

This event will be recorded and the recording published on AEMO's website

Introducing the Integrated System Plan (ISP) and the Draft 2023 Inputs, Assumptions and Scenarios (IASR) Report



What are these reports and why are they important to consumers?

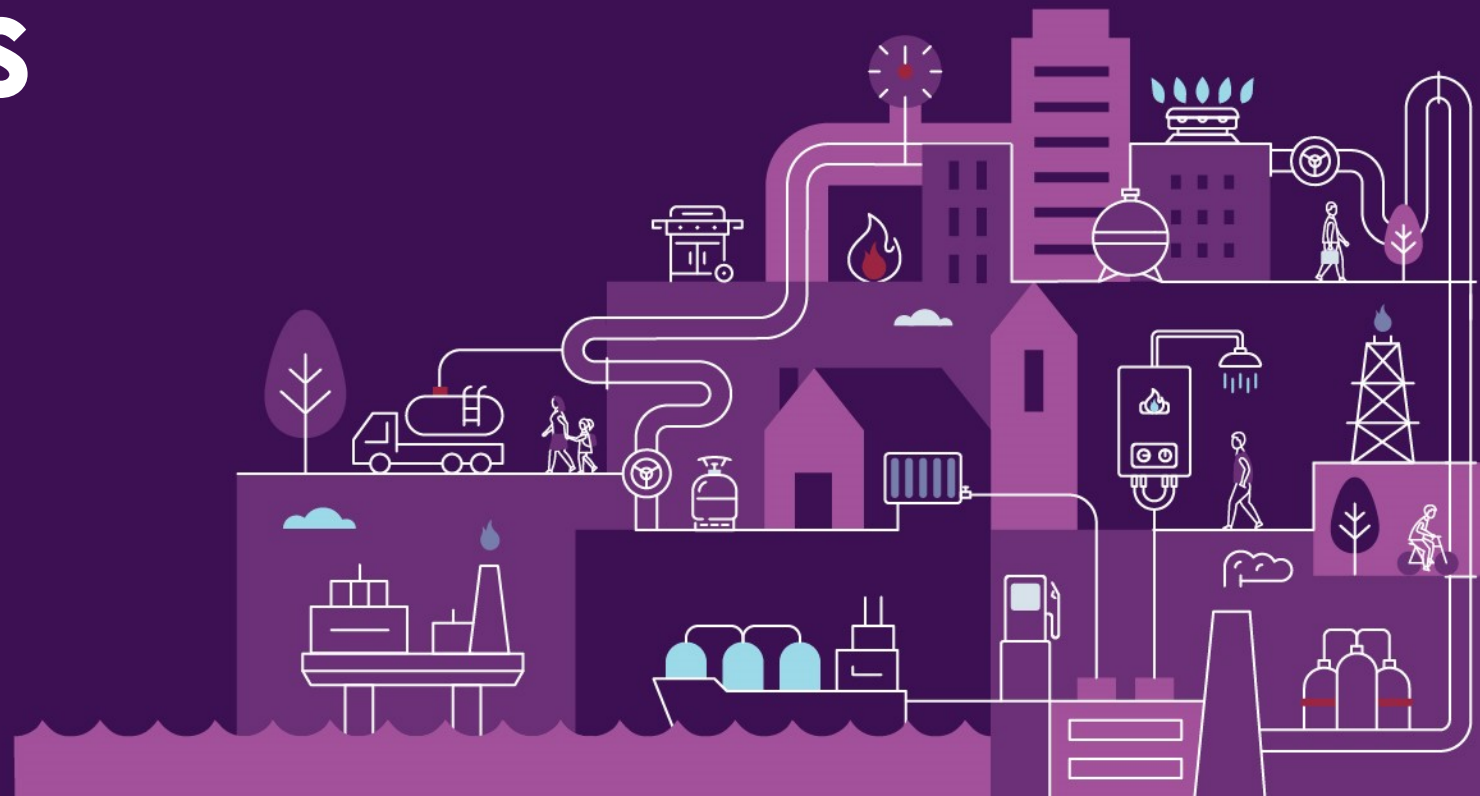
24 January 2023



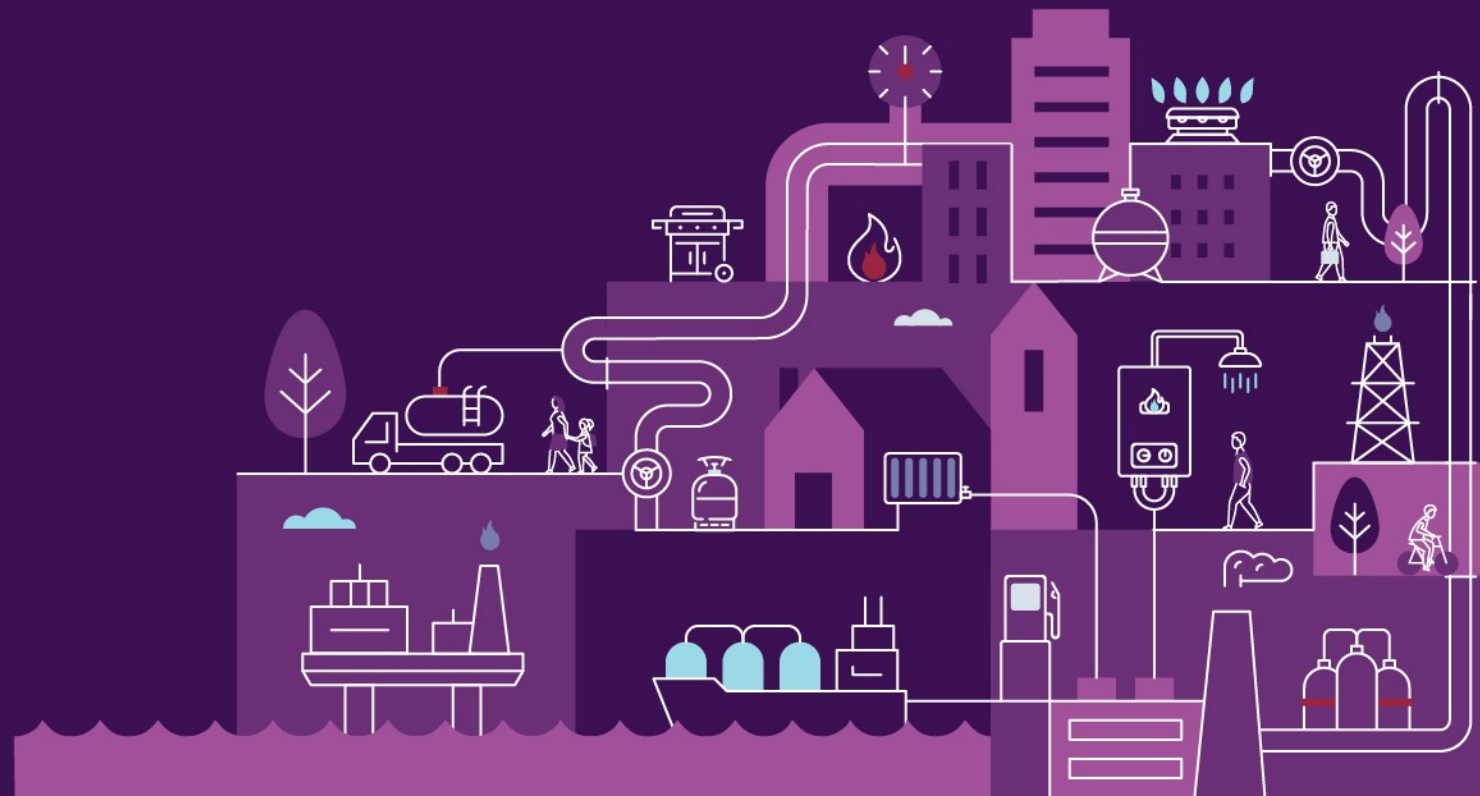
We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

We pay respect to their Elders past, present and emerging.

