

Integrated system planning

March 2019

Objective of today's session



Raise awareness of
changes to the
transmission planning
framework



Highlight
opportunities for
customers to be
involved



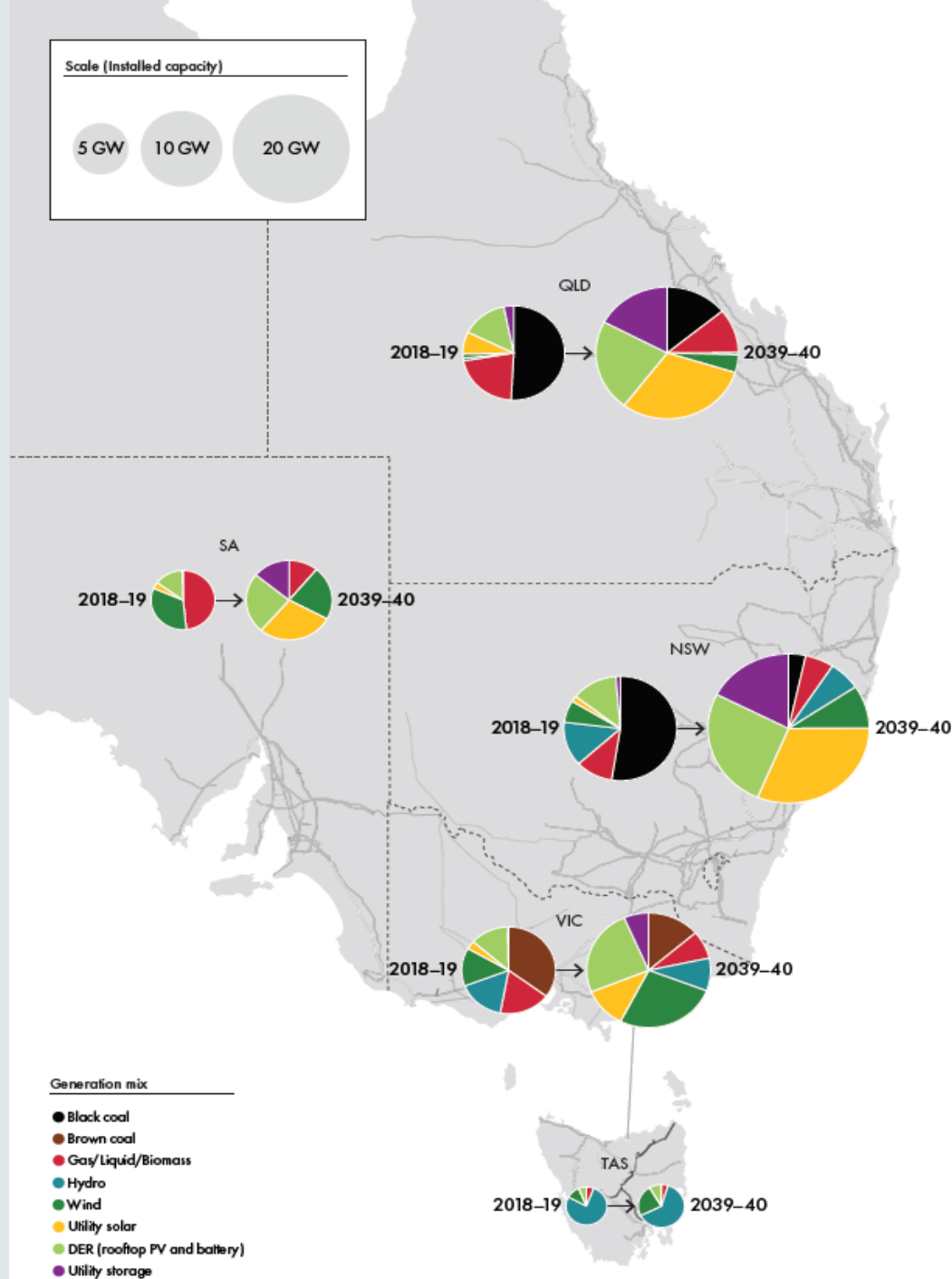
Seek feedback



Why do we need system planning?

