

10 December 2021

National framework for the future

Energy Networks Australia (ENA) has welcomed the Australian Energy Market Operator's (AEMO) Draft 2022 Integrated System Plan (ISP).

In particular, the ISPs nominated *Step Change* scenario outlines an electricity grid that is doubling in size as it decarbonises, acknowledging the rapid pace at which innovative renewable technologies are coming online.

ENA Chief Executive Officer Andrew Dillon said a coordinated national approach to energy planning was critical to manage the transition to renewables as coal generation retired.

"The ISP shows that prudent investment is required in the backbone of the NEM, new transmission to connect renewable energy zones and smarter local grids to manage more household solar, batteries and electric vehicles," Mr Dillon said.

"The ISP makes clear that strategic investment in networks is essential to allow the rapid growth in low-cost renewable generation.

"The key transmission projects in the optimal development path are forecast to deliver \$2.50 for customers for every \$1 invested.

"Critically, the draft ISP outlines how the cost of delivering critical transmission projects early is far lower than the cost of delivering them too late. This is especially the case if coal generators retire faster than currently scheduled."

Mr Dillon said maintaining a diversity of energy supplies would be critical in a renewables-based energy system, with the ISP highlighting the potential of Australia's developing hydrogen industry.

"Renewable gases such as green hydrogen have an important role to play in a zero-emissions energy future and will ensure an affordable transition where customers continue to have energy choices. As well as being a clean high-heat source for manufacturers, green hydrogen is already being blended into existing gas networks," he said.

"The increased use of renewable gas will be a key part of decarbonising cooking, heating and hot water in homes and businesses."

Mr Dillon commended AEMO for running a consultative process aimed at delivering the best outcomes for Australian energy customers.

For a web-based version of this media release, [click here](#).

ENDS

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Energy Networks Australia is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.