Welcome and introductions



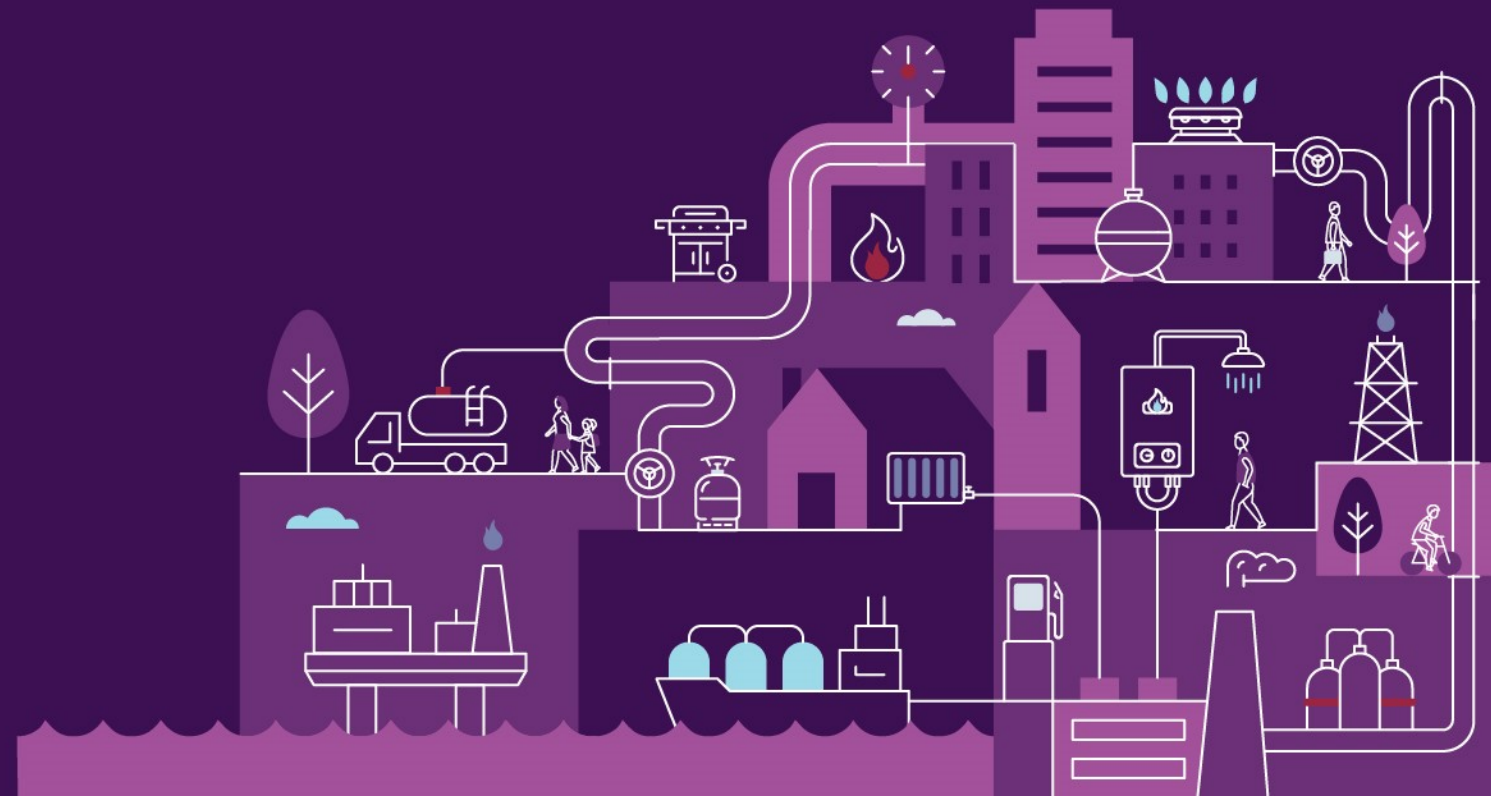
Purpose of the session



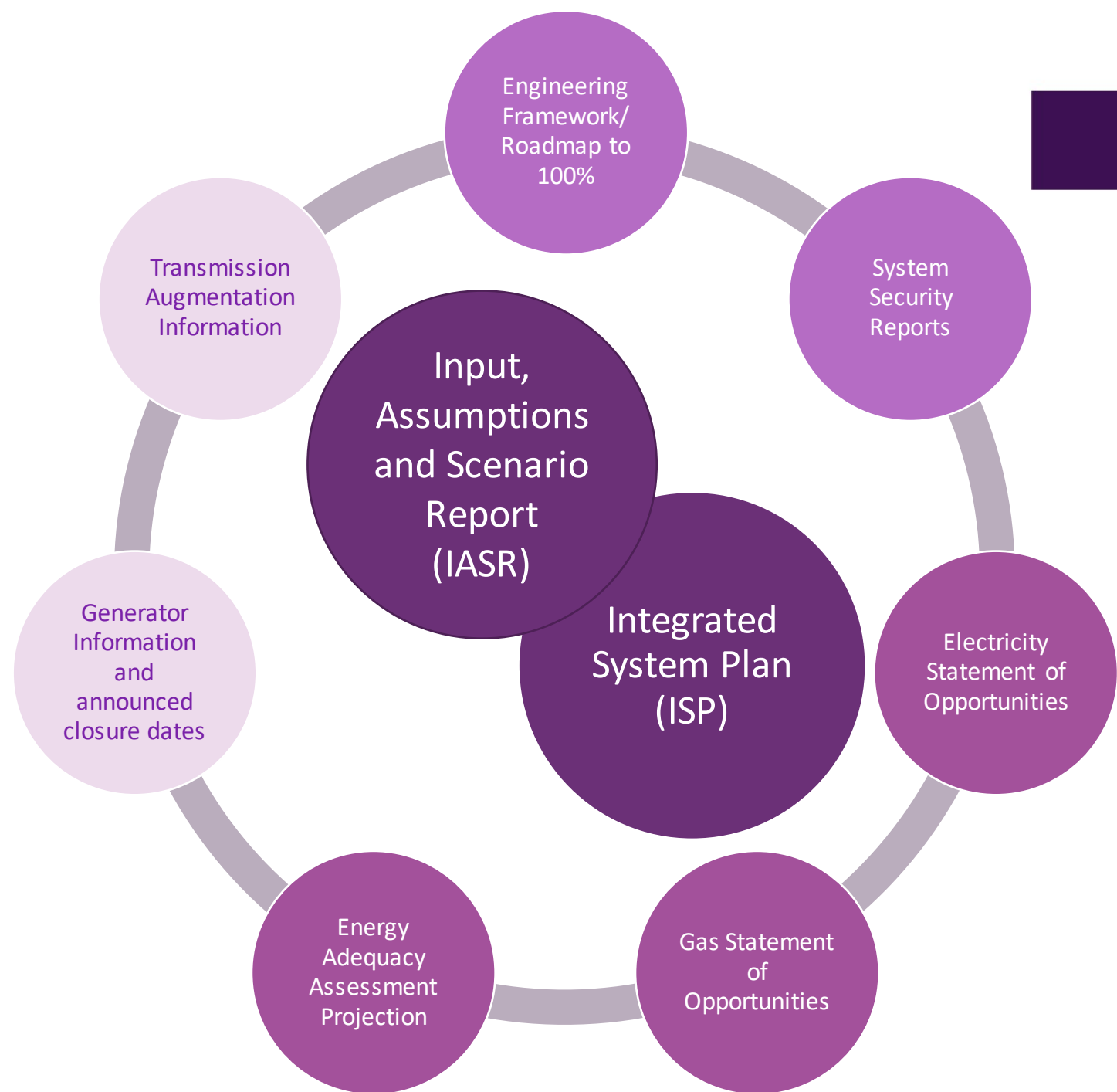
Agenda

- Welcome and introductions
- Purpose of the session
- Introducing the Integrated System Plan
- The Inputs, Assumptions and Scenarios Report
- Outcomes of the Integrated System Plan
- Next steps and wrap up