Generation capacity grows much faster than demand

Installed capacity by NEM region over the 20-year plan horizon



Coal retirements will have major impact

Coal retirements - 50 years or announced closure date



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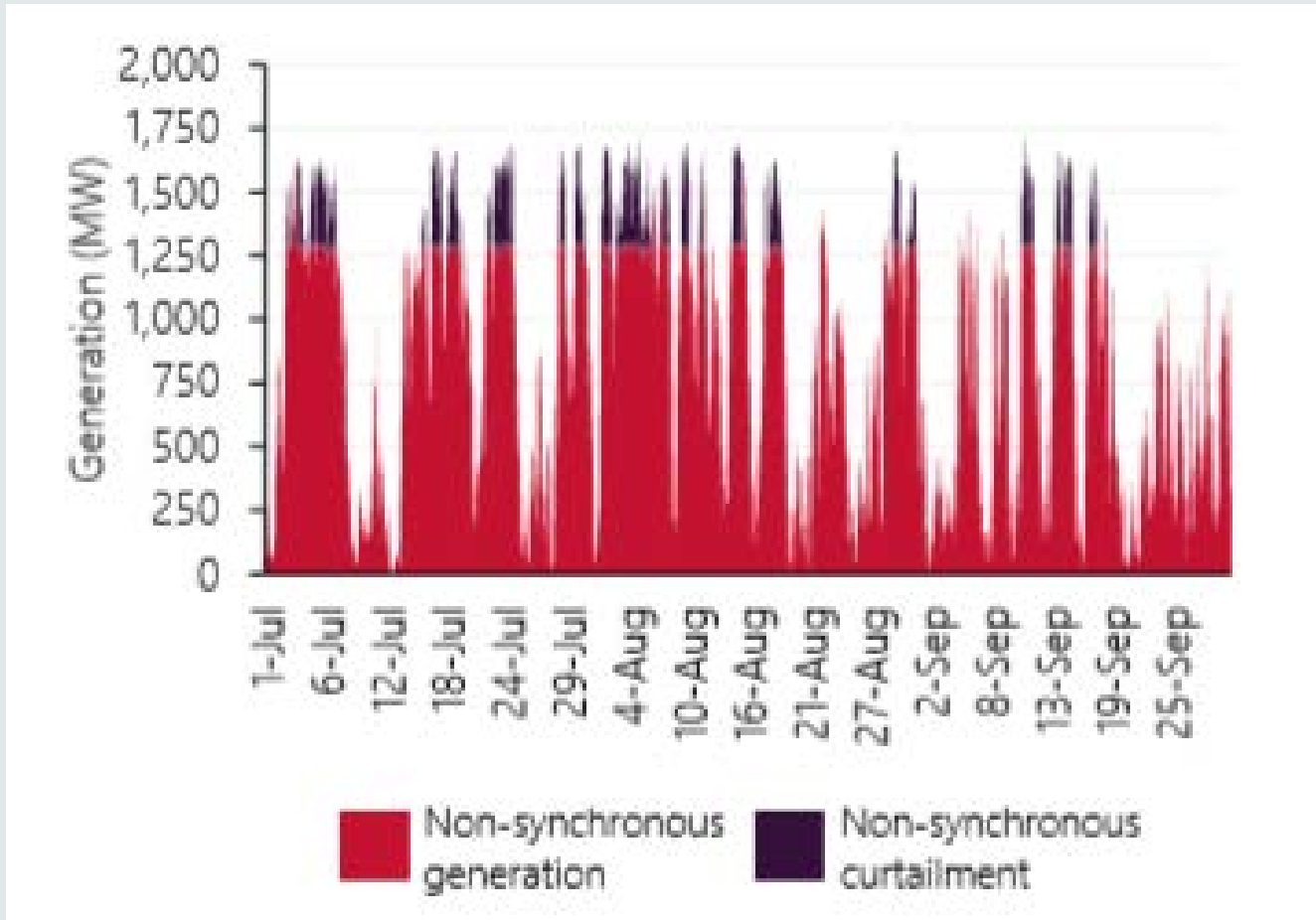


Plant that currently supplies equivalent of all NSW demand scheduled to retire by 2035

