

Appendix A1. Stakeholder Engagement

June 2026

Appendix to the 2026
Integrated System Plan for the
National Electricity Market





We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan

AEMO is proud to have launched its first [Reconciliation Action Plan](#) in May 2024. 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation – a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.

Important notice

Purpose

This is Appendix A1 to the 2026 Integrated System Plan (ISP) which is available at <https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp>. This publication is generally based on information available to AEMO as at 20 April 2026 unless otherwise indicated.

Disclaimer

The information in this document is provided for explanatory purposes and may be subsequently updated or amended. This document does not constitute legal, business, engineering or technical advice, and should not be relied on as a substitute for obtaining detailed advice about the National Electricity Law, the National Electricity Rules, or any other applicable laws, procedures, or policies. AEMO has made reasonable efforts to ensure the quality of the information in this document but cannot guarantee its accuracy or completeness.

Accordingly, to the maximum extent permitted by law, AEMO and its officers, employees and consultants involved in the preparation of this document:

- make no representation or warranty, express or implied, as to the currency, accuracy, reliability, or completeness of the information in this document; and
- are not liable (whether by reason of negligence or otherwise) for any statements or representations in this document, or any omissions from it, or for any use or reliance on the information in it.

Copyright

© 2026 Australian Energy Market Operator Limited. The material in this publication may be used in accordance with the [copyright permissions on AEMO's website](#).

Version control

Version	Release date	Changes
1	25/06/2026	First release

ISP Appendices

Appendix A1. Stakeholder Engagement

- Stakeholder feedback
- Engagement approach
- Major engagements

Appendix A2. Generation and Storage Development Opportunities

- Summary of generation and storage development opportunities in the ODP across the scenarios
- Generation and storage development opportunities across scenarios
- The influence of sensitivities on generation and storage development opportunities

Appendix A3. Renewable Energy Zones

- REZ candidates
- REZ development overview
- Regional outlook and REZ scorecards

Appendix A4. System Operability

- The NEM's evolving demand profile
- System flexibility manages increased variability
- Implications for coal operation
- VRE penetration and curtailment
- Storage technologies will firm VRE by shifting energy
- Operating the power system during long dark and still conditions
- Maintaining reliability during the transition

Appendix A5. Network Investments

- Transmission development overview
- Committed and anticipated projects
- Actionable projects
- Future ISP projects
- Distribution projects

Appendix A6. Cost-Benefit Analysis

- Approach to the cost-benefit analysis
- Determining the least-cost development path for each scenario
- Building candidate development paths
- Assessing the candidate development paths
- Selecting the preliminary optimal development path
- Sensitivity analysis to test resilience of candidate development paths
- Finalising the optimal development path

Appendix A7. System Security

- Recent reforms to the security planning frameworks
- AEMO's approach to system security planning
- System security concepts and requirements
- Projected outlook and opportunities

Appendix A8. Social Licence

- Social licence overview
- Social licence for new energy infrastructure development
- Consumer energy resources: adoption and coordination

Appendix A9. Demand Side Factors Statement

- Introduction to demand side factors
- Demand side factors and efficient development of the power system
- Opportunities for development of the distribution network to support CER export

Appendix A10. Gas Development Projections

- Gas system adequacy
- Gas development projections
- Forecasting the role of gas-powered generation
- Impacts of different gas development projections on the electricity capacity outlook

Contents

Executive summary	5
A1.1 Introduction	6
A1.2 Stakeholder feedback – key topics	9
A1.3 Engagement approach	11
A1.4 Major engagements	20
Glossary	34

Tables

Table 1	2026 ISP Stakeholder engagement activities	7
Table 2	Summary of key topics received from stakeholder feedback	9
Table 3	ISP engagement scope	12
Table 4	2026 ISP Consumer Panel engagement activity	17
Table 5	Consumer and Community Reference Group engagement	19
Table 6	Draft 2026 ISP top consultation submission themes	21

Figures

Figure 1	2026 ISP Timetable	13
Figure 2	2026 ISP development process and status of report and engagement activity	14
Figure 3	Stakeholder segmentation of webinar attendees and consultation submissions (1,940)	15
Figure 4	2026 ISP-related consultation submissions by stakeholder segment	16
Figure 5	2025 <i>ISP Methodology</i> key consultation submission themes (as % of frequency)	25
Figure 6	2025 <i>IASR</i> key consultation submission themes (as % of frequency)	27
Figure 7	2026 ISP scenario weightings	27
Figure 8	2025 <i>Electricity Network Options Report</i> key consultation submission themes (as % of frequency)	29
Figure 9	2025 <i>Gas Infrastructure Options Report</i> key consultation submission themes (as % of frequency)	30



Executive summary

AEMO's *Integrated System Plan* (ISP) is a roadmap for the National Electricity Market's (NEM's) transition, and outlines an 'optimal development path' (ODP) for generation, storage and network investments to meet both consumer needs and government policies, at least cost, to 2050. The 2026 ISP reaffirms that renewable energy, connected by transmission and distribution, firmed with storage and backed up by gas, presents the least-cost way to supply secure and reliable electricity to consumers through to 2050, as coal plants retire and while meeting government policies.

The 2026 ISP is built on extensive stakeholder engagement and planning, ensuring the plan incorporates a broad spectrum of feedback and reflects the long-term interests of consumers.

This appendix summarises the stakeholder engagement journey for the 2026 ISP, and highlights how input from consumers and advocates, the ISP Consumer Panel and the Consumer and Community Reference Group, industry and government has shaped the 2026 ISP. Stakeholders had significant opportunities to engage on the development of the 2026 ISP with consultation on the *ISP Methodology* (four-yearly review), two stages of the *Inputs, Assumptions and Scenarios Report* (IASR) – incorporating the *Electricity Network Options Report* and the *Gas Infrastructure Options Report* – and the Draft 2026 ISP and *Addendum to the Draft 2026 Integrated System Plan*.

AEMO recognises it takes considerable time and effort for stakeholders to engage in the development of each ISP, and thanks all stakeholders for their valuable input into the 2026 ISP. AEMO will continue to work with all stakeholders to deliver the energy transition, to support reliable, least-cost energy to meet Australia's consumer and policy needs.

Key changes in Appendix A1 from the Draft 2026 ISP¹

- Section A1.4 provides an overview of key changes made by AEMO in response to stakeholder feedback during major engagements, including in response to consultation on the Draft 2026 ISP, 2025 IASR, *ISP Methodology*, 2025 *Electricity Network Options Report* and 2025 *Gas Infrastructure Options Report*.
- **Table 1** has been updated to include summaries of what kind of consultation AEMO conducted on the *Demand Side Factors Information Guidelines*, the Draft 2026 ISP, and the *Addendum to the Draft 2026 Integrated System Plan*.
- A new section has been inserted (Section A1.4.1) summarising key themes arising out of consultation on the Draft 2026 ISP and *Addendum to the Draft 2026 Integrated System Plan*.
- A new section has been inserted (Section A1.4.3) summarising key themes arising out of consultation on the *Demand Side Factors Information Guidelines*.

¹ AEMO has published all inputs and assumptions within the 2026 ISP Inputs and Assumptions Workbook, including a change log of changes.



A1.1 Introduction

Engagement to inform the development of the 2026 ISP took place regularly over two years from July 2024 to May 2026, with multiple opportunities for stakeholder input. AEMO greatly appreciates the input and feedback provided by stakeholders at key stages, as outlined in Section A1.4.

A1.1.1 Engagement program overview

Over the past two years, AEMO has strived to give all stakeholders as much opportunity as possible to get involved in the development of the 2026 ISP. Key stakeholders engaged include consumers and advocates, industry, market bodies, government, and other interested stakeholders such as academics, environmental groups and energy industry consultants.

AEMO's engagement goal for the 2026 ISP was to:

Provide interested stakeholders with appropriate time and opportunity to access and provide meaningful input into our planning. AEMO encourages interested stakeholders to get involved and shape our planning for the efficient development of the energy system, for the benefit of all Australians as we work to achieve a net zero future and other government energy policies.

The goal AEMO set for the engagement program was used to guide the engagement approach and ensure, where possible, that the 2026 ISP reflects stakeholder needs and expectations within the guiderails established under the regulatory framework.

Engagement commenced at the start of the two-year planning cycle with consultation on the 2025 IASR, which focused on what inputs, assumptions, and scenarios were applied in the ISP modelling. AEMO then consulted on the findings of the Draft 2026 ISP and the reasoning, considerations and analysis supporting the selection of the draft ODP. AEMO also consulted on the Draft 2026 ISP Addendum, which provided further explanatory material on matters raised in the Australian Energy Regulator's (AER's) Transparency Review of the Draft 2026 ISP. Continued engagement following the publication of the Draft 2026 ISP and Addendum informed the development of the final 2026 ISP.

A1.1.2 Stakeholder engagement journey

AEMO has given interested stakeholders a range of opportunities to get involved in the development of the 2026 ISP. Over the past two years, AEMO has formally engaged with 1,940 stakeholders, including 1,607 webinar attendees² and 333 stakeholders who made submissions. In addition, AEMO has published 62 reports and reference materials, and hosted 19 webinars and workshops.

Table 1 highlights the key engagement activities and outputs aligned with the Engagement Institute's (formerly IAP2) Public Participation Spectrum³. In addition to these formal activities, AEMO also regularly briefed and talked to governments from all jurisdictions, engaged in joint planning with jurisdictional planning bodies and networks, and had one-on-one conversations with key stakeholders including industry representatives and consumer advocates.

² Individuals who attended multiple webinars are counted multiple times.

³ See Engagement Institute (formerly IAP2) Public Participation Spectrum at <https://iap2.org.au/resources/spectrum/>.

Table 1 2026 ISP Stakeholder engagement activities

Stage	IAP2 Goal	Key activities	Output*
1. Preliminary engagement	Collaborate	Set up the 2026 ISP Consumer Panel ^A and develop an engagement strategy.	<ul style="list-style-type: none"> Four panel members appointed 17 April 2024; over 45 meetings held over two years from June 2024 to seek advice on key ISP topics. 2026 ISP Stakeholder Engagement Strategy delivered 12 September 2024. Seven consultation submissions. In addition to the ISP Consumer Panel, AEMO also engaged its broader Consumer and Community Reference Group (CCRG), which provided input and advice on six ISP engagements including 2026 ISP Consumer Panel support^B.
	Inform	Improved the accessibility of the ISP in response to ISP Review recommendation 11 ^C .	<ul style="list-style-type: none"> Produced an easy-to-read 30-page ISP Toolkit which explains how the ISP is prepared, how it affects stakeholders, and how they can become involved in its development. Included advice from CCRG on structure and content. Three podcasts to help explain the ISP, its role and the work AEMO undertakes to produce it. Overview documents produced to provide easy-to-access information on the 2025 IASR and scenarios.
2. ISP Methodology	Consult	<p>Across eight months:</p> <ul style="list-style-type: none"> Three webinars / workshops including one consumer advocates session. 	<ul style="list-style-type: none"> 58 non-confidential submissions, including two ISP Consumer Panel submissions. 203 webinar attendees. Three reports published.
3. 2025 IASR and addendum	Consult and Collaborate	<p>Across 13 months:</p> <ul style="list-style-type: none"> 11 webinars / workshops, including three consumer advocates sessions, five Forecasting Reference Group (FRG) meetings and consultations, and a joint publication webinar with the 2025 <i>Electricity Network Options Report</i> and 2025 <i>Gas Infrastructure Options Report</i>. Deliberative panel (25 experts) to inform scenario weightings for the Draft 2026 ISP. Meetings with the ISP Consumer Panel and Consumer and Community Reference Group (CCRG) for advice from a consumer perspective. Regular joint planning with transmission network service providers (TNSPs). 	<ul style="list-style-type: none"> 123 submissions, including 73 submissions to the 2025 IASR consultation and 50 submissions to the 2025 IASR scenarios consultation (this includes three ISP Consumer Panel submissions). 11 stakeholders commented on the IASR Addendum via the Draft 2026 ISP consultation process. 668 webinar attendees. 17 reports/reference materials published, including the 2025 IASR overview^D.
4. 2025 Electricity Network Options Report	Consult and Collaborate	<p>Across three months:</p> <ul style="list-style-type: none"> Two webinars/workshops, including one consumer advocates session. Regular joint planning with transmission network service providers (TNSPs). Meetings with the ISP Consumer Panel and CCRG for advice from a consumer perspective. Regular working group meetings with distribution network service providers (DNSPs). 	<ul style="list-style-type: none"> 40 submissions including one ISP Consumer Panel submission. 193 webinar attendees. 11 reports/reference materials published. ISP Consumer Panel and CCRG: helping refine AEMO's social licence considerations in the Draft 2025 <i>Electricity Network Options Report</i>.
5. 2025 Gas Infrastructure Options Report	Consult	<p>Across three months:</p> <ul style="list-style-type: none"> One webinar. Regular one-on-one gas industry meetings. 	<ul style="list-style-type: none"> 20 submissions including one ISP Consumer Panel submission. 96 webinar attendees. Seven reports/reference materials published.
6. Demand Side Factors Information Guidelines	Consult and Involve	<p>Across four months:</p> <ul style="list-style-type: none"> Two-stage consultation, including on a draft set of guidelines. 	<ul style="list-style-type: none"> 16 submissions. Four reports/reference materials published.