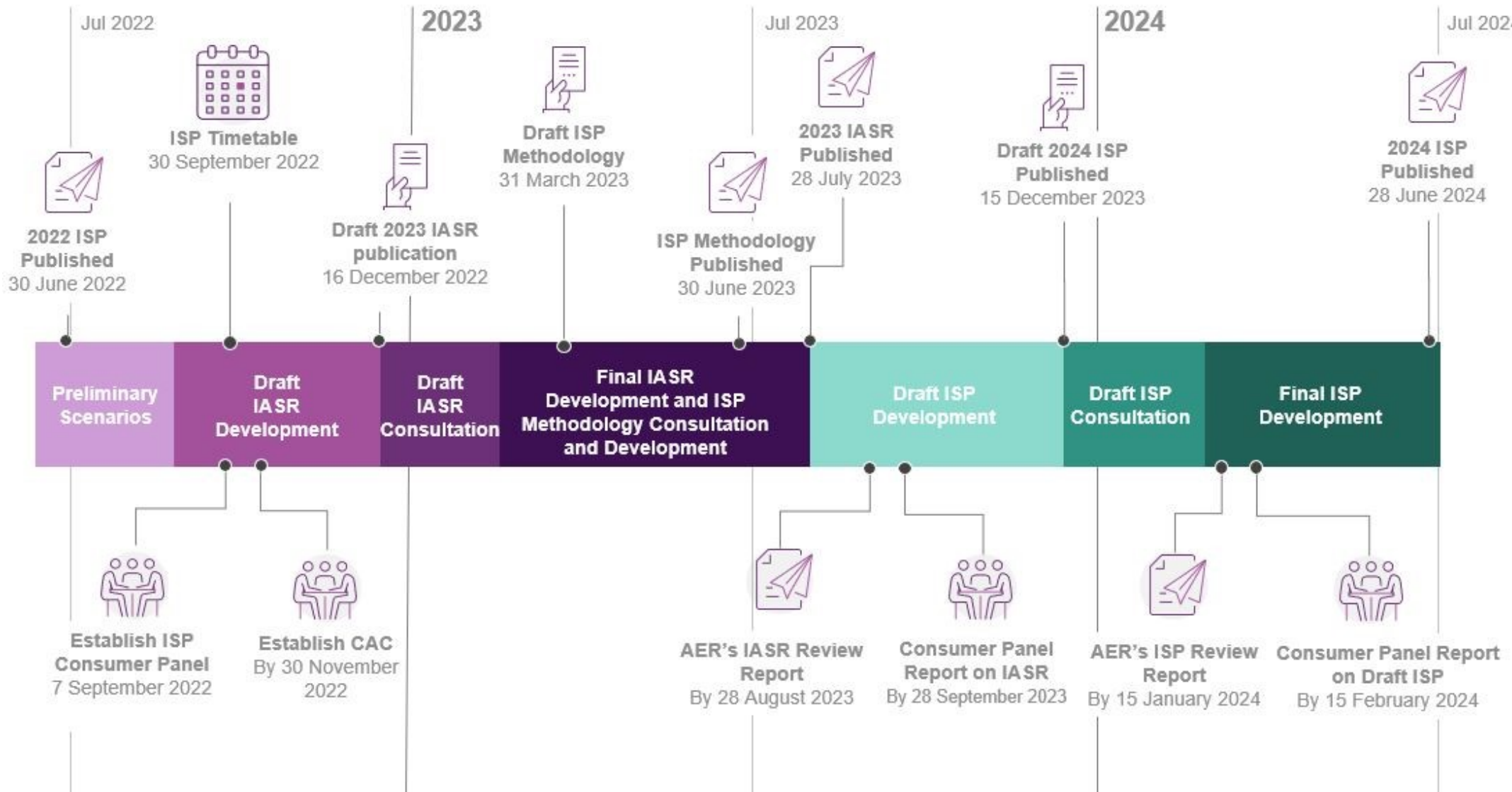
Introducing the Integrated System Plan



We are focusing today on two of AEMO's major forecasting and planning publications for the energy sector



Two-year timetable for making the ISP



Big issues affecting the ISP



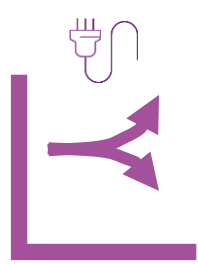
Emissions must reduce



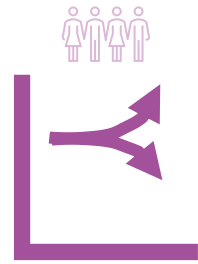
Coal is retiring



Distributed energy will increase



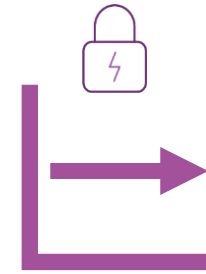
Demand is uncertain



Social licence is unclear

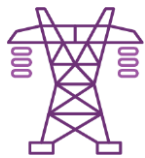


Rising cost of living pressures



Reliability must be maintained

The ISP balances these issues to find the most appropriate mix of energy infrastructure investment to provide safe, reliable, affordable and sustainable energy for consumers.

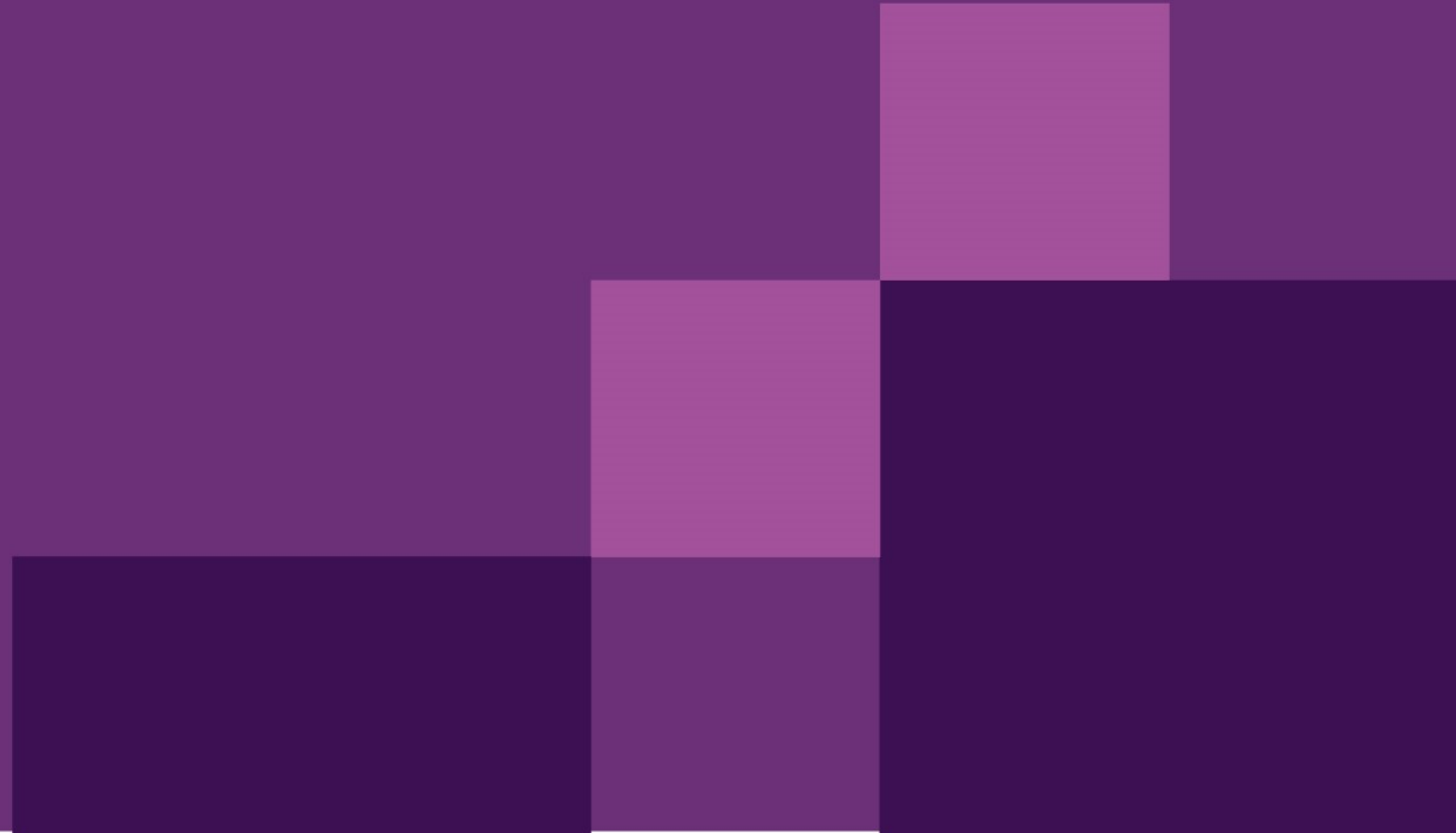


Diverse new renewable generation ... interconnected with more transmission... firmed by storage... and backed up with gas generation.

