Scenario development process

AEMO Forecasting

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Inputs, Assumptions and Scenarios Report development process

- Series of open-invitation workshops and webinars to consult with all energy stakeholders
  - Workshop I: Collaborating on suitable scenarios and their narratives
  - Webinar I: Informing of Workshop I's outcomes, and any additional Q&A
  - Webinar II: Consult on consolidated scenarios and their forecasting purpose
  - Workshop II: Consulting on input settings of key drivers for each scenario

- IASR Release and formal consultation – publication 11 December

Consolidated set of scenarios

1. The **Central** scenario reflects a future energy system based around current government policies and best estimates of all key drivers.

2. **Export Superpower** scenario: Paradigm shift, with very high levels of electrification and significant hydrogen export opportunities, fuelled by strong growth and strong decarbonisation ambitions.

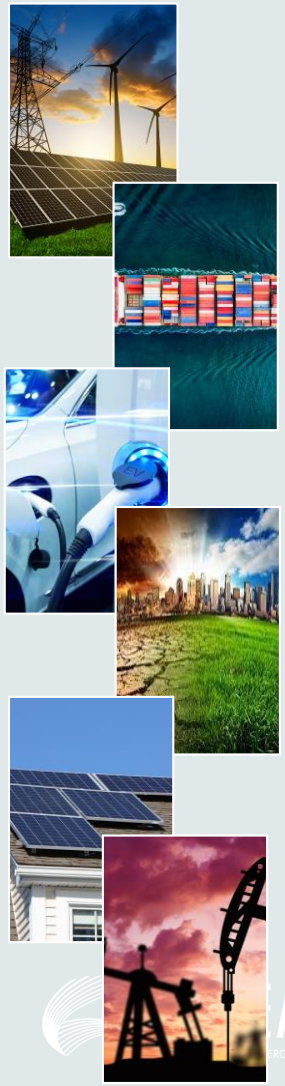
3. In the **Sustainable Growth** scenario, higher decarbonisation ambitions are supported by rapidly falling costs for battery storage which drive consumers action and higher levels of electrification of other sectors. These ambitions are supported by strong economic and population growth.

4. The **Slow Growth** scenario represents a slower recovery and more challenging economic conditions following the global pandemic which increases the likelihood of industrial load closures. Decarbonisation at a policy level takes a back seat, but the strong uptake of rooftop PV continues.

5. The **Diversified Technology** scenario reflects a world of targeted stimulus to aid the COVID-19 economic recovery, with low gas prices lowering consumer energy costs in the next decade. In the long-term, reductions in the cost of carbon capture and storage (CCS) provides further technology alternatives.

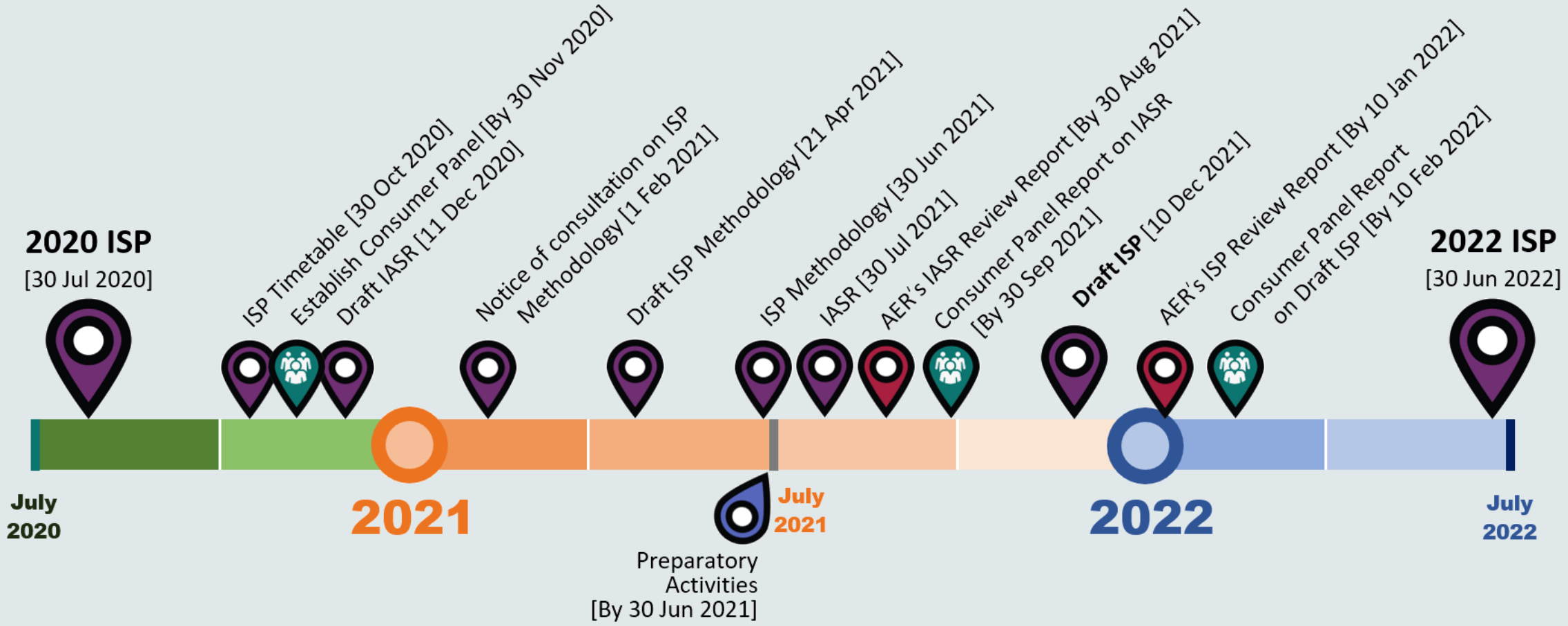
Scenario names subject to change.

Consolidated scenario purposes



		Core Purpose
1	Central Scenario	• To consider the investment needs under **current policy**, expected inputs and assumptions, and **best estimates of all key drivers**
2	Export Superpower	• Understand implications of a **renewable generation export industry** which significantly increased grid consumption, particularly where located away from traditional load centres
3	Sustainable Growth	• Understand the impact of **rapid decarbonisation and DER** and the **risks of underinvestment** in the infrastructure required. • Explore the impact of **high DER penetrations** on system security • Consider the impact of cross-sectoral developments
4	Slow Growth	• **Risk of over-investment** in a power system with lower operational demand. • Explore operational and system security issues associated with falling minimum demands and investments that could address these challenges.
5	Diversified Technology	• **Implications of lower gas prices** on the energy sector, particularly in the next decade. • Impact of competitive costs for a diversified set of technologies such as CCS and the value of infrastructure investments.

2022 ISP Timetable



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