Network investment to support efficient wholesale market outcomes

Increasingly necessary to curtail low/zero marginal cost renewables

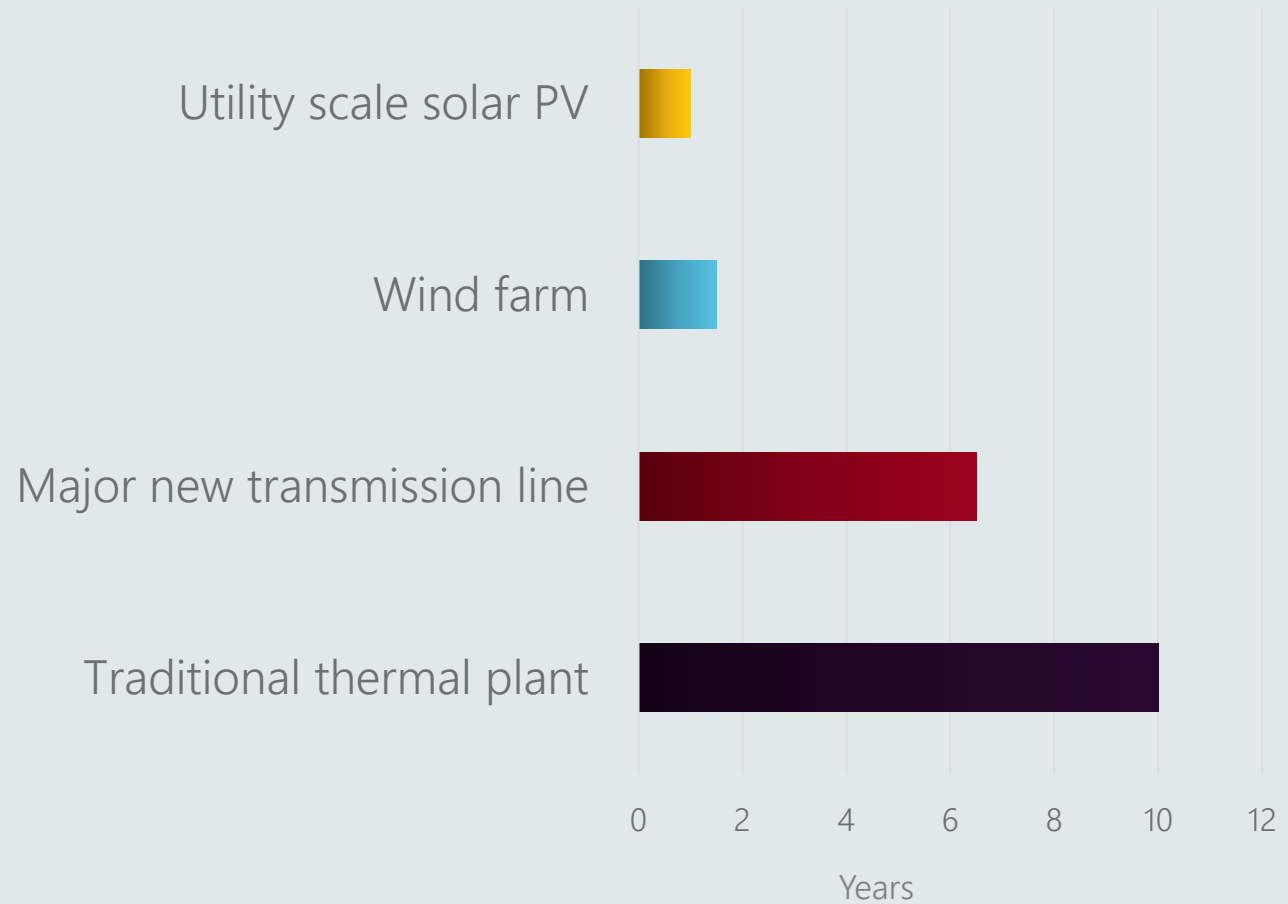
Generation and curtailment of non-synchronous units in South Australia, 2018