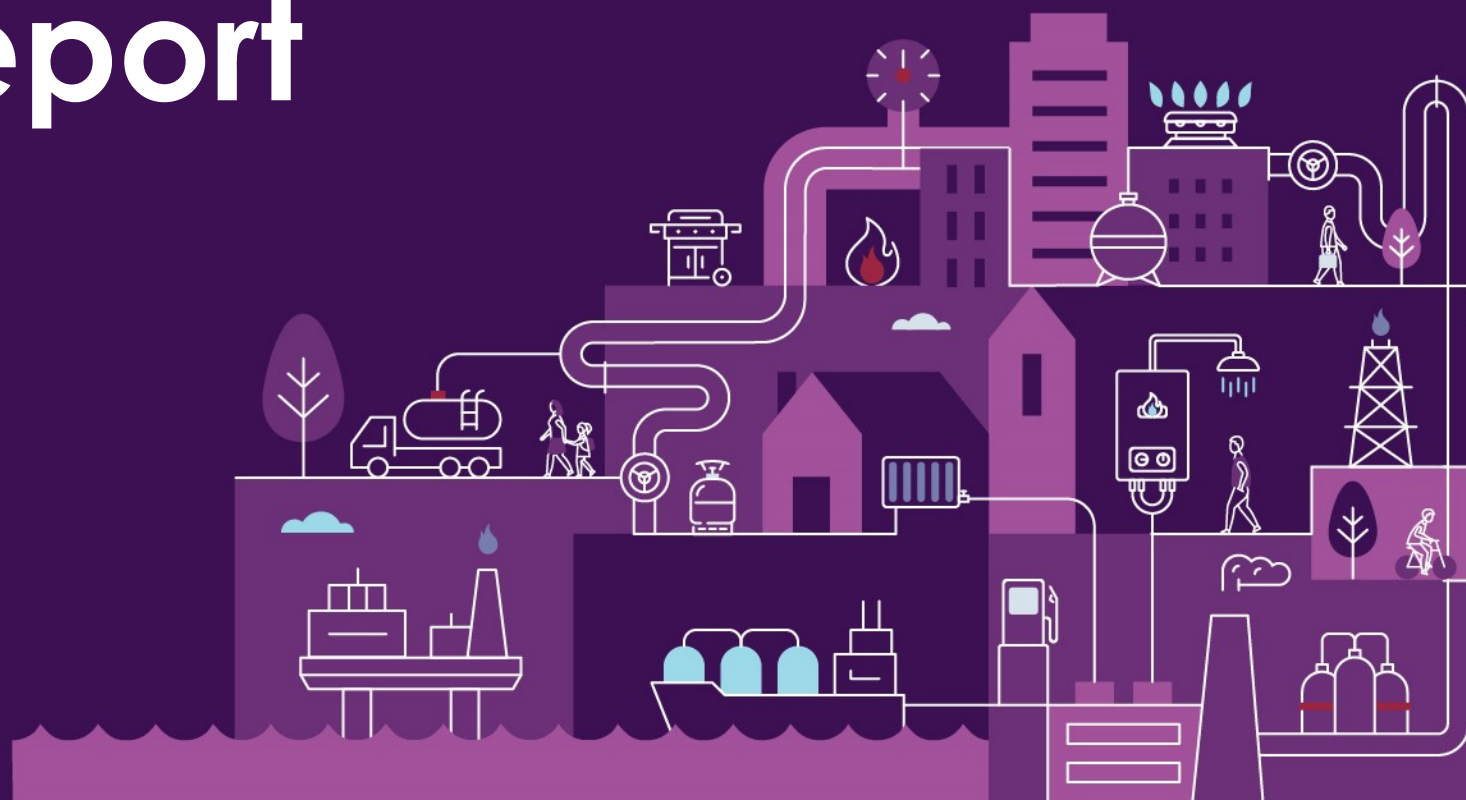


Discussion with the ISP Consumer Panel

Questions

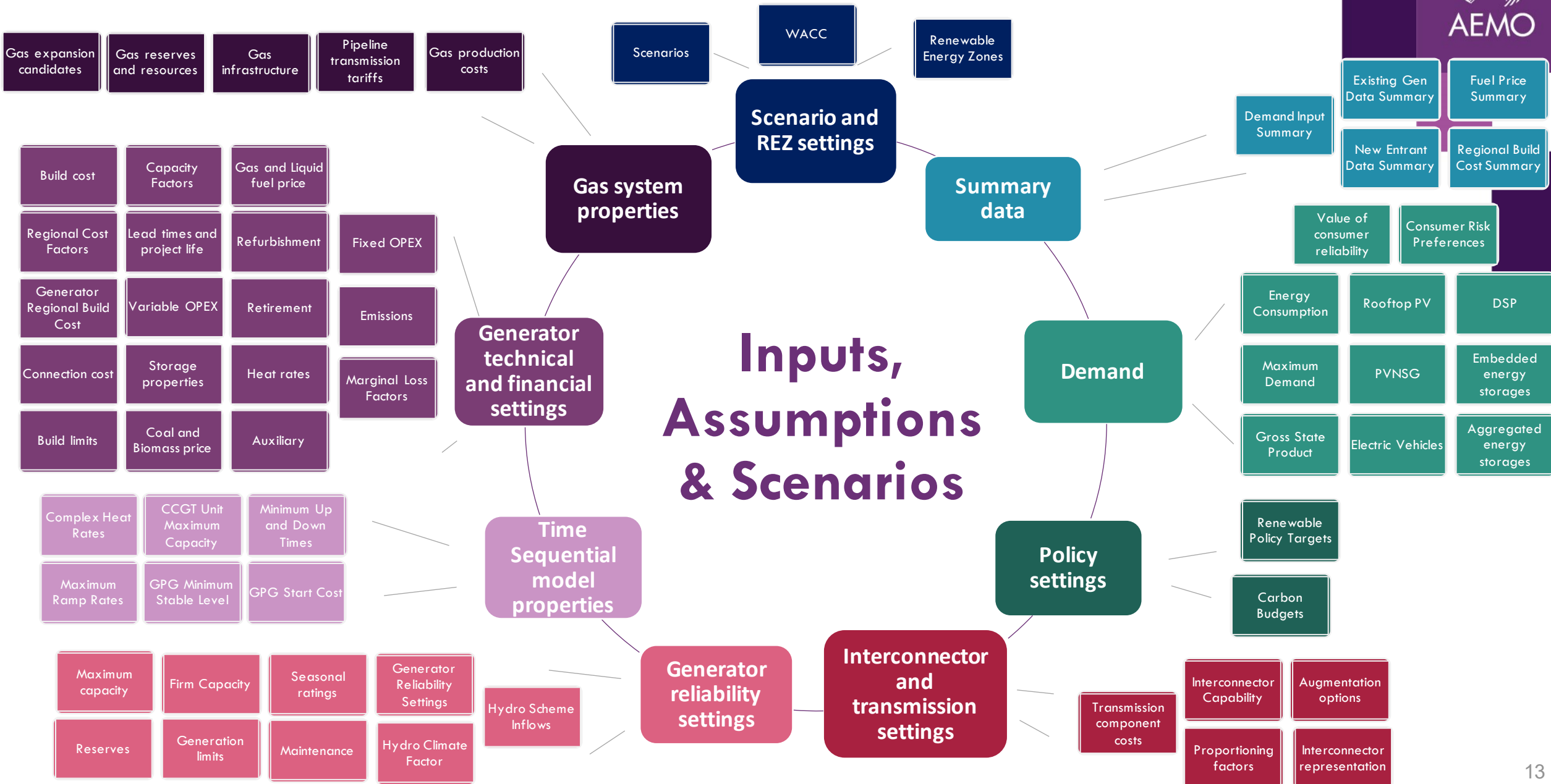


The Inputs, Assumptions and Scenarios Report



Many inputs and assumptions make up the Draft 2023 IASR

Inputs, Assumptions & Scenarios



Four proposed scenarios against which the energy sector can be planned

1.5°C Green Energy Exports

- Strong decarbonisation activities
- Higher economic growth
- High opportunities for domestic green energy sources

1.8°C Orchestrated Step Change

- Strong consumer investments
- Good deployment of orchestration technologies
- Rapid overall transformational investment to decarbonise the Australian economy

