23 April 2025

ISP Team
Australian Energy Market Operator
Level 22, 530 Collins Street
Melbourne, Vic 3000

Submitted via: ISP@aemo.com.au

Jemena Limited
ABN 95 052 167 405

Level 16, 567 Collins Street
Melbourne, VIC 3000
PO Box 16182
Melbourne, VIC 3000
T +61 3 9173 7000
F +61 3 9173 7516
www.jemena.com.au

Re: Draft ISP Methodology Consultation Paper

Dear Ms Christie,

Jemena welcomes the opportunity to respond to the consultation on the Australian Energy Market Operator's (AEMO) *Draft ISP Methodology Consultation Paper*.

Jemena owns and operates a diverse portfolio of energy assets throughout northern and east coast Australia. With more than $12 billion of major gas and electricity infrastructure, we deliver energy to millions of households, institutions, and industries every day.

Our assets include the Jemena Gas Network in New South Wales, the Jemena Electricity Network in northwest Melbourne and gas transmission pipelines such as the Eastern Gas Pipeline, Darling Downs Pipeline, Queensland Gas Pipeline and the Northern Gas Pipeline. In addition, our group includes Zinfra, an energy services business, which provides project management, construction, operations and maintenance services for the electricity and gas sectors.

As the owner and operator of both gas and electricity infrastructure, we are uniquely placed to understand the planning and operation of the energy system 'as a whole', and how the electricity and gas sectors can support the objective of delivering low carbon, and reliable energy services, at least cost.

Jemena welcomes AEMO's proposed updates to the ISP Methodology, particularly the increased emphasis on integrated energy system planning. The inclusion of distribution network capabilities, consumer energy resources (CER), and gas infrastructure in the modelling framework reflects a more holistic and realistic approach to forecasting the optimal development path for the National Electricity Market (NEM).

We believe these developments represent a positive shift toward whole-of-system planning, and we commend AEMO's continued engagement with industry stakeholders. Jemena looks forward to ongoing, constructive engagement as this work progresses.

Key messages

Jemena supports AEMO's shift toward a more integrated approach to electricity distribution network planning.

- Electricity distribution networks are increasingly central to enabling a secure and efficient transition. Jemena supports the inclusion of sub-regional distribution network capabilities and costed augmentation options in the ISP modelling framework. These updates better reflect the

constraints and opportunities DNSPs face when integrating CER and distributed storage, and provide a foundation for future improvements in co-optimisation.

- Jemena supports AEMO's decision to incorporate practical constraints into its storage modelling. By accounting for the fact that batteries, particularly at the household and community level, are not always operated at full efficiency and require operational buffers, AEMO's updated approach provides a more realistic representation of their role in the energy system.
- Jemena acknowledges the ISP's initial steps towards recognising the potential role of distribution-level investments and demand-side resources in shaping the optimal development path. While these resources are not yet optimised within the ISP framework, acknowledging their potential lays the groundwork for a more comprehensive, whole-of-system planning in future iterations. We encourage AEMO to continue working with DNSPs to refine how both network and non-network solutions can be represented in strategic planning and scenario modelling.

Jemena commends AEMO's strengthened approach to gas infrastructure modelling, which reflects the increasing interdependence between the gas and electricity systems.

- Jemena supports the expanded gas supply development model and the inclusion of gas development projections in the ISP. These enhancements enable AEMO to more accurately reflect infrastructure constraints and investment pathways across gas transmission, storage, and supply, thus improving the quality of firming assessments in electricity planning.
- It is essential that gas development projections remain scenario-neutral, geographically generalised, and explicitly non-prescriptive. This is because in the domestic gas market, where multiple infrastructure options often compete to meet emerging needs, maintaining a market led, technology and proponent-neutral approach is critical to achieve efficient investment outcomes for consumers.
- Jemena believes in the continued use of formal gas data sources such as the GSOO and Gas Bulletin Board to inform projections, and encourages transparency in how these assumptions shape electricity system modelling.
- Jemena encourages AEMO to continue engaging with industry on gas infrastructure inputs used in its modelling. Given the critical role these assumptions play in informing energy system planning, it is important that project timelines and development status are assessed using a consistent and transparent approach, drawing on a broad range of stakeholder insights and delivery experience.

For more information regarding Jemena's submission or to arrange a discussion, please contact our Senior Policy and Government Relations Adviser, Adriano da Costa via adriano.dacostaesilva@jemena.com.au.

Yours sincerely,

David Gillespie
Managing Director