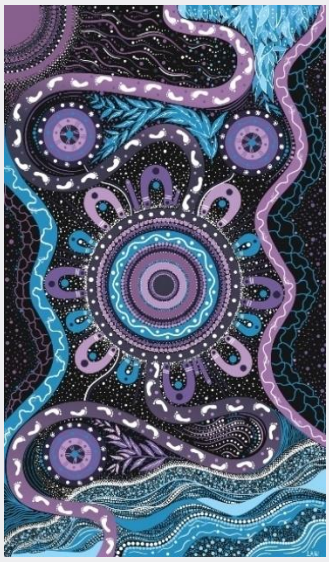
2025 Forecasting Best Practice Compliance Report

August 2025

Regarding the 2025 Inputs, Assumptions and Scenarios Report, 2025 Electricity Statement of Opportunities and 2025 update to the ISP Methodology



We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.
We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan
AEMO Group is proud to have launched its first Reconciliation Action Plan in May 2024. 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation – a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.

Important notice

Purpose

The purpose of this compliance report is to comply with the requirements of section 5.2 of the Forecasting Best Practice Guidelines (FBPG), including demonstrating how AEMO complied with the FBPG when preparing the 2025 Inputs, Assumptions and Scenarios Report (IASR) and the 2025 update to the ISP Methodology. This report also describes how AEMO complied with the FBPG when preparing reliability forecasts for the purposes of the 2025 Electricity Statement of Opportunities (ESOO), as required by section 5.1 of the FBPG.

Disclaimer

AEMO has made reasonable efforts to ensure the quality of the information in this document but cannot guarantee its accuracy or completeness.

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Executive summary

After reviewing its processes to develop the 2025 Inputs, Assumptions and Scenarios Report (IASR) and the 2025 update to the Integrated System Plan (ISP) Methodology, AEMO considers it has prepared those documents in accordance with the requirements and the intent of the Australian Energy Regulator's (AER's) Forecasting Best Practice Guidelines (FBPG). AEMO also considers that it has prepared the 2025 Electricity Statement of Opportunities (ESOO) for the National Electricity Market (NEM) and the associated reliability forecast in accordance with the FBPG.

The AER's FBPG[1] provide guidance for AEMO's forecasting practices and processes as they relate to developing the IASR, the ISP (and its methodologies) and the reliability forecasts included in the ESOO. The FBPG are also integral for the functioning of the Retailer Reliability Obligation (RRO), having regard to the following principles:

- Forecasts should be as accurate as possible, based on comprehensive information and prepared in an unbiased fashion.
- The basic inputs, assumptions and methodology that underpin forecasts should be disclosed.
- Stakeholders should have as much opportunity to engage as is practicable.
- The FBPG also specify binding obligations and provide guidance for AEMO's forecasting practices and processes as they relate to the ISP, including the process (including consultation) to be used for an ISP update.

AEMO collaborates with a broad range of stakeholders – including consumer, government and industry representatives – to develop and refine its forecasting models and activities applied in the IASR, ESOO and ISP. Stakeholder input is critical to AEMO's activities and is highly valued, adding rigour and increasing confidence in the forecasts.

This compliance report describes how AEMO has prepared its 2025 IASR, the 2025 update to the ISP Methodology, its reliability forecast and its indicative reliability forecast presented in the 2025 ESOO in accordance with the FBPG.

[1] At https://www.aer.gov.au/system/files/AER%20-%20Forecasting%20best%20practice%20guidelines%20-%2025%20August%202020.pdf.

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1 Introduction

1.1 Background

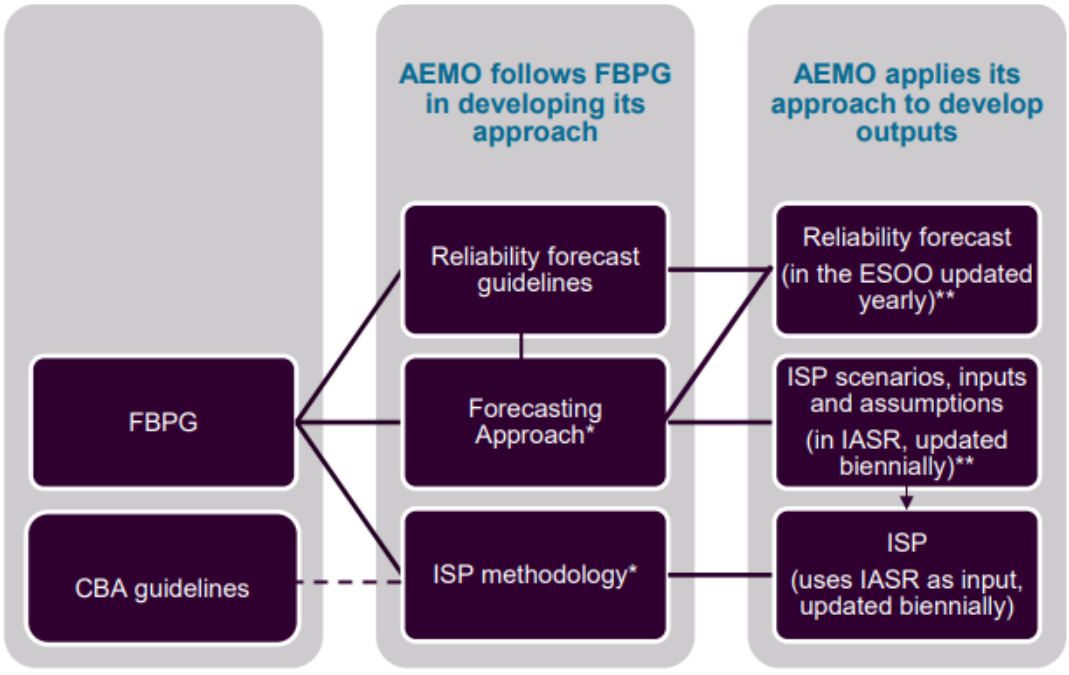
AEMO considers engagement with consumers, market participants, and other stakeholders as foundational to its forecasting activities. Incorporating stakeholder perspectives on the rapidly evolving energy market and systems, along with robust feedback on AEMO's forecasts, makes forecasts more accurate and useful and increases stakeholder confidence in them.

The AER's FBPG, introduced in August 2020, set out minimum requirements for consultation and guidance on consultation principles and practices. The FBPG also contain guidance for:

- Developing inputs, assumptions and scenarios, as well as associated forecasting and modelling methodologies, to be applied in the ISP, and the preparation of an ISP update where necessary, and
- Developing reliability forecasts which are included in AEMO's ESOO and are a critical input to statutory requirements under the RRO[2].

The FBPG describe the relationships between the guidelines, ESOO, IASR, ISP Methodology and the ISP. The illustration used in the FBPG is reproduced in Figure 1 below.

Figure 1 Use of the FBPG



* AEMO is *required* to update this at least every four years as per this FBPG.
** The ESOO and IASR include similar information. The IASR may be included in a document that also provides for the inputs and assumptions to be used in preparing other AEMO publications (such as the ESOO), and follow a joint consultation process. See National Electricity Rules (NER) 5.22.8(c).
Source: AER, *Forecasting Best Practice Guidelines* (2020), 4, fig. 1, at https://www.aer.gov.au/system/files/2025-05/AER%20-%20Forecasting%20Best%20Practice%20guidelines%20-%202020%20-%20Version%201.pdf.
CBA Guidelines: Cost Benefit Analysis Guidelines (AER)

[2] At https://www.aer.gov.au/retail-markets/retailer-reliability-obligation.

1.2 Binding elements of the FBPG

The FBPG specify:

- 'binding requirements' which must be addressed by AEMO; and
- 'binding considerations' which AEMO must have regard to or must consider when making decisions; and
- discretionary elements that do not bind AEMO, but rather provide guidance for best practice.

1.2.1 Compliance of IASR and ISP Methodology

One of the binding requirements, as set out in section 5.2 of the FBPG, requires AEMO to prepare a compliance report when AEMO is preparing an IASR or ISP Methodology. AEMO must demonstrate in this compliance report how AEMO has:

- complied with applicable requirements,
- had regard to applicable considerations (including providing reasons for the weight it has attached to each consideration), and
- resolved key issues raised by the AER through the AER's issues register.

AEMO must submit the compliance report to the AER no later than 20 business days after the publication of an IASR or an update to the ISP Methodology. AEMO confirms that this report does not contain any confidential information and is in a form suitable for publication.

1.2.2 Compliance and ESOO reliability forecasts

Section 5.1 of the FBPG provides that AEMO should use reasonable endeavours to prepare reliability forecasts in accordance with the FBPG. When publishing each ESOO, the FBPG state that AEMO should provide a report to the AER, describing how it has, and where it has not, prepared reliability forecasts in accordance with the FBPG. While section 5.1 of the FBPG does not impose a binding obligation, this report includes AEMO's evidence of how the 2025 ESOO and reliability forecast were prepared in accordance with the FBPG. AEMO's expectation is that if, following the publication of the 2025 ESOO, AEMO makes a request to the AER to make a reliability instrument, this report will help the AER expeditiously assess the request[3].

The 2025 ESOO has been developed in accordance with a number of elements discussed in this report, including:

- AEMO's overall forecasting approach,
- the specific elements of the forecasting approach which were subject to a two-stage consultation process, resulting in updated methodologies and guidelines (refer Section 2.1),
- the inputs, assumptions and scenarios outlined in the 2025 IASR (with the *Step Change* scenario being considered by AEMO as the most likely scenario for RRO purposes),
- the stakeholder engagement activities discussed in Section 3.2, and
- the Forecasting Accuracy Report and Forecasting Improvement Plan noted in Section 3.2.7.