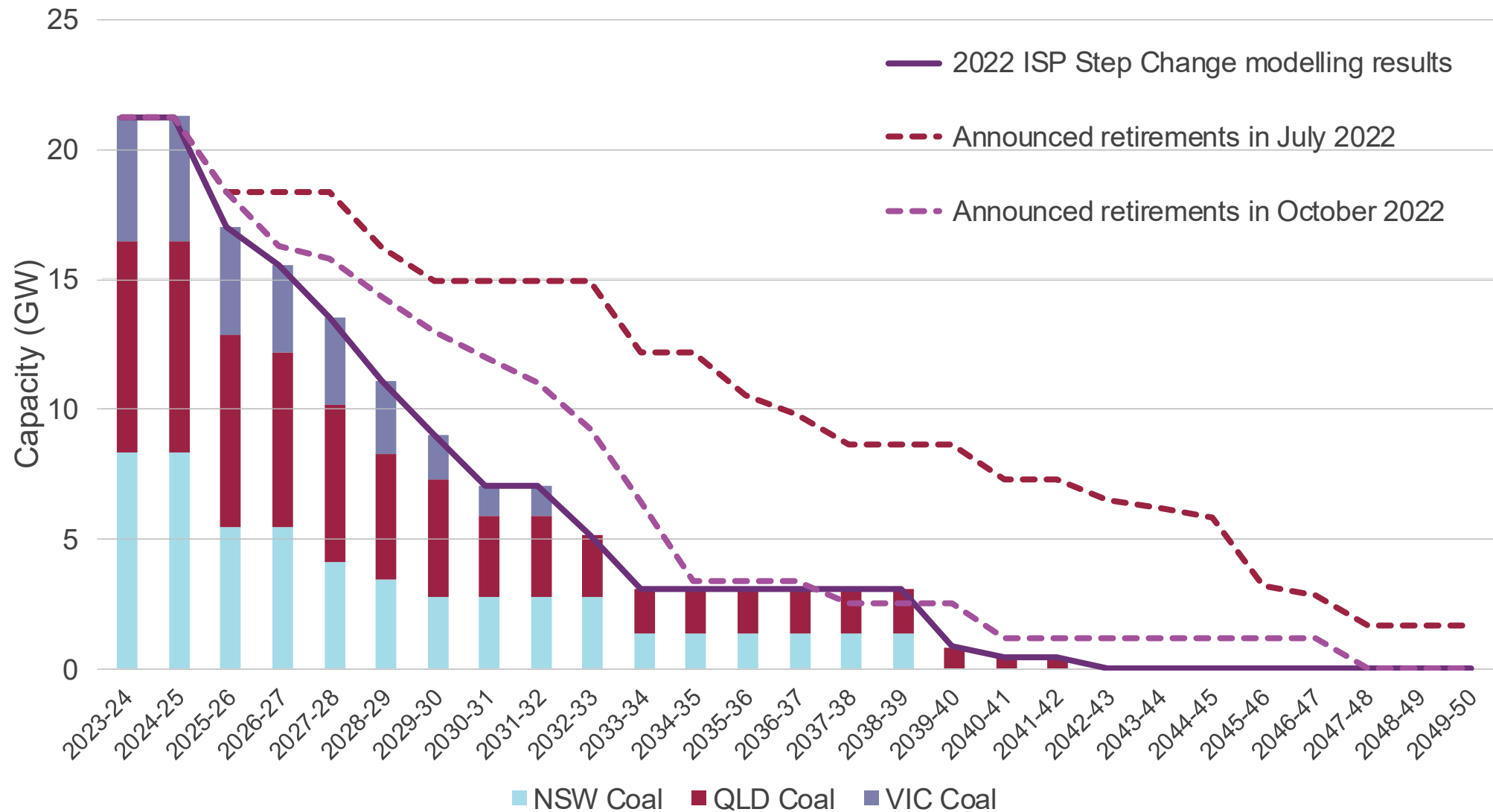
1.8°C Diverse Step Change

- Modest consumer investments
- Less orchestration of customer investments
- Rapid overall transformational investment to decarbonise the Australian economy

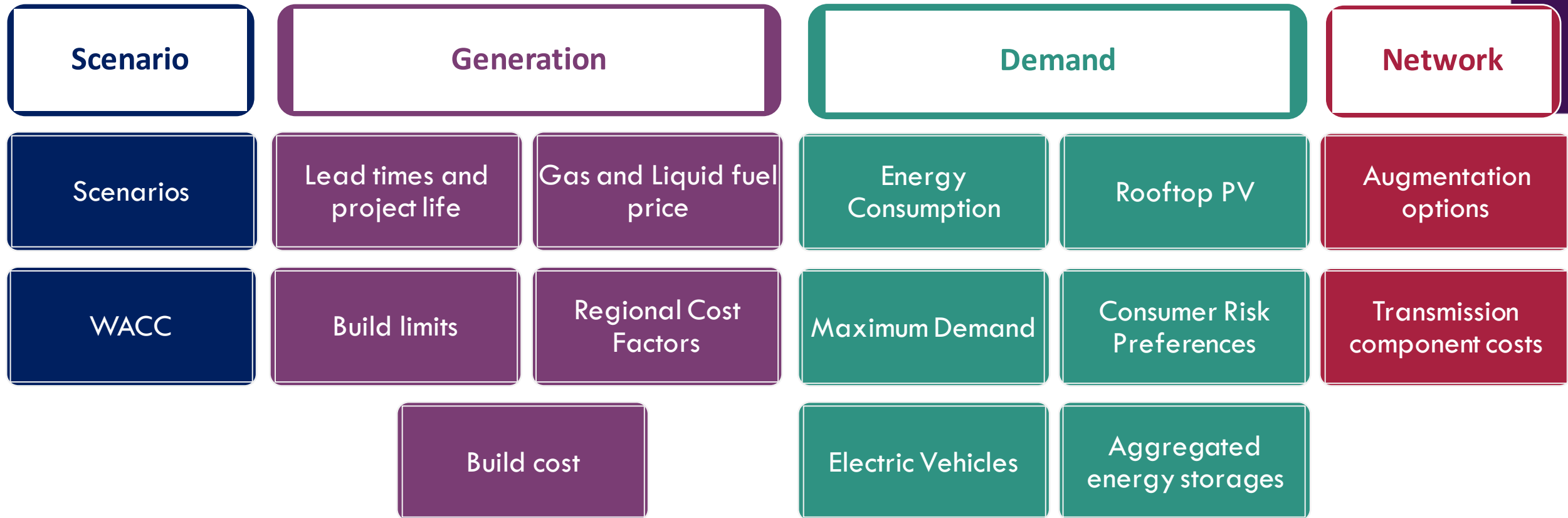
2.6°C Progressive Change

- Challenging economic conditions reducing consumer action to decarbonise the economy
- Current policy objectives are met, but progression slows

ISP outcomes will be influenced by the role of coal



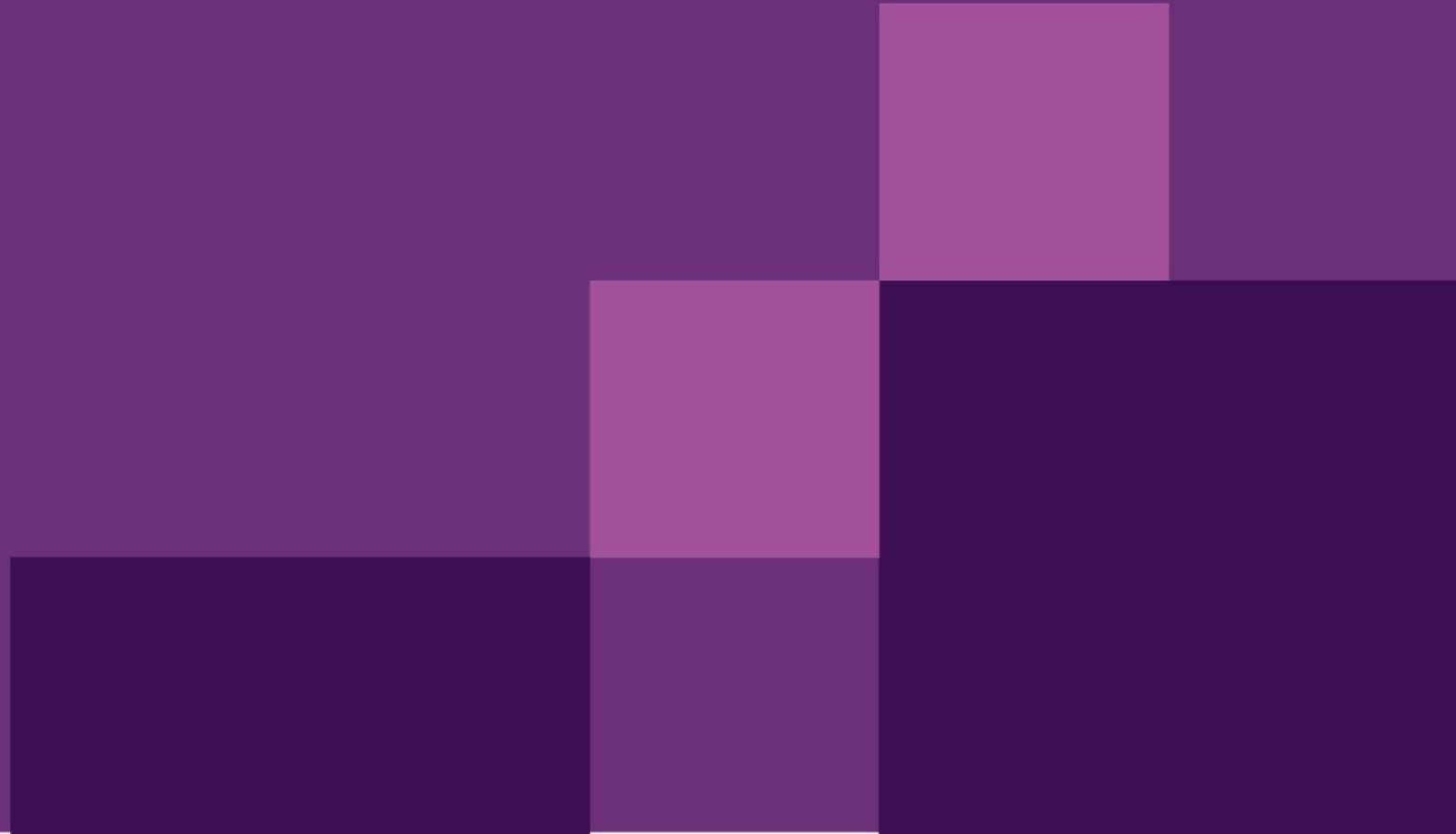
Certain inputs and assumptions will be particularly influential for the ISP



