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Anna Collyer
Chair
Australian Energy Market Commission
Level 15, 60 Castlereagh Street, Sydney NSW 2000

Dear Ms Collyer

Review of the Integrated System Plan Framework Discussion Paper (Ref: EPR0092)

The Australian Energy Market Operator (AEMO) welcomes the opportunity to comment on the Review of the Integrated System Plan (ISP) Framework Discussion Paper. The ISP remains a critical system-wide planning instrument but now operates, and needs to evolve, within a more complex environment encompassing electricity and gas systems, jurisdictional frameworks, distribution and demand-side resources, and delivery processes. The Review should preserve the ISP's whole-of-system value while allowing it to become more integrated with these processes and responsive to both system-wide and local needs, in support of efficient investment, reliability and affordability for energy consumers through the energy transition.

AEMO makes three key points:

1. **The Review provides an opportunity to recognise and respond to the evolving planning landscape.** The ISP sits within an increasingly interconnected planning framework. Clearer interfaces and decision-making responsibilities, more effective information flows and well-defined roles could help increase the value of the ISP within this broader planning landscape.
2. **AEMO supports an enhanced ISP, focused on areas where whole-of-system planning adds unique value to the energy transition.** There may be value in the ISP continuing to identify material system-wide needs and trade-offs across generation, storage, firming and gas system needs. The Review could also consider whether clearer interfaces, roles, responsibilities and governance are needed between those planning insights and delivery mechanisms to reduce duplication and streamline the pathway from identifying system needs to delivery.
3. **The Review should progress reforms through a staged transition pathway.** Near-term enhancements to existing process to inform the 2028 ISP where practicable while progressing broader change in parallel for 2030 ISP and beyond. These near-term reforms would help strengthen ISP–Inputs, Assumptions and Scenarios Report (IASR)–Regulatory Investment Test for Transmission (RIT-T) interfaces, clarifying the treatment of material changes and feedback-loop sequencing, providing clearer guidance on revisiting or losing actionability, and coordinating interfaces with related reform processes such as the Electricity Services Entry Mechanism (ESEM), Demand-side Statement of Opportunities (DSOO) and other emerging planning and delivery processes.

Attachment 1 provides supporting detail. If you would like to discuss this submission, please contact Hannah Heath, AEMO Group Manager – Strategic Market Reform (hannah.heath@aemo.com.au).

Yours sincerely,

Violette Mouchaileh
Executive General Manager – Policy and Corporate Affairs

Attachment 1: AEMO's views and insights on the Discussion Paper

1 Overview of this submission

Attachment 1 explains AEMO's response through a three-part structure. It first describes where the planning landscape appears to be heading. It then sets out key considerations for AEMO for the future ISP, which draw selectively on elements of the AEMC's Strawpeople 1–4 depending on the function being considered. Finally, the submission recommends enhancements to the existing ISP process as part of a staged transition pathway. This structure demonstrates how the ISP can continue to add value to stakeholders in the short term, while adapting to a more complex and interconnected future planning environment in the longer term.

2 Future planning landscape

2.1 Possible future planning architectures

Due to the nature of the energy transition, energy planning frameworks have changed significantly since the ISP framework was first established. As the Review looks forward, the future role of the ISP needs to consider not only the current energy planning landscape, but also how that landscape may evolve. This includes key features of current and emerging planning frameworks, such as jurisdictional planning arrangements, generation and investment schemes including jurisdictional investment schemes and the Electricity Services Entry Mechanism (ESEM), distribution system planning, the Demand-side Statement of Opportunities (DSOO), demand-side and Consumer Energy Resources (CER) integration, the evolving role of gas in supporting reliability and system security and increasing electrification of other sectors such as transport. These features provide important context for considering the possible future planning architectures noted below, noting that they are not necessarily mutually exclusive, and many elements are already present today. Accommodating these changes efficiently and facilitating timely delivery through well designed planning arrangements will be critical to support the energy transition at lowest possible cost for consumers.

