



07 September 2026

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

Dear Ms. Collyer,

The Smart Energy Council (SEC) welcomes the opportunity to provide a letter of response to the Australian Energy Market Commission (AEMC) on the *Review of the Integrated System Plan framework (Reference EPR0092)*. We recognise the difference this review can make for Australia by establishing a modern planning and delivery framework that accelerates clean energy deployment, lowers power bills and ensures our national electricity grid is fit for purpose to achieve net zero emissions by 2050.

The Smart Energy Council is Australia's peak independent body for the renewable energy, energy storage and smart transport industries, representing over 700 residential, commercial and large-scale clean energy member companies across the nation. Our diverse membership spans project developers, technology manufacturers, green financiers and technical advisers, all structurally committed to delivering low-cost, reliable and decarbonised energy systems.

The Smart Energy Council generally supports the Commission's initial preference for Strawperson 3 (SP3), which pairs a broader planning scope across the whole electricity system with a faster national delivery pathway. Transitioning to a plan that co-optimises grid-scale generation, storage, transmission, distribution networks, consumer energy resources (CER), demand flexibility captures the real-world economics of Australia's evolving grid. This will ensure that firmed renewables backed by storage providing the most affordable route to net zero is supported structurally by the framework. Furthermore, modernising the plan's analytical decision variables prevents overbuilding physical transmission networks, protecting consumers from unnecessary long-term costs.

To ensure the Integrated System Plan (ISP) drives rapid decarbonisation while maintaining grid stability, the Smart Energy Council recommends some key structural improvements.

Australia's world-leading CER fleet of deployed rooftop solar, home batteries and efficient systems must be maximised. This massive decentralised fleet is already transforming market dynamics, driving down average wholesale electricity spot prices by up to 47% during high-penetration windows and pushing expensive gas generation down to historical lows. On the other hand, expanding reliance on gas-fired electricity is projected to add over \$115 billion in cumulative wholesale system costs by 2050 compared to clean firming alternatives. Therefore, the ISP must elevate consumer energy resources, household and community storage and demand flexibility to fully optimised decision variables on equal footing with utility-scale assets, rather than treating them as static background inputs that distort the Optimal Development Path (ODP).

Across all current reforms in the electricity sector, the SEC is highlighting the need to embed open modelling and network data transparency for efficient decision-making for infrastructure deployment. The planning framework should mandate the publication of non-confidential network datasets, core parameters and distribution-level constraints. Providing accessible datasets eliminates information asymmetry, allows independent validation and builds long-term market confidence.

In parallel, targeted reforms to the economic assessment process must streamline the interaction between national planning and project-level economic tests. Eliminating process duplication, resolving timing misalignments and providing flexibility for proponents to incorporate localised non-network benefits will prevent critical project delays, accelerate grid connections for renewable developers and protect consumers from unnecessary cost blowouts. These improvements to the economic assessment process will help ensure a grid fit for net zero by 2050 is lowest-cost and resilient.

The Smart Energy Council remains available to provide further evidence, technical input or stakeholder connections to support the AEMC's consultation.

Should you wish to discuss this submission further, please do not hesitate to contact Sohaib Mohammed at sohaib@smartenergy.org.au or 0480 760 102.

Yours sincerely,



David McElrea
CEO

THE INDEPENDENT BODY FOR THE SMART ENERGY INDUSTRY IN AUSTRALIA

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