

Dear AEMO Forecasting team
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**Australian Energy Market Operator's Draft Inputs, Assumptions and Scenarios Report Consultation
2021 - submission**

I note that the Australian Energy Market Operator (AEMO) applies the criteria set out in the National Electricity Rules (NER) clause 5.22.3 for the Central Scenario in the draft 2021 Inputs, Assumptions and Scenarios Report (ISAR) as the baseline view of key inputs of all key drivers, considering current policies across all jurisdictions of the National Electricity Market (NEM). Whilst the central and the four proposed scenarios will document the policies that will be applied for the 2022 Integrated System Plan and in the forthcoming Electricity Statement of Opportunities, there remains a concern that the suite of scenarios proposed does not encompass the case for net zero emissions by 2050.

In the draft ISAR, AEMO states that scenarios have been aligned with the International Energy Agency's World Energy Outlook 2020 scenarios to ensure they are consistent with possible future developments and to anchor them to possible global changes. I note that AEMO observe that the proposed Export Superpower scenario is most closely aligned to the net zero emissions by 2050 case. Further, global net zero achieved by 2070 is observed by the AEMO to be aligned with the Sustainable Growth and Diversified Technology scenarios. There is insufficient detail in the draft ISAR that clearly articulates whether an 'alignment' will model or implement a net zero emissions by 2050 case.

Most international trading countries with Australia have signalled and are moving towards net zero emissions by 2050, and Australian jurisdictions have set net zero emissions by 2050 goals or firmed in legislation actions through funded policies and targets to achieve this. As an example, the South Australian Government's Climate Change Action Plan (*South Australian Government Climate Change Action Plan 2021–2025*) describes government-led objectives and actions to drive further progress towards state-wide goals of reducing greenhouse gas emissions by more than 50% by 2030 and achieving net zero emissions by 2050.

Given that the central scenario is intended to fulfil the requirements of the NER, it remains limited in scope. By creating a separate additional scenario representing a direction for a net zero emissions by 2050 policy setting, this will explicitly and transparently inform the transition to plan future electricity network infrastructure in the NEM.

I am happy to engage our officers with AEMO to further work through aspects of this consideration.

Regards
Vince

Vince Duffy
Executive Director

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