Plausible long-term future planning frameworks include:

- **Electricity-focused planning:** the ISP remains principally focused on electricity-system development, including transmission and broader generation, storage and network needs, supported by jurisdictional, distribution and demand-side inputs and linked to delivery mechanisms such as jurisdictional scheme or ESEM.
- **Coordinated planning ecosystem:** multiple planning mechanisms, including jurisdictional frameworks, operate together through clearer interfaces, information flows and handover points. The ISP plays a role in identifying opportunities for efficiency through coordination of these multiple regional and sub-regional plans.
- **Dynamic planning capability:** periodic ISP publications are complemented by more regular updates to relevant data, modelling and planning insights, allowing material updates to be reflected between major planning cycles.
- **Whole-of-system strategic planning capability:** the ISP evolves towards greater coordination or optimisation across electricity, gas, and other sectors or fuels, potentially with greater involvement and/or decision making from jurisdictions and regulators, similar to the approach established internationally for NESO to develop its spatial strategic energy plan (SSEP).

These futures would place different expectations on the ISP. However, all point to the need for stronger coordination, clearer interfaces and better links between planning and delivery to support an efficient transition of the energy system in the long-term interest of consumers. The broader planning framework is likely to continue evolving as the energy transition progresses, and the ISP will need to evolve with it. Regardless of the future framework that ultimately emerges, AEMO considers that clearer roles, decision-making, interfaces and handover points will be increasingly important. The Review should therefore consider reforms that

preserve the ISP's whole-of-system value, improve its interaction with other planning and delivery processes, and retain flexibility as the wider planning landscape evolves.

Planning arrangements that improve coordination, provide greater investment certainty, strengthen the link between planning and delivery, and transparently identify system-wide trade-offs can help reduce the risk of inefficient investment, avoid unnecessary duplication and support the timely delivery of infrastructure needed to maintain reliability through the transition. As the planning landscape evolves, reforms should continue to be assessed against their ability to provide long-term value for energy consumers, maintain a reliable, safe and secure energy system, support emissions reduction and greater electrification.

3 Key considerations for the future ISP

AEMO considers that the future ISP should draw selectively on different Strawpeople depending on the function being considered, without necessarily aligning with any Strawperson in full. AEMO recommends that the AEMC assess each Strawperson against the problems identified within the current process that the Review is aiming to solve, as this may reveal alternatives that are more nuanced than the four Strawpeople.

International approaches would also be worth exploring further, as many jurisdictions are facing similar energy transition challenges. However, different planning frameworks have been developed to solve different problems. For example, through its Ten-Year Network Development Plan (TYNDP), ENTSO-E coordinates transmission planning across multiple countries to identify cross-border infrastructure opportunities and socio-economic welfare benefits that may not be visible through national plans alone. By contrast, NESO's Strategic Spatial Energy Plan (SSEP) supports strategic pathway selection for Great Britain aimed at speeding up a clean, affordable and secure energy transition by assessing alternative whole-of-system futures and the trade-offs between economic, environmental, societal and deliverability outcomes, with government determining the preferred pathway that will inform subsequent planning processes. These examples illustrate that choices about institutional roles, strategic decision-making and the relationship between planning and delivery should be informed by the particular problems the framework is intended to solve, rather than by adopting any single international model in full.

AEMO considers that the Review should not assume that future functions and modelling can simply be added to the existing ISP process. The ISP has become increasingly complex over successive cycles, and further expansion may not be efficient, sustainable or scalable without reconsidering its scope, sequencing, governance, resourcing and cost recovery arrangements. The Review should therefore consider whether the ISP process itself should be redesigned, while retaining the elements of the existing framework that continue to add value. This could include consideration of whether activities should be combined, sequenced, simplified or delivered differently, and whether the balance between major ISP publications and more regular targeted updates should change over time.

3.1 Evolving toward a more coordinated planning ecosystem

The future planning landscape may involve an increasingly coordinated set of national, jurisdictional, distribution and delivery processes. Within such a landscape, the ISP could continue to provide an integrated view of system needs and trade-offs across the NEM and its interactions with gas, jurisdictional and distribution systems. This creates a need for clearer interfaces, transparent treatment of differences in assumptions, well-defined handover points and clear decision-making authority. ISP reforms could clarify how different planning processes connect and complement each other, while avoiding unnecessary duplication or the absorption of functions that are better undertaken through other processes.