On the basis of the above, AEMO considers that this report demonstrates how AEMO has used reasonable endeavours to prepare the 2025 ESOO (and associated reliability forecast) in accordance with the FBPG.

[3] NER 4A.B.1(e) requires AEMO to use reasonable endeavours to prepare a reliability forecast and an indicative reliability forecast in accordance with the FBPG.

1.3 Structure of this report

The remaining content of this report is structured as follows:

- Section 2 demonstrates how AEMO has complied with each binding requirement within the FBPG.
- Section 3 addresses how AEMO has complied with the FBPG's binding considerations as a whole, noting that there are common themes across many of the considerations, including stakeholder engagement, transparency and the adequacy of the forecasting models used. These themes are most easily explored with reference to how AEMO applies the FBPG considerations across the breadth of its forecasting activities.
- Appendix A1 contains a checklist of how the various forecasting consultations have complied with the relevant consultation procedures set out in Appendix A and Appendix B of the FBPG, which form part of the FBPG's binding requirements on AEMO.
- Appendix A2 contains a list of the binding requirements and binding considerations in the FBPG and where, in this report, compliance in relation to those requirements and considerations is addressed.

2 Binding requirements

2.1 Forecasting approach consultation

> *AEMO is required to make its Forecasting Approach and associated review schedule clearly available on its website.*

AEMO has a dedicated forecasting approach page on its website[4] which provides:

- an overview of its forecasting approach,
- consultation timelines associated with each element of its forecasting approach,
- links to relevant methodologies and guidelines, and
- the AEMO Forecasting Approach Register, which summarises and responds to matters raised outside of formal consultation processes.

> *AEMO is required to follow the forecasting best practice consultation procedures in Appendix A (of the FBPG) every four years to review its Forecasting Approach (or more frequently if a material change in circumstances justifies an earlier review). If a material change in circumstances within the four yearly review cycle only affects a discrete component of AEMO's Forecasting Approach, AEMO is required to apply the shorter single stage process in Appendix B (of the FBPG) to review the component.*

As noted above, the consultation timelines published on the forecasting approach page of AEMO's website track each element of AEMO's forecasting approach, when each was last reviewed, and when each is next due for review.

As at the date of this compliance report, there are no elements of AEMO's forecasting approach which are overdue for consultation.

Since the provision of the 2024 FBPG Compliance Report to the AER (August 2024), AEMO has consulted on a number of elements of its forecasting approach in accordance with the FBPG Appendix A procedures.

The process for preparing the **Forecasting Accuracy Report Methodology** ran between 5 January 2024 and 18 October 2024. Appendix A1 of this report sets out how the consultation complied with each of the procedures in Appendix A of the FPBG. In summary, the steps taken during the consultation process were:

- 5 January 2024: Notice of first stage consultation and issues paper published.
- 5 February 2024: First stage submissions closed.
- 24 June 2024: Draft Determination and Notice of second stage consultation published.
- 22 July 2024: Submissions due on Draft Determination.
- 18 October 2024: Final Determination published.

[4] At https://aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-approach.

The process for preparing the **Electricity Demand Forecasting Methodology** ran between 26 July 2024 and 25 July 2025. Appendix A1 of this report sets out how the consultation complied with each of the procedures in Appendix A of the FPBG. In summary, the steps taken during the consultation process were:

- 26 July 2024: Notice of first stage consultation and Consultation Paper published.
- 31 July 2024: Forecasting Reference Group Presentation.
- 23 August 2024: First stage submissions close.
- 28 November 2024: Draft Determination and Notice of second stage consultation published.
- 17 January 2025: Submissions due on Draft Determination.
- 25 July 2025: Final Determination published.

The above processes complied with the FBPG consultation requirements for the preparation of these documents in Appendix A of the FBPG.

The outcomes of the above consultation processes were incorporated into the methodologies and guidelines used in developing AEMO's 2025 ESOO.

2.2 IASR consultation

> *AEMO is required to follow the single stage process in Appendix B when developing and updating scenarios, inputs and assumptions in its IASR, which it updates as part of the ISP development process. For completeness, if AEMO combines the IASR and associated consultation process with another AEMO publication, it is still required to meet the minimum requirements in Appendix B.*

Between 17 July 2024 and 31 July 2025, AEMO followed the single stage consultation procedures in Appendix B of the FBPG in preparing the 2025 IASR[5]. Appendix A1 sets out how this consultation complied with the FBPG. In summary, the steps taken during this consultation process were:

- 17 July 2024: Publication of IASR Scenarios – Consultation Paper.
- 31 July 2024: Forecasting Reference Group presentation on IASR Scenarios.
- 12 August 2024: Consumer advocate verbal submission session.
- 13 August 2024: Submissions to Consultation Paper closed.
- 25 September 2024: Forecasting Reference Group meetings on preliminary IASR scenarios and preliminary economic forecast.
- 16 October 2024: Forecasting Reference Group meetings on preliminary energy efficiency forecast, electric vehicle forecast, and natural gas price forecast.
- 30 October 2024: Forecasting Reference Group meetings on preliminary consumer energy resource forecast, multi-sectoral forecast inputs and assumptions, hydrogen volumes and biomethane price curves.
- 11 December 2024: Publication of the Draft 2025 IASR Stage 1.
- 23 January 2025: Draft 2025 IASR Stage 1 public webinar.

[5] At https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-iasr.

- 11 February 2025: Stage 1 Consumer Advocate verbal submission.
- 11 February 2025: Written consultation submissions closed.
- 28 February 2025: Publication of the Draft 2025 IASR Stage 2.
- 18 March 2025: Draft 2025 IASR Stage 2 public webinar.
- 31 March 2025: Stage 2 Consumer Advocate verbal submission.
- 31 March 2025: Stage 2 consultation submissions closed.
- 30 April 2025: 2025 ESOO methodology improvements, draft data centre forecasts.
- 22 May 2025: draft 2024 multi-sectoral modelling results.
- 28 May 2025: draft 2025 ESOO inputs and consumption forecasts, DSP, retirement cost and pumped hydro energy storage (PHES) technical parameters.
- 17 June 2025: draft 2025 unplanned outage rate forecasts, cost escalation factors.
- 25 June 2025: draft maximum and minimum demand forecasts.
- 31 July 2025: Publication of 2025 IASR and associated consultation summary report.
- 12 August 2025: 2025 IASR webinar.

AEMO also consulted on the Electricity Network Options Report[6], which forms part of the IASR and outlines transmission and distribution network options to inform the development of the 2026 ISP. AEMO, transmission network service providers (TNSPs), distribution network service providers (DNSPs), and jurisdictional bodies undertook extensive collaboration and joint planning to inform the preparation of this report. AEMO also complied with the single stage consultation procedures in Appendix B of the FBPG during the development of the report[7], including:

- 22 May 2025: Publication of Draft 2025 Electricity Network Options Report.
- 6 June 2025: Draft 2025 Electricity Network Options Report public webinar.
- 19 June 2025: Consumer Advocate verbal submission.
- 23 June 2025: Written consultation submissions closed.
- 31 July 2025: Publication of the final 2025 Electricity Network Options Report.
- 12 August 2025: 2025 Electricity Network Options Report public webinar (presented as part of the final 2025 IASR public webinar).

AEMO also consulted on the Gas Infrastructure Options Report[8], a new report which also forms part of the IASR and outlines the gas infrastructure options to inform the development of the 2026 ISP. AEMO applied the single stage consultation procedures in the FBPG during the development of the report[9], including:

- 22 May 2025: Publication of Draft 2025 Gas Infrastructure Options Report.
- 29 May 2025: Draft 2025 Gas Infrastructure Options Report public webinar.

[6] Previously consulted on and published under the name Transmission Expansion Options Report. Consultation materials for the 2025 Electricity Network Options Report consultation are at https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-electricity-network-options-report/final/2025-electricity-network-options-report-consultation-summary-report.pdf.

[7] At https://aemo.com.au/consultations/current-and-closed-consultations/2025-electricity-network-options-report-consultation.

[8] Consultation materials for the 2025 Gas Infrastructure Options Report consultation are at https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-gas-infrastructure-options-report-consultation.

[9] At https://aemo.com.au/consultations/current-and-closed-consultations/2025-gas-infrastructure-options-report-consultation.

- 23 June 2025: Written submissions closed.
- 31 July 2025: Publication of the final 2025 Gas Infrastructure Options Report.
- 12 August 2025: 2025 Gas Infrastructure Options Report public webinar (presented as part of the final 2025 IASR public webinar).

> *AEMO is required to follow the single stage process when issuing IASR updates unless it is implementing: (1) a specific data update that it had pre-emptively set out in the IASR. This would have entailed AEMO consulting on indicative values, the methodology for updating and the timeline for updating. Where applicable, AEMO would also flag where additional consultation would occur through its forecasting reference group; or (2) an update to improve the IASR, which has been made in response to submissions on the draft ISP.*

The 2025 IASR represents the most recent update of inputs, assumptions and scenarios relevant to the ISP and other forecasting and planning publications since the 2024 Forecasting Assumptions Update was published in August 2024 and an addendum to the 2023 IASR was published in December 2023 (itself in response to the AER's Transparency Review of the final 2023 IASR for the 2024 ISP). Accordingly, AEMO has not published an IASR update as referred to in section 2.2 of the FBPG.