Stage	IAP2 Goal	Key activities	Output*
		<ul style="list-style-type: none"> One-on-one meetings to clarify stakeholder submissions. Regular working group meetings with DNSPs. 	
7. Draft 2026 ISP and addendum	Consult and Collaborate	<p>Across five months:</p> <ul style="list-style-type: none"> One webinar and one consumer advocates verbal submission session. Regular joint planning with TNSPs. Regular working group meetings with DNSPs. Call for non-network options. 	<ul style="list-style-type: none"> 74 submissions to the Draft ISP (including six verbal submissions and one ISP Consumer Panel report). 10 appendices, including the Demand Side Factors statement and gas development projections for the first time. 447 webinar attendees. Two submissions to the <i>Addendum to the Draft 2026 Integrated System Plan</i> consultation.

*Webinar attendee numbers do not include AEMO staff. Individuals who attended multiple webinars are counted multiple times.

A. At <https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp/2026-isp-consumer-panel>.

B. At <https://www.aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/consumer-and-community-reference-group>.

C. At <https://www.energy.gov.au/energy-and-climate-change-ministerial-council/energy-ministers-publications/energy-ministers-response-review-integrated-system-plan>.

D. At <https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-iasr>.



A1.2 Stakeholder feedback – key topics

AEMO considers all stakeholder submission feedback, summarises material issues from submissions into themes and provides AEMO responses in consultation summary reports. **Table 2** below highlights the key feedback topics for each consultation.

Table 2 Summary of key topics received from stakeholder feedback

Consultation	Key topics
Draft 2026 ISP	<ul style="list-style-type: none"> • Transmission network development • Generation and storage projects • Consumer energy resources • Distribution networks and distribution-level solutions • Modelling framework • Project deliverability • Cost-benefit analysis • System security and operability • Demand outlook • Gas role, supply, and infrastructure • Social licence and engagement • Coal pathway and role • Communication and framing of the ISP. <p>For more information see the <i>2026 ISP Consultation Summary Report June 2026^A</i>.</p>
2025 IASR	<ul style="list-style-type: none"> • Scenario set and parameters • Rate of return and technology specific weighted average costs of capital (WACCs) • Network developments • Demand side factors and consumer energy resources (CER) • Hydrogen considerations • Sector coupling. <p>For more information see the <i>2025 IASR Consultation Summary Report July 2025^B</i>.</p>
ISP Methodology	<ul style="list-style-type: none"> • Capabilities of CER • Distribution resources and distribution network capabilities • Gas supply modelling • ODP selection • Perfect foresight of the ISP model • Hydrogen modelling • Enhancements to system security. <p>For more information see the <i>ISP Methodology – Consultation Summary Report June 2025^C</i>.</p>
2025 Electricity Network Options Report	<ul style="list-style-type: none"> • Transmission project cost estimates • Flow paths • Renewable energy zone (REZ) augmentations • Social licence matters • Inclusion of distribution network opportunities • Other methodology matters. <p>For more information, see the <i>2025 Electricity Network Options Report – Consultation Summary Report July 2025^D</i>.</p>
2025 Gas Infrastructure Options Report	<ul style="list-style-type: none"> • Gas infrastructure costs • Gas development projections • Application of gas development projections for fuel limitations in the ISP



Consultation	Key topics
	For more information, see the 2025 <i>Gas Infrastructure Options Report – Consultation Summary Report</i> July 2025 ^E .
Demand Side Factors Information Guidelines	<ul style="list-style-type: none"> • Data collection processes • Whether to review the Guidelines after each ISP • Opportunities to provide updated data and review results For more information, see the <i>Demand Side Factors Information Guidelines – Consultation Summary Report and Final Report – Standard consultation for the National Electricity Market</i> December 2025 ^F .

A. At <https://www.aemo.com.au/-/media/files/major-publications/isp/2026/supporting-materials/2026-isp-consultation-summary-report.pdf>.

B. At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2025-iasr-scenarios/final-docs/2025-iasr-consultation-summary-report.pdf?la=en.

C. At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2026-isp-methodology/consultation-summary-report---isp-methodology.pdf?rev=62b472fcb2d4b73beceee863d5b285d&sc_lang=en.

D. At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-electricity-network-options-report/final/2025-electricity-network-options-report-consultation-summary-report.pdf?rev=9a6a68b1f7cd42c79fd924492d25a2aa&sc_lang=en.

E. At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-gas-infrastructure-options-report/final/2025-gas-infrastructure-options-report-consultation-summary-report.pdf?rev=be3bc9548b114fd1a4a4e141760f59fa&sc_lang=en.

F. At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/demand-side-factors-guidelines-consultation/final-documents/consultation-summary-report-and-final-report-demand-side-factors-information-guidelines.pdf?rev=1c63588663b14fbb8fa96c6cf02d6af8&sc_lang=en.



A1.3 Engagement approach

AEMO's engagement approach for the 2026 ISP built on feedback for improvement from previous engagement programs and follows the AER's *Forecasting Best Practice Guidelines*⁴ and Rule 5.22 of the National Electricity Rules (NER)⁵, which outline aspects of the ISP process. Following the Energy and Climate Change Ministerial Council's (ECMC) 2024 Review of the ISP⁶, the scope of engagement for the ISP expanded, and as a result AEMO also provided targeted communications to address the recommendation to 'improve the accessibility of the ISP' to ensure engagement was accessible to all stakeholders that wanted to get involved in the planning process.

This section details engagement principles, commitments, scope, process, stakeholders, and engagement impact.

A1.3.1 Engagement design

The *2026 ISP Stakeholder Engagement Plan*⁷ sets out the approach AEMO took to engaging stakeholders in the development of the ISP. The aim of the engagement approach was to maximise opportunities for participation and ensure stakeholder input shaped the ISP's direction. AEMO is committed to making engagement accessible through consultations, forums, and direct discussions.

Engagement principles and commitments

In addition to complying with consultation requirements, AEMO's engagement is guided by four principles – credibility, reliability, staying close, and self-awareness – to ensure honest, transparent, and consistent stakeholder interactions⁸.

Commitments include respecting stakeholder time, tailoring communications, and responding to feedback. The goal is effective, inclusive engagement and accessible materials, with clear guidance on consultation priorities and increased communication to summarise feedback and its impact. Full details are in the *ISP 2026 Stakeholder Engagement Plan* on AEMO's website.

Engagement scope

AEMO's engagement program focused on engaging with stakeholders on areas of its planning that matter most to consumers and stakeholders, where they can have the greatest influence. AEMO continually informs stakeholders throughout the ISP development cycle.

Table 3 below provides an outline of the key areas that included the inform, consult, involve and collaborate levels of the Engagement Institute IAP2 Public Participation Spectrum⁹ of engagement with key stakeholders.

⁴ At <https://www.aer.gov.au/system/files/AER%20-%20Forecasting%20best%20practice%20guidelines%20-%202025%20August%202020.pdf>.

⁵ For more information on the National Electricity Rules, see <https://energy-rules.aemc.gov.au/ner>.

⁶ See <https://www.energy.gov.au/energy-and-climate-change-ministerialcouncil/energy-ministers-publications/review-integrated-system-plan>.

⁷ At <https://www.aemo.com.au/-/media/files/major-publications/isp/2026/2026-isp-stakeholder-engagement-plan.pdf>.

⁸ At https://www.aemo.com.au/-/media/files/about_aemo/stakeholder-engagement/stakeholder-engagement-framework-external.pdf?la=en&rev=9f87bae95f00455ba00b579bf74be747&sc_lang=en&hash=B3C004E7F7F92F97D56DEB768E761DF8.

⁹ AEMO's target level of engagement is mapped against the Engagement Institute IAP2 Spectrum of Public Participation. For further information, see <https://engagementinstitute.org.au/>.



Table 3 ISP engagement scope

Topic	Scope
Jurisdictional policies	<i>Inform</i> stakeholders how AEMO engages with jurisdictions on the consideration of policy at key consultation points for the ISP (in response to ISP Review recommendation 9) ^A .
ISP Accessibility	<i>Inform</i> stakeholders with an easy-to-read 30-page ISP Toolkit ^B which explains how the ISP is prepared, how it affects stakeholders, and how they can become involved in its development in response to ISP Review recommendation 11. ISP podcasts and easy explainer IASR and ISP overviews have also been developed to improve ISP understanding.
ISP Methodology	<i>Consult</i> stakeholders for feedback on proposed modelling, methodology and analysis.
Inputs, assumptions, and scenarios and Addendum	<p><i>Consult</i> stakeholders on proposed inputs, assumptions, scenario design and sensitivity analysis.</p> <p><i>Consult</i> stakeholders including the ISP Consumer Panel and CCRG on the WACC.</p> <p><i>Consult</i> stakeholders on forecasting. From July 2024 to April 2026, AEMO has hosted 17 Forecasting Reference Group (FRG) meetings. Topics have included data centre forecasts, multi-sectoral modelling, retirement costs and pumped hydro energy storage (PHES) technical parameters, cost escalation factors, electric vehicle (EV) and CER forecasts, and gas forecasts^C.</p> <p><i>Consult</i> stakeholders on the Addendum to the 2025 IASR.</p>
Draft ISP and Addendum	<p><i>Consult</i> stakeholders on the draft ODP and on the proposed timing and treatment of actionable projects.</p> <p><i>Consult</i> stakeholders on sensitivity analysis relevant to testing the robustness of the candidate development paths.</p> <p><i>Consult</i> stakeholders on whether the draft ODP appropriately identified and leveraged distribution investment opportunities.</p> <p><i>Consult</i> stakeholders on gas development projections.</p> <p><i>Consult</i> stakeholders on the Addendum to the Draft 2026 ISP.</p>
Network options	<p><i>Collaborate</i> with network service providers on electricity network options including conceptual design, lead time, location, and cost estimate.</p> <p><i>Consult</i> key stakeholders for feedback on methodology (design, project lead time, location, cost estimates), flow path augmentation options, REZ augmentation options and generator connection costs.</p> <p><i>Collaborate</i> with key expert stakeholders to identify and plan for network augmentation design (joint planning).</p> <p><i>Consult</i> the 2026 ISP Consumer Panel and CCRG on transmission costs, affordability and community sentiment.</p>
Gas infrastructure options	<i>Consult</i> with stakeholders on gas infrastructure costs, gas infrastructure options, and the application of gas development projections for gas fuel limitations in the ISP.
CER	<i>Consult</i> the 2026 ISP Consumer Panel on the treatment of consumer energy resources.
Scenario weighting	<i>Consult</i> with expert stakeholders on key scenario parameters to help determine scenario weightings for use in the 2026 ISP.
Demand Side Factors Information Guidelines	<i>Consult</i> and <i>Involve</i> stakeholders on the development of the <i>Demand Side Factors Information Guidelines</i> .