The ISP can continue to provide an important system-wide planning perspective by connecting with, and drawing suitable inputs from, jurisdictional, distribution and other planning processes. Jurisdictional frameworks, Distribution Network Development Plans (DNDPs) and other emerging processes can provide

more granular and consistent information on distribution capability, CER and demand-side resources where these materially affect the system-wide development pathway. Effective integrated planning may also require improved data sharing and accessibility, while respecting safeguards and confidentiality, so that sensitive information can inform modelling where appropriate. AEMO already publishes substantial information about ISP modelling inputs, assumptions and scenarios, which supports concurrent planning, policy and investment processes. While there may be opportunities to improve transparency, including around how modelling informs planning judgements, any further obligations should build on what is already provided and remain proportionate to the purpose of the ISP.

Improved coordination, or even system-wide planning, does not require consolidation of all planning functions. Jurisdictional bodies, DNSPs and other planning processes may be better placed to make detailed decisions on local network capability, distribution augmentations that can support an active demand side, market integration, delivery frameworks or jurisdiction-specific objectives. AEMO views the ISP's enduring role as one to inform, support and connect these processes by helping to identify system needs, testing the collective implications of related planning and delivery decisions for the system-wide development pathway and clarifying where coordination is needed, rather than replacing the detailed responsibilities of jurisdictional bodies, DNSPs or other planning processes.

3.2 The value of a system-wide plan

The ISP has evolved over time to provide a more holistic view of future system needs and investment opportunities. As the energy transition becomes increasingly interconnected across generation, storage, transmission, distribution networks, consumer energy resources, demand-side participation and gas infrastructure, a system-wide perspective remains important to complement jurisdictional and network planning processes.

While jurisdictional and local plans play an important role in identifying regional priorities and delivery pathways, a system-wide plan can assess interactions, dependencies and trade-offs across the NEM and gas systems as a whole. It provides a common evidence base to support investment decisions and an all-consumer perspective that is not the primary focus of any individual jurisdictional or network plan.

A system-wide plan also helps coordinate investment across the energy supply chain. By considering generation, storage, network and other infrastructure needs together, it can identify development pathways that balance cost, reliability and emissions outcomes for consumers. Detailed planning and delivery may remain the responsibility of jurisdictions, TNSPs, DNSPs and other market participants, but the ISP can inform those decisions through a consistent system-wide evidence base.

A further benefit of a system-wide plan is that it provides continuity across planning cycles. Each ISP builds on previous plans and projects already in development, helping stakeholders understand how new information may influence future investment needs. This supports an orderly transition by reducing unnecessary uncertainty while maintaining flexibility to adapt to changing circumstances and technology developments.

For consumers, a system-wide planning framework can reveal opportunities for efficiencies that may not be visible through individual planning processes alone. The Review should therefore focus on strengthening the interfaces between system-wide, jurisdictional and network planning processes so that responsibilities remain clear, avoidable duplication is reduced, and investment decisions can be made with greater confidence.

AEMO considers that some elements of Strawperson 2 may warrant further exploration where they could improve planning efficiency, planning interfaces or the responsiveness of the system-wide development pathway. However, further assessment is required to understand the implications for existing delivery frameworks, investment coordination and broader objectives of the ISP. More generally, the Review should assess individual functions and reform options against the problems they are intended to solve, rather than requiring the future framework to correspond to any Strawperson in full.

3.3 Actionability of ISP projects

The scope of actionability is a key design question for the future ISP framework. AEMO supports retaining an actionable pathway for major transmission projects where whole-of-system planning evidence demonstrates that investment is needed. However, as part of this ISP Review, it is worth considering whether actionability in its current form is achieving its desired purpose, or creating unintended consequences. Reforms should seek to ensure that ISP actionability complements, rather than duplicates, the detailed analysis undertaken by TNSPs and explore whether there are more effective ways for system needs identified in the ISP to be prioritised for delivery. This would help keep the ISP pathway streamlined and focused on system-wide needs, while maintaining clear roles for AEMO, TNSPs, DNSPs, jurisdictions, the AER and relevant delivery mechanisms. The Review should therefore consider how the actionable pathway can be made clearer, faster and better aligned with related planning and regulatory processes, and recognise that projects may be progressed through various TNSP, DNSP or jurisdictional processes.

A key consideration for the future ISP would be whether actionability should extend beyond transmission in a targeted way. This has some similarity to Strawperson 4 in the limited sense that the ISP would retain actionability for transmission projects and could extend actionability only to large-scale distribution projects where the relevant investment is nationally material, its system impacts are capable of being forecast with reasonable confidence and it is supported by an existing regulatory delivery framework. Any pathway analogous to the current transmission actionability framework should have clear thresholds, roles and handover points between AEMO, DNSPs, TNSPs, the AER and jurisdictions. The extension of actionability to system-wide material large-scale distribution investments, as contemplated under Strawperson 4, therefore warrants further consideration alongside related network-regulation and delivery reforms.