AEMO used the FRG to provide updates to stakeholders on selected preliminary and draft inputs and assumptions that were being included in the 2025 IASR. These inputs and assumptions included:

- macroeconomic forecasts,
- consumer energy resources (CER) forecasts,
- outcomes from multi-sector modelling, which models least-cost pathways to achieve emissions targets under the scenarios within the IASR,
- electric vehicle (EV) forecasts,
- price forecasts, including electricity prices, coal prices and gas prices,
- energy efficiency forecasts, and
- demand side participation (DSP) forecasts.

The inputs, assumptions and scenarios presented in the 2025 IASR are used in AEMO's 2025 ESOO and associated reliability forecast, ensuring that AEMO's reliability forecast has been developed with the benefit of stakeholder engagement and feedback.

2.3 ISP Methodology consultation

> *AEMO is required to follow the forecasting best practice consultation procedures in Appendix A when developing its ISP methodology and when reviewing its ISP methodology every four years (or more frequently if a material change in circumstances justifies an earlier review). When reviewing its ISP methodology outside of the four yearly process, AEMO is required to run the shorter process in Appendix B.*

The FBPG require the ISP Methodology to be reviewed through a two-stage consultation process at least every four years in accordance with the consultation procedures in Appendix A of the FBPG. Before the 2025 four-yearly review was completed

in June 2025, the ISP Methodology had been most recently consulted on through a single-stage process in March 2023, after its initial publication in July 2021.

Appendix A1 of this report demonstrates how the preparation of the 2025 update of the ISP Methodology to complete the four-yearly review complied with the FBPG. In summary, the consultation process for the update to the ISP Methodology was:

- 23 October 2024: Issues paper published.
- 1 November 2024: ISP Methodology issues paper post-publication webinar.
- 20 November 2024: Consumer advocate verbal submission.
- 22 November 2024: Written consultation submissions closed.
- 13 March 2025: Draft ISP Methodology and consultation paper published.
- 3 April 2025: Draft ISP Methodology post-publication webinar.
- 14 April 2025: Written consultation submissions closed.
- 25 June 2025: Publication of final ISP Methodology and associated consultation summary report (including a change-tracked version of the ISP Methodology for improved transparency).

2.4 ISP update consultation

> *AEMO is required to follow the single stage process in Appendix B when consulting on new information and its impact on the optimal development path under NER clause 5.22.15(c).*

AEMO has not issued an ISP update following publication of the 2024 ISP.

2.5 Compliance reporting

> *No later than 20 business days after publishing an IASR or ISP methodology, AEMO is required provide a report to the AER demonstrating that is has complied with the applicable requirements and considerations in the FBPG. AEMO is required to demonstrate in its compliance reports that it has (a) complied with applicable requirements; (b) has had regard to applicable considerations (including reasons for the weight it attached to each consideration); and (c) resolved key issues raised by the AER through the AER's issues register.*
>
> *If a compliance report contains confidential information, AEMO is required to provide a non-confidential version of the report in a form suitable for publication.*

The updated ISP Methodology was published four weeks prior to the publication of the 2025 IASR. AEMO requested an extension of time to allow a combined compliance report for both the 2025 update to the ISP Methodology and the 2025 IASR to be submitted within 20 business days of the latter publication. AEMO made this request to streamline review and approval processes for both AEMO and the AER, with an expectation that this would not reduce transparency due to the close publication dates. AEMO was advised that the AER was unable to provide an extension for the submission of the ISP Methodology compliance report. The limited time remaining before the relevant ISP Methodology reporting deadline did not permit AEMO to prepare a separate report. These elements were submitted 24 business days later than the timeframe specified in the FBPG, as part of this report.

AEMO has not been advised by the AER of any items on its issues register that require resolution. It is noted that AEMO and the AER meet at least monthly to discuss, among other things, progress against AEMO's regulatory obligations.

3 Binding considerations

3.1 Binding considerations in the context of AEMO's forecasting activities

In addition to the binding requirements described in Section 2 of this report, section 3 and Appendix C Table 2 of the FBPG include a list of binding considerations which AEMO must have regard to when developing a reliability forecast or an ISP. These binding considerations describe factors which AEMO must have regard to or consider when developing, engaging on, and applying its forecasts and forecasting publications.

Section 4 of the FBPG provides guidance for AEMO's forecasting practices and processes as they relate to a reliability forecast and require AEMO to have regard to the following principles:

- Forecasts should be as accurate as possible, based on comprehensive information and prepared in an unbiased fashion.
- The basic inputs, assumptions and methodology that underpin forecasts should be disclosed.
- Stakeholders should have as much opportunity to engage as is practicable.

The best practice principles described in section 4 of the FBGP provide a foundation for all the forecasting activities that AEMO undertakes. These include the preparation of the ESOO and reliability forecasts by AEMO.

When assessing a request from AEMO to make a reliability instrument, clause 4A.C.11 of the National Electricity Rules (NER) requires the AER to have regard to whether AEMO has used reasonable endeavours to prepare its reliability forecast in accordance with the FBPG. To assist the AER's assessment, section 5.1 of the FBPG states that AEMO should provide a report describing how it has, and where it has not, prepared a reliability forecast in accordance with the FBPG, when publishing each ESOO.

The next section describes how AEMO has applied the binding considerations in the FBPG into its forecasting process and publications. 0 in Appendix A2 provides a cross-reference for which sections address the binding considerations.

3.2 Applying the FBPG binding considerations

3.2.1 Forecasting Reference Group

The FBPG consultation procedures encourage AEMO to develop its forecasts in a way that provides stakeholders with as much opportunity to engage as is practicable, through effective consultation and access to documents and information. AEMO uses a number of methods to achieve this.

A key method of stakeholder engagement relevant to the Forecasting Approach is the use of the Forecasting Reference Group (FRG). AEMO engages with this open forum to share preliminary forecasts and key insights on such items as forecasting components, aggregated electricity consumption forecasts, and draft maximum and minimum demand forecasts for each NEM region.

While the forum is not a decision-making body, it does provide an avenue to seek and obtain stakeholder feedback to complement more formal consultation engagement. FRG meetings were an instrumental component of the development of the 2025 IASR and other inputs and assumptions that inform the reliability forecast, where AEMO and its consultants presented preliminary inputs and assumptions, listened to and incorporated feedback from FRG members.

Components of the IASR and other inputs taken to the FRG included:

- 25 September 2024: preliminary economic forecast, Preliminary IASR scenarios
- 16 October 2024: preliminary electric vehicle forecasts, preliminary energy efficiency forecasts, preliminary natural gas price forecasts.
- 30 October 2024: preliminary consumer energy resource forecasts, preliminary multi-sectoral modelling inputs and assumptions, preliminary hydrogen volumes and biomethane price curves.
- 11 December 2024: Forecast Accuracy Report and Forecast Improvement Plan.
- 30 April 2025: 2024-25 summer demand review, draft data centre forecasts, 2025 ESOO methodology improvements.
- 22 May 2025: draft 2024 multi-sectoral modelling results.
- 28 May 2025: draft 2025 ESOO inputs and consumption forecasts, DSP, retirement cost and pumped hydro energy storage (PHES) technical parameters.
- 17 June 2025: draft 2025 unplanned outage rate forecasts, cost escalation factors.
- 25 June 2025: draft maximum and minimum demand forecasts

In accordance with the FRG Terms of Reference, AEMO endeavours to prepare and distribute an agenda and materials prior to each FRG meeting. These materials are also published on AEMO's website[10]. AEMO will typically structure FRG meetings to allow equal time for presentations and questions, which enables stakeholders to meaningfully engage in the topics presented and have their questions answered by AEMO or its consultants.

To monitor the effectiveness of the FRG, AEMO invites participants to respond to a survey at the conclusion of each meeting, asking for a rating between 0 (not useful) and 10 (very useful) for each FRG meeting, and written feedback on the content and engagement at the FRG. On average, responding attendees rated the FRG 8.2 out of 10 across the 2024-25 financial year (with a typical response rate of 5%).

The FRG is therefore a key activity that AEMO undertakes to ensure it has had regard to a number of the binding considerations, particularly those that cover stakeholder consultation and engagement and making information available.

3.2.2 Webinars

In addition to the FRG, AEMO held several webinars and workshops during the development of the IASR and the update to the ISP Methodology to provide stakeholders with the opportunity to engage in longer, dedicated sessions on specific topics, including:

- September 2024: a webinar summarising key insights from the 2024 ESOO.
- November 2024: a webinar on the ISP Methodology Issues Paper in which AEMO summarised key aspects of the methodology subject to review and outlined consultation questions.
- January 2025: a webinar on the Draft 2025 IASR Stage 1 in which AEMO summarised updates to inputs, assumptions and scenarios and outlined consultation questions.
- March 2025: a webinar on the Draft 2025 IASR Stage 2 in which AEMO summarised updates to inputs, assumptions and scenarios and outlined consultation questions.
- April 2025: a webinar on the Draft ISP Methodology in which AEMO summarised proposed changes to the ISP Methodology and outlined consultation questions.

[10] At https://aemo.com.au/en/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/forecasting-reference-group-frg.

