

Our Ref: 24010406
Contact Officer: Owen McIntyre

14 November 2025

Daniel Westerman
Chief Executive Officer
Australian Energy Market Operator

Level 17, Casselden
2 Lonsdale Street
Melbourne Vic 3000
GPO Box 520
Melbourne Vic 3001
tel: (03) 9290 1800
www.aer.gov.au

Re: AEMO's 2025 Forecasting Best Practice Compliance Report

Dear Mr Westerman

I refer to the final 2025 Forecasting Best Practice Compliance Report submitted by the Australian Energy Market Operator (AEMO) to the Australian Energy Regulator (AER) on 26 August 2025. The compliance report is in regard to the 2025:

- Inputs, Assumptions and Scenarios Report (IASR)
- Electricity Statement of Opportunities
- Update to the Integrated System Planning (ISP) Methodology.

As you are aware, the AER's [Forecasting Best Practice \(FBP\) guidelines](#) require that AEMO submit a compliance report to the AER within 20 business days of publication of the final ISP. The compliance report must identify whether AEMO has:

- complied with applicable requirements
- had regard to applicable considerations (including the reasons for the weight it has attached to each consideration)
- resolved key issues raised by the AER through the [issues register](#)
- identified any breaches of the FBP guidelines and provided explanation for any breach.

AER's review of 2025 Forecasting Best Practice Compliance Report

We have completed our assessment of the 2025 FBP Compliance Report against the AER's FBP guidelines and applicable National Electricity Rules requirements. We have identified the following instance of non-compliance:

#	FBP guidelines	Issue
1	Appendix C, Section 5.2 – Compliance reporting for IASR and ISP methodology	AEMO submitted the 2025 ISP compliance report 44 business days after publishing the ISP Methodology. This was 24 business days later than the required timeframe.

We do not recommend any further action in response to this issue, because the issue has been resolved. The issue relates to requirements around process for compliance reporting rather than requirements that relate to the processes and contents that impact the quality of the ISP Methodology itself. AEMO advised of the need for an extension of time prior to the non-compliance and indicated that a combined ISP Methodology and IASR compliance

report would be submitted. However, the AER is not able to grant an extension to the compliance report submission date under Section 5.2 of the FBP guidelines.

During the review, the AER also identified several instances of inconsistent references to paragraphs and to AEMO's website in Appendix A1: Consultation compliance checklists of the 2025 Forecasting Best Practice Compliance Report. The AER requests that AEMO ensure the accuracy of such references in future compliance reports to streamline the review process and minimise the potential confusion or misinterpretation.

We will publish the compliance report alongside this letter to our website on 21 November 2025. We intend to follow a similar process for future FBP compliance reports to ensure transparency as to the AER's assessment of the content of this and future reports.

If you would like to discuss this outcome, or have any questions, please contact Owen McIntyre, Director Transmission Frameworks, at owen.mcintyre@aer.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J. Ball', with a stylized flourish extending to the right.

Jarrod Ball
Board Member
Australian Energy Regulator

Sent by email on: 14.11.2025