The Review could also consider whether targeted ISP actionability may be appropriate for specific large-scale distribution services identified through the ISP, such as voltage management solutions, where they materially support the efficient development of the energy system but may be difficult for DNSPs to justify under existing regulatory pathways. This should be considered alongside related network regulation reforms, including whether those reforms provide clearer treatment of distribution services, delivery responsibilities and cost recovery arrangements. If those issues are not sufficiently addressed through those reforms, the ISP framework may need to provide a clearer pathway for recognising and progressing those options where they deliver material benefits to consumers.

More broadly, the Review could consider whether clearer interfaces are needed between material system needs identified through the ISP and the mechanisms responsible for assessing or delivering non-network responses. This would not make those responses actionable through the ISP or require the creation of a new delivery mechanism. Rather, it could clarify how relevant ISP planning signals are considered by existing or emerging processes, including ESEM as its design develops. Any such interface should preserve the distinct roles of system-wide planning, market investment, policy and procurement processes.

AEMO considers that actionability of gas investments could be explored further but may be a longer-term reform consideration. Gas is projected to continue playing a critical back-up role in supporting reliability and system security through the energy transition, but there is not yet a clear pathway for investment in gas capability where it is needed to support the NEM. Some form of actionability may be seen as desirable where national planning identifies a material need, but it is not yet clear who would be responsible for actioning such investment, whether mechanisms such as ESEM are better placed to address the issue, or whether a more targeted procurement pathway for reliability, system security or system restart services should be explored. This may warrant further consideration, including whether accountable parties could procure certain back-up or system security services where appropriate, provided roles, accountabilities and cost recovery arrangements are clearly defined.

3.4 Jurisdictional frameworks

AEMO considers that an independent system-wide planning perspective remains valuable alongside jurisdictional planning and delivery frameworks. Jurisdictional plans, delivery frameworks and access schemes are increasingly important to system outcomes. Jurisdictions have an important role in determining local policy priorities and delivery pathways. The ISP can complement those frameworks by helping identify the system needs, and then subsequently assessing the jurisdictional plans' collective implications for the system-wide pathway, including for reliability, security, government policy objectives, residual system needs and delivery risks. This role allows the ISP to support jurisdictional delivery while retaining visibility of system-wide implications for efficiency, reliability, security and consumer outcomes.

Clearer decision frameworks and interfaces could assist system-wide and jurisdictional planning to operate effectively alongside each other. There is an absence of explicit recognition of jurisdictional frameworks in the National Electricity Rules (NER). The Review could explore amendments to the NER to provide more certainty to consumers, communities and investors about regulatory approval pathways, particularly where jurisdictional access schemes, delivery bodies or policy objectives interact with ISP actionability. Working closely with jurisdictions allows the ISP to combine system-wide planning with local factors that jurisdictional frameworks may be best placed to consider, such as social licence, community impacts or wider economic benefits beyond the classes of market benefit required to be considered in the ISP. In this way, system-wide and jurisdictional planning can operate as complementary parts of the broader planning and delivery landscape. AEMO welcomes this collaboration, and notes that early consideration of community impacts and social licence factors can improve planning outcomes, reduce delivery risks and support stakeholder confidence in the broader transition. AEMO also acknowledges that this collaboration could be more effective.

The Review should consider whether clearer guidance in the NER would assist system-wide and jurisdictional frameworks to interact more effectively, including how jurisdictional actionability or delivery decisions are reflected in the optimal development path (ODP). Clear guidance would help preserve the ISP's system-wide planning role while giving AEMO a defined basis for recognising jurisdictional delivery decisions in the ODP. More broadly, stronger guidance in the NER relating to the interface between the ISP and jurisdictional frameworks would help AEMO, governments, TNSPs and DNSPs engage before project actionability decisions are made and would improve confidence in how jurisdictional commitments flow through to national planning outcomes.

