

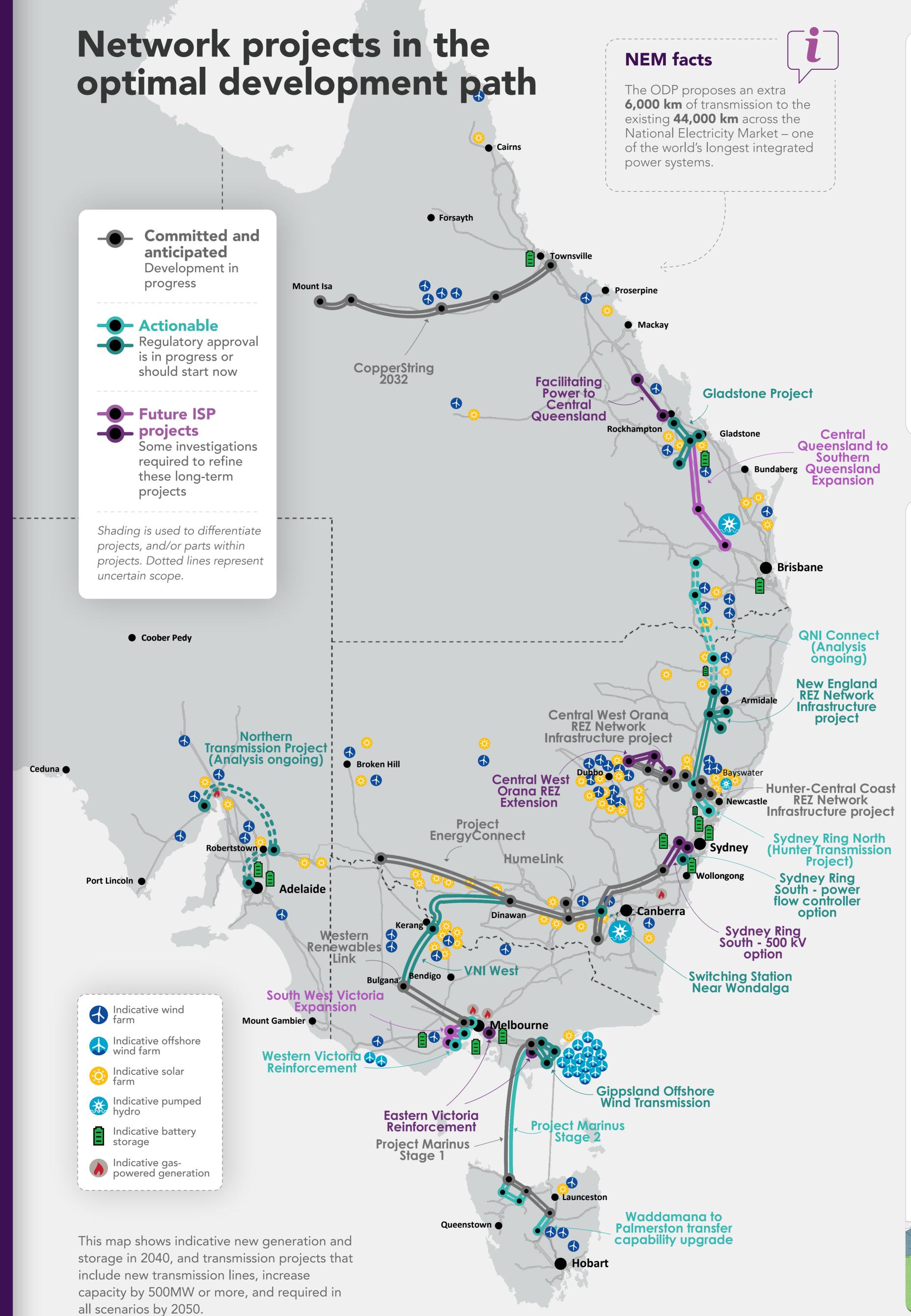
2026 Draft

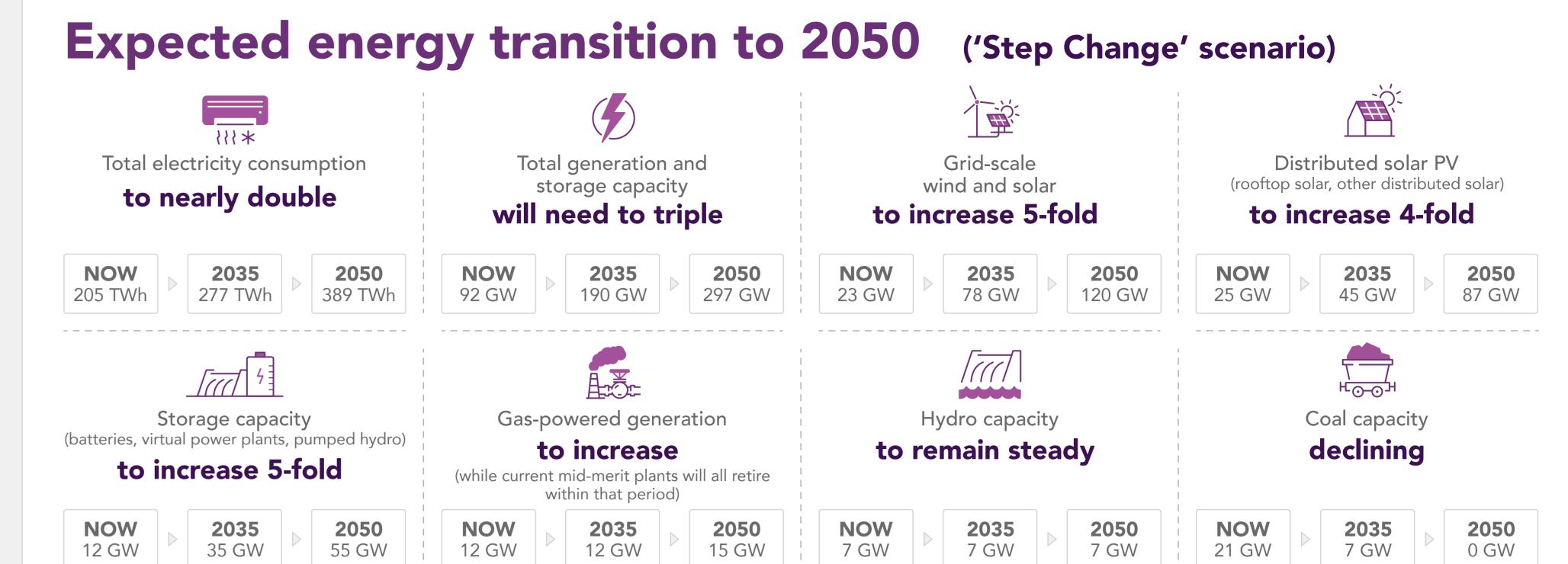
Integrated System Plan (ISP)

Every two years, AEMO publishes the Integrated System Plan (ISP) under the National Electricity Rules. It sets out how to meet consumer electricity needs and government energy policies across the National Electricity Market through to 2050.

At its core is the optimal development path (ODP) – the least-cost mix of grid-scale generation, storage, and transmission to replace retiring coal plants, meet a near doubling of electricity demand, and deliver emissions and energy targets.

Consistent with previous ISPs, the Draft 2026 ISP reaffirms that renewable energy, connected by transmission and distribution, firmed with storage and backed up by gas, is the least-cost way forward for Australia.





Optimal development path (ODP)

AEMO works with stakeholders – including consumer groups, governments, and industry – to gather insights on future energy needs, technology costs and policy settings.

Using this input, AEMO models thousands of combinations of generation, storage, transmission and distribution investments across the NEM, shortlisting more than 20 candidate paths.

Each option is then tested against costs, benefits, scenarios and sensitivities to select the path that delivers secure, reliable electricity at the lowest overall cost while meeting energy and emissions targets – the ODP.

Cost and benefits

The annualised capital cost of all future utility-scale generation, storage and transmission and distribution infrastructure in the ODP has a present value of \$128 billion (Step Change scenario to 2050).

The transmission projects (actionable and future) in the draft ISP would repay their investment costs (\$9 billion), save consumers an additional \$22 billion in avoided costs and also deliver emission reductions valued at \$2 billion.

Consultation

In developing the Draft 2026 ISP, a record level of stakeholder consultation was undertaken and formal submission considered.



1,400 stakeholders engaged 17
ebinars

-<u>0</u>=

webinars hosted



37
presentations
and reports



written submissions

Next steps: AEMO welcomes stakeholder feedback on the Draft 2026 ISP, with written submissions requested by 13 February 2026 to prepare the final 2026 ISP by the end of June 2026.

To learn more about the ISP and how to contribute, view the ISP Toolkit.

