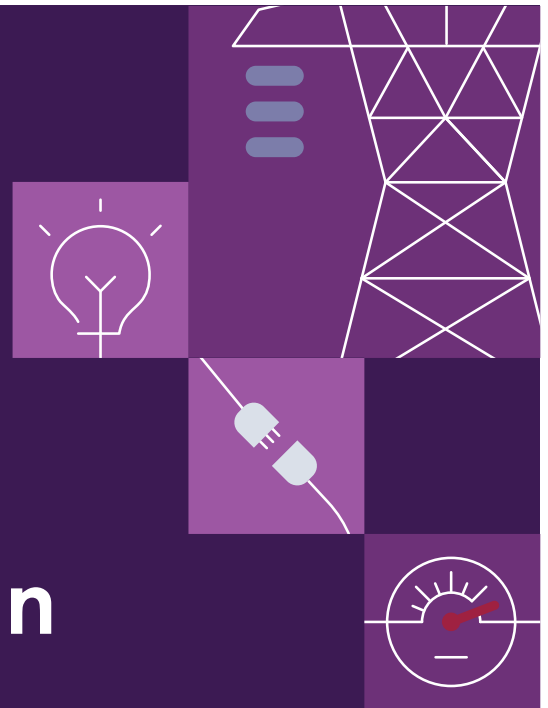




Consultation with jurisdictions for the Integrated System Plan

Guideline



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New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia

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1. Introduction

This consultation guideline explains how AEMO engages with jurisdictions on the consideration of policy at key consultation points for the Integrated System Plan (ISP). The guideline addresses a recommendation in the Review of the Integrated System Plan¹ that Energy Ministers agreed to action:

“Recommendation 9: Consultation guidelines for jurisdictional planning and policies

In the interests of transparency, AEMO to develop and publish clear, structured and transparent guidelines for its consultation process with jurisdictions around consideration of policy inclusion in the 2026 ISP modelling.”

Energy Ministers noted in their response to the ISP Review that governments at all levels are progressing plans to support the energy transition, and that there is significant interest in how the ISP interacts with other plans.

The National Electricity Rules (NER) define the criteria that AEMO must apply for identifying jurisdictional environment and energy policies which AEMO must or may consider.¹ The Inputs, Assumptions and Scenarios Report (IASR) outlines how AEMO applies these criteria to assess policies that jurisdictions propose for consideration in ISPs, and how AEMO considers such policies.²

AEMO engages closely with jurisdictions to consider initiatives and policies which meet the qualifying criteria as outlined in the NER. These policies can be key inputs to forecasts, modelling, and messaging that informs the preparation of the ISP.

Australia’s governments have a critical role in setting the pace and breadth of the energy transition through policy direction and international commitments. Efficient investments in the energy transition therefore must have visibility of, and regard to, the direction that is provided through government policy. This document supports jurisdictions and broader stakeholders in their understanding of the process to consider the diverse policy frameworks established by governments during preparation of the ISP.

2. Consultation principles

Across the two-year development process of the ISP and its supporting documents, AEMO engages with jurisdictions to ensure that qualifying government policies are appropriately considered. This includes to seek information on the policies, such as the implementation and form of Government support. AEMO also engages with jurisdictions on the way in which those policies are incorporated into the ISP preparation and modelling, particularly those which may impact forecasting and scenario planning.

Before publication of the Draft IASR and the final IASR, AEMO:

- outlines to jurisdictions any policies that AEMO considers might meet the requirements to be considered in the ISP,
- provides jurisdictions with an opportunity to identify and provide further details of policies which may support AEMO to determine if it must or may choose to consider the policies,

¹ NER clause 5.22.3(b)(2).

² For example, see section 3.1 of the Draft 2025 IASR, at <https://aemo.com.au/consultations/current-and-closed-consultations/2025-iasr>.

- outlines to jurisdictions the policies which AEMO believes qualify under the NER criteria and its approach to modelling the policy (e.g. include both as modelling constraints or as an input to key forecasting data – such as jurisdictions' emissions reduction targets), and
- in publishing the Draft and final IASR, publishes a table of all policies that are considered.