- May 2025: a webinar on the Draft 2025 Gas Infrastructure Options Report in which AEMO summarised elements of the report and outlined consultation questions.
- June 2025: a webinar on the Draft 2025 Electricity Network Options Report in which AEMO summarised elements of the report and outlined consultation questions.
- August 2025: a webinar on the Final 2025 IASR, Electricity Network Options Report, and Gas Infrastructure Report, outlining the updates to the reports and how stakeholder feedback was incorporated.

These webinars provide stakeholders the opportunity to provide their feedback during Q&A sessions which provide AEMO with valuable insights that it considers and may incorporate into its forecasting processes and publications. This approach to engagement enables AEMO to have regard to a number of binding considerations around information disclosure, stakeholder consultation and engagement and the different engagement models AEMO can use.

3.2.3 Panels, working groups, meetings and workshops

AEMO convenes a number of panels, working groups, meetings and workshops which provide other avenues for stakeholders to engage with AEMO on its forecasts. These include:

- The 2026 ISP Consumer Panel, which currently comprises four members and has been established in accordance with the NER to bring a consumer-focused perspective to the ISP development process. AEMO engages with the ISP Consumer Panel on a continuous and ongoing basis, seeking advice and input on matters of both substance and process. Such engagement supports the Panel's timely consideration of issues and feedback to AEMO, allowing for AEMO's approach to be adjusted where appropriate. The ISP Consumer Panel provides public reports to AEMO on the IASR and Draft ISP, which AEMO must have regard to when developing the ISP.
- The Executive Joint Planning Committee (EJPC), which coordinates effective collaboration and consultation between jurisdictional transmission planning bodies (for example, transmission network service providers) and AEMO on electricity transmission network planning issues.
- The Joint Planning Committee, which reports to the EJPC. In addition to undertaking work as directed by the EJPC, it provides a forum for collaboration during the preparation of an ISP and coordinates planning for energy reliability and security across the NEM.
- At the distribution network level, AEMO has established a working group with distribution network service providers to discuss issues pertaining to the IASR and ISP and how those issues may impact the operation of and investment in electricity distribution networks.
- The Consumer and Community Reference Group (representing an evolution of AEMO's former Advisory Council on Social Licence), which AEMO established to bring a range of views into AEMO's thinking and decision-making.
- Monthly meetings between AEMO and the AER in which topics such as the IASR, ISP, ESOO and FBPG have been discussed. AEMO prepares and shares minutes from these meetings and maintains a list of any actions arising, as well as a list of current AEMO consultations and engagements, to ensure the AER is aware of prevailing opportunities for stakeholder engagement.

AEMO also regularly hosts a Technical Demand Forecasting workshop, typically once per year. This workshop gathers technical experts from forecasting teams across many organisations, including AEMO, network service providers, government agencies and research institutions. The focus of the workshop is to present and collaborate on forecast models, methodologies, inputs and other areas of interest to those stakeholders who are involved in the technical aspects of forecasting.

These forums are another avenue for AEMO's stakeholders – particularly those with detailed technical knowledge of forecasting and its implications – to be engaged in AEMO's forecasting activities. They also provide a means for knowledge sharing for forecasting peers that will inform and improve AEMO's forecasting approach on a regular basis.

3.2.4 Consultation summary reports

AEMO prepared consultation summary reports for the four key ISP-related consultations published in 2025 – the 2025 IASR, the 2025 update to the ISP Methodology, the 2025 Electricity Network Options Report, and the 2025 Gas Infrastructure Options Report. These reports summarised the feedback received from stakeholders in their submissions (where they are not confidential) and how AEMO has responded to and/or incorporated that feedback.

Consultation summary reports are an effective way to demonstrate to stakeholders:

- that their views have been considered, and
- whether those views have led to a change in AEMO's approach, inputs, assumptions and/or scenarios.

3.2.5 Forecasting approach

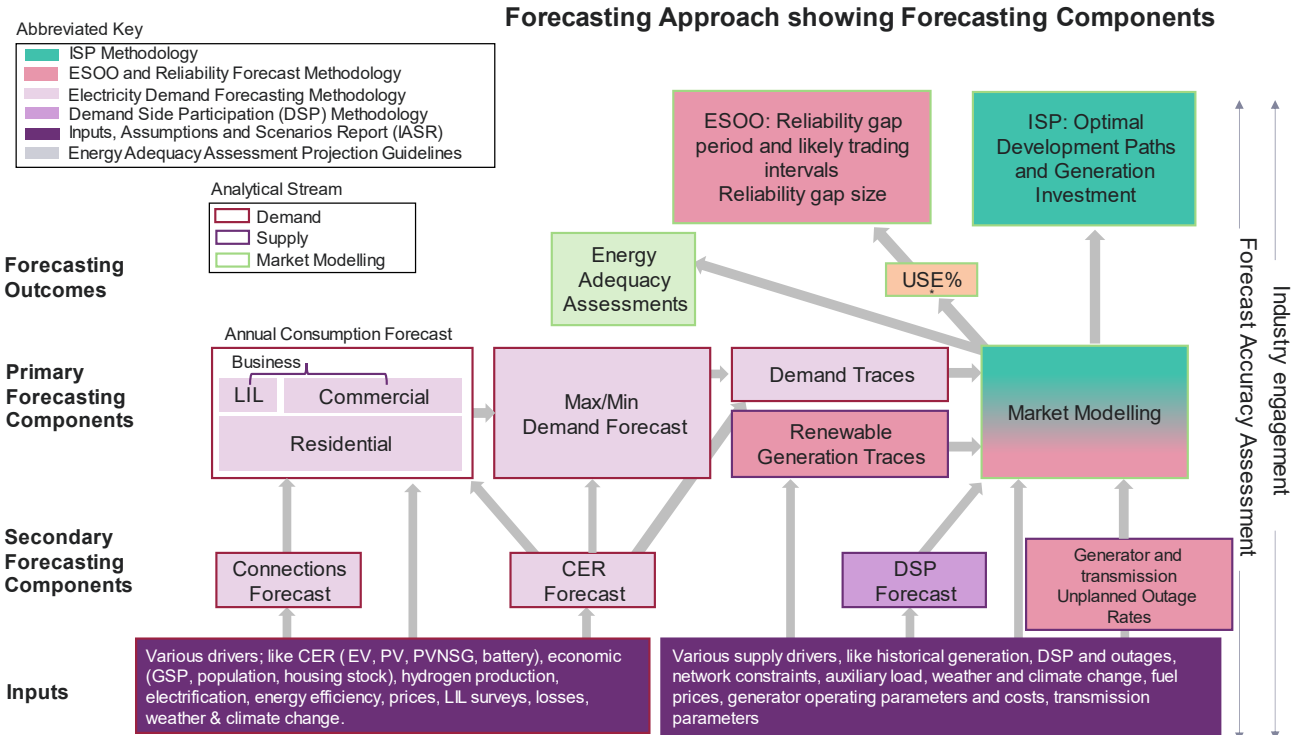
As noted in Section 2.1, AEMO publishes its forecasting approach on its website[11], providing a high level overview of its forecasting approach (depicted in Figure 2 below).

While Figure 2 provides an easy-to-follow overview of the forecasting components developed for the forecasting approach, to provide the transparency required by the FBPG, AEMO has also provided a list of the key elements within its forecasting approach web page. This list also provides links to the documents in question (such as methodologies, guidelines) and links to the most recent consultation regarding those forecasting elements.

These methodologies and consultation pages set out how the forecasting approach has been developed, including the inputs, outputs and limitations of the models, as well as how the forecasting approach has benefited from extensive stakeholder engagement. As noted above, this stakeholder engagement takes many forms (including the FRG, webinars and working groups) and always embeds ample time for discussion and questions and answers, so stakeholders may meaningfully engage with the forecasting approach.

[11] At https://www.aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-approach.

Figure 2 AEMO's forecasting approach



* See also Reliability Standard Implementation Guidelines.

Furthermore, the forecasting approach is subject to regular analysis and scrutiny via the Forecasting Accuracy Report, discussed in Section 3.2.7.

AEMO's publication, explanation and updating of its forecasting approach ensures it is having regard to the binding considerations outlined in the FBPG.

3.2.6 Publication of methodologies, inputs, assumptions and scenarios

As noted above, the forecasting approach page contains links to all relevant methodologies, guidelines and reports which comprise AEMO's forecasting approach. Maintenance of this page demonstrates AEMO's regard for binding considerations, in particular, in relation to publishing all key elements of its Forecasting Approach, making relevant and timely information available to stakeholders, and transparently disclosing key inputs. The page provides stakeholders with access to:

- The IASR, which specifically sets out the scenarios, potential sensitivities, inputs and assumptions that AEMO will use for the ISP. The IASR also includes the data sources used in preparing the inputs and assumptions, including the date at which the data source was current, and the IASR assumptions workbook, which provides granular detail of the inputs and assumptions for each scenario.
- The electricity demand forecasting methodology, which sets out the methodologies underpinning AEMO's component-based forecasting approach.
- The ISP Methodology, which explains how AEMO has regard to the CBA Guidelines in developing the methodology.

- AEMO also maintains the forecasting data portal[12], which provides users with a dynamic interface in which they can view AEMO's electricity and gas consumption, maximum and minimum demand forecasts from existing and previous publications at various levels of granularity. Selected inputs are also available to download within the portal.

The published data also demonstrates that AEMO has had regard to a number of binding considerations with respect to development of scenarios, component-based forecasting, application of CBA Guidelines and stakeholder engagement.