A. At <https://www.aemo.com.au/-/media/files/major-publications/isp/2026/consultation-with-jurisdictions-for-the-integrated-system-plan.pdf>.

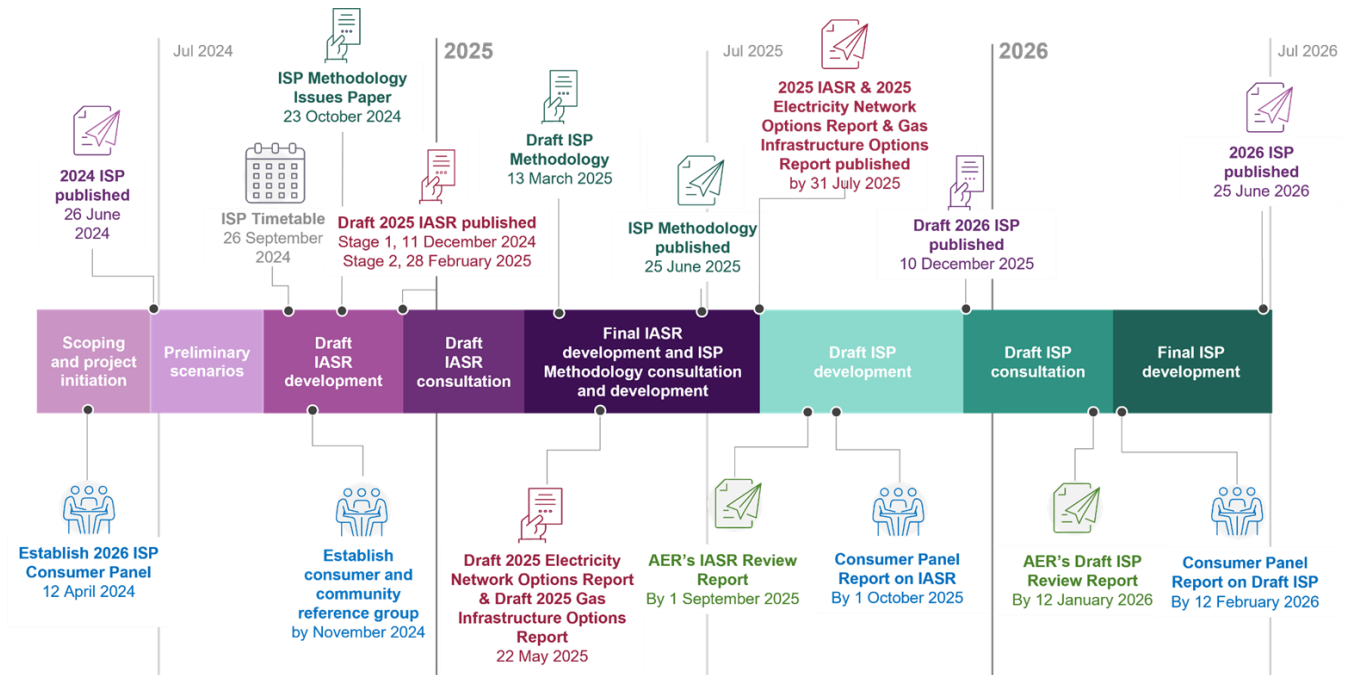
B. At <https://www.aemo.com.au/-/media/files/major-publications/isp/2025/isp-toolkit.pdf>.

C. At <https://www.aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/forecasting-reference-group-frg>.

A1.3.2 Engagement process and opportunities

Stakeholder input is essential to the development of the 2026 ISP with engagement occurring at each stage. **Figure 1** shows the stakeholder engagement AEMO undertook to develop the 2026 ISP. AEMO thanks all stakeholders who have taken the time to get involved, attend forums and webinars and provide feedback.

Figure 1 2026 ISP Timetable



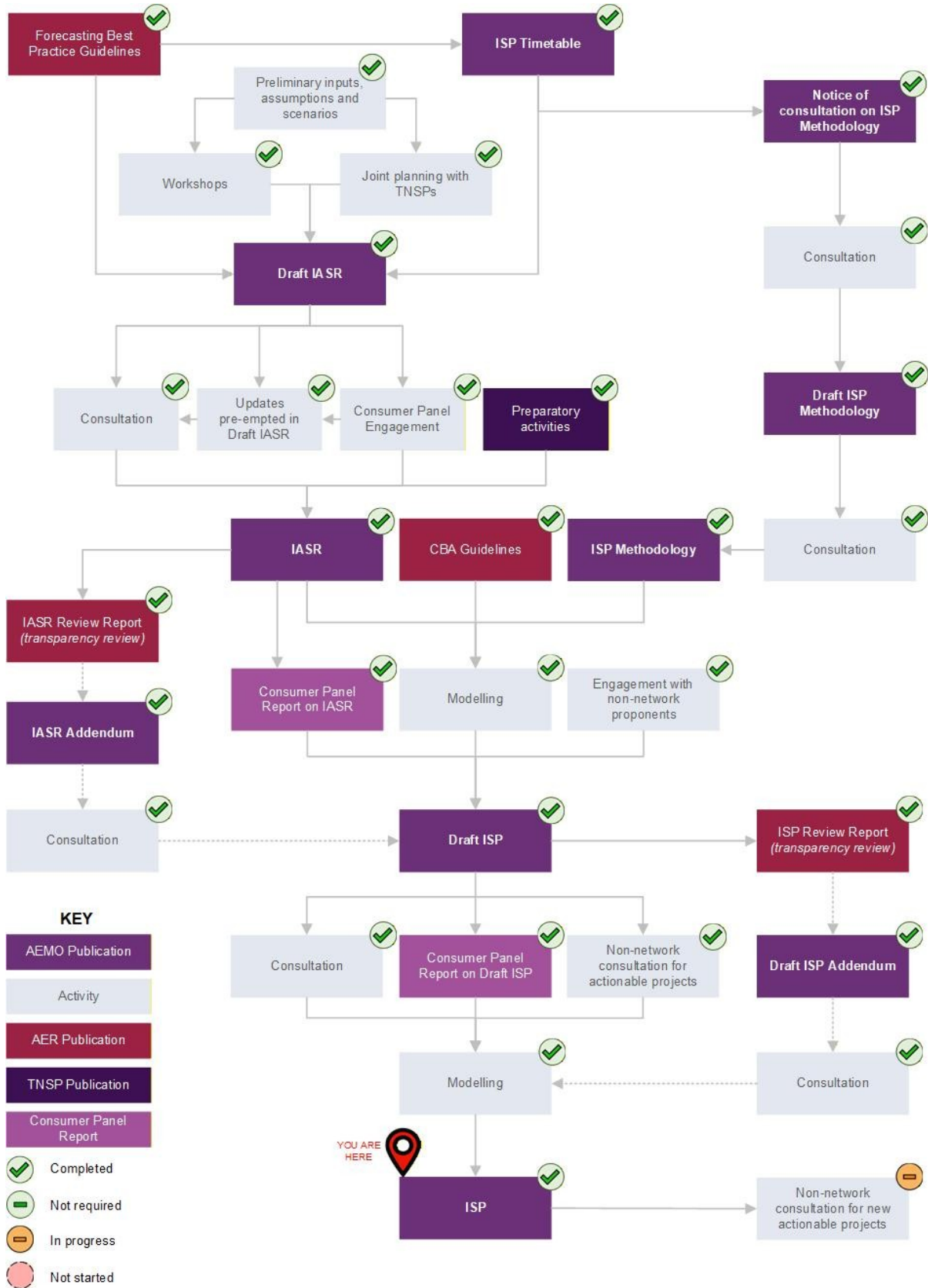
The 2026 ISP Timetable provides a high-level overview of the key milestones related to the 2026 ISP. The full 2026 ISP timetable is available online¹⁰.

Figure 2 on the following page outlines the consultation engagement and ISP development process and status of engagement activities undertaken to date to develop the 2026 ISP. AEMO publishes upcoming opportunities and past engagements including webinar recordings on the 2026 ISP Stakeholder Engagement webpage¹¹.

¹⁰ At https://www.aemo.com.au/-/media/files/major-publications/isp/2026/2026-isp-timetable.pdf?rev=b3660add790c499daff09e966fe61b25&sc_lang=en.

¹¹ At <https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp/opportunities-for-engagement>.

Figure 2 2026 ISP development process and status of report and engagement activity





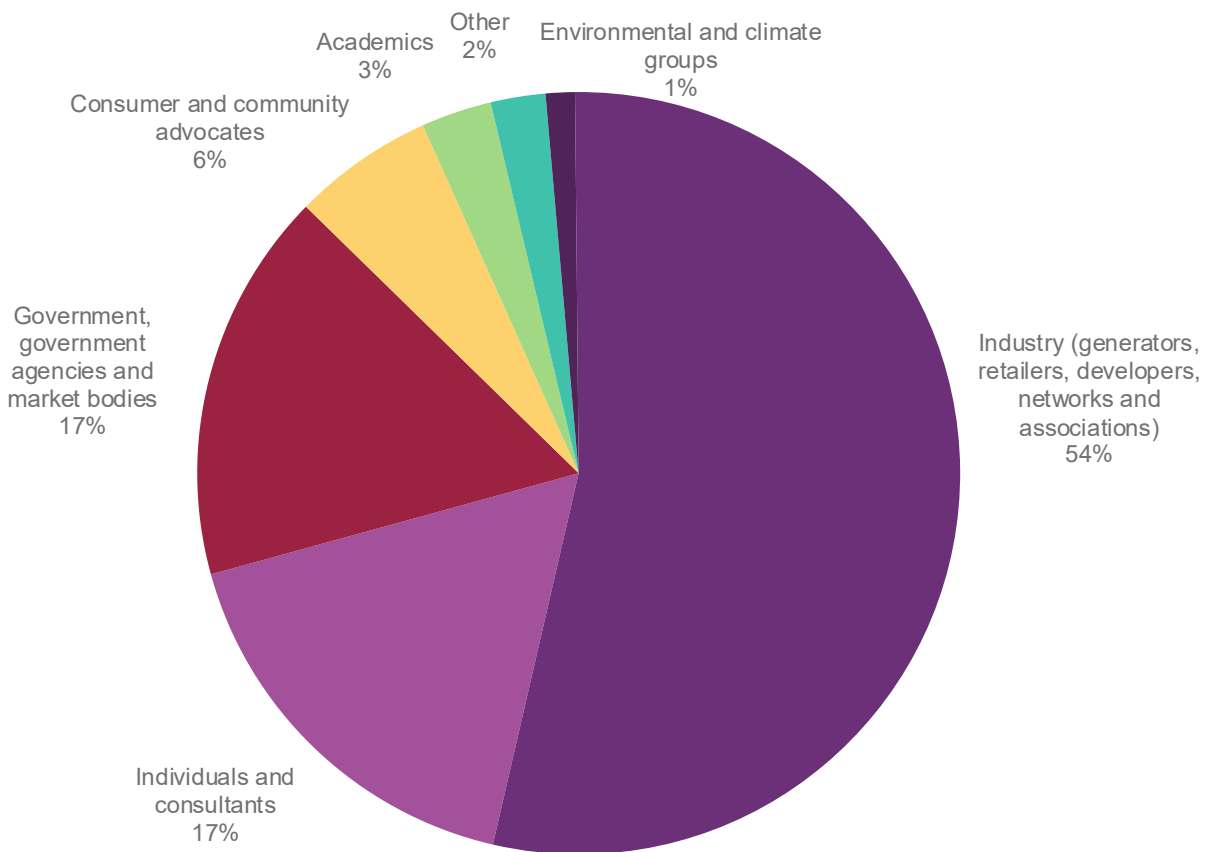
A1.3.3 Stakeholder engagement

A total of 1,940 stakeholders have formally engaged in the development of the 2026 ISP. This includes 1,607 stakeholders¹² who participated in webinars across the Draft 2026 ISP, 2025 IASR, 2025 *Electricity Network Options Report*, 2025 *Gas Infrastructure Options Report*, and *ISP Methodology* publications over a two-year period. In addition to webinar engagement, 333 submissions were considered across the Draft 2026 ISP and its four core preceding reports.

