Clean Energy Investor Group

50 Camberwell Road Hawthorn East VIC 3123

3 September 2026

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

Lodged online at: AEMC Submission Portal

Dear Commissioner,

Response to Australian Energy Market Commission's (AEMC's) discussion paper on the Review of the Integrated Systems Plan (ISP) framework.

The Clean Energy Investor Group (CEIG) welcomes the opportunity to provide feedback on the AEMC's discussion paper on the ISP Framework published in July 2026.

CEIG represents domestic and global renewable energy developers and investors, with approximately 18GW of renewable energy capacity in the NEM across 139 power stations and a combined portfolio value of more than $41 billion. CEIG members' project pipeline is estimated to be more than 150GW across Australia. CEIG strongly advocates for an efficient transition to a clean energy future on behalf of the investors who will provide the low-cost capital required for this transition.

Key Points

- CEIG notes the ISP is a credible and transparent roadmap for the NEM's transition, and a critical signal to investors of whether Australia can continue to attract domestic and foreign capital at the scale required to deliver the transition at least cost.

- The ISP should evolve into a genuine delivery framework, with clearer implementation accountability, sequencing and coordination across planning, approvals, transmission delivery and market reforms.

- CEIG encourages the evolution of the ISP Framework to align with Strawperson 4 as outlined in the discussion paper, showing a broader scope of actionability, to further help to inform investment decisions from private capital.

- Delivery reform should be sequenced first and should not be contingent on the wider plan.

- Future ISPs should include more explicit testing of delayed transmission scenarios.

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Accountability to the ISP

CEIG's central message is that the ISP must increasingly function as a genuine delivery framework, supported by accountability, coordination across jurisdictions and a shared commitment to removing barriers to investment. Without this shift, the outcomes modelled in the Constrained Delivery sensitivity risk becoming the default rather than the warning.

AEMO has no authority to make the optimal delivery pathway an outcome, when there is the need for a discrete actor to undertake the action required.

The ISP Review process should be considering this question of accountability and authority for the ISPs. The AEMC should consider questions around this accountability mechanism including, but not limited to:

- How would an accountable authority incentivise the organisations responsible for delivery of elements required for the optimal delivery pathway outlined in the ISP.
- How does an accountable authority ensure TNSPs get the investment needed for the buildout that's required.
- The consideration of who plays the coordinating role. One suggestion would be to link accountability to a national coordinator role, inspired by the UK's Mission Control for Clean Power entity that was established in 2024.

Clean energy investors stand ready to deliver the required capital at scale. Whether Australia captures the full benefits of the transition will depend on governments acting decisively to address delivery risks, align policies and ensure the ISP is implemented, not merely endorsed.

Strawperson 4

CEIG supports strawperson 4 as the future framework of the ISP.

Under the current framework, the actionability trigger extends only to transmission assets and non-network options. Where the plan identifies investments beyond these categories, the market operator can do no more than record them as ISP development opportunities. That classification carries no obligation on any party to assess the project, no trigger for a regulatory test, and no pathway to cost recovery. The framework can therefore identify an investment as consistent with least-cost system development while having no means of progressing it.

The 2026 Integrated System Plan contains two examples: the Hunter-Central Coast REZ expansion and the Dubbo distribution project. Both were identified on the optimal development path, both facilitate the connection of utility-scale generation and storage to the distribution network, and both are classified as development opportunities because they cannot be actioned. These are investments that directly determine whether our members' assets can connect and export to the grid.

Strawperson 4 resolves this by extending the actionability to other major regulated investments on the optimal development path, most directly by enabling the Regulatory Investment Test for Distribution to be triggered for major investments identified in the ISP.

CEIG supports the wider plan common to strawpeople 3 and 4, extending co-optimisation to distribution, CER and demand-side resources will produce a more complete evidence base.

Sequencing of delivery reform

The delivery of the reforms common to strawpeople 2, 3 and 4, do not depend on any change to what the plan optimises for. These changes operate downstream of the plan, on how identified projects are assessed and progressed. The AEMC's analysis notes that several of these concerns relate primarily to how the cost-benefit analysis guidelines apply in practice rather than to the underlying requirements. They are a separate aspect from the scope of the plan and accordingly should be sequenced independently to it.

This matters because the two halves of strawperson 4 carry very different timeframes and levels of certainty. AEMC has made progression of the wider plan conditional on whether computational capability evolves to support the required modelling, has noted that the market operator would need to build that capability over time, and has indicated any expansion would likely be staged over successive Integrated System Plan cycles. The delivery reforms are not subject to the same constraint and could realistically be in place for the 2028 planning cycle.

If the two are recommended as a single package, the whole package is paced by its slowest and least certain component; and if the evidence on broader co-optimisation proves insufficient, the delivery reforms risk being set aside with it. CEIG therefore recommends that the draft report separate its recommendations into two tranches: those implementable within the current rules and guidelines, targeted at the 2028 cycle, and those staged across successive cycles as modelling capability develops.

Delayed transmission scenarios

The ISP Framework should include the expansion of modelling into the effects of delayed transmission scenarios. Given the complications involved with transmission build-out across the NEM, lengthy delays have become an ever-increasing reality. CEIG's 2025 Transmission Bottleneck Analysis examined 11 major transmission projects and found that the planned completion year had slipped by two years on average from the plan in which each project was first listed as actionable. Better quantifying the cost of delay ensures the ISP is a useful business case for timely transmission build-out to inform investment and government decisions.

This would also help inform any decisions to review, delay or cancel major transmission lines, by providing clear information about the consequences of different pathways.

CEIG thanks the AEMC for the opportunity to provide feedback on the ISP Framework Review and looks forward to continued engagement on those issues. Our Director of Policy and Advocacy can be contacted at nicholas.aberle@ceig.org.au if you would like to further discuss any elements of this submission.

Yours sincerely,

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