3.2.7 Publication of Forecasting Accuracy Report and Forecasting Improvement Plan

AEMO annually reviews the accuracy of its prior year forecasts. The 2024 Forecasting Accuracy Report, published in December 2024[13], identified that most forecast components performed as expected, or were explainable by inaccuracies in the relevant inputs and assumptions.

The 2024 Forecasting Accuracy Report also incorporated the Forecasting Improvement Plan that provides transparency of AEMO's proposed improvements to forecasting for the year ahead. AEMO began consulting on the Forecasting Improvement Plan in the 11 December 2024 FRG meeting, before including the draft Forecasting Improvement Plan in the Forecasting Accuracy Report.

In that Forecasting Accuracy Report, AEMO invited stakeholders to provide written submissions on the Forecasting Improvement Plan by 5 February 2025. AEMO considered the feedback received[14] and set out how it had considered and addressed that feedback in its final report on the 2024 Forecasting Improvement Plan, published in April 2025[15].

The Forecasting Improvement Plan set out five priority initiatives:

1. Advancing several initiatives to enhance energy and demand forecasting as part of the 2024 Electricity Demand Forecasting Methodology consultation.
2. Considering potential sources of residual variances in consumption forecasts.
3. Revising consideration for project development delays in reliability assessments.
4. Monitoring planned outages.
5. Simplifying the modelling of unplanned outages to support additional weather modelling.

An update on progress against these initiatives was shared with the FRG in April 2025 and further progress will be reported in the 2025 FAR.

The Forecasting Accuracy Report and Forecasting Improvement Plan, together with the internal systems and processes which are associated with them, demonstrate that AEMO has had regard to the binding considerations of reporting on AEMO's historical forecast performance and explaining its efforts to verify the results of the Forecasting Approach.

[12] At http://forecasting.aemo.com.au/.

[13] At https://aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/accuracy-report/2024-forecast-accuracy-report.pdf.

[14] AEMO received submissions from one stakeholder, Energy Queensland. the submission supported AEMO's continued efforts to improve forecasting. The submission provided insights on enhancing EV forecast accuracy, implementing sub-regional weather stations, assessing the impact of extreme weather combined with cloud cover, and evaluating the implications of forecast inaccuracies.

[15] At https://aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/accuracy-report/2024-forecasting-improvement-plan-final-report.pdf

3.2.8 Summary

AEMO has demonstrated it has complied with the binding requirements in section 1 of the FBPG, and has had regard to the binding considerations in Table 2 of Appendix C of the FBPG, through the following activities in preparing the 2025 IASR, the 2025 update to the ISP Methodology and the 2025 ESOO and the associated reliability forecast:

- Undertaken extensive stakeholder engagement, throughout the year and across multiple approaches (for example, meetings, workshops, webinars, and publications).
- Provided multiple avenues for stakeholders to provide feedback (including written submissions, question and answer time, meetings, and workshops).
- Demonstrated how feedback received from stakeholders has been incorporated into AEMO's forecasting approach (for example, through consultation summary reports, 'reflections' webinars, and the Forecasting Improvement Plan).
- Published extensive documentation and data on the inputs, assumptions, scenarios and sensitivities that will be used when developing the ISP, including how the CBA Guidelines are applied.
- Clearly set out its forecasting approach, from the overview level down to the specific methodologies used when for the various components that make up AEMO's forecasts.
- Continually monitored its forecast performance, through the annual Forecasting Accuracy Report and Forecasting Improvement Plan.

A1. Consultation compliance checklists

This appendix sets out how each of the consultations referred to in section 2 of this report complied with the consultation procedures in Appendix A or Appendix B (whichever is applicable) of the FBPG.

A1.1 Forecasting Accuracy Report Methodology consultation

Table 1 Forecasting Accuracy Report Methodology consultation compliance with FBPG Appendix A

FBPG Appendix A requirement		AEMO actions
(a)	AEMO must give a notice to all Consulted Persons. AEMO must give particulars of the matter under consultation, by publishing the notice on its website and notifying the members of its subscriber list.	AEMO published the Forecasting Accuracy Report Methodology Consultation Paper[16] and notice of first stage consultation on its website[17] and subscriber lists on 5 January 2024.
(b)	The notice must invite interested Consulted Persons to make written submissions to AEMO concerning the matter.	The consultation paper invited interested persons to make written submissions by 5:00 pm (AEDT) on 5 February 2024.
(c)	A written submission may state whether a Consulted Person considers that a meeting is necessary or desirable in connection with the matter under consultation and, if so, the reasons why such a meeting is necessary or desirable. To be valid, a Consulted Person must provide AEMO with a submission no later than the date specified in the notice. This date must be at least 20 business days after AEMO publishes the notice referred to in paragraph (b).	AEMO received a single written submission on or before the deadline for submissions, which was 20 business days after the publication of the consultation paper.
(d)	AEMO must consider all valid submissions within a period of not more than a further 20 business days. If AEMO, after having considered all valid submissions, concludes that it is desirable or necessary to hold any meetings, AEMO must use its best endeavours to hold such meetings with Consulted Persons who have requested meetings within a further 20 business days	AEMO considered all submissions in the 20 business days after the period to receive submissions had closed. No stakeholders requested meetings.
(e)	Following the conclusion of all meetings (if any) held in accordance with paragraph (d), and AEMO's consideration of the matter under consultation, AEMO must publish a draft report in accordance with paragraph (f), to be made available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation; • its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries of each issue, that it reasonably considers to be material, contained in valid written submissions received from Consulted Persons or in meetings, and its response to each such issue; and • in a notice at the front of the draft report, an invitation to Consulted Persons to make written submissions on the draft report. Subject to its confidentiality obligations, AEMO must make available to all Consulted Persons, on request, copies of any material it received in submissions.	AEMO published a draft report[18] on 24 June 2024 which included, among other things, the elements noted in paragraph (e).
(f)	AEMO must, as soon as possible, publish the draft report referred to in paragraph (e) on its website.	The draft report was available on AEMO's website on 24 June 2024.

[16] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/consultation-on-forecasting-accuracy-report-methodology/forecast-accuracy-report-methodology-consultation-paper.pdf?rev=2da58923483a4c5a86ba79042acbada0&sc_lang=en.

[17] At https://www.aemo.com.au/consultations/current-and-closed-consultations/consultation-on-forecasting-accuracy-report-methodology.

[18] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/consultation-on-forecasting-accuracy-report-methodology/second-stage/forecast-accuracy-report-methodology-second-stage-report.pdf?rev=c66b9c3241a644928cb5235b161fdc0e&sc_lang=en.

FBPG Appendix A requirement		AEMO actions
(g)	To be valid, a submission invited in a notice referred to in paragraph (e) must be received not later than the date specified in the notice. This date must be at least 20 business days after the publication of the draft report pursuant to paragraph (f), or such longer period as is reasonably determined by AEMO having regard to the complexity of the matters and the issues under consideration	AEMO received a single written submissions on or before the deadline for submissions on 22 July, which was 20 business days after the publication of the draft report.
(h)	AEMO must consider all valid submissions within a period of not more than a further 30 business days.	AEMO considered the submissions in the 30 business days after the period to receive submissions had closed.
(i)	Following the conclusion of AEMO's consideration of all valid submissions, AEMO must publish a final report in accordance with paragraph (j), available to all Consulted Persons, setting out: 1) its conclusions and any determinations on the matter under consultation; 2) its reasons for those conclusions or determinations; 3) the procedure it followed in considering the matter; 4) summaries pursuant to paragraph (b)4); and 5) summaries of each issue, that it reasonably considers to be material, contained in valid written submissions received from Consulted Persons on the draft report and its response to each such submission. As part of its response, AEMO should explain whether and how it has incorporated specific input from submissions. Subject to its confidentiality obligations, AEMO must also make available to all Consulted Persons, on request, copies of any material it received in submissions.	AEMO published a final report[19] on 18 October 2024, which set out the requirements, among other things, of the elements noted in paragraph (i).
(j)	AEMO must, as soon as possible, publish the final report referred to in paragraph (i) on its website.	The final report was available on AEMO's website on 18 October 2024.
(k)	AEMO must not make the decision or determination in relation to which of the forecasting best practice consultation procedures apply until AEMO has completed all the procedures set out in this consultation process.	Subsequent to the release of the final report that concluded the requirements under the FBPG consultation procedures, AEMO updated the associated elements of its forecasting approach and has adopted them in its forecasting and planning activities and publications.
(l)	Notwithstanding paragraph (k), substantial compliance by AEMO with the forecasting best practice consultation procedures is sufficient.	

A1.2 Electricity Demand Forecasting Methodology consultation

Table 2 Electricity Demand Forecasting Methodology consultation compliance with FBPG Appendix A

FBPG Appendix A requirement		AEMO actions
(a)	AEMO must give a notice to all Consulted Persons. AEMO must give particulars of the matter under consultation, by publishing the notice on its website and notifying the members of its subscriber list.	AEMO published the Electricity Demand Forecasting Methodology Consultation Paper[20] and notice of first stage consultation on its website[21] and subscriber lists on 26 July 2024.
(b)	The notice must invite interested Consulted Persons to make written submissions to AEMO concerning the matter.	The consultation paper invited interested persons to make written submissions by 5:00 pm (AEDT) on 23 August 2024.
(c)	A written submission may state whether a Consulted Person considers that a meeting is necessary or desirable in connection with the matter under consultation and, if so, the reasons why such a meeting is necessary or desirable. To be valid, a Consulted Person must provide AEMO with a submission no later than the date specified in the notice. This date must be at least 20 business days after AEMO publishes the notice referred to in paragraph (b).	AEMO received written submissions from nine stakeholders on or before the deadline for submissions, which was 20 business days after the publication of the consultation paper.