AEMO also regularly briefed and talked to governments, jointly planned with networks and had many one-on-one conversations with other key stakeholders across industry and with consumer advocates including the ISP Consumer Panel and the Consumer and Community Reference Group.

Stakeholder map

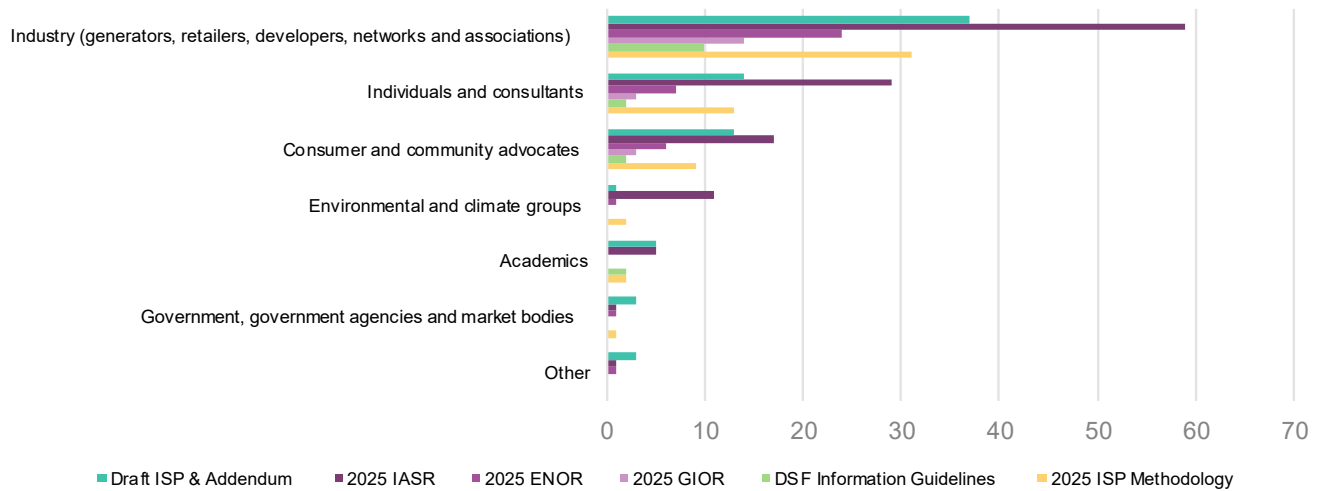
Figure 3 Stakeholder segmentation of webinar attendees and consultation submissions (1,940)



¹² This is not a unique count and includes individuals who have made multiple submissions or attended multiple webinars.



Figure 4 2026 ISP-related consultation submissions by stakeholder segment



ENOR: Electricity Network Options Report. GIOR: Gas Infrastructure Options Report.

A1.3.4 Engagement impact

Section A1.4 below outlines the key major stages of engagement that have played a significant role in the development of the 2026 ISP, and a brief overview of changes made in response to stakeholder feedback.

Each major engagement includes a consultation summary report that outlines key stakeholder themes and areas where feedback has been adopted during the development of the 2026 ISP. For a full summary of the consultation feedback and AEMO’s responses, please view:

- 2026 ISP – Consultation Summary Report¹³,
- 2025 IASR – Consultation Summary Report¹⁴,
- ISP Methodology – Consultation Summary Report¹⁵,
- 2025 Electricity Network Options Report – Consultation Summary Report¹⁶, and
- 2025 Gas Infrastructure Options Report – Consultation Summary Report¹⁷.

2026 ISP Consumer Panel

The 2026 ISP Consumer Panel (the Panel) established by AEMO in accordance with the NER continues to be central to bringing a consumer-focused perspective to the development of the 2026 ISP, as shown in **Table 4**. AEMO maintained an open dialogue with the Panel to better understand consumer concerns about how the development of a new power system

¹³ At <https://www.aemo.com.au/-/media/files/major-publications/isp/2026/supporting-materials/2026-isp-consultation-summary-report.pdf>.

¹⁴ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2025-iasr-scenarios/final-docs/2025-iasr-consultation-summary-report.pdf?la=en.

¹⁵ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2026-isp-methodology/consultation-summary-report---isp-methodology.pdf?rev=62b472fcba2d4b73beceee863d5b285d&sc_lang=en.

¹⁶ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-electricity-network-options-report/final/2025-electricity-network-options-report-consultation-summary-report.pdf?rev=9a6a68b1f7cd42c79fd924492d25a2aa&sc_lang=en.

¹⁷ At <https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-gas-infrastructure-options-report-consultation>.



could affect them. AEMO’s engagement with the Panel was complemented by broader engagement with energy consumers and consumer advocates through consumer forums, external workshops and webinars.

Table 4 2026 ISP Consumer Panel engagement activity

IAP2 Goal	Activity	Outcome
Consult & collaborate	Fortnightly meetings with four expert Consumer Advocates	45 meetings from June 2024 – June 2026, resulting in the development of several key deliverables (listed below)
	Engaged on: <ul style="list-style-type: none"> • Draft 2026 ISP • Demand side factors statement • Engagement strategy and ISP Toolkit • Social licence • Scenarios and sensitivities • ISP reform processes • <i>ISP Methodology</i> • Transmission options and costs 	Delivery of: <ul style="list-style-type: none"> • 2026 Draft 2026 ISP Report • 2025 IASR Report • 2026 ISP Stakeholder Engagement Plan response • Submissions to the AEMC <i>Review of the ISP</i> (EPR0092) and <i>Clarifying the treatment of jurisdictional policy and system costs in the ISP</i> (ERC0406) rule change processes • Nine consultation submissions^A: Draft 2026 ISP, Demand Side Factors statement, 2025 <i>ISP Methodology</i> (Issues Paper and Draft), 2025 IASR (Stage 1 and Stage 2), IASR Scenarios, 2025 <i>Electricity Network Options Report</i>, 2025 <i>Gas Infrastructure Options Report</i>.

A. At <https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp/2026-isp-consumer-panel>.

Under the NER, the Panel is required to submit two reports to AEMO, each to be submitted within two months of the publication of the final IASR and Draft ISP respectively¹⁸. The Panel’s reports are required to provide their “assessment of the evidence and reasons supporting” the IASR and Draft ISP¹⁹ and, in preparing these reports, the Panel “must have regard to the national electricity objective”²⁰.

AEMO appointed four members to the Panel on 17 April 2024. Since its creation, the Panel has engaged in great depth on numerous aspects of the development of the *2026 ISP* and inputs including the 2025 IASR, *ISP Methodology*, 2025 *Electricity Network Options Report* and the 2025 *Gas Infrastructure Options Report*. The Panel engaged in direct discussions with AEMO on key issues each fortnight, with over 45 dedicated meetings since June 2024. The Panel has also provided extensive written advice in the form of submissions to additional consultations on proposed reforms to the ISP framework, including the AEMC’s *Review of the ISP*²¹ and related rule change processes.

The 2026 ISP Consumer Panel’s primary focus²² this year was responding to the Draft 2026 ISP via a 90-page report that outlined more than 50 recommendations covering 17 major themes²³. These themes were:

- the importance of the ISP narrative,
- needing to tell the ISP’s story for a broad audience,
- cost-of-living and energy costs,
- the diverging costs of energy projects,
- the role of gas,

¹⁸ NER 5.22.7(d)(1).

¹⁹ NER 5.22.7(e)(1).

²⁰ NER 5.22.7(d)(2).

²¹ At <https://www.aemc.gov.au/market-reviews-advice/review-integrated-system-plan>.

²² The Panel also produced a 29-page supplementary response to the Demand Side Factors Statement.

²³ At https://www.aemo.com.au/-/media/files/major-publications/isp/draft-2026/consultation-submissions/2026-isp-consumer-panel-draft-2026-isp-submission.pdf?rev=713113264f234f26962dda17af53413b&sc_lang=en.



- coordinated consumer energy resources (CER) assumptions,
- energy efficiency benefits,
- timeliness and delivery of the ODP,
- distributed energy being broader than distribution networks and CER,
- the extent of consumer buy-in to virtual power plants (VPPs),
- network utilisation and curtailment outcomes,
- electricity demand and uncertainty,
- the interaction between the ISP and policy,
- the assessment of cost effectiveness of projects,
- community energy data,
- the importance of coordination and collaboration, and
- the imperatives of social licence and communications.

The Panel also acknowledged ongoing improvement in AEMO processes overall, as well as AEMO's commitment to transparency and consultation, noting that "AEMO has engaged more on this ISP than it did on previous [ISPs]".

AEMO's responses to the ISP Consumer Panel's recommendations on the Draft 2026 ISP are summarised in the *2026 ISP Consultation Summary Report*²⁴.

There has been effective collaboration between AEMO and the Panel on many topics, including:

- the 2026 ISP Stakeholder Engagement Plan,
- financial parameters – the Panel provided input and advice, such as varying weighted average cost of capital (WACC) by technology and scenario,
- transmission costs – advice and input including recommendations outlined in a submission to the Draft 2025 *Electricity Network Options Report*,
- scenarios – including suggestions on scenario names and scenario weightings process for the 2026 ISP selection,
- the *ISP Methodology* – advice and input resulting in a submission,
- the Draft 2025 *Gas Infrastructure Options Report* – including a submission,
- demand side factors, including the demand side factors workshop on distribution investment opportunities, and
- the Draft 2026 ISP – including a submission from the Panel.

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 website²⁵.

²⁴ At <https://www.aemo.com.au/-/media/files/major-publications/isp/2026/supporting-materials/2026-isp-consultation-summary-report.pdf>.

²⁵ At <https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp/2026-isp-consumer-panel>.



AEMO wishes to once again convey sincere thanks to Panel members Mark Henley (Chair), Craig Memery, Beverley Hughson and Dr Jarra Hicks. AEMO acknowledges the Panel’s significant contribution to the development of the 2026 ISP. The Panel both constructively challenged and extensively supported AEMO throughout its tenure. AEMO would also like to thank Bridget Ryan and David Prins (Consumer and Community Reference Group members) for their contribution to the Panel from June to September 2026 while a Panel member was on leave.

AEMO announced the new 2028 Panel²⁶ on 14 May 2026, to commence at the beginning of the next two-year 2028 ISP development cycle, consistent with a key recommendation from the 2026 Panel.

Consumer and Community Reference Group

Established by AEMO in October 2024, the Consumer and Community Reference Group (CCRG) provides strategic insights and advice to AEMO across a range of energy issues to deepen its knowledge and application of consumer and community perspectives within its day-to-day work and future planning. As a diverse cohort of consumer and community advocates, its members represent a diverse range of interests, from households and businesses to First Nations peoples, regional communities, and agricultural and environmental groups. Members have provided input into the development of the 2026 ISP in various ways, as **Table 5** outlines.