The Review should also consider the implications of requiring the ISP to include projects that are identified through jurisdictional frameworks. Incorporating a jurisdictional project into the ODP may have broader system consequences, including flow-on impacts for system strength requirements and the selection of other projects that may otherwise have formed part of the least-cost NEM-wide pathway. This could create consumer consequences where a jurisdictional project is treated as a committed input to the ODP before its delivery pathway, timing or cost implications are sufficiently established. Clearer guidance is therefore needed on how AEMO should recognise jurisdictional decisions in the ISP, how residual system needs should be assessed, and how differences between NEM-wide planning outcomes and jurisdictional decisions should be transparently recognised and managed, including where a jurisdiction seeks to prevent an otherwise actionable project from progressing.

Further, there may be value in considering greater jurisdictional involvement at appropriate gateways in the preparation of the ISP, including whether clearer decision-making or advisory roles would help to ensure any necessary trade-offs between jurisdictional plans and system-wide needs are fully understood by key decision-makers before major planning decisions are made.

3.5 Scope of ISP co-optimisation

AEMO considers that the ISP's co-optimisation should focus on investments or capabilities that are material to system outcomes, can be represented with sufficient confidence and have, or could reasonably be supported

by, a clear pathway from national planning analysis to delivery so as to avoid relying on solutions where barriers to entry exist today. This currently includes actionable transmission investments, utility-scale generation and storage, but could also extend to system-wide material distribution capability, coordinated CER, demand-side flexibility and other options where relevant delivery, market, regulatory or policy arrangements exist or are being developed. The ISP should also retain flexibility to test alternative development pathways through scenarios and sensitivities where delivery arrangements are less mature, including where the analysis could inform policy, regulatory or market reform.

AEMO does not consider that individual consumer investment decisions should be treated as optimisation variables in the same way as utility-scale or network investments. Households and businesses invest in CER for a wide range of reasons, including bill savings, resilience, comfort, energy independence, electrification choices, emissions objectives and technology preferences. Optimising consumer investment uptake solely on the basis of minimising system costs risks overstating the extent to which those investments can be centrally directed or assumed to respond to system needs. The ISP should therefore continue to forecast consumer adoption using the best available evidence, while distinguishing those forecasts from investments that can be directly co-optimised or treated as actionable components of the optimal development path (ODP).

AEMO considers that, as information improves over time, there may be value in strengthening how the ISP represents interactions between consumer behaviour and system investments. This could include modelling how consumers may respond to network investments, tariffs, market incentives, operational arrangements, orchestration programs or other price signals. This distinction matters because the purpose of that analysis would not be to optimise consumer investment decisions directly, but to assess likely behavioural responses under different investment and policy settings. This would provide greater insight into the potential contribution of coordinated CER and demand-side participation, while maintaining a clear distinction between forecasting consumer behaviour and optimising investments that have established delivery mechanisms. Much of this analysis can be developed within AEMO's existing ISP methodology and does not necessarily require a change to the ISP rules framework.

Two related but distinct questions should continue to inform the ISP's consideration of demand-side factors and may warrant more explicit analysis. First, the ISP could test whether CER uptake above the central forecast would form part of a more efficient system-wide development pathway, potentially providing useful insights for policy and regulatory design even though consumer adoption cannot be centrally directed. Second, coordinated CER and demand-side flexibility could be assessed as alternatives or complements to generation, storage or network investment where those capabilities are material from a system-wide perspective, can be represented with sufficient confidence and are supported by credible delivery arrangements through existing mechanisms. The ISP framework should continue to provide sufficient flexibility to undertake and, where appropriate, strengthen both forms of analysis through co-optimisation, scenarios, sensitivities or iterative feedback modelling, depending on the maturity and deliverability of the capability being assessed.

In relation to Strawperson 5, the ISP is already providing greater integration of gas and electricity planning. Gas development projections are used to identify the gas supply, storage and pipeline infrastructure that may be required to support forecast gas-powered generation, with multiple projections provided as inputs to NEM modelling to test how alternative gas development pathways may affect electricity-sector investment. However, experience to date has highlighted substantial practical constraints, including limitations in the interaction between gas and electricity models, difficulty distinguishing infrastructure required for gas-powered generation from infrastructure serving residential, commercial and industrial demand, and limited access to the project-specific information needed to assess gas infrastructure costs, utilisation and decommissioning. Existing requirements can also raise sensitivities where the analysis may imply conclusions about the commercial viability of privately owned gas infrastructure. These challenges support an incremental approach that first strengthens modelling, information-sharing and iterative feedback between gas and electricity

planning, before consideration is given to more extensive forms of co-optimisation or gas infrastructure actionability.