[19] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/consultation-on-forecasting-accuracy-report-methodology/final/2024-forecast-accuracy-report-methodology-consultation-summary-report.pdf?rev=e07340374c6f4d10b6cf44b26a2967cb&sc_lang=en.

[20] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2024-electricity-demand-forecasting-methodology-consultation/electricity-demand-forecasting-methodology-consultation-paper.pdf?rev=7853c60a37c64f3faa94b1de96c4dd9e&sc_lang=en.

[21] At https://www.aemo.com.au/consultations/current-and-closed-consultations/2024-electricity-demand-forecasting-methodology-consultation.

FBPG Appendix A requirement		AEMO actions
(d)	AEMO must consider all valid submissions within a period of not more than a further 20 business days. If AEMO, after having considered all valid submissions, concludes that it is desirable or necessary to hold any meetings, AEMO must use its best endeavours to hold such meetings with Consulted Persons who have requested meetings within a further 20 business days.	Following the consultation paper submission period, AEMO held two meetings to clarify the content of two submissions.
(e)	Following the conclusion of all meetings (if any) held in accordance with paragraph (d), and AEMO's consideration of the matter under consultation, AEMO must publish a draft report in accordance with paragraph (f), to be made available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation; • its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries of each issue, that it reasonably considers to be material, contained in valid written submissions received from Consulted Persons or in meetings, and its response to each such issue; and • in a notice at the front of the draft report, an invitation to Consulted Persons to make written submissions on the draft report. Subject to its confidentiality obligations, AEMO must make available to all Consulted Persons, on request, copies of any material it received in submissions.	AEMO published a draft report[22] on 28 November 2024 which included, among other things, the elements noted in paragraph (e).
(f)	AEMO must, as soon as possible, publish the draft report referred to in paragraph (e) on its website.	The draft report was available on AEMO's website on 28 November 2025.
(g)	To be valid, a submission invited in a notice referred to in paragraph (e) must be received not later than the date specified in the notice. This date must be at least 20 business days after the publication of the draft report pursuant to paragraph (f), or such longer period as is reasonably determined by AEMO having regard to the complexity of the matters and the issues under consideration	AEMO received written submissions from three stakeholders on or before the deadline for submissions on 17 January. A longer submission period was provided of 33 business days to allow for the holiday period.
(h)	AEMO must consider all valid submissions within a period of not more than a further 30 business days.	AEMO considered the submissions in the 30 business days after the period to receive submissions had closed.
(i)	Following the conclusion of AEMO's consideration of all valid submissions, AEMO must publish a final report in accordance with paragraph (j), available to all Consulted Persons, setting out: 1) its conclusions and any determinations on the matter under consultation; 2) its reasons for those conclusions or determinations; 3) the procedure it followed in considering the matter; 4) summaries pursuant to paragraph (b)4); and 5) summaries of each issue, that it reasonably considers to be material, contained in valid written submissions received from Consulted Persons on the draft report and its response to each such submission. As part of its response, AEMO should explain whether and how it has incorporated specific input from submissions. Subject to its confidentiality obligations, AEMO must also make available to all Consulted Persons, on request, copies of any material it received in submissions.	AEMO published a final report[23] on 25 July 2025, which set out the requirements, among other things, of the elements noted in paragraph (i).
(j)	AEMO must, as soon as possible, publish the final report referred to in paragraph (i) on its website.	The final report was available on AEMO's website on 25 July 2025.
(k)	AEMO must not make the decision or determination in relation to which of the forecasting best practice consultation procedures apply until AEMO has completed all the procedures set out in this consultation process.	Subsequent to the release of the final report that concluded the requirements under the FBPG consultation procedures, AEMO updated the associated elements of its forecasting approach and has adopted them in its forecasting and planning activities and publications.
(l)	Notwithstanding paragraph (k), substantial compliance by AEMO with the forecasting best practice consultation procedures is sufficient.	

[22] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2024-reliability-forecast-guidelines-consultation/reliability-forecasting-guidelines-draft-report.pdf?rev=8d5f2dc7d7034f6c8b6f52df6fecf4d6&sc_lang=en.

[23] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2024-electricity-demand-forecasting-methodology-consultation/final-determination/edfm-final-report.pdf?rev=c0818376e56c4a9089a0d62e79b81f44&sc_lang=en.

A1.3 IASR consultation

Table 3 IASR consultation compliance with FBPG Appendix B

FBPG Appendix B requirement		AEMO actions
(a)	AEMO must use reasonable endeavours to hold meetings with Consulted Persons on the matter under consultation with a view to informing and providing stakeholder confidence in the draft report in paragraph (c). These meetings may take the form of workshops, bilateral meetings, working groups, public forums, webinars, or any other form that AEMO finds relevant.	AEMO undertook numerous consultation activities in the lead up to the publication of the Draft 2025 IASR Stage 1 and Stage 2 and prior to the Final IASR. These are summarised on AEMO's website[24] and include: • FRG presentation on 31 July 2024 outlining scenario design considerations for consultation as part of the Scenarios Issues Paper • Consumer advocate verbal submission session on IASR Scenarios on 12 August 2024 • FRG meetings in September, October and November 2024 outlining preliminary updates to scenarios, economic forecasts, efficiency forecasts, natural gas price forecasts, consumer energy resource forecasts, multi-sectoral modelling inputs, hydrogen volumes and biomethane price curves • A webinar in January 2025 summarising the key Stage 1 IASR draft updates and an overview of consultation questions • A webinar in March 2025 summarising the key Stage 2 IASR draft updates and an overview of consultation questions • FRG meetings in April, May and June 2025 outlining the new data centre forecasts, consumption forecasts, demand forecasts, multi-sectoral modelling results, demand side participation forecasts, retirement costs, unplanned outage rates, cost escalation factors • A webinar in August 2025 summarising Final IASR updates and describing how consultation feedback was incorporated In addition, AEMO regularly meets with transmission and distribution network service providers in a range of forums, such as the EJPC, the Joint Planning Committee and the DNSP-IASR/ISP working group, as well as bilateral meetings where necessary.
(b)	Following the conclusion of all meetings held in accordance with paragraph (a), and AEMO's consideration of the matter under consultation, AEMO must publish a draft report, to be made available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation; • its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries of each issue, that it reasonably considers to be material, contained in meetings with Consulted Persons, and its response to each such issue; and • in a notice at the front of the draft report, an invitation to Consulted Persons to make written submissions on the draft report within a specified timeframe of not less than 30 calendar days	AEMO published the Draft 2025 IASR Stage 1[25] on 11 December 2024 and Draft 2025 IASR Stage 2[26] on 28 February 2025. These included, among other things, the elements noted in paragraph (b).
(c)	AEMO must, as soon as possible after holding meetings referred to in paragraph (a), publish the draft report referred to in paragraph (b) on its website	The draft Stage 1 report was available on AEMO's website on 11 December 2024 and the draft Stage 2 report was available on 28 February 2025.

[24] At https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-iasr-scenarios-consultation.

[25] At https://www.aemo.com.au/-/media/files/major-publications/isp/2025/draft-2025-inputs-assumptions-and-scenarios-report-stage-1.pdf?rev=8abc6413144149c8b46e1b3ce97d8369&sc_lang=en.

[26] At https://www.aemo.com.au/-/media/files/major-publications/isp/2025/stage-2/draft-2025-inputs-assumptions-and-scenarios-report-stage-2.pdf?rev=cf9b295f7e5d43aca407db412d192efd&sc_lang=en.

FBPG Appendix B requirement		AEMO actions
(d)	To be valid, a submission invited in a notice referred to in paragraph (b) must be received not later than the date specified in the notice. This date must be at least 30 calendar days after the publication of the draft report pursuant to paragraph (c), or such longer period as is reasonably determined by AEMO having regard to the complexity of the matters and the issues under consideration.	AEMO set a deadline for Stage 1 submissions on 11 February 2025, which was two calendar months after the publication of the Draft 2025 IASR Stage 1 Report in 11 December 2024. This extended period allowed stakeholders time to respond, taking into account the Christmas and New Year period which occurred soon after the publication of the Draft 2025 IASR. AEMO set a deadline for Stage 2 submissions of 31 March 2025, which was 31 calendar days after the publication of the Draft 2025 IASR Stage 2 Report on 28 February 2025. 73 formal submissions were received across both consultation stages.
(e)	Following the conclusion of AEMO's consideration of all valid submissions, AEMO must publish a final report in accordance with paragraph (g), available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation; • its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries pursuant to paragraph (b)4); and • summaries of each issue, that it reasonably considers to be material, contained in valid written submissions received from Consulted Persons on the draft report and its response to each such submission. As part of its response, AEMO should explain whether and how it has incorporated specific input from submissions. Subject to its confidentiality obligations, AEMO must also make available to all Consulted Persons, on request, copies of any material it received in submissions. AEMO must consider all valid submissions within a period of not more than a further 30 business days.	AEMO published the (final) 2025 IASR[27] on 31 July 2025 which included, among other things, the elements noted in paragraph (e). The 2025 IASR was accompanied by a Consultation Summary Report[28], which set out – in detail – the issues raised by stakeholders in their submissions and how AEMO had responded to these issues.
(f)	AEMO must, as soon as possible, publish the final report referred to in paragraph (f) on its website.	The 2025 IASR was available on AEMO's website on 31 July 2025.