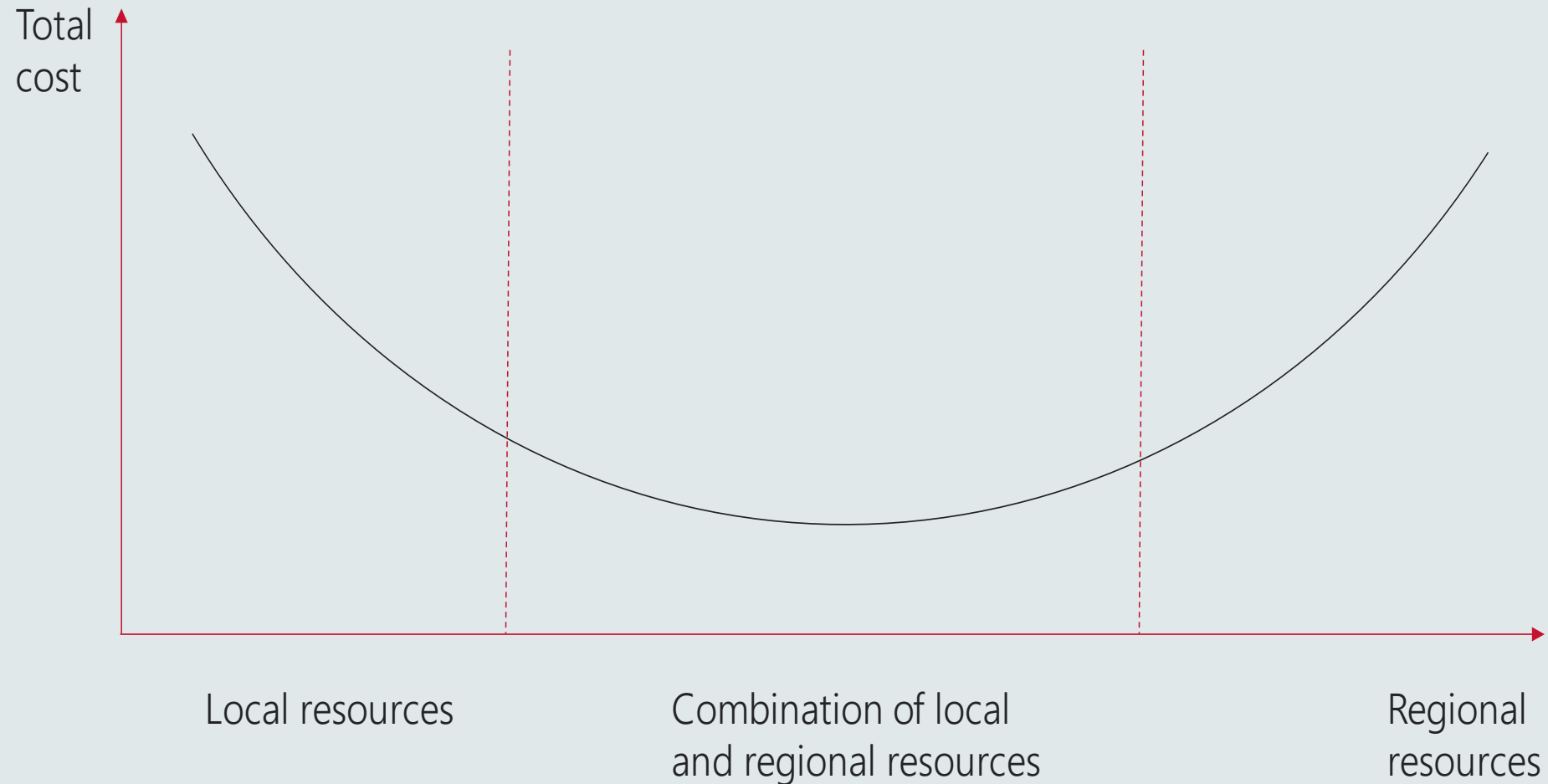
Orderly transition requires proactive approach