Table 5 Consumer and Community Reference Group engagement

IAP2 Goal	Activity	Outputs
Collaborate	Feedback and advice on: <ul style="list-style-type: none"> • Oxford Economics’ and AEMO’s WACC and rate of return modelling • ISP Toolkit content and engagement approach to enhance understanding of the ISP Community sentiment • AEMO’s approach to incorporate community sentiment in early transmission options • Targeted advice and input to Panel while some members were on leave for input to the 2025 IASR ISP Consumer Panel Report • Review of Appendix A8: Social Licence • Input into distribution investment and CER opportunities for Appendix A9: Demand-side Factors • Input into AEMO’s scenario planning and weighting 	Six ISP/IASR engagements from February 2024 to February 2026. Outcomes: <ul style="list-style-type: none"> • WACC: Enhanced clarifications of methodology used, to improve transparency and simplified language around what the WACC considers to build understanding. • ISP Toolkit: Sharpening the purpose, structure and content • Demand Side Factors: workshop input on distribution investment opportunities. • Helping refine AEMO’s social licence considerations in the Draft 2025 <i>Electricity Network Options Report</i>. This included: <ul style="list-style-type: none"> – explaining clearly how and why AEMO and other parties considers social licence across the transmission planning stages to enhance transparency and understanding – providing clarity on how and why land use inputs are used in conceptual network planning, and that these are not a proxy for social licence or sentiment for localised projects, and – Providing AEMO with examples of better practice engagement frameworks and sharing relevant research, reviews and reports.

AEMO looks forward to continuing its work with CCRG members to better inform its thinking and decision-making and to support positive energy outcomes for Australian consumers and communities. For further information on social licence in the 2026 ISP, please refer to Appendix A8.

²⁶ At <https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp/2028-isp-consumer-panel>.



A1.4 Major engagements

Engagement with all stakeholders has been critical to the development of the 2026 ISP, helping improve and refine scenario development and inform forecasting, decision-making and assessment.

Consultations for the 2026 ISP commenced in July 2024 with engagement on the *ISP Methodology*, and continued with further consultation and engagement on inputs, assumptions and scenarios to be used for the 2025 IASR.

This section provides an overview of the key major stages of engagement that have played a significant role in the development of the 2026 ISP:

- *ISP Methodology*,
- 2025 IASR (Stages 1 and 2) including the stakeholder engagement on 2026 ISP scenario weightings,
- *2025 Electricity Network Options Report*,
- *2025 Gas Infrastructure Options Report*,
- 2026 ISP Consumer Panel report on the 2025 IASR and the Draft 2026 ISP,
- AER Transparency Review of the 2025 IASR,
- AER Transparency Review of the Draft 2026 ISP, and
- Draft 2026 ISP.

A1.4.1 Draft 2026 ISP

Draft 2026 ISP

The Draft 2026 ISP²⁷ set out the proposed least-cost investment pathway for the NEM to meet consumer energy needs and government policies through to 2050 and was underpinned by detailed analysis of approximately 2,000 potential development paths assessed for cost, benefits, and future power system needs across three electricity market scenarios.

AEMO released the Draft 2026 ISP for public consultation on 10 December 2025. Engagement opportunities to consult on the Draft 2026 ISP included:

- a Draft 2026 ISP post-publication webinar on 16 December 2025, and
- a Consumer Advocate verbal submission session on 13 February 2026.

AEMO received 74 submissions, including six consumer advocate verbal submissions and one ISP Consumer Panel report. **Figure 4** (in Section 1.3.3 above) shows Draft 2026 ISP submissions by stakeholder segment, and **Table 6** below summarises the key themes from submissions by volume. This table indicates the quantity of stakeholder comments, by cohort, for each of the key feedback themes identified by AEMO across the full set of submissions. Darker purple indicates more recommendations on a particular theme, lighter purple indicates fewer recommendations, and white areas indicate no recommendations. The submissions are published on the consultation page²⁸.

²⁷ The Draft 2026 ISP and overview are at <https://www.aemo.com.au/consultations/current-and-closed-consultations/draft-2026-isp-consultation>.

²⁸ At <https://www.aemo.com.au/consultations/current-and-closed-consultations/draft-2026-isp-consultation>.



Table 6 Draft 2026 ISP top consultation submission themes

Key themes	Industry (generators, retailers, developers, networks and associations)	Consumer and community advocates	Academics	Consultants and individuals	Government	Other
Transmission network development	High	Low	Low	Low	Low	Low
Generation and storage projects	High	Low	Low	High	Low	Low
Consumer energy resources	High	High	Low	Low	Low	Low
Modelling framework	Low	Low	Low	High	Low	Low
Project deliverability	High	Low	Low	Low	Low	Low
Cost-benefit analysis framework	Low	Low	Low	High	Low	High
Distribution networks and distribution-level opportunities	High	High	Low	Low	High	High
System security and operability	Low	Low	High	High	Low	Low
Demand outlook	High	Low	Low	Low	Low	Low
Gas role, supply, and infrastructure	Low	High	Low	Low	Low	Low
Social licence and engagement	Low	High	Low	Low	High	Low
Coal-fired generators - pathway and role	Low	Low	Low	High	Low	Low
Communication and framing of the ISP	Low	High	Low	Low	Low	Low

In response to stakeholder feedback, AEMO made the following key changes to the 2026 ISP:

- **project pipeline** – prioritised existing connections pipeline of generation and storage developments to 2030, reducing reliance on generic new entrants,
- **renewable energy zone (REZ) network limits** – refined REZ constraints and transfer limits to better reflect access and network capability,
- **access rights** – applied explicit and technology-specific access rights to better align with real-world generation development,
- **gas fuel prices and storage costs** – updated fuel and technology cost inputs to reflect more recent market data,
- **stationary consumer battery uptake** – increased CER battery uptake assumptions to reflect the greater observed impact of the Cheaper Home Batteries Program, with resulting updated demand profiles,
- **vehicle-to-grid (V2G) availability** – reduced V2G availability to reflect more realistic participation and usage patterns,
- **higher energy efficiency sensitivity** – introduced a higher energy efficiency sensitivity, complementing a lower energy efficiency sensitivity, to explore demand-side uncertainty,



- **variable renewable energy (VRE) drought** – extended analysis to include prolonged renewable lulls and strategic reserve options,
- **hydrogen electrolyser demand** – improved treatment of hydrogen demand and storage flexibility in modelling,
- **system security** – aligned system security assessment with final development path and added transparency on reforms,
- **social licence transparency** – expanded explanation of how social licence informs planning and assumptions,
- **social licence for CER** – introduced a third aspect of social licence relating to CER adoption and coordination in Appendix A8 Social Licence,
- **gas infrastructure options** – refined gas infrastructure representations using updated proponent input,
- **gas development projections** – relaxed timing constraints to better reflect realistic gas development pathways,
- **gas modelling improvements** – incorporated enhancements to better represent market dynamics and operations,
- **terminology** – updated terminology to improve clarity and avoid conflating community-owned assets with community-scale but network-owned assets,
- **coal flexibility** – revised coal operating assumptions to better reflect observed plant flexibility, and
- **government policy** – the South Australian Government’s target of net 100% renewable energy by 2027 has been applied in perpetuity rather than as a ‘point in time’ target.

Further detail on material recommendations from stakeholders, and AEMO’s response, is available in the *2026 ISP Consultation Summary Report*²⁹.

2026 ISP Consumer Panel's report on the Draft 2026 ISP

The 2026 ISP Consumer Panel provided AEMO with its report³⁰ on the Draft 2026 ISP on 12 February 2026, as required under the NER³¹.

The Panel made over 50 recommendations in its report, a short summary of which is at section A1.3.4 of this Appendix. The *2026 ISP Consultation Summary Report*³² contains a more fulsome summary of the Panel’s recommendations, along with AEMO’s responses. The Panel provided considerations for the finalisation of the 2026 ISP and for the 2028 ISP and beyond.

AER Transparency review of the Draft 2026 ISP

The AER is required to review the adequacy of AEMO’s explanations of the derivation of key inputs and assumptions, and how key inputs and assumptions influenced outcomes in the Draft 2026 ISP. AEMO published the *Addendum to the Draft*

²⁹ At <https://www.aemo.com.au/-/media/files/major-publications/isp/2026/supporting-materials/2026-isp-consultation-summary-report.pdf>.

³⁰ At https://www.aemo.com.au/-/media/files/major-publications/isp/draft-2026/consultation-submissions/2026-isp-consumer-panel-draft-2026-isp-submission.pdf?rev=713113264f234f26962dda17af53413b&sc_lang=en.

³¹ NER 5.22.7(d).

³² At <https://www.aemo.com.au/-/media/files/major-publications/isp/2026/supporting-materials/2026-isp-consultation-summary-report.pdf>.



2026 Integrated System Plan³³ for consultation on 25 March 2026 in response³⁴ to the Transparency Review of the Draft 2026 ISP³⁴ released by the AER on 7 January 2026.

The AER in its transparency review report acknowledged the increased size and scope of the ISP following rule changes implementing the ECMC's 2024 ISP Review recommendations³⁵. The AER concluded that AEMO had provided transparency on inputs and analyses, noting that some guidelines and processes were still under development. The AER stated its expectation that newer ISP components would be further improved in the next ISP cycle. In addition, the transparency review report identified six aspects of the Draft 2026 ISP where more explanation would improve transparency.

The *Addendum to the Draft 2026 Integrated System Plan* provided additional information and explanations on these aspects, including:

- operational output changes from the 2024 ISP,
- contribution of key inputs to the outcomes of the ODP,
- process for determining scenario least-cost development paths,
- changes in consumer battery capacity,
- application of build limit constraint in the *Constrained Delivery* sensitivity, and
- results for the Northern Transmission Project in the Draft 2026 ISP.

AEMO received two submissions in response to consultation on the *Addendum to the Draft 2026 Integrated System Plan*. These submissions focused on the robustness of the ISP's findings to various risks and uncertainties. Summaries of what stakeholders raised in these submissions, and AEMO's consideration and response to stakeholder feedback, are in the *2026 ISP Consultation Summary Report*³⁶.

Draft 2026 ISP non-network consultation

AEMO called for non-network option proposals for the new actionable ISP project proposed in the Draft 2026 ISP, Switching Station Near Wondalga (see Appendix A5). AEMO's consultation on non-network options for the Switching Station Near Wondalga project lasted from 10 December 2025 to 20 March 2026³⁷.

A1.4.2 ISP Methodology

The NER require AEMO to develop the *ISP Methodology*, which sets out how AEMO undertook modelling and cost benefit analysis for the 2026 ISP³⁸.

³³ At <https://www.aemo.com.au/consultations/current-and-closed-consultations/draft-2026-isp-addendum-consultation>.

³⁴ At <https://www.aer.gov.au/publications/reports/performance/transparency-review-aemos-draft-2026-integrated-system-plan>.

³⁵ At <https://www.energy.gov.au/sites/default/files/2024-04/ecmc-response-to-isp-review.pdf>.

³⁶ At <https://www.aemo.com.au/-/media/files/major-publications/isp/2026/supporting-materials/2026-isp-consultation-summary-report.pdf>.

³⁷ At <https://www.aemo.com.au/consultations/current-and-closed-consultations/draft-2026-isp-non-network-options-consultation-switching-station-near-wondalga>.

³⁸ NER 5.22.8(d).



AEMO released an updated *ISP Methodology* on 25 June 2025. This followed consultation on the Draft *ISP Methodology* and accompanying Consultation paper, published in March 2025, which AEMO received 21 non-confidential submissions and one confidential submission on. This was preceded by the Issues Paper, which considered 37 publishable submissions.

The submissions to the Draft *ISP Methodology* and Consultation Paper mainly discussed the capabilities of CER, distribution resources and distribution network capabilities, gas supply modelling, ODP selection, perfect foresight of the ISP model, hydrogen modelling, and enhancements to system security. A summary of the key themes and the volume of submissions that addressed each theme is in **Figure 5**.

