASR scenarios, with an example of a distribution of votes provided by the expert stakeholders (step 1)



What was the outcome?

The 2026 ISP Scenario weightings identify *Step Change* as the most likely of the three scenarios (46%), with equal weighting of 27% likelihood applying for the *Slower Growth* and *Accelerated Transition* scenarios.

Compared to previous years, these weightings will provide a more balanced assessment of under and over-investment risks in the ISP.



Figure 3: 2026 ISP Scenario weightings

Key factors driving change

The 2026 ISP scenario weightings reflect a more even distribution of final weightings compared to previous years, with a slightly increased weighting for *Step Change* and equal weightings for *Slower Growth* and *Accelerated Transition*.

The rapid pace of demand side changes such as energy efficiency, battery energy storage, solar PV and data centres drove an increased weighting for *Accelerated Transition*.

Conversely, the expected pace of infrastructure developments, hydrogen production and associated emission reductions was assessed as more aligned with the *Slower Growth* and *Step Change* scenarios, balancing the scenario weightings to capture important overinvestment risks.

Although mixed views remain on the nature and speed of the energy transformation in Australia, stakeholder feedback in the scenario weighting workshop was reflective of and consistent with the manner in which the scenarios evolved from the 2023 IASR to the 2025 IASR, which has naturally led to a more balanced set of relative weightings than used in the 2024 ISP.

Forecasting futures based on many different parameters and potential outcomes is highly challenging, and AEMO appreciates the time and diversity of views from its stakeholders through this and many other processes to inform the 2026 ISP.

Applying the result

The scenario weightings developed considering stakeholder input will inform the Draft 2026 ISP and guide the selection of the 2026 ISP's ODP, with *Step Change* as the most likely of the three scenarios.

All three scenarios will be explored to assess the investment needs of the future power system, ensuring the ODP remains robust across a range of possible futures that meet government energy and emission policies in different ways.

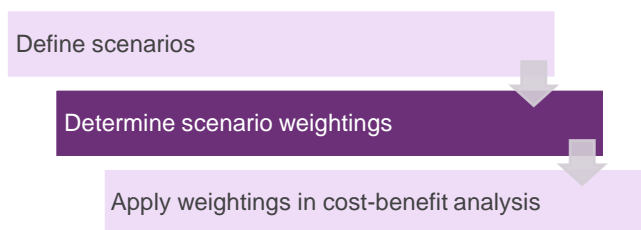


Figure 4: Applying scenario weightings in the ISP

Next steps

The Draft 2026 ISP will be published on 10 December 2025 and open for public consultation until 13 February 2026.

For more information on 2026 ISP engagement, visit [2026 Integrated System Plan \(ISP\)](#).