New forms of generation can be built quickly

Indicative lead times associated with different assets



Efficient approach combines local & regional resources



Proposed transmission planning framework

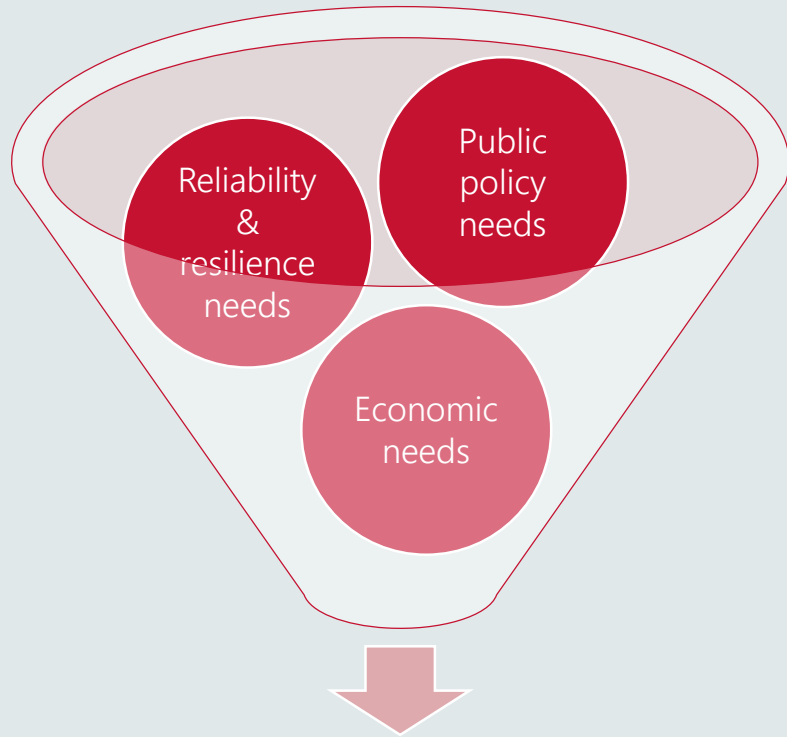
COAG has
asked ESB to
convert ISP into
actionable
strategic plan

ESB consultation
paper to be
published in March



Changes will mean that ISP partially replaces RIT-T

Developing the ISP



Integrated system plan

- Relevant information is assimilated and optimised to form holistic whole of system plan plan
 - TNSPs input local expertise
 - Governments advise of policy needs
 - AEMO conducts extensive market modelling
- Identify credible network & non-network options that address the need
- Assess developments required to efficiently meet identified needs
- Optimised on a whole of system basis

ISP consultation

Transparent
information flows &
process ensures
credible results.

- Rigorous, inclusive consultation process
- Impartial, not for profit decision maker
- AEMO process to comply with AER guidelines