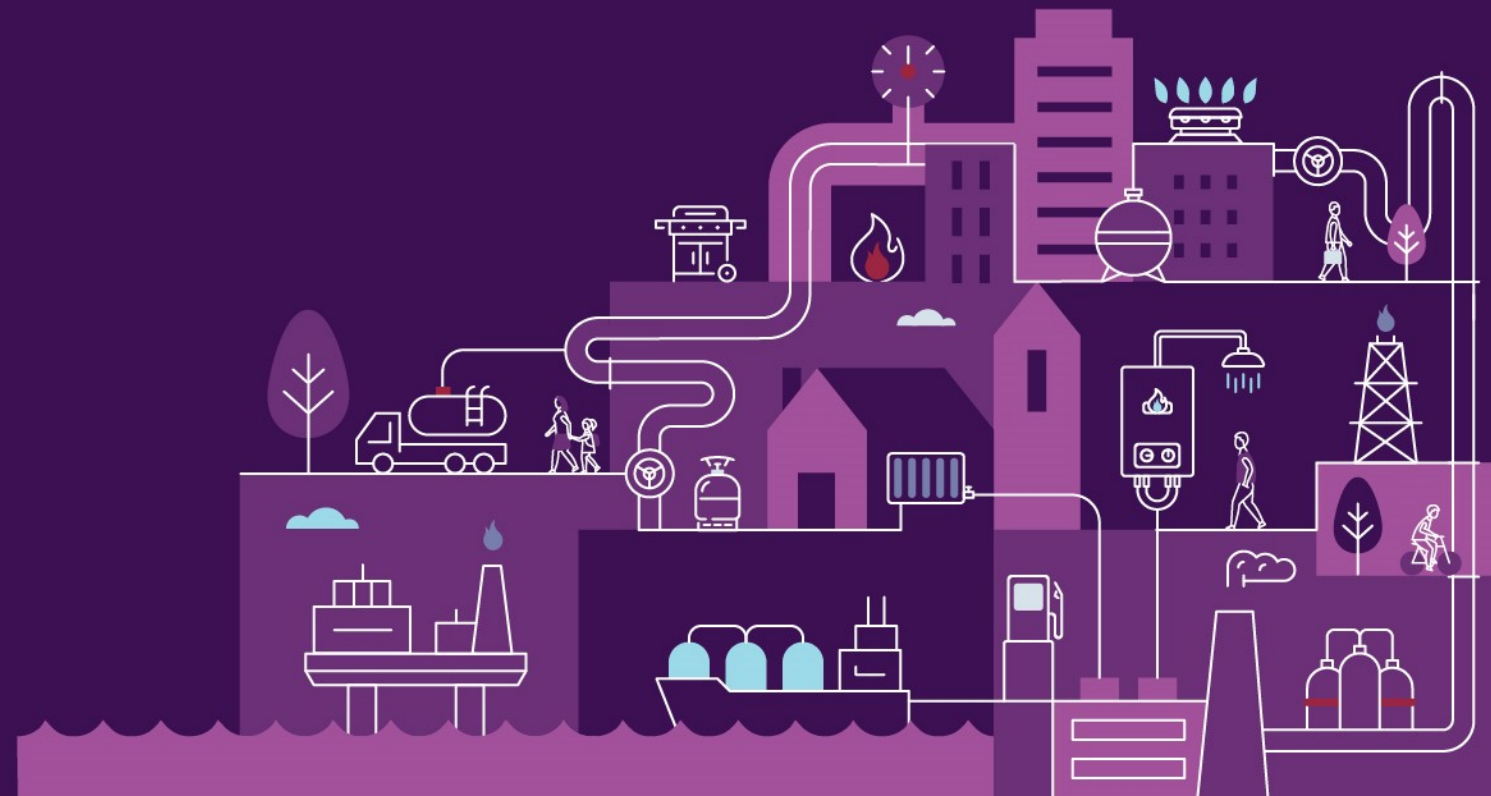


Discussion with the ISP Consumer Panel

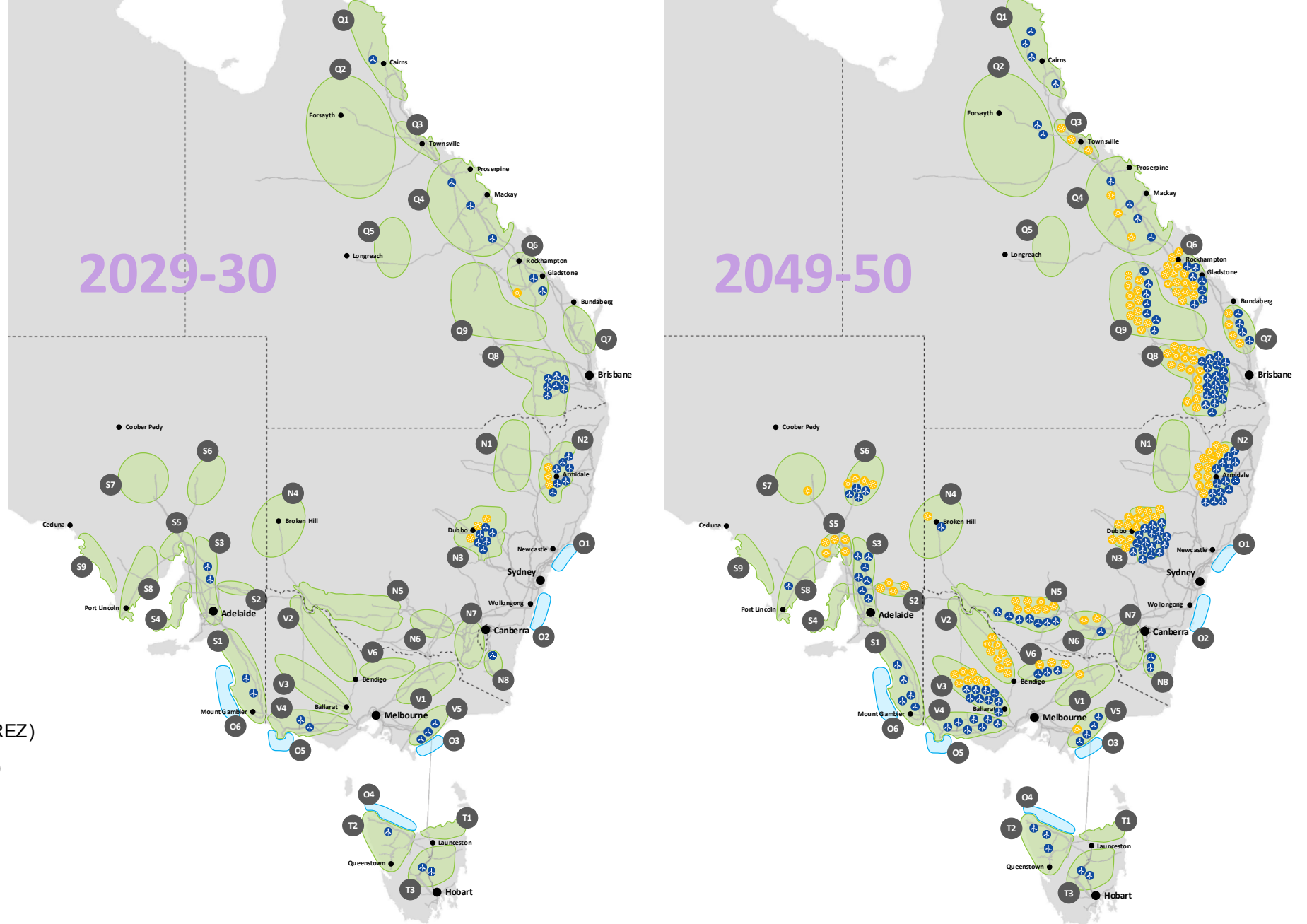
Questions



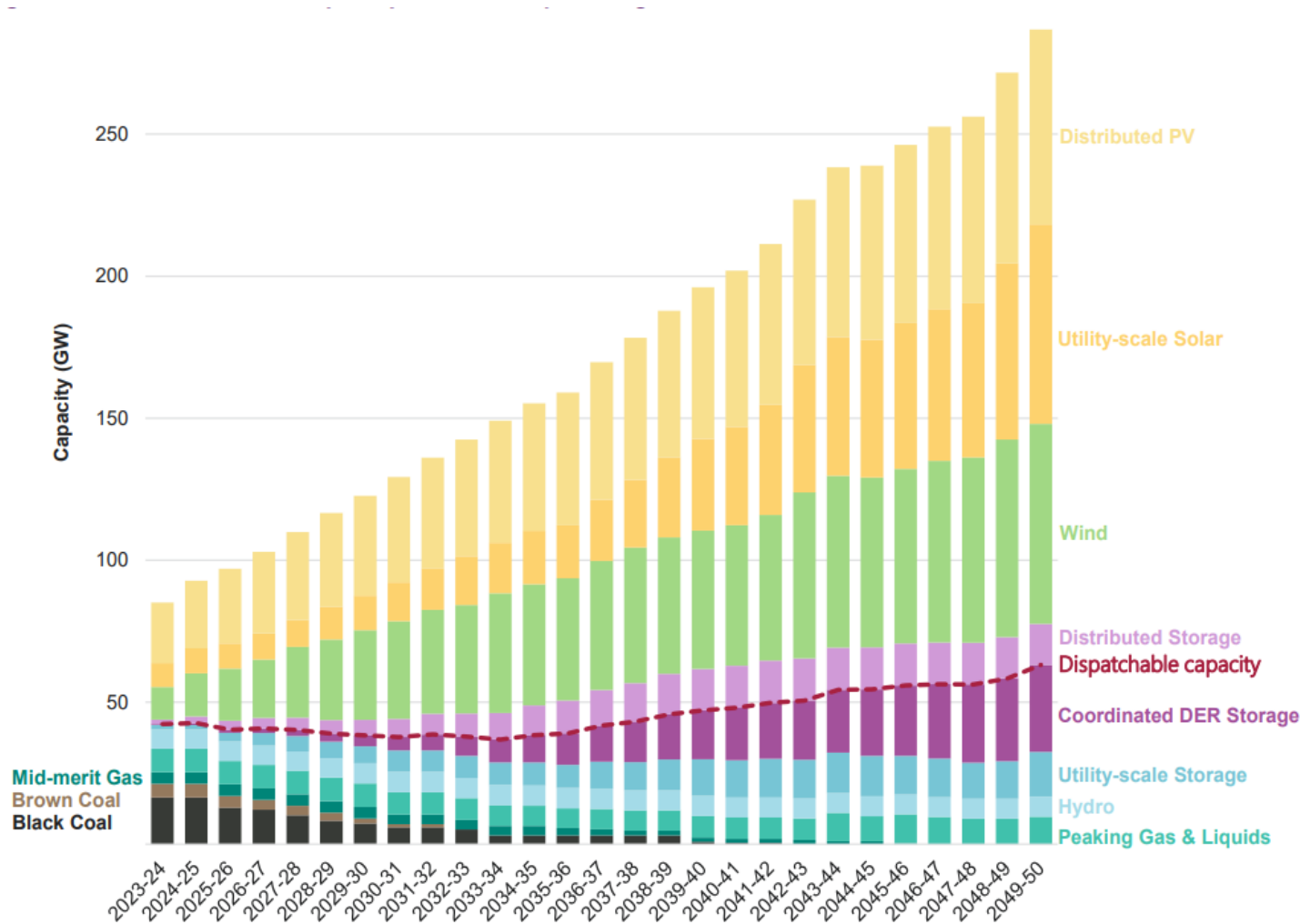
Outcomes of the Integrated System Plan



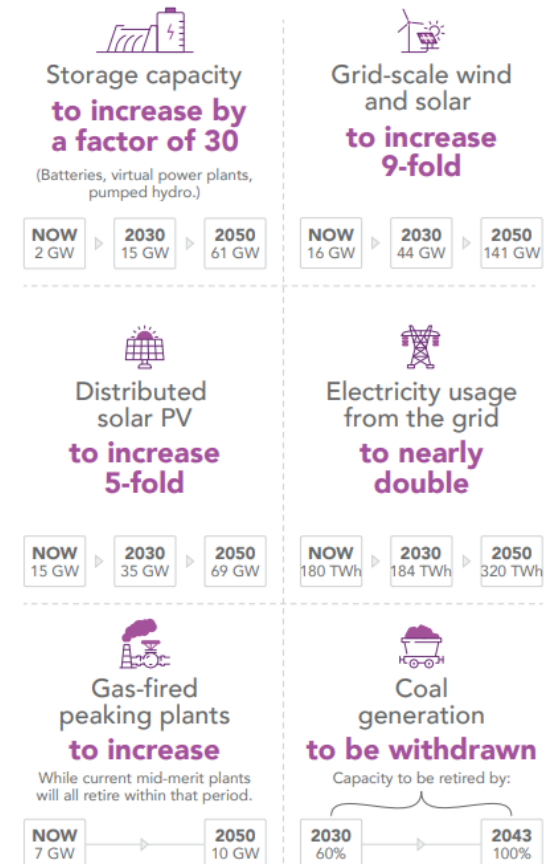