AEMO made the following key changes to the *ISP Methodology* in response to stakeholder feedback:

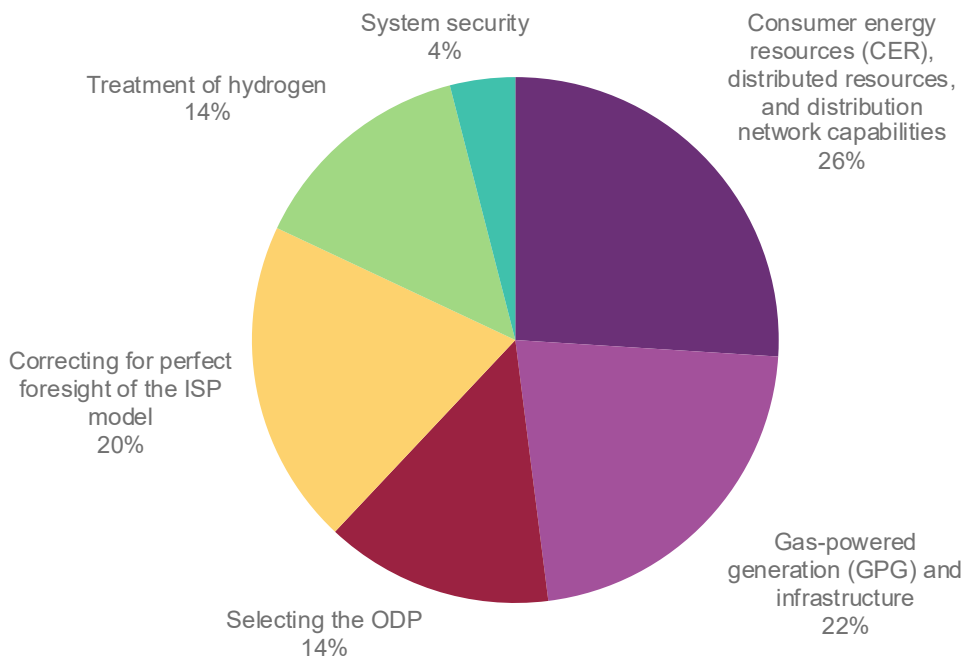
- AEMO provided the ability in the *ISP Methodology* for more layers of distribution network hierarchy information to be included where possible.
- AEMO extended the proposed adjustments for mid-merit gas generators to also apply for existing flexible gas generators, as well as a range of changes to support improved transparency and clarity on gas development projections' development options and costs to be applied in the ISP.
- AEMO agreed to use daily gas supply limits based on a zonal representation of the East Coast Gas Market, replacing the sub-regional daily supply limits consulted on in the Draft *ISP Methodology*.
- AEMO made a range of changes to support improved transparency and clarity on gas development projections' development options and costs and their application in the ISP.
- AEMO clarified its approach to time-sequential modelling of storage devices in the *ISP Methodology* and reaffirmed that it would model for imperfect foresight via both headroom and footroom reserves, and deliberate energy planning error approaches.

Further information on material stakeholder feedback, and AEMO's responses to this feedback, is available in the *ISP Methodology – Consultation Summary Report*³⁹.

³⁹ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2026-isp-methodology/consultation-summary-report---isp-methodology.pdf?rev=62b472fcb2d4b73bec00e863d5b285d&sc_lang=en.



Figure 5 2025 ISP Methodology key consultation submission themes (as % of frequency)



A1.4.3 Demand Side Factors Information Guidelines

AEMO developed the *Demand Side Factors Information Guidelines* (the Guidelines) to set out how AEMO would collect information from distribution network service providers (DNSPs) to inform the Demand Side Factors statement in the 2028 ISP and beyond. Developed to comply with a rule change in December 2024 to enhance consideration of demand side factors in the ISP, the Guidelines set out information AEMO considers reasonably necessary to obtain from DNSPs to prepare the Demand Side Factors statement in the ISP.

AEMO published the final Guidelines in December 2025. This followed consultation on the Draft *Demand Side Factors Information Guidelines* in October 2025 and on the consultation paper published in August 2025. AEMO received 16 submissions across both consultation processes.

AEMO made the following key changes to the Guidelines in response to stakeholder feedback:

- AEMO decided to mirror the approach taken for the 2026 ISP for data collection, which was to maintain online shared folders for DNSPs and AEMO to submit and view information.
- AEMO agreed with requests for examples and templates to support the Detailed Modelling Pathway and provided the Asset Data Template as an appendix to the Guidelines.
- In the Guidelines, AEMO included a description of information categories under which DNSPs can claim confidentiality.

Further information on material stakeholder feedback, and AEMO's response, is available in the *Demand Side Factors Information Guidelines – Consultation Summary Report and Final Report*⁴⁰.

⁴⁰ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/demand-side-factors-guidelines-consultation/final-documents/consultation-summary-report-and-final-report-demand-side-factors-information-guidelines.pdf.



A1.4.4 Inputs, assumptions, and scenarios

2025 Inputs, Assumptions and Scenarios Report

The 2025 IASR⁴¹ included three scenarios used to support forecasting and planning in an uncertain environment, and assess future risks, opportunities, and development needs to match electricity supply and demand. It also noted that AEMO would develop a range of sensitivities to explore how forecasting and planning results may differ if key assumptions change.

AEMO published the final 2025 IASR⁴² on 31 July 2025 following regular engagement over 11 months from July 2024 to June 2025. AEMO considered 63 submissions to the Draft 2025 IASR (36 in the first stage and 27 in the second). Additional input came via the Forecasting Reference Group (FRG), with 10 relevant publishable submissions received. Prior to this, AEMO received 50 submissions on the ISP scenarios consultation.

Key themes from stakeholder submissions included support for the application of technology-specific WACCs, REZ-focused network development, CER integration, greater focus on domestic needs rather than export opportunities in the stronger decarbonisation scenario, hydrogen infrastructure, and sector coupling clarity. **Figure 6** provides a summary of the key submission topics received.

In response to stakeholder feedback, AEMO made the following key changes to the 2025 IASR:

- AEMO selected the *Green Energy Industries* scenario variant over *Green Energy Exports* and renamed the scenario *Accelerated Transition*, in response to stakeholder preference for *Green Energy Industries*.
- AEMO refined sensitivities, identifying several potential sensitivities for consideration in the development of the 2026 ISP in response to stakeholder feedback.
- AEMO updated cost and technology assumptions, including new distribution-connected mid-scale solar and battery assumptions and updated pumped hydro energy assumptions.
- AEMO updated REZ assumptions, including the geographic areas, land use limits, resource limits and transmission limits for relevant REZs.
- AEMO updated CER assumptions, including by removing fuel cell electric vehicles, enhancing vehicle lifetime assumptions, and using an expanded set of public charging categories.
- AEMO updated hydrogen assumptions, including improved detail on hydrogen consumption locations, new forecast components for gas-powered generation and industrial hydrogen feedstock fuel-switching, refined committed projects, and refined minimum utilisation factors.
- AEMO updated multi-sectoral modelling assumptions, including by updating hydrogen prices, adding market-led energy efficiency savings, and refining descriptions for improved transparency.

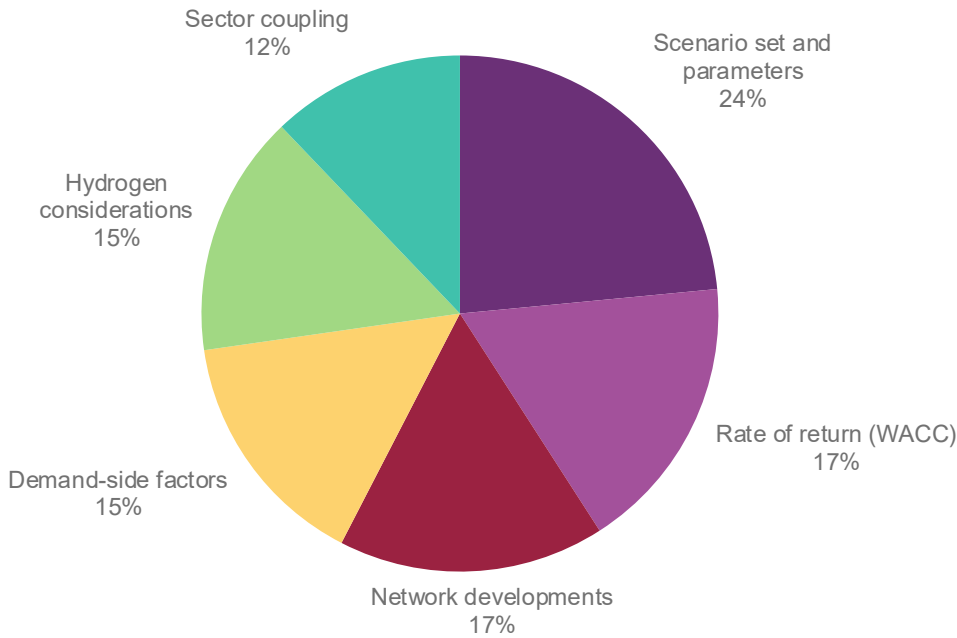
⁴¹ For a detailed explanation of the three ISP scenarios (*Slower Growth*, *Step Change* and *Accelerated Transition*), see Section 2 of the 2025 IASR, at https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2025-iasr-scenarios/final-docs/2025-inputs-assumptions-and-scenarios-report.pdf?rev=63268acd3f044adb9f5f3a32b6880c27&sc_lang=en.

⁴² The 2025 IASR, all supporting materials and demand trace data, are at <https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp/2025-26-inputs-assumptions-and-scenarios>.



Full details of the process and outcomes of stakeholder engagement are available in the consultation summary reports for the 2025 IASR⁴³.

Figure 6 2025 IASR key consultation submission themes (as % of frequency)



2026 ISP scenario weightings

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

These scenarios were used to identify the ODP, using detailed modelling methodologies developed specifically for the ISP, and were developed with consideration of stakeholder input to the 2025 IASR.

Scenario weighting outcome

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. *Step Change* was 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*.

Figure 7 2026 ISP scenario weightings



⁴³ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2025-iasr-scenarios/final-docs/2025-iasr-consultation-summary-report.pdf?rev=6dc56931355649d9a4610a540d11154c&sc_lang=en.



For further information on the 2025 IASR scenario weighting results, the process used to determine them, and how they have been applied in the 2026 ISP, see the overview⁴⁴ on AEMO's website.

2025 Electricity Network Options Report

The 2025 *Electricity Network Options Report* identified potential augmentation options in electricity networks within the NEM, which are an important input to the development of the 2026 ISP. It includes both transmission and distribution opportunities, and further consideration of social licence for transmission.

The 2025 *Electricity Network Options Report*⁴⁵, published on 31 July 2025, was prepared following consideration of stakeholder submissions received in response to the draft report published in May 2025, and was the result of extensive joint planning with transmission network service providers (TNSPs), DNSPs and jurisdictional bodies.

AEMO received 40 submissions on the Draft 2025 *Electricity Network Options Report*. The material recommendations and AEMO's responses, including any amendments made in response to stakeholder feedback, are outlined in the consultation summary report⁴⁶.

Most of the submissions were enquiries on flow paths, REZ augmentations, social licence matters, transmission project cost estimates, the inclusion of distribution network opportunities, and other methodology matters. The expansion options in the report fed into the Draft 2026 ISP. The key themes and the volume of submissions that addressed each are summarised in **Figure 8**.

AEMO made the following key changes to the 2025 *Electricity Network Options Report* in response to stakeholder feedback:

- AEMO reviewed updated cost estimates provided by proponents and incorporated updated cost estimates into the final 2025 *Electricity Network Options Report*.
- AEMO made minor changes to the Transmission Cost Database to better reflect market information, particularly on the costs of larger synchronous condensers.
- AEMO enhanced the descriptions of land use information used to inform transmission line assumptions and costs.
- AEMO included changes where appropriate to flow path and REZ network augmentation options in response to specific feedback on options, including adjustment of cost estimates, revision of transfer capacities and staging for projects in South Australia, and adjustment to Illawarra REZ options to interface with Sydney Ring South options.
- AEMO incorporated several options for distribution network augmentations to facilitate utility-scale generation and storage as options in the final 2025 *Electricity Network Options Report*.

For more information on stakeholder feedback and AEMO's response, see the consultation summary report⁴⁷.

⁴⁴ At https://www.aemo.com.au/-/media/files/major-publications/isp/2026/2026-isp-scenario-weighting-overview.pdf?rev=4dae70ae407241f68e19e768a4ce2a14&sc_lang=en.