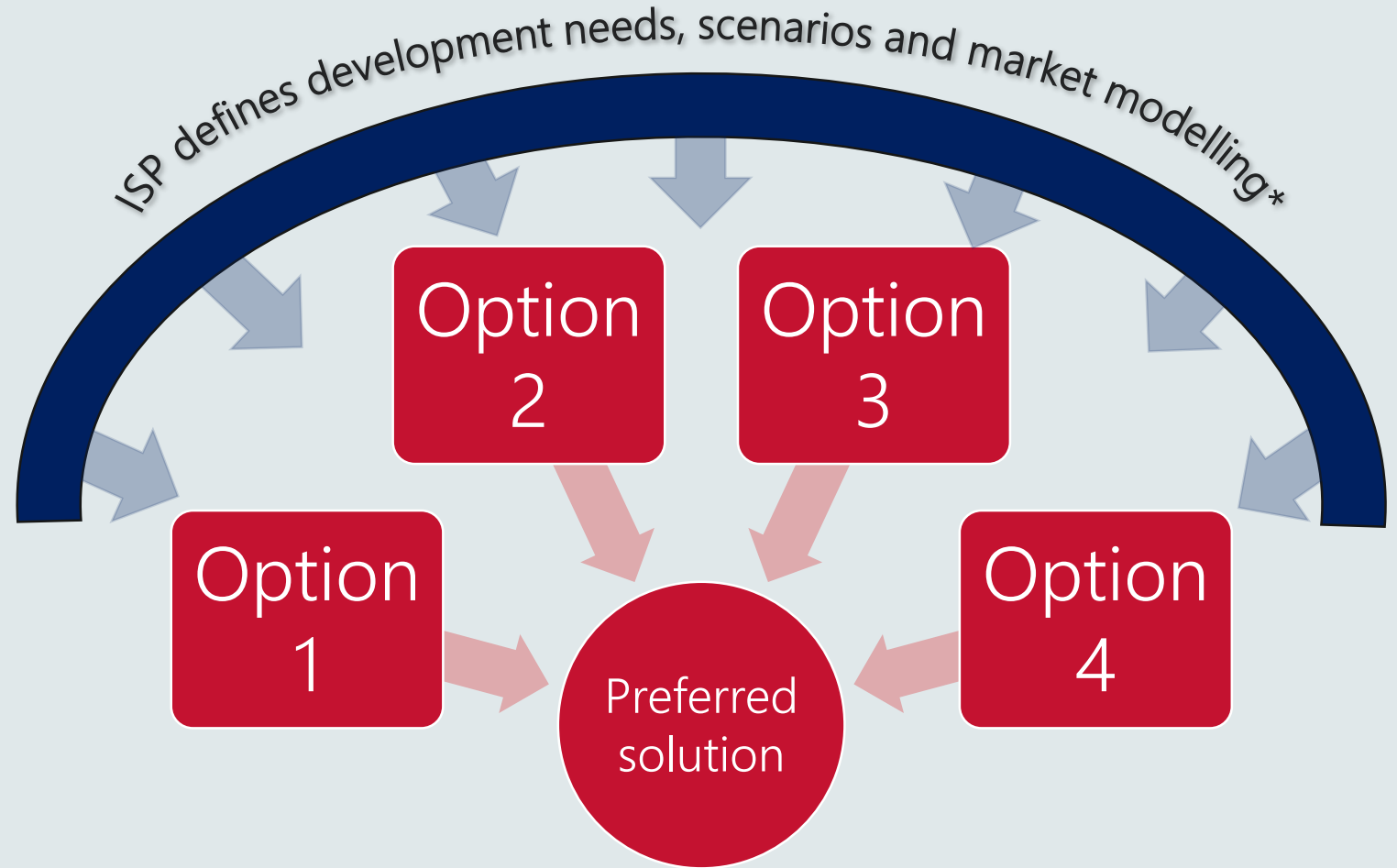
Integrated System Plan

CONSULTATION ON AN ACTIONABLE PLAN



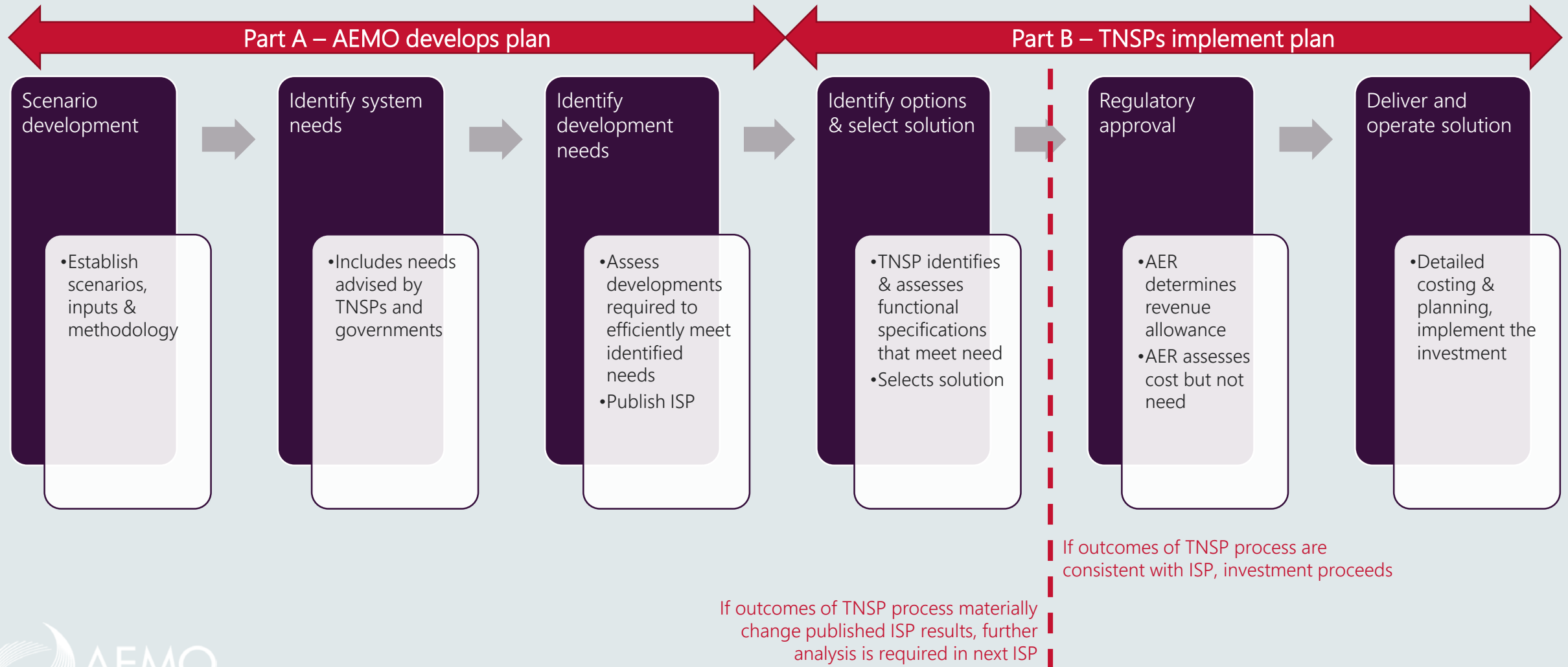
TNSPs design & analyse solutions

- Streamlined RIT-T process
- TNSP develops detailed options, assesses using ISP parameters
- **AER assesses costs but not need**