[27] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2025-iasr-scenarios/final-docs/2025-inputs-assumptions-and-scenarios-report.pdf?rev=c1a7cf3781b849759f3f8ac901776ab9&sc_lang=en.

[28] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2025-iasr-scenarios/final-docs/2025-iasr-consultation-summary-report.pdf?rev=6dc56931355649d9a4610a540d11154c&sc_lang=en.

Table 4 Electricity Network Options Report consultation compliance with FBPG Appendix B

FBPG Appendix B requirement		AEMO actions
(a)	AEMO must use reasonable endeavours to hold meetings with Consulted Persons on the matter under consultation with a view to informing and providing stakeholder confidence in the draft report in paragraph (c). These meetings may take the form of workshops, bilateral meetings, working groups, public forums, webinars, or any other form that AEMO finds relevant.	AEMO undertook numerous consultation activities in the lead up to the publication of the Draft 2025 Electricity Network Options Report and prior to the final 2025 Electricity Network Options Report. These are summarised on AEMO's website[29] and include: • A webinar in June 2025 to provide an overview of the Draft 2025 Electricity Network Options Report and a question and answer session. • Meetings with stakeholders in June 2025 to clarify submissions. In addition, AEMO regularly meets with transmission and distribution network service providers in a range of forums, such as the EJPC, the Joint Planning Committee and the DNSP-IASR/ISP working group, as well as bilateral meetings where necessary.
(b)	Following the conclusion of all meetings held in accordance with paragraph (a), and AEMO's consideration of the matter under consultation, AEMO must publish a draft report, to be made available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation; • its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries of each issue, that it reasonably considers to be material, contained in meetings with Consulted Persons, and its response to each such issue; and • in a notice at the front of the draft report, an invitation to Consulted Persons to make written submissions on the draft report within a specified timeframe of not less than 30 calendar days	AEMO published the Draft 2025 Electricity Network Options Report[30] on 22 May 2025. This included, among other things, the elements noted in paragraph (b).
(c)	AEMO must, as soon as possible after holding meetings referred to in paragraph (a), publish the draft report referred to in paragraph (b) on its website	The draft report was available on AEMO's website on 22 May 2025.
(d)	To be valid, a submission invited in a notice referred to in paragraph (b) must be received not later than the date specified in the notice. This date must be at least 30 calendar days after the publication of the draft report pursuant to paragraph (c), or such longer period as is reasonably determined by AEMO having regard to the complexity of the matters and the issues under consideration.	AEMO set a deadline for submissions on 23 June 2025, which was 32 days after the publication of the Draft 2025 Electricity Network Options Report. There were 38 written submissions received within the formal consultation process, and two verbal submissions from consumer advocates. Four late written submissions were received but were not accepted as part of the formal consultation process.
(e)	Following the conclusion of AEMO's consideration of all valid submissions, AEMO must publish a final report in accordance with paragraph (g), available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation; • its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries pursuant to paragraph (b)4); and • summaries of each issue, that it reasonably considers to be material, contained in valid written submissions received from Consulted Persons	AEMO published the (final) 2025 Electricity Network Options Report[31] on 31 July 2025 which included, among other things, the elements noted in paragraph (e). The 2025 Electricity Network Options Report was accompanied by a Consultation Summary Report[32], which set out – in detail – the issues raised by stakeholders in their submissions and how AEMO had responded to these issues.

[29] At https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-electricity-network-options-report-consultation.

[30] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-electricity-network-options-report/draft-2025-electricity-network-options-report.pdf?rev=48fb0dd2d3dd43e59d8fb92862bc27a4&sc_lang=en.

[31] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-electricity-network-options-report/final/2025-electricity-network-options-report.pdf?rev=c5bad52793224b77a49c9912204f29cd&sc_lang=en.

[32] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-electricity-network-options-report/final/2025-electricity-network-options-report-consultation-summary-report.pdf?rev=9a6a68b1f7cd42c79fd924492d25a2aa&sc_lang=en.

FBPG Appendix B requirement		AEMO actions
	on the draft report and its response to each such submission. As part of its response, AEMO should explain whether and how it has incorporated specific input from submissions. Subject to its confidentiality obligations, AEMO must also make available to all Consulted Persons, on request, copies of any material it received in submissions. AEMO must consider all valid submissions within a period of not more than a further 30 business days.	
(f)	AEMO must, as soon as possible, publish the final report referred to in paragraph (f) on its website.	The final 2025 Electricity Network Options Report was available on AEMO's website on 31 July 2025.

Table 5 Gas Infrastructure Options Report consultation compliance with FBPG Appendix B

FBPG Appendix B requirement		AEMO actions
(a)	AEMO must use reasonable endeavours to hold meetings with Consulted Persons on the matter under consultation with a view to informing and providing stakeholder confidence in the draft report in paragraph (c). These meetings may take the form of workshops, bilateral meetings, working groups, public forums, webinars, or any other form that AEMO finds relevant.	AEMO undertook numerous consultation activities in the lead up to the publication of the Draft 2025 Gas Infrastructure Options Report and prior to the final 2025 Gas Infrastructure Options Report. These are summarised on AEMO's website[33] and include: • A webinar in May 2025 overviewing the Draft 2025 Gas Infrastructure Options Report and an overview of the draft consultation. • Meetings with stakeholders in June 2025 to clarify submissions.
(b)	Following the conclusion of all meetings held in accordance with paragraph (a), and AEMO's consideration of the matter under consultation, AEMO must publish a draft report, to be made available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation; • its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries of each issue, that it reasonably considers to be material, contained in meetings with Consulted Persons, and its response to each such issue; and • in a notice at the front of the draft report, an invitation to Consulted Persons to make written submissions on the draft report within a specified timeframe of not less than 30 calendar days	AEMO published the Draft 2025 Gas Infrastructure Options Report[34] on 22 May 2025. These included, among other things, the elements noted in paragraph (b).
(c)	AEMO must, as soon as possible after holding meetings referred to in paragraph (a), publish the draft report referred to in paragraph (b) on its website	The draft report was available on AEMO's website on 22 May 2025.
(d)	To be valid, a submission invited in a notice referred to in paragraph (b) must be received not later than the date specified in the notice. This date must be at least 30 calendar days after the publication of the draft report pursuant to paragraph (c), or such longer period as is reasonably determined by AEMO having regard to the complexity of the matters and the issues under consideration.	AEMO set a deadline for submissions on 23 June 2025, which was 32 days after the publication of the Draft 2025 Gas Infrastructure Options Report. There were 20 written submissions received across the consultation. Two late written submissions were received but were not accepted as part of the formal consultation process.
(e)	Following the conclusion of AEMO's consideration of all valid submissions, AEMO must publish a final report in accordance with paragraph (g), available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation;	AEMO published the (final) 2025 Gas Infrastructure Options Report[35] on 31 July 2025 which included, among other things, the elements noted in paragraph (e). The 2025 Gas Infrastructure Options Report was accompanied by a Consultation Summary Report[36], which set out – in detail – the

[33] At https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-gas-infrastructure-options-report-consultation.

[34] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-gas-infrastructure-options-report/draft-2025-gas-infrastructure-options-report.pdf?rev=fdf9ed2a3b774e27a0fde4deed4c4535&sc_lang=en.

[35] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-gas-infrastructure-options-report/final/2025-gas-infrastructure-options-report.pdf?rev=fecf33c5de994deb9423ad1e326c6e98&sc_lang=en.

[36] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2025/2025-gas-infrastructure-options-report/final/2025-gas-infrastructure-options-report-consultation-summary-report.pdf?rev=be3bc9548b114fd1a4a4e141760f59fa&sc_lang=en.

FBPG Appendix B requirement		AEMO actions
	• its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries pursuant to paragraph (b)4); and • summaries of each issue, that it reasonably considers to be material, contained in valid written submissions received from Consulted Persons on the draft report and its response to each such submission. As part of its response, AEMO should explain whether and how it has incorporated specific input from submissions. Subject to its confidentiality obligations, AEMO must also make available to all Consulted Persons, on request, copies of any material it received in submissions. AEMO must consider all valid submissions within a period of not more than a further 30 business days.	issues raised by stakeholders in their submissions and how AEMO had responded to these issues.
(f)	AEMO must, as soon as possible, publish the final report referred to in paragraph (f) on its website.	The 2025 Gas Infrastructure Options Report was available on AEMO's website on 31 July 2025.