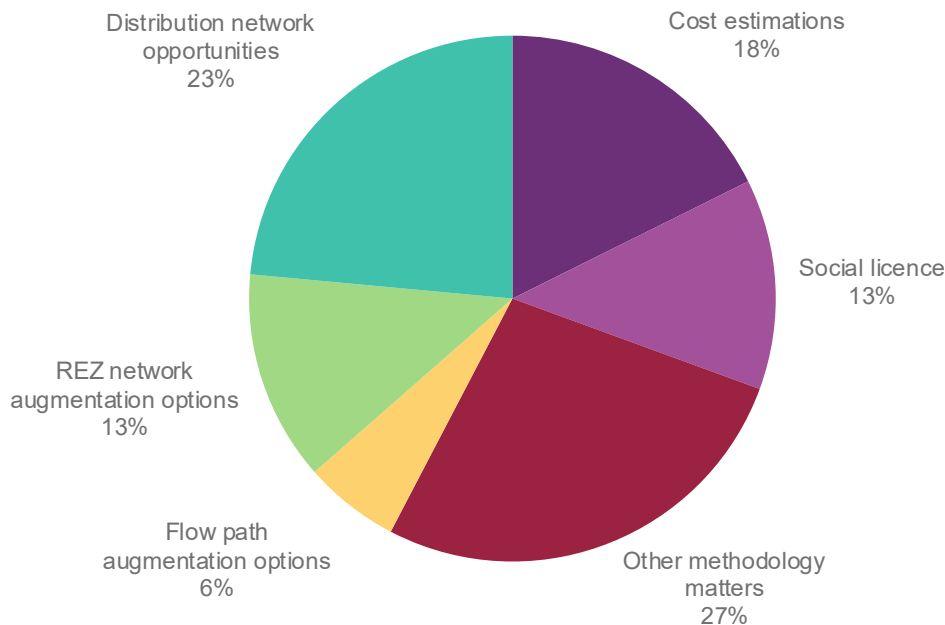
⁴⁵ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-electricity-network-options-report/final/2025-electricity-network-options-report.pdf.

⁴⁶ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-electricity-network-options-report/final/2025-electricity-network-options-report-consultation-summary-report.pdf.

⁴⁷ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-electricity-network-options-report/final/2025-electricity-network-options-report-consultation-summary-report.pdf.



Figure 8 2025 Electricity Network Options Report key consultation submission themes (as % of frequency)



2025 Gas Infrastructure Options Report

The 2025 *Gas Infrastructure Options Report* was developed in response to rule change requirements to enable the better integration of gas into the ISP⁴⁸, as required through the 2024 Review of the ISP⁴⁹.

The new report outlines gas infrastructure options and gas infrastructure cost components, used to develop gas development projections for the ISP. These gas development projections influence assumptions on gas availability for gas-powered generation (GPG), which inform the ODP.

The 2025 *Gas Infrastructure Options Report*⁵⁰ was released on 31 July 2025, following consideration of 20 submissions received during the Draft 2025 *Gas Infrastructure Options Report* consultation period in May and June 2025. The consultation questions broadly related to gas infrastructure costs, gas development projections, and application of gas development projections for fuel limitations in the ISP. **Figure 9** summarises the key themes and the volume of submissions that addressed each of them.

AEMO made the following key changes to the 2025 *Gas Infrastructure Options Report* in response to stakeholder feedback:

- AEMO updated gas infrastructure costs, including adding the operating costs associated with liquefied natural gas (LNG) regasification terminals and considered the capital costs associated with the Port Kembla Energy Terminal (PKET) and the Port Kembla to Eastern Gas Pipeline (EGP) as sunk.
- AEMO added clarification regarding the treatment of long-term global LNG supply with relation to the treatment of contingent resources.

⁴⁸ At <https://www.aemc.gov.au/rule-changes/better-integration-gas-and-community-sentiment-isp-0>.

⁴⁹ At <https://www.energy.gov.au/sites/default/files/2024-04/ecmc-response-to-isp-review.pdf>.

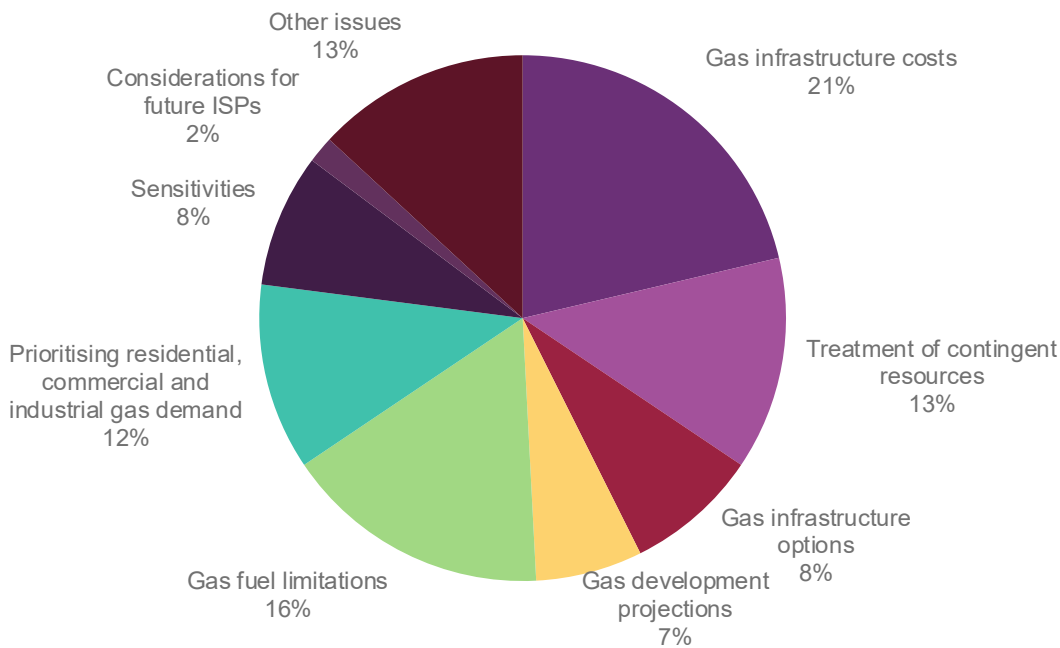
⁵⁰ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-gas-infrastructure-options-report/submissions/apa.pdf.



- AEMO updated the gas infrastructure options, including updates to existing options and the addition of new options.
- AEMO added clarification regarding the purpose of the gas development projections in the ISP.
- AEMO updated gas fuel limitations, including updates to the gas zones.
- AEMO added clarification regarding prioritisation of residential, commercial and industrial demand.

For more information on stakeholder feedback and AEMO’s response, see the consultation summary report⁵¹.

Figure 9 2025 Gas Infrastructure Options Report key consultation submission themes (as % of frequency)



2026 ISP Consumer Panel's report on the 2025 IASR

The 2026 ISP Consumer Panel provided AEMO with its report⁵² on the 2025 IASR on 1 October 2025, as required under the NER⁵³. The key elements of the Panel’s conclusions and recommendations are summarised in the 2025 IASR Consultation Summary Report⁵⁴.

AER transparency review of the 2025 IASR

The NER require the AER to complete a transparency review of the 2025 IASR, that assesses the adequacy of AEMO’s explanation of how the inputs, assumptions and scenarios have been derived, how key inputs and assumptions have

⁵¹ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-gas-infrastructure-options-report/final/2025-gas-infrastructure-options-report-consultation-summary-report.pdf.

⁵² At <https://aemo.com.au/-/media/files/major-publications/isp/2023/isp-consumer-panel-report-on-2023-iasr.pdf>.

⁵³ NER 5.22.7(d)

⁵⁴ At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2025-iasr-scenarios/final-docs/2025-iasr-consultation-summary-report.pdf.



changed since the previous ISP, and whether key inputs and assumptions can be verified or otherwise adequately tested with stakeholders⁵⁵. The AER published its transparency review on 28 August 2025⁵⁶.

The AER concluded that “the majority of AEMO’s inputs and assumptions have been adequately explained and AEMO has demonstrated that it has considered stakeholder feedback”. However, the AER also concluded that some inputs and assumptions required further explanation to strengthen stakeholder understanding of key inputs and assumptions in the 2026 ISP. The transparency review provided feedback on the following three areas: improvements in transparency, outstanding issues in the IASR, and topics of focus for transparency in the Draft 2026 ISP.

The NER require that AEMO provide further explanatory information in an addendum to the IASR and undertake consultation on these issues in the Draft ISP⁵⁷. In response, AEMO produced an Addendum to the 2025 IASR⁵⁸ and published it alongside the Draft 2026 ISP for consultation⁵⁹.

Improvements in transparency

The AER review found that the 2025 IASR provided clearer explanations and improved accessibility compared to previous similar reports. The AER also noted the comprehensive consultation process that AEMO hosted during development of the 2025 IASR. Overall, the AER considered that AEMO’s approach provides a high general level of transparency for the 2025 IASR. Improvements in transparency included:

- policy settings,
- technology-specific WACC,
- hydrogen production forecasts, and
- multisectoral modelling.

The Addendum to the 2025 IASR provided further explanation in response to issues highlighted in the AER’s Transparency Review, including:

- a description of how each policy affecting consumer demand was incorporated in the modelling,
- a summary of the stakeholder engagement opportunities for AEMO’s new data centre methodology,
- further explanation on the basis for the REZ-based hydrogen production proportions,
- further explanation on the change in biomethane forecasts,
- further explanation on where and how network and community batteries were included in the forecast⁶⁰,
- a correction for a specific price elasticity of demand, and
- further explanation on how hydrogen infrastructure costs were derived.

⁵⁵ NER 5.22.9.

⁵⁶ At <https://www.aer.gov.au/publications/reports/performance/transparency-review-aemo-2025-inputs-assumptions-and-scenarios-report>.

⁵⁷ NER 5.22.9 (c).

⁵⁸ At <https://www.aemo.com.au/-/media/files/major-publications/isp/draft-2026/addendum-to-the-2025-inputs-assumptions-and-scenarios-report.pdf>.

⁵⁹ At <https://www.aemo.com.au/consultations/current-and-closed-consultations/draft-2026-isp-consultation>.

⁶⁰ Note, the term “community batteries” was used in the Addendum to the 2025 IASR, however this terminology was revised to “mid-scale batteries” and “network and community batteries” in the final 2026 ISP in response to stakeholder feedback.



AEMO received 11 submissions in response to the Draft 2026 ISP that also commented on the Addendum to the 2025 IASR. The submission feedback and AEMO's response is summarised in the *2026 ISP Consultation Summary Report*⁶¹. This report also includes further explanation for stakeholders about why AEMO has updated some inputs and assumptions for the final 2026 ISP.

Topics of focus for transparency in the draft and final 2026 ISP

The following are areas the AER requested that AEMO focus on to support transparency in the Draft ISP, which AEMO also carried through to the 2026 ISP:

- sensitivities,
- demand side factors, and
- scenario weightings.

In the draft and final 2026 ISP, AEMO included insights on:

- **Sensitivities** – sensitivity analyses play an important role in exploring specific assumptions and uncertainties and potentially isolating their impact on planning outcomes. For the final 2026 ISP, sensitivity analysis included the *Constrained Delivery, Alternative Network Representation, Higher Demand, and Higher Demand with Alternative Network Representation, No Further VPP Uptake, No Further CER Coordination, Lower Energy Efficiency and Higher Energy Efficiency* sensitivities. Alternative assumptions on demand-side factors were also included in sensitivity analysis and are expanded upon below.
- **Demand side factors** – in response to the ECOMC's review of the ISP, AEMO has included in the 2026 ISP an additional appendix, the Demand Side Factors statement (Appendix A9), which includes new information and insights regarding the potential for demand side factors to affect the efficient development of the power system and opportunities for the development of distribution networks. AEMO involved DNSPs in developing an ISP modelling approach to reflect the existing capability of distribution networks to facilitate export of CER generation from consumers' homes and businesses into the grid. This work recognises that DNSPs will continue to invest to support demand growth in their networks which will naturally provide more export opportunities for much of the future growth in CER.