Stronger optimisation or actionability for gas sector investments would require clearer policy objectives, institutional roles, access to information, accountabilities and additional resourcing, and may require changes to legislation or rules depending on the model adopted. AEMO would be open to considering a more integrated strategic planning role, including whether electricity and gas options could be compared more fully to identify efficient system-wide pathways and trade-offs, such as between gas-backed generation and alternative firming or storage solutions. Elements of Strawperson 5 therefore warrant further consideration as part of a staged pathway, informed by experience with current gas reforms and incremental improvements to modelling and information sharing.

4 No-regrets reforms and transition pathway

4.1 Progress no-regrets reforms now

The Review should progress practical reforms that improve the ISP under any plausible future framework. Waiting until the long-term architecture is settled would delay improvements to decision quality, planning interfaces, information obligations, jurisdictional handovers and the planning-delivery link. These reforms can reduce avoidable duplication and focus ISP effort where integrated system-wide analysis adds value. Near-term reforms should therefore be progressed now while the broader reform pathway is developed. These reforms should not be viewed as a substitute for broader consideration of the ISP's future role. Rather, they should provide a staged pathway that delivers near-term improvements while preserving flexibility for more substantial reform as the future planning architecture evolves.

4.2 Clarify ISP actionability and preserve TNSP planning pathways

The Review should clarify the scope of ISP actionability and its interaction with existing TNSP planning pathways. AEMO supports retaining actionability as an ongoing pathway for major transmission projects where system-wide planning evidence demonstrates that investment is needed. However, actionability should not become the default approval pathway for all TNSP-led network investments. TNSPs should remain able to plan and progress projects through existing regulatory processes where those projects do not need to be identified in the ODP or assessed through the ISP's national planning function. Without clearer boundaries, smaller, more localised or project-specific investments may increasingly be directed toward the ISP actionability pathway even where existing regulatory processes may be more appropriate. This would add modelling complexity to the ISP, and unnecessarily blur planning, assessment and delivery responsibilities between AEMO, TNSPs and the AER. The framework should preserve the ability of TNSPs, DNSPs and jurisdictions to identify, develop and progress network investments through existing regulatory pathways, including the RIT-T and contingent project frameworks, without limiting the types of projects that may be pursued outside the ISP actionability process. Any reforms should ensure actionability complements, rather than displaces, existing planning and regulatory mechanisms, and should be aligned with related reforms affecting distribution planning, jurisdictional delivery pathways and regulatory approval processes.

4.3 Strengthen the ISP–IASR–RIT-T interface

The ISP–IASR–RIT-T interface should preserve the link between national planning and delivery while providing clearer guidance on how inconsistencies are resolved. The current framework assumes a high degree of alignment between the ISP, IASR and RIT-T processes, but timing and methodological differences can create uncertainty; for example, RIT-T proponents may explore credible options at a more granular technical level, include project staging or option value, or identify project-specific market benefits and avoided costs that are not capable of being fully captured in a NEM-wide ISP assessment. However, the AER's Cost Benefit Analysis (CBA) guidelines permit RIT-T proponents to depart from ISP parameters only under very limited circumstances. RIT-Ts must also apply updated inputs, assumptions and scenarios from a new IASR,

even where scenario weightings are not yet settled and the impact of new inputs on the ODP will not become clear until the next Draft ISP. Scenarios themselves may also change over time. The framework should therefore clarify how AEMO, the AER and RIT-T proponents should manage differences between ISP, IASR and RIT-T assumptions, including when updated IASR inputs must be applied, when project-specific evidence can justify departure from ISP parameters, and how any resulting inconsistency should be treated before the next ISP cycle. This would preserve the ISP's role as the national planning anchor while giving TNSPs clearer guidance on how to progress project-level assessments without undermining delivery confidence or planning discipline.

4.4 Clarify the sequence for addressing material changes

The Review should clarify the sequence for addressing material changes where an actionable ISP project has progressed into a RIT-T or equivalent jurisdictional process. Material changes should generally be addressed first through the RIT-T, or the relevant jurisdictional process, because that process is best placed to assess project-specific changes to scope, cost, timing, credible options and preferred option selection. This is particularly important where a material change arises before the ISP feedback loop assessment. The feedback loop must assess the RIT-T preferred option. If changes to the preferred option are required to address material change obligations under the RIT-T, those changes should be confirmed before the feedback loop is undertaken. Otherwise, AEMO may be required to conduct an additional feedback loop assessment if the preferred option subsequently changes.

