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From: [Redacted]
To: [Redacted]
Cc: [ISPguidelines](#); [Redacted]
Subject: FW: REF-00000345 | Objection to: Draft 2024 ISP to be used for feedback loop assessments prior to June 2024 [SEC=OFFICIAL]
Date: Monday, 4 December 2023 3:54:20 PM
Attachments: [AEMO Objection 1 December.pdf](#)
[image001.jpg](#)

OFFICIAL

Hi [Redacted]
 I thought the below may potentially fall under your remit, so have included yourself and CC'd [Redacted] as well.
 Kind regards,
 [Redacted]

Contacts Officer
Australian Energy Regulator
 [Redacted] GPO Box 3131 Canberra ACT 2601
www.energymadeeasy.gov.au | www.aer.gov.au



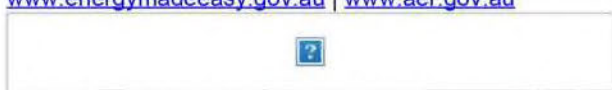
The AER acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

From: AER Inquiry
Sent: Monday, 4 December 2023 2:00 PM
To: [ISPguidelines <ISPguidelines@er.gov.au>](mailto:ISPguidelines@er.gov.au)
Subject: FW: REF-00000345 | Objection to: Draft 2024 ISP to be used for feedback loop assessments prior to June 2024 [SEC=OFFICIAL]

OFFICIAL

Hi Team
 The Contacts Team received the below email plus attachment from Aidan Morrison relating to the **Update for the 2022 ISP**.
 We have created an infoform in Dynamics, the reference is **REF-00000345**.
 Would you be able to provide a response to Aidan or assist our team in providing a response? We will close the infoform if you are able to respond directly.
 If your team is not the most suitable contact for this query, would you mind guiding us in the right direction?
 Any assistance would be greatly appreciated.
 Kind regards,
 [Redacted]

Contacts Officer
Australian Energy Regulator
 [Redacted] GPO Box 3131 Canberra ACT 2601
www.energymadeeasy.gov.au | www.aer.gov.au



The AER acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

From: Aidan Morrison <[Redacted]>
Sent: Friday, 1 December 2023 1:37 PM
To: AER Inquiry <aerinquiry@er.gov.au>
Subject: Objection to: Draft 2024 ISP to be used for feedback loop assessments prior to June 2024

CAUTION: This email originated from outside of the organisation. Do not click links or open

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attachments unless you recognise the sender and know the content is safe.

Dear Australian Energy Regulator,

I would like to draw your attention to an objection that I have made to AEMO, and request your assistance in ensuring compliance with the National Electricity Rules, specifically 5.22.15 c). This matter relates to the update to the 2022 ISP that is foreshadowed in this email which I forward.

As outlined in this objection letter to AEMO, which I have just sent and attach for you, there is a specific requirement that AEMO consult on an ISP update in accordance with the Forecasting Best Practice Guidelines. This specifically relates to the impact of new information and its impact on the Optimal Development Path, which will only be known at the time the Draft ISP is published.

I must emphasise therefore that in previous cases when AEMO has issued an Update Notice to the ISP (such as on 10th December 2021), their claim that no new consultation was required does not seem consistent with the explicit requirements of the NER. Furthermore, given the significance of issues raised regarding the inclusion of HumeLink in the Actionable Projects, the issuing of a Feedback Loop Notice approving early works for HumeLink on 27th January 2022, whilst consultations were still open for the Draft ISP, effectively subverts the consultation process that is integral to the fairness and integrity of the ISP, as outlined in the 2022 Consumer Panel report on the Draft ISP.

Since AEMO has claimed to have consulted you regarding these updates, I wanted to ask that you ensure that compliance with rules, and the interest of consumers, (which are core to your function) remain paramount in those consultations. To that end, I would further ask that you ensure that AEMO does not perform the update without the consultation that the rules require, as this seems to be both a breach of the rules, and contrary to the interest of consumers.

Regards,
Aidan Morrison

----- Forwarded message -----

From: **The ISP team** <isp@aemo.com.au>

Date: Fri, Nov 17, 2023 at 10:22 AM

Subject: Draft 2024 ISP to be used for feedback loop assessments prior to June 2024

To: Aidan Morrison <[REDACTED]>

[View this email in your browser](#)



17 November 2023

On Friday 15 December 2023, AEMO will publish an update to the [2022 Integrated System Plan](#) (ISP) alongside the Draft 2024 ISP.

Following completion of the Regulatory Investment Test for Transmission (RIT-T), a Transmission

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Network Service Provider (TNSP) may seek written confirmation from AEMO that the preferred option from the RIT-T remains aligned with the optimal development path in the most recent ISP. This process is referred to as the 'feedback loop'.