The ISP gives a coordinated view on future electricity generation and transmission needs



2022 ISP identified storage capacity increase and coal withdrawal under ‘most likely’ scenario

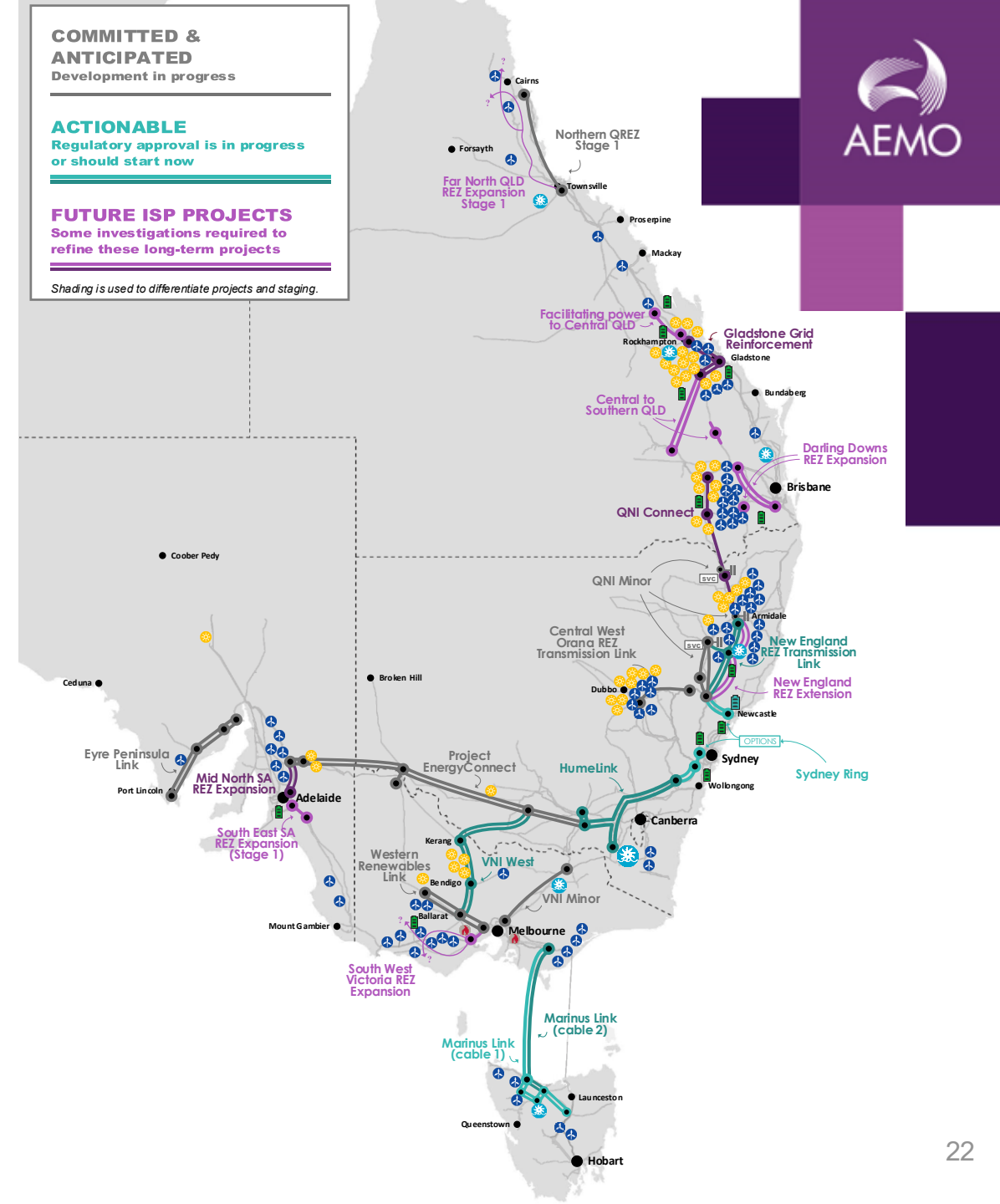


Expected energy transition to 2050 (‘Step Change’ scenario)