A1.4 ISP Methodology update consultation

Table 6 ISP Methodology consultation compliance with FBPG Appendix B

FBPG Appendix B requirement		AEMO actions
(a)	AEMO must use reasonable endeavours to hold meetings with Consulted Persons on the matter under consultation with a view to informing and providing stakeholder confidence in the draft report in paragraph (c). These meetings may take the form of workshops, bilateral meetings, working groups, public forums, webinars, or any other form that AEMO finds relevant.	AEMO undertook numerous consultation activities in the lead up to the publication of the draft ISP Methodology. These are summarised on AEMO's website[37] and included: • A webinar in November 2024 following publication of the ISP Methodology issues paper, outlining issues for consultation. • A consumer advocate verbal submission in November 2024.
(b)	Following the conclusion of all meetings held in accordance with paragraph (a), and AEMO's consideration of the matter under consultation, AEMO must publish a draft report, to be made available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation; • its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries of each issue, that it reasonably considers to be material, contained in meetings with Consulted Persons, and its response to each such issue; and • in a notice at the front of the draft report, an invitation to Consulted Persons to make written submissions on the draft report within a specified timeframe of not less than 30 calendar days	AEMO published the Draft ISP Methodology update[38] on 13 March 2025 which included, among other things, the elements noted in paragraph (b). The draft report was accompanied by a consultation paper[39], which set out the proposed changes to the methodology, the reasons why and posed specific questions for stakeholders to respond to in written submissions.
(c)	AEMO must, as soon as possible after holding meetings referred to in paragraph (a), publish the draft report referred to in paragraph (b) on its website	The Draft ISP Methodology and associated consultation paper was available on AEMO's website on 13 March 2025.
(d)	To be valid, a submission invited in a notice referred to in paragraph (b) must be received not later than the date specified in the notice. This date must be at least 30 calendar days after the publication of the draft report pursuant to paragraph (c), or such longer period as is reasonably determined by AEMO having regard to the complexity of the matters and the issues under consideration.	AEMO received 37 published submissions on or before the deadline for submissions of 14 April 2025, which was 32 calendar days after the publication of the draft report. AEMO also held a Draft ISP Methodology update pre-submissions webinar on 3 April 2025 to ensure that all

[37] At https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-iasr-scenarios-consultation.

[38] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2026-isp-methodology/draft-isp-methodology-march-2025.pdf?rev=27cf1ebd10b24ec7abb7f245dad9ffe6&sc_lang=en.

[39] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2026-isp-methodology/consultation-paper---draft-isp-methodology.pdf?rev=99bd74737d4d465eb81b2554e64d91e8&sc_lang=en.

FBPG Appendix B requirement		AEMO actions
		stakeholders had the opportunity to engage on the content of the draft report before the submission window closed.
(e)	Following the conclusion of AEMO's consideration of all valid submissions, AEMO must publish a final report in accordance with paragraph (g), available to all Consulted Persons, setting out: • its conclusions and any determinations on the matter under consultation; • its reasons for those conclusions or determinations; • the procedure it followed in considering the matter; • summaries pursuant to paragraph (b)4); and • summaries of each issue, that it reasonably considers to be material, contained in valid written submissions received from Consulted Persons on the draft report and its response to each such submission. As part of its response, AEMO should explain whether and how it has incorporated specific input from submissions. Subject to its confidentiality obligations, AEMO must also make available to all Consulted Persons, on request, copies of any material it received in submissions. AEMO must consider all valid submissions within a period of not more than a further 30 business days.	AEMO published the final update to the ISP Methodology[40] on 25 June 2025 which included, among other things, the elements noted in paragraph (e). The 2025 update to the ISP Methodology was accompanied by a Consultation Summary Report,[41] which set out – in detail – the issues raised by stakeholders in their submissions and how AEMO had responded to these issues in the 2025 update to the ISP Methodology.
(f)	AEMO must, as soon as possible, publish the final report referred to in paragraph (f) on its website.	The 2025 update to the ISP Methodology was available on AEMO's website on 25 June 2025.

[40] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2026-isp-methodology/isp-methodology-june-2025.pdf?rev=e88a1f1bbeef447ba27692b785069a0a&sc_lang=en.

[41] At https://www.aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2024/2026-isp-methodology/consultation-summary-report---isp-methodology.pdf?rev=62b472fcba2d4b73beceee863d5b285d&sc_lang=en.

A2. List of binding requirements and binding considerations

Table 7 List of binding requirements in the FBPG

Section-Area	Requirement	Section(s) of this report in which AEMO's compliance is discussed
2.1 – Forecasting Approach consultation	AEMO is required to: • Make its Forecasting Approach and associated review schedule clearly available on its website. • Follow the forecasting best practice consultation procedures in Appendix A every four years to review its Forecasting Approach (or more frequently if a material change in circumstances justifies an earlier review). If a material change in circumstances within the four yearly review cycle only affects a discrete component of AEMO's Forecasting Approach, AEMO is required to apply the shorter single stage process in Appendix B to review the component.	Section 2.1 Appendix A1.1 Appendix A1.2
2.2 – IASR consultation	AEMO is required to follow the single stage process in Appendix B when developing and updating scenarios, inputs and assumptions in its IASR, which it updates as part of the ISP development process. For completeness, if AEMO combines the IASR and associated consultation process with another AEMO publication, it is still required to meet the minimum requirements in Appendix B. AEMO is required to follow the single stage process when issuing IASR updates unless it is implementing: • a specific data update that it had pre-emptively set out in the IASR. This would have entailed AEMO consulting on indicative values, the methodology for updating and the timeline for updating. Where applicable, AEMO would also flag where additional consultation would occur through its forecasting reference group; or • an update to improve the IASR, which has been made in response to submissions on the draft ISP.	Section 2.2 Appendix A1.3
2.4 – ISP methodology consultation	AEMO is required to follow the forecasting best practice consultation procedures in Appendix A when developing its ISP methodology and when reviewing its ISP methodology every four years (or more frequently if a material change in circumstances justifies an earlier review). When reviewing its ISP methodology outside of the four yearly process, AEMO is required to run the shorter process in Appendix B.	Section 2.3 Appendix A1.4
2.5 – ISP update consultation	AEMO is required to follow the single stage process in Appendix B when consulting on new information and its impact on the optimal development path under NER clause 5.22.15(c).	Section 2.4
5.2 – Compliance reporting for IASR and ISP methodology	No later than 20 business days after publishing an IASR or ISP methodology, AEMO is required provide a report to the AER demonstrating that is has complied with the applicable requirements and considerations in the FBPG. AEMO is required to demonstrate in its compliance reports that it has (a) complied with applicable requirements; (b) has had regard to applicable considerations (including reasons for the weight it attached to each consideration); and (c) resolved key issues raised by the AER through the AER's issues register. If a compliance report contains confidential information, AEMO is required to provide a non-confidential version of the report in a form suitable for publication.	Section 2.5

Table 8 List of binding considerations in the FBPG

Section-Area	Consideration	Section(s) of this report in which AEMO's compliance is discussed
3 – ISP consultation principles and practices	AEMO must have regard to the principles in the most recent version the AER's 'consumer engagement guideline for network service providers' when developing the ISP. When applying these principles, AEMO must consider how it can run its consultation processes to most effectively: • facilitate effective discussion by providing stakeholders with sufficient time to digest any materials before workshops or public forums • account for constraints that stakeholders face when developing a consultation strategy or program, including by proactively building stakeholders' skills and understanding of the material; • be aware of when more stakeholder involvement or collaboration is warranted, including clarifying which engagement approach is being adopted and why; • employ a wide range of engagement strategies to receive appropriate feedback, taking a flexible approach with a view to meaningfully bring stakeholders into the process; • seek regular considered feedback from stakeholders on the efficacy of the engagement process; and • make relevant and timely information available to stakeholders with a view to achieving stakeholder-centric objectives.	Section 2.2 Section 2.3 Section 3.2.1 Section 3.2.2 Section 3.2.3 Section 3.2.4
3 – ISP consultation principles and practices	AEMO must have regard to how it can employ the following consultation practices when developing the ISP: • Engage effectively and meaningfully with stakeholders at all key stages of the ISP development process. • Consult on key modelling outputs in a way that allows stakeholders to see the key outputs of the ISP, as well as the key drivers of those outputs • Transparently disclose all key inputs, noting that specific network investment options are modelling inputs.	Section 2.2 Section 2.3 Section 3.2.1 Section 3.2.2 Section 3.2.3 Section 3.2.4 Section 3.2.5 Section 3.2.6
4 – Best practice forecasts	AEMO must have regard to the three principles NER clause 4A.B.5(b) when developing its forecasting practices and processes, which are relevant to the ISP, reliability forecasts, and AEMO's forecasts in general. To achieve this, AEMO must consider incorporating the following factors as part of its forecasting practices and principles: • Publish all key elements of its Forecasting Approach (as set out in section 4.1). • Facilitate stakeholder engagement. • Apply the CBA guidelines when selecting reasonable inputs and assumptions. • Use a component-based methodology and identify critical inputs/assumptions driving forecasts • Consider a range of forecast outcomes to take into account different future scenarios and identify the key parameters for sensitivity analysis. • Apply the CBA guidelines when developing scenarios. Publish information on the construction of the scenarios to clarify how these feed into the ISP outcomes. • Specify how it will use and disclose data, including how it will use the most accurate and relevant data available, and how it will handle confidential data. • How it will examine and report on its historical forecast performance.	Section 2.1 Section 3.2.1 Section 3.2.2 Section 3.2.3 Section 3.2.4 Section 3.2.5 Section 3.2.6 Section 3.2.7 Section 3.2.8
4.1 – Details for the Forecasting Approach	When developing its Forecasting Approach, AEMO must consider how it can best explain and present its: • Suite of models for to use. • Approaches to: determining modelling inputs, incorporating/publishing data, reporting uncertainties around forecasts, incorporating exogenous factors, and representing resource/network constraints affecting energy delivery. • Method for allowing stakeholders to engage with the results of the analytical stream. • Internal process for verifying its approach and results.	Section 2.1 Section 2.2 Section 3.2.1 Section 3.2.3 Section 3.2.5 Section 3.2.6 Section 3.2.8