In accordance with the National Electricity Rules, AEMO has identified that an update to the 2022 ISP is necessary to allow the latest inputs identified in the [2023 Inputs, Assumptions and Scenario Report](#) (IASR) to be considered by AEMO when performing the feedback loop prior to the release of the final 2024 ISP next June. This will ensure that any feedback loops relating to HumLink, VNI West or Project Marinus can be assessed using the latest available information.

AEMO has consulted with the Australian Energy Regulator to develop a workable process to update the 2022 ISP in a timely way to allow assessment of feedback loops based on the latest IASR.

Best regards,

AEMO ISP Team

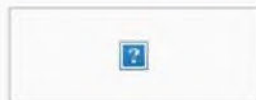
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Our mailing address is:

AEMO - Australian Energy Market Operator
Level 22, 530 Collins St
Melbourne, Vic 3000
Australia

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Aidan Morrison



1 December 2023

Australian Energy Market Operator (AEMO)
Sent via email: support.hub@aemo.com.au

Dear AEMO,

I am writing to formally register my objection to the proposed use of the Draft 2024 ISP for feedback loop assessments, as outlined in the email sent on 17 November 2022 to subscribers to ISP updates.

The principal reason for my objection is that this would essentially circumvent the consultation and feedback process of the ISP, and allow AEMO to provide feedback loop assessments based on an *optimal development path* that has not been subject to any external consultation and review.

This was explicitly raised as a serious concern by the 2022 Consumer Panel in their report on the Draft 2022 ISP, in particular with regard to the feedback loop which approved of \$330million of Early Works for HumeLink on the 27th of January 2022. Regarding this event the Consumer Panel said:

"However, our understanding is that the effect of AEMO's decision on TransGrid's feedback loop request is that the staging approach and scope of early works set out in the Draft ISP is now locked in with no scope for AEMO to make changes based on stakeholder feedback of the Draft ISP. If so, that appears to be a significant weakness in the ISP framework."

The same report from the Consumer Panel raised very serious issues regarding the justification for including HumeLink in the Actionable Projects using an 'insurance' argument, when the optimal timing would have suggested leaving HumeLink for later assessment in a subsequent ISP. There were also other significant questions raised about the reliance on very small differences in modelling results, and the critical role of weights of scenarios and concerns around the second Delphi Panel.

In light of this, it appears that providing the opportunity to consult on the Draft ISP was of considerable importance to establishing an optimal development path that is indeed credibly representing the interests of consumers. There were serious arguments raised that needed to be addressed, and addressing them might have affected the optimal development path, and the outcomes of feedback loops. In order to be fair to stakeholders, especially consumers, consultation on these matters prior to any feedback loops are essential.

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Moreover, the necessity to consult on updates to the ISP is made explicit in the National Electricity Rules. 5.22.15 c) of the NER states that:

“...AEMO must consult on the new information and the impact on the optimal development path under the Integrated System Plan, in accordance with the consultation requirements set out in the Forecasting Best Practice Guidelines for an ISP update.”

The Forecasting Best Practice Guidelines, Section 2.5 also state that “AEMO is required to follow the single stage process in Appendix B”, with draft and final reports that incorporate a minimum of 30 days consultation period in between, and with summaries of issues raised in the consultation being made available on the AEMO website.

In the Update Notice published 10 December 2021, AEMO has justified the decision to make the ISP update effective immediately on the basis that “Extensive consultation has been completed in preparing the Draft 2022 ISP”. However, as detailed in the same notice, consultations up to that point had only included the IASR and Methodology. Whilst these are significant inputs to the Draft 2022 ISP, the impact that these inputs have on the optimal development path would only be known to stakeholders, including consumers, after the publication of the Draft ISP itself. As such, it is impossible that the requirement that AEMO ‘consult on the new information and the optimal development path’, as laid out in 5.22.15 c) of the NER could be fulfilled by the consultation that had occurred on the IASR and Methodology.

I conclude that the proposed use of the Draft 2024 ISP for ‘feedback loop assessments prior to June 2024’, if done in a similar manner to what occurred in 2021/2022, would be both deeply unfair to stakeholder seeking to provide feedback (especially consumers) and not in accordance with the consultation required by the National Electricity Rules.

On this basis, I most strenuously object to this proposal. I also intend to inform the Australian Energy Regulator of my objection, and ask them for assistance in enforcement of the National Electricity Rules as it applies in this case.

Sincerely,

A solid black rectangular box redacting the signature of Aidan Morrison.

Aidan Morrison