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## ISP highlights need for timely transmission development

The release of the Australian Energy Market Operator's Integrated System Plan (ISP) highlights the need for timely transmission development to support Australia's renewable energy transition.

The ISP provides a strategic blueprint to ensure our energy system can deliver affordable, secure and reliable power as we radically change how we generate and use electricity.

ENA Acting Chief Executive Officer Tamatha Smith said transmission development – making our electricity system more connected across the whole of the National Electricity Market – was critical to enable the most affordable transition to a net zero energy system.

“AEMO's ISP confirms every dollar spent on transmission will return more than twice this in benefits to customers. This investment will enable cheap, renewable electricity to flow from where it is generated to where it is needed, and more supply will help lower wholesale prices,” she said.

“AEMO has stressed urgent action is required on five key transmission projects and it is important that regulatory approaches support the investment needed for the timely development of this infrastructure. Unfortunately, aspects of the Australian Energy Regulator's (AER) recently released draft Rate of Return Instrument will make this harder if they are approved.

“The AER has proposed a move from the normal financing practice of a 10-year bond rate for the assessment of returns on equity to a five-year rate. If this is implemented, it will reduce incentives for investment at a time when it has never been more important.”

Ms Smith said that to enable a smooth transition to renewables, networks would install more than 10,000 kilometres of new transmission lines, continue to connect solar at world leading rates, and make the change to renewable gas sources.

“The ISP details the scale of the challenge in front of us, with the most likely scenario forecasting a doubling of electricity consumption from the grid by 2050. It is critical that regulatory settings create an environment that incentivises more investment to connect low-cost renewable energy sources.”

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

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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.***