This sequencing would avoid unnecessary duplication in the feedback loop process and reduce the risk that AEMO is asked to assess a preferred option before project-specific material changes have been resolved. If the preferred option subsequently changes, the proponent may need to seek a further feedback loop assessment against the revised preferred option. Clear sequencing would therefore provide clearer accountability between AEMO, RIT-T proponents, jurisdictional bodies and the AER, while preserving the role of the RIT-T in resolving project-specific material changes before AEMO assesses the implications of the settled preferred option for the ODP. It would also support more proportionate use of ISP updates by linking AEMO's obligation to consider an update to the outcome of the feedback loop assessment, rather than requiring AEMO to assess material changes in isolation from the relevant project-level process.

4.5 Clarify when actionability should be reconsidered

The ISP framework should provide greater certainty about when an actionable project may be revisited once it has progressed through subsequent planning, regulatory and approval pathways, and when it should no longer be re-prosecuted from the start in each ISP cycle. While the framework needs to retain flexibility to incorporate new information and protect consumers where material changes arise, this needs to be balanced with the need for investor certainty. The framework should therefore avoid requiring AEMO to repeatedly re-determine whether a mature project should be actionable as though it were a new candidate investment. Once a project has progressed through the ISP actionability pathway and into advanced RIT-T, jurisdictional, regulatory approval or delivery processes, other processes are generally better placed to reassess the project's continued value, preferred option, cost, timing, delivery risks and material changes. Clear guidance would preserve the ISP's role in identifying nationally efficient development pathways, while providing greater certainty for mature projects and avoiding unnecessary duplication, particularly where projects have progressed substantially beyond initial ISP identification.

4.6 Establish a pathway for projects that lose actionability

The Review should provide clearer guidance on what happens when a later ISP removes actionability from a project. Current arrangements do not comprehensively explain how AEMO and TNSPs should proceed where a project has moved through earlier ISP, IASR or RIT-T processes but is no longer identified as actionable in a subsequent ISP. This can create uncertainty for proponents, regulators, governments and consumers about

whether earlier analysis remains relevant and how delivery momentum should be managed. Clear guidance would reduce ambiguity while allowing the ISP to respond to updated evidence and changing system needs.

4.7 Coordinate interfaces with related reforms

The Review should identify and consider material interfaces between the ISP framework and related processes, including the 2028 ISP, ESEM, DSOO, ENRR and other emerging planning mechanisms. This does not require those processes to be consolidated or progressed through a single reform program. The Review should clarify handover points, decision frameworks and interfaces between, for example, the DNDPs and ISP, the ISP and ESEM, and the DSOO and ISP. It should also explore where there may be tensions or constraints, such as variation in the treatment of government policies by the ISP and ESEM, and consider reforms together so that dependencies are identified, differences in assumptions and purposes are understood, and data, timing and handover arrangements are coordinated where this would improve decision-making. As already discussed, this could include greater involvement of jurisdictions at certain key gateways as the ISP is developed, to maintain alignment and better understand and support trade-offs. This would help ensure reforms to the ISP framework support a coherent and complementary development of the broader planning architecture, rather than creating inconsistent planning signals or duplicative obligations across national, jurisdictional, transmission, distribution, demand-side and market-design processes.

4.8 Adopt a staged reform pathway

A staged reform pathway should sequence no-regrets improvements before considering broader structural change. The 2028 ISP could apply some of the incremental reforms identified through this Review where practicable, while the AEMC works through the regulatory change process for longer-term reforms of the ISP framework. The staged pathway should also be coordinated with the eventual outcomes of related reform processes, including ESEM, DSOO, ENRR, DSO arrangements and planning publications reform, so that changes to the ISP framework are sequenced sensibly in relation to broader changes to planning roles, inputs and delivery pathways. Further changes could then inform the 2030 ISP and potentially a multi-cycle roadmap could roll out further enhancements to the ISP. This staged approach would allow reform to proceed at pace while managing resourcing, modelling complexity and stakeholder engagement impacts.