The new approach was complemented by sensitivity analysis that assessed the impact of demand side factors on the efficient development of the power system. The sensitivities included the *No Further CER Coordination, No Further VPP Uptake, Lower Energy Efficiency, and Higher Energy Efficiency* sensitivities. Together, these sensitivities show that lower uptake or coordination of demand side factors than forecast in the *Step Change* scenario could increase total system costs.

- **Scenario weightings** – ahead of the publication of the Draft 2026 ISP, AEMO released an overview⁶² in November 2025 explaining its approach, stakeholder engagement, and final position for the scenario weightings for the three 2026 ISP scenarios (as described in Section A1.4.3 above). The overview recognises the important role that 25 expert stakeholders had in providing to AEMO insights of the likelihood of the key parameters that underpin AEMO's scenario framework.

⁶¹ At <https://www.aemo.com.au/-/media/files/major-publications/isp/2026/supporting-materials/2026-isp-consultation-summary-report.pdf>.

⁶² At <https://www.aemo.com.au/newsroom/news-updates/aemo-finalises-scenario-weightings-ahead-of-draft-2026-isp-release>.



A1.4.5 Continuous improvement

AEMO regularly evaluates stakeholder satisfaction on how it is engaging on the ISP, and considers feedback in the development of future engagement activities.

In April 2026, the latest stakeholder engagement satisfaction feedback survey was issued to over 1,700 stakeholders who had been involved in the 2026 ISP process through attending meetings, webinars and making submissions. From the 66 survey responses, stakeholders were generally satisfied with AEMO's engagement on the 2026 ISP, represented by an average score of 71% satisfaction (consistent with feedback from the previous survey of 66% satisfaction and above AEMO's target of at least 70%).

Areas that have received positive feedback from stakeholders include increased transparency, timeliness, and accessibility of information and materials. However, some stakeholders expressed a desire for more engagement opportunities.

AEMO is considering all relevant stakeholder feedback in developing its engagement approach for the 2028 ISP, including feedback through its ISP surveys as well as other research, the AEMC's Review of the ISP framework⁶³, submissions through other processes (e.g. recent rule changes), and informal feedback through stakeholder discussions.

Once again, AEMO thanks all stakeholders for their valuable contributions to the final 2026 ISP and previous engagement activities that have supported its development. AEMO looks forward to continuing to work with all stakeholders as the 2028 ISP is developed over the next two years.

Feedback is welcome at any time via email to jsp@aemo.com.au.

⁶³ At <https://www.aemc.gov.au/market-reviews-advice/review-integrated-system-plan-framework>.

Glossary

This glossary has been prepared as a quick guide to help readers understand some of the terms used in the ISP. Words and phrases defined in the National Electricity Rules (NER) have the meaning given to them in the NER. This glossary is not a substitute for consulting the NER, the AER's *Cost Benefit Analysis Guidelines*, or AEMO's *ISP Methodology*.

Term	Acronym	Explanation
Actionable ISP project	-	<p>Actionable ISP projects optimise benefits for consumers if progressed before the next ISP. A transmission project (or non-network option) identified as part of the ODP and having a delivery date within an actionable window.</p> <p>For newly actionable ISP projects, the actionable window is two years, meaning it is within the window if the project is needed within two years of its earliest in-service date. The window is longer for projects that have previously been actionable.</p> <p>Project proponents are required to begin newly actionable ISP projects with the release of a final ISP, including commencing a RIT-T.</p>
Actionable project progressing under a jurisdictional framework	-	A transmission project (or non-network option), other than an actionable ISP project, which optimises benefits for consumers if progressed before the next ISP, is identified as part of the ODP, and which will progress under a jurisdictional policy that AEMO considers under NER 5.22.3 (b) and includes in the ISP.
Anticipated project	-	A generation, storage or transmission project that is in the process of meeting at least three of the five commitment criteria (planning, construction, land, contracts, finance), in accordance with the AER's Cost Benefit Analysis Guidelines. Anticipated projects are included in all ISP scenarios.
Candidate development path	CDP	<p>A collection of development paths which share a set of potential actionable projects. Within the collection, potential future ISP projects are allowed to vary across scenarios between the development paths.</p> <p>Candidate development paths have been shortlisted for selection as the ODP and are evaluated in detail to determine the ODP, in accordance with the ISP Methodology.</p>
Capacity	-	The maximum rating of a generating or storage unit (or set of generating units), or transmission line, typically expressed in megawatts (MW). For example, a solar farm may have a nominal capacity of 400 MW.
Committed project	-	A generation, storage or transmission project that has fully met all five commitment criteria (planning, construction, land, contracts, finance), in accordance with the AER's Cost Benefit Analysis Guidelines. Committed projects are included in all ISP scenarios.
Consumer energy resources	CER	Generation or storage assets owned by consumers and installed behind-the-meter. These can include rooftop solar, batteries and electric vehicles (EVs). CER may include demand flexibility.
Consumption	-	The electrical energy used over a period of time (for example a day or year). This quantity is typically expressed in megawatt hours (MWh) or its multiples. Various definitions for consumption apply, depending on where it is measured. For example, underlying consumption means consumption being supplied by both CER and the electricity grid.
Cost-benefit analysis	CBA	A comparison of the quantified costs and benefits of a particular project (or suite of projects) in monetary terms. For the ISP, a cost-benefit analysis is conducted in accordance with the AER's Cost Benefit Analysis Guidelines.
Counterfactual development path	-	The counterfactual development path represents a future without major transmission augmentation. AEMO compares candidate development paths against the counterfactual to calculate the economic benefits of transmission.
Demand	-	The amount of electrical power consumed at a point in time. This quantity is typically expressed in megawatts (MW) or its multiples. Various definitions for demand apply, depending on where it is measured. For example, underlying demand means demand supplied by both CER and the electricity grid.
Demand-side participation	-	The capability of consumers to reduce their demand during periods of high wholesale electricity prices or when reliability issues emerge. This can occur through voluntarily reducing demand, or generating electricity, and is a form of 'demand flexibility'.
Development path	DP	A set of projects (actionable projects, future projects and ISP development opportunities) in an ISP that together address power system needs.

Term	Acronym	Explanation
Dispatchable capacity	-	The total amount of generation that can be turned on or off, without being dependent on the weather. Dispatchable capacity is required to provide firming during periods of low variable renewable energy output in the NEM.
Distribution network service provider	DNSP	A business which owns, controls or operates a distribution system (including a distribution network).
Distribution project	-	A distribution project that is part of the ODP and forecast to be needed in the future. The project is an ISP development opportunity and does not address an identified need specified in the ISP. The ISP cannot make a distribution project 'actionable' or require commencement of the Regulatory Investment Test for Distribution (RIT-D).
Economic offloading	-	See 'Spill'.
Firming	-	Grid-connected assets that can provide dispatchable capacity when variable renewable energy generation is limited by weather, for example storage (pumped-hydro and batteries) and gas-powered generation.
Future ISP project	-	A transmission project (or non-network option) that addresses an identified need in the ISP, that is part of the ODP, and is forecast to be actionable in the future.
Identified need	-	The objective a TNSP seeks to achieve by investing in the network in accordance with the NER or an ISP. In the context of the ISP, the identified need is the reason an investment in the network is required, and may be met by either a network or a non-network option.
ISP development opportunity	-	A development identified in the ISP that does not relate to a transmission project (or non-network option) and may include generation, storage, demand-side participation, or other developments such as distribution network projects.
Mid-scale	-	Generation and storage typically connected to the distribution network rather than to either the transmission network or behind the meter at a business or residence. For the 2026 ISP, these resources are assumed to have a generation or charge/discharge capacity of between 5 MW and 30 MW. For ease of reporting in this document, mid-scale generation and storage are sometimes included within the totals for utility-scale generation and storage. In other AEMO documents, such as the <i>Demand Side Factors Information Guidelines</i> and the <i>ISP Methodology</i> , these resources are sometimes referred to as 'other distributed resources'.
National Electricity Rules	NER	The Rules are legally binding rules made under the National Electricity Law, which govern the operation of the National Electricity Market and the ways in which AEMO manages power system security. The Rules also provide the regulatory framework for network connections and access, national transmission planning and pricing for network services. The Rules are mainly made by the AEMC having regard to the National Electricity Objective.
Net market benefits	-	The present value of total market benefits associated with a project (or a group of projects), less its total cost, calculated in accordance with the AER's Cost Benefit Analysis Guidelines. The net market benefits of the ODP through to 2050 is the difference between the cost of the ODP and the cost of a 'counterfactual' development path which has no new transmission build.
Non-network option	-	A means by which an identified need can be fully or partly addressed, that is not a network option. A network option means a solution such as transmission lines or substations which are undertaken by a network service provider using regulated expenditure.
Optimal development path	ODP	The development path identified in the ISP as optimal and robust to future states of the world. The ODP contains actionable projects, future ISP projects and ISP development opportunities, and optimises costs and benefits of various options across a range of future ISP scenarios.
Regulatory Investment Test for Transmission	RIT-T	The RIT-T is a cost benefit analysis test that TNSPs must apply to prescribed regulated investments in their network. The purpose of the RIT-T is to identify the credible network or non-network options to address the identified network need that maximise net market benefits to the NEM. RIT-Ts are required for some but not all transmission investments.
Reliable (power system)	-	The ability of the power system to supply adequate energy to satisfy consumer demand, allowing for credible generation and transmission network contingencies.
Renewable energy	-	For the purposes of the ISP, the following technologies are referred to under the grouping of renewable energy: "solar, wind, biomass, hydro, and hydrogen turbines". Variable renewable energy is a subset of this group, explained below.



Term	Acronym	Explanation
Renewable energy zone	REZ	An area identified in the ISP as a high-quality resource area where a cluster of large renewable energy projects can be developed using economies of scale.
Renewable drought	-	A prolonged period of very low levels of variable renewable output, typically associated with dark and still conditions that limit production from both solar and wind generators.
Rooftop and other small-scale solar	-	Solar photovoltaic (PV) generation assets that are not centrally controlled by AEMO dispatch. Examples include residential and business rooftop PV as well as larger commercial or industrial “non-scheduled” PV systems.
Scenario	-	A possible future of how the NEM may develop to meet a set of conditions that influence consumer demand, economic activity, decarbonisation, and other parameters. For this ISP, AEMO has considered three scenarios: <i>Slower Growth</i> , <i>Step Change</i> and <i>Accelerated Transition</i> .
Secure (power system)	-	The system is secure if it is operating within defined technical limits and is able to be returned to within those limits after a major power system element is disconnected (such as a generator or a major transmission network element).
Sensitivity analysis	-	Analysis undertaken to determine how modelling outcomes change if an input assumption (or a collection of related input assumptions) is changed.
Spill	-	Refers to a VRE generator being dispatched below its maximum availability as its output is offered at a higher price, typically during periods of negative prices due to an oversupply of generation. Also referred to as ‘economic offloading’ or ‘spilled energy’.
Transmission network service provider	TNSP	A business that owns, controls or operates a transmission network.
Utility-scale or utility	-	For the purposes of the ISP, ‘utility-scale’ and ‘utility’ refers to technologies connected to the high-voltage power system rather than behind the meter at a business or residence.
Value of greenhouse gas emissions reduction	VER	The VER estimates the value (dollar per tonne) of avoided greenhouse gas emissions. The VER is calculated consistent with the method agreed to by Australia’s Energy Ministers in February 2024.
Virtual power plant	VPP	An aggregation of resources coordinated to deliver services for power system operations and electricity markets. For the ISP, VPPs enable coordinated control of consumer-scale batteries.
Variable renewable energy	VRE	Renewable resources whose generation output can vary greatly in short time periods due to changing weather conditions, such as solar and wind.