

24 April 2026

Kami Kaur  
A/Executive General Manager  
Australian Energy Regulator  
Canberra ACT 2601  
Submitted via email to: [systemplanningregulation@aer.gov.au](mailto:systemplanningregulation@aer.gov.au)

Dear Ms Kaur,

### **2026 Review of the Forecasting Best Practice Guidelines**

The Australian Energy Market Operator (AEMO) welcomes the opportunity to comment on the proposed amendments to the Forecasting Best Practice (FBP) guidelines. As you are aware, the FBP guidelines provide principles and procedural guidance for AEMO's forecasting activities to develop reliability forecasts and the Integrated System Plan (ISP). It is worth noting that the FBP guidelines specify the minimum procedural requirements for consultation expected of AEMO when releasing publications associated with the ISP and the Electricity Statement of Opportunities.

AEMO supports the proposed amendment to extend the timeframe for AEMO to submit a compliance report following the release of an ISP methodology or an Inputs, Assumptions and Scenarios Report (IASR) from 20 to 40 business days. AEMO also supports the proposed amendments that would allow AEMO to seek an extension of the timeframe and where feasible, combine multiple compliance reporting obligations into a single publication. These amendments, taken together, would support more efficient compliance reporting and reduced duplication of effort. It would also enable increased flexibility for AEMO to complete compliance obligations during high-workload periods around the release of the IASR. AEMO provided the AER with combined ISP methodology and IASR compliance reports in 2023 and 2025 which allowed for a more efficient process and a direct comparison of stakeholder engagement activities over multiple publications. The proposed amendments to the FBP guidelines would provide a formal mechanism to enable ongoing efficiencies in compliance reporting.

The proposed amendments to the FBP guidelines would also enable AEMO to conduct more frequent reviews of the ISP methodology, specifically to support the timely integration of new processes without deferring changes until the next four-yearly methodology review. The existing FBP guidelines require AEMO to review its ISP methodology more frequently than every 4 years if a material change in circumstances justifies an earlier change. AEMO welcomes the proposed amendments that clarify that AEMO may conduct a more limited review of sections of the ISP methodology more frequently to address new obligations, operational considerations or stakeholder feedback.

In addition, the proposed amendments would allow AEMO, at its discretion, to undertake additional consultation on specific sections of the ISP prior to the formal Draft ISP consultation. This is intended to improve the quality of the ISP by enabling feedback on intermediate outputs that may inform ISP modelling or cost-benefit analysis.

Stakeholder feedback is critical to the development of the ISP. AEMO regularly exceeds the minimum consultation requirements, and undertakes additional consultation prior to the Draft ISP where appropriate and necessary. Given that the period between the release of the IASR and the Draft ISP is a time of intense

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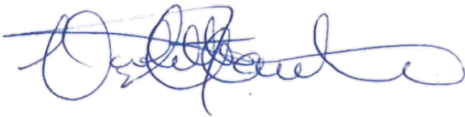
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modelling and analysis, AEMO considers that the current processes strike an appropriate balance of time and resources between consultation and analysis. AEMO is also mindful that the AEMC is undertaking a review of the ISP and there may be changes that may eventuate from that process that will inform how AEMO develops, consults, and governs the ISP.

AEMO recognises the AER's intent in proposing to formalise discretionary, additional consultation prior to the Draft ISP. AEMO notes that the proposed amendments introduce a level of prescriptiveness around the steps to be taken at this stage of the process which may result in AEMO undertaking less discretionary consultation than it currently does, simply due to the fact that the required steps outlined in Appendix A would not be feasible at this stage of the process due to the time and resources required. One option may be to remove the proposed requirement on AEMO, when it chooses to undertake such additional consultation, to follow the process outlined in Appendix A (steps 1 to 6).

If you would like to discuss this matter further, please contact Hannah Heath, Group Manager – Strategic Market Reform ([hannah.heath@aemo.com.au](mailto:hannah.heath@aemo.com.au)).

Yours sincerely,



Violette Mouchaileh  
**Executive General Manager – Policy and Corporate Affairs**