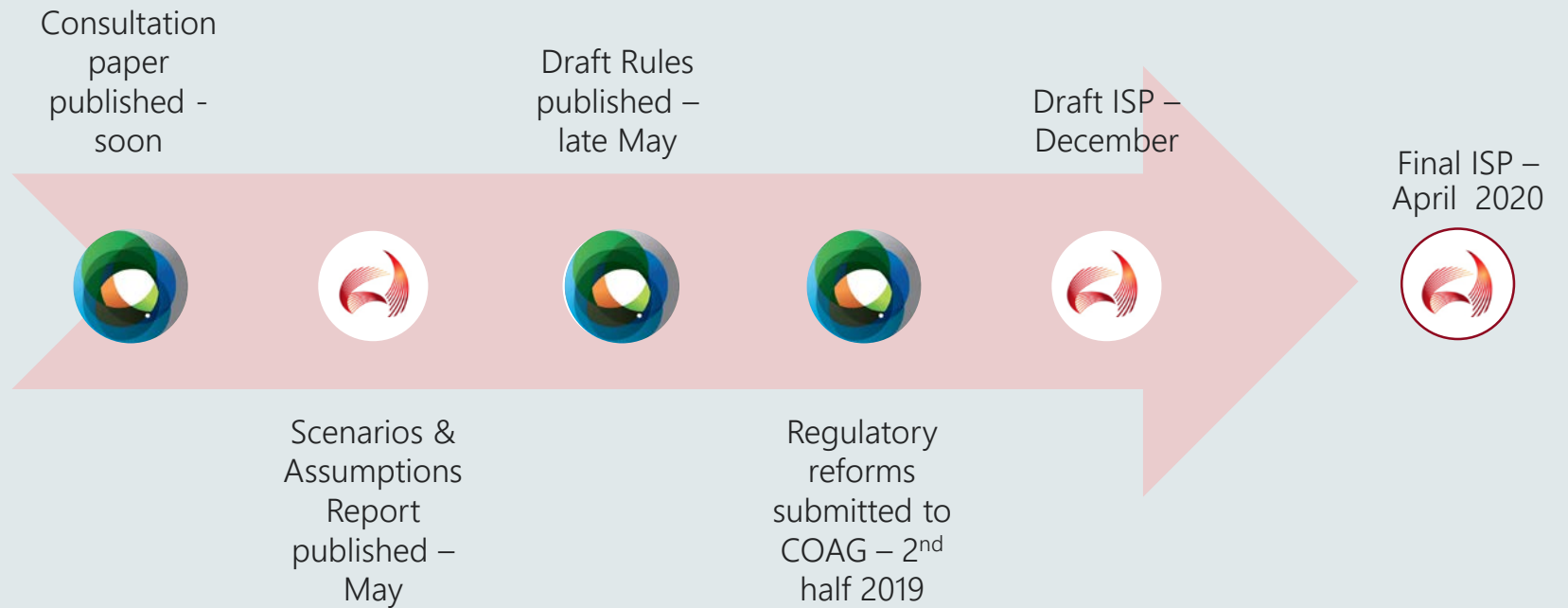


* Unless there are demonstrable reasons why assumptions should change

High level proposed process



Next steps



Questions

1. What would customers like to get out of these changes?
2. What concerns do you have regarding these changes?
3. How can AEMO get greater customer engagement in the ISP process?