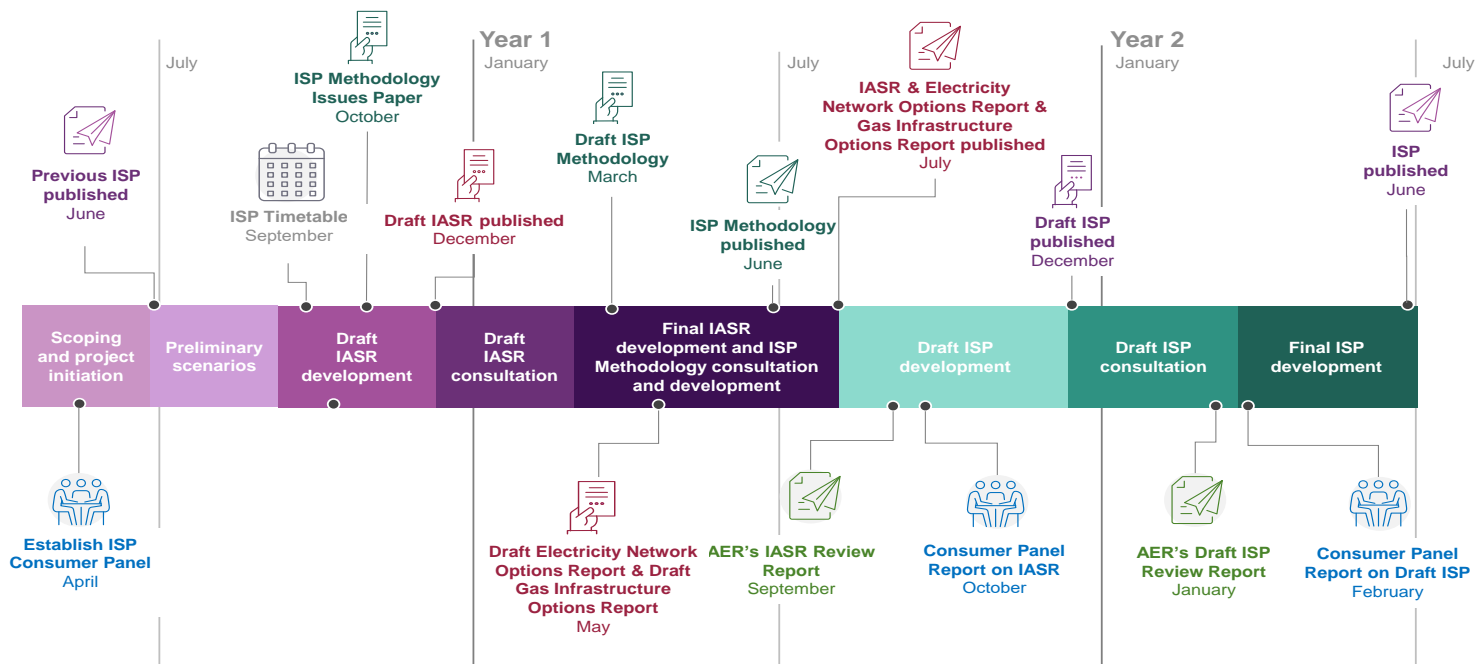
This process starts in July immediately after the publication of the previous ISP, continues until the following July, and includes consultation on the Draft IASR. During this time, AEMO may also consult on the ISP Methodology, which describes the engineering and analytical processes through which inputs, assumptions and scenarios are applied to determine development paths. This process generally occurs in the months following Draft IASR publication.

Subsequent to the publication of the final IASR, AEMO consults with jurisdictions during development of the Draft ISP and final ISP. AEMO will:

- seek, where feasible, to consider new policies that have met a NER 5.22.3(b) criterion since the final IASR,
- seek updates and supporting material from jurisdictions on policies anticipated by jurisdictions to meet a NER 5.22.3(b) criterion before publication of the final ISP,
- incorporate any updates to government policies that are considered in the ISP, where feasible, to ensure that they are considered in the most accurate way possible,
- provide feedback to jurisdictions to confirm how their policies have been considered,
- in publishing the Draft and final ISP, publish a table of all policies that are considered and outline how each policy is given effect in the model.

Feedback from the Draft ISP will inform the final ISP. The Draft ISP consultation generally starts in the December before the final ISP publication. The timelines for each ISP are outlined in the relevant ISP Timetable, an example of which is below in Figure 1.

Figure 1 ISP development timings



3. Acronyms

The following words have the following meaning when used in these Guidelines.

AEMO	Australian Energy Market Operator Limited and includes its subsidiaries
ISP	Integrated System Plan
NER	National Electricity Rules
IASR	Inputs, Assumptions and Scenarios Report