ISP results can directly and indirectly influence cost, timing and location for electricity infrastructure

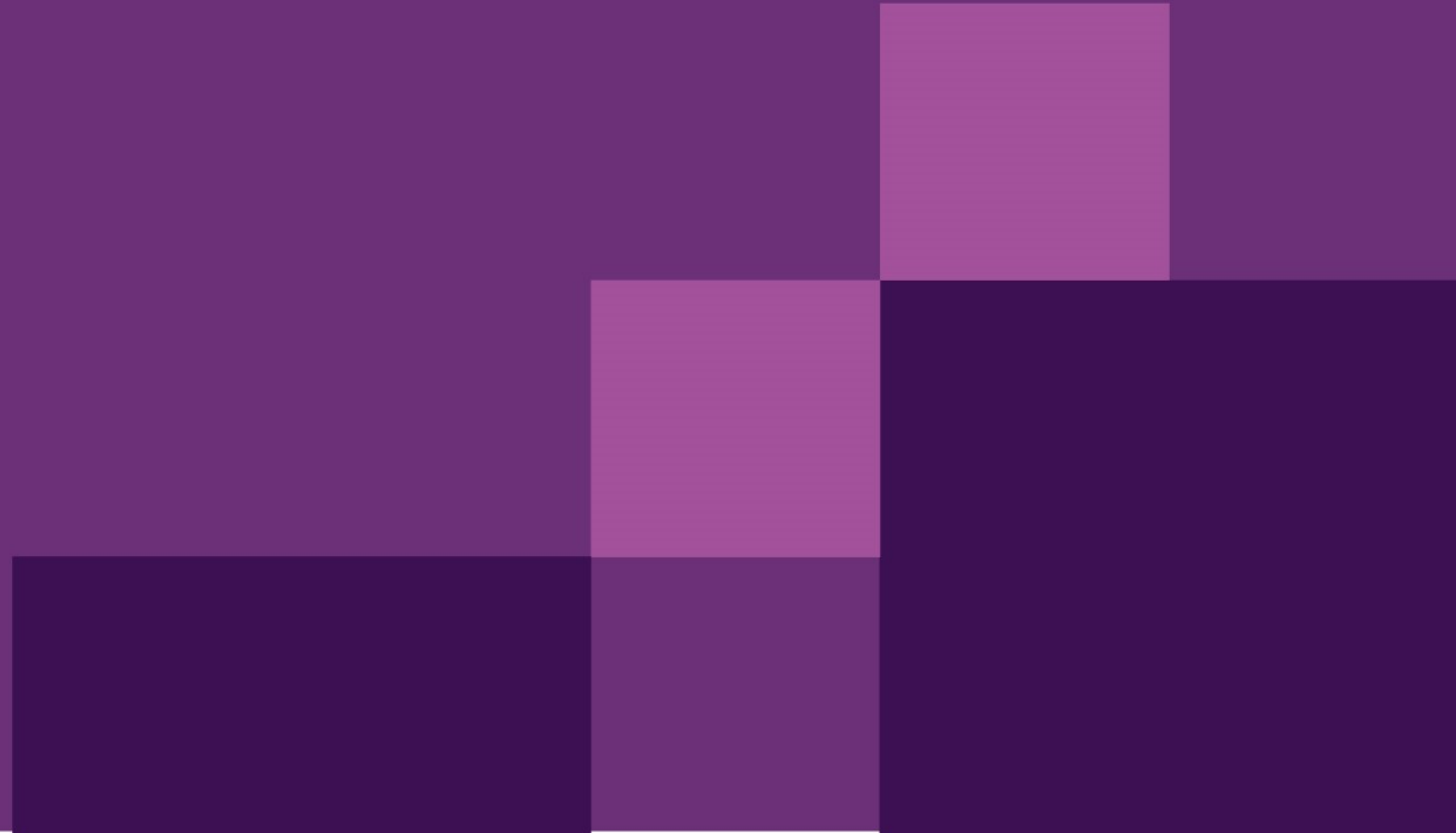
- The 2022 ISP optimal development path was estimated to deliver about \$28 billion in net market benefits.
- AEMO calls for industry and communities to engage in and help problem-solve the ongoing energy transformation in Australia.



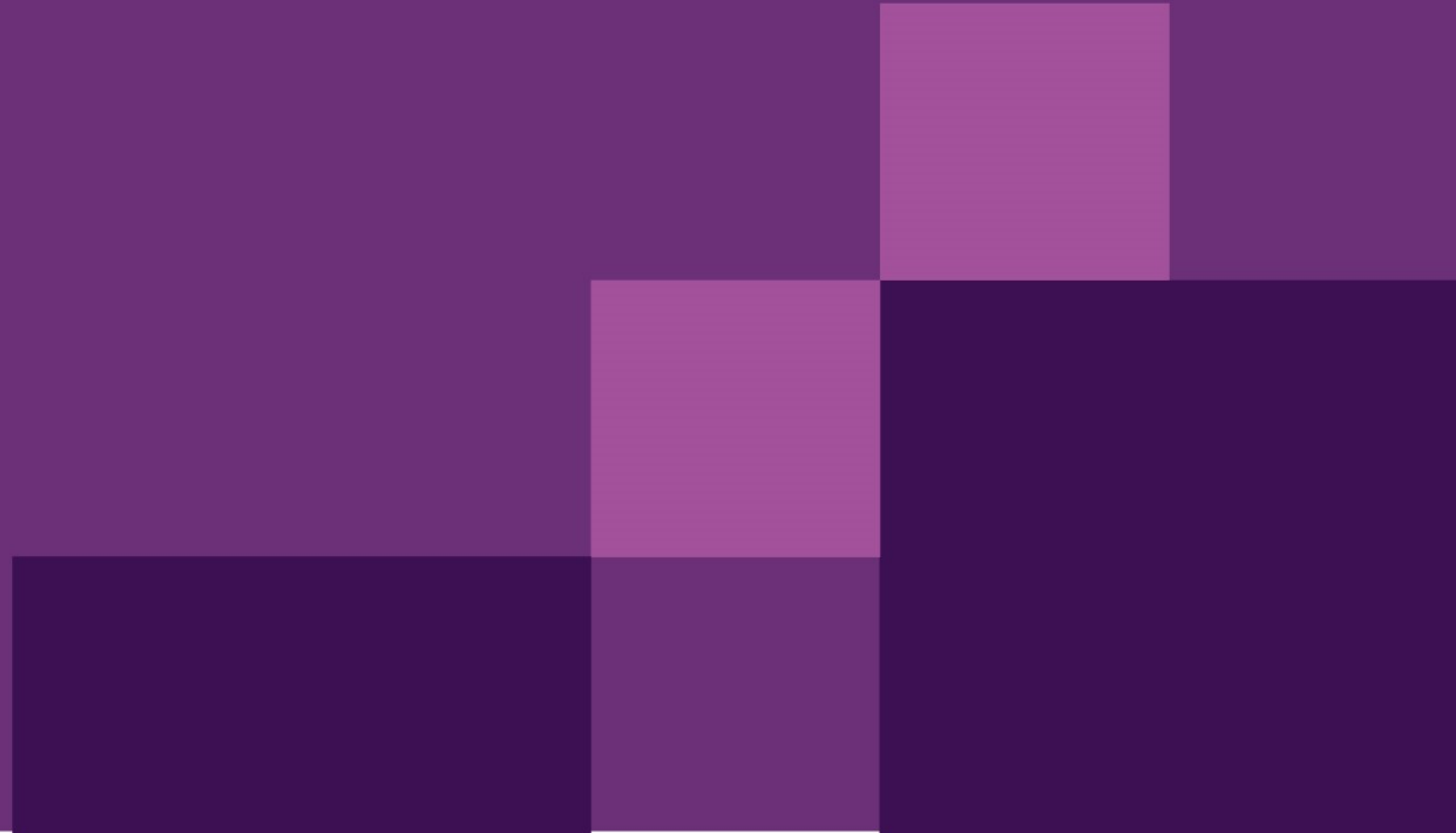


Discussion with the ISP Consumer Panel

Questions



Next steps



Next steps

- Consultation on the Draft 2023 IASR:
 - 2 February: Pre-submission public forum
 - 9 February: Consumer advocate verbal submissions session
 - 16 February: Written submissions close
- <https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2024-integrated-system-plan-isp> for more information
- The Opportunities for Engagement sub page lists all upcoming milestones and events, including links to register to attend.

Contact us via ISP@aemo.com.au at any time.

AEMO energy education

- AEMO offers a range of courses about Australian energy systems and markets, ranging from the introductory to the in-depth.
- Courses are delivered both virtually and in person.
- The NEM Overview eLearning module is available free to all.

<https://aemo.com.au/en/learn/industry-courses>



For more information visit

aemo.com.au