



Australian Government

Australian Energy Infrastructure Commissioner

13 February 2026

Daniel Westerman
Chief Executive Officer and Managing Director
Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001
via email: ISP@aemo.com.au

Dear Mr Westerman,

Re: Draft 2026 Integrated System Plan

Thank you for the opportunity to provide feedback on the Australian Energy Market Operator's (AEMO) *Draft 2026 Integrated System Plan*.

As you know, the Australian Energy Infrastructure Commissioner (AEIC) is an independent non-statutory role appointed by the Australian Government and supported by the Office of the AEIC.

We work collaboratively with all levels of government, industry, landholders, and community members to address local and systemic concerns, improve ongoing community engagement, and promote transparency and best practices across the life cycle of large-scale renewable energy (wind, solar and energy storage facilities) and new transmission infrastructure. In simplest terms, the fundamental purpose of the AEIC is to help make the energy shift smoother and fairer.

Our Office recognises the significance of the *Integrated System Plan* (ISP) in providing a long-term pathway for Australia's electricity system. Providing a clear roadmap is important not only for planning considerations but also for effectively communicating the "what, why, and how" of Australia's energy shift when engaging with affected regional communities.

We welcome AEMO's continued recognition of the importance of social licence considerations throughout these changes. As such, we will focus our attention on the issue of social licence addressed in Appendix 8, as well as providing some more general comments in relation to the systemic role(s) of Renewable Energy Zones (REZs).

The significance of social licence

The AEIC welcomes the continued incorporation and development of social licence considerations in the *ISP*. This comes at a time when social licence factors are now well-recognised as critically important in shaping the changes in Australia's electricity system. For example, the [Australian Infrastructure Investment Monitor 2025](#) found that social licence issues are now the most influential determinant of investment decisions in regional Australia, ahead of supply chain challenges and labour mobility.

Research on [community sentiment](#) has shown relatively high levels of support for the energy shift and for renewable energy technologies. However, this support can vary by geographic location and for different energy infrastructures.

Appendix 8 of the *Draft 2026 ISP* provides a useful summary of social licence issues and community sentiment towards renewable energy infrastructure and the energy shift more broadly. In addition to this overview, we would like to reiterate some of our findings from community sentiment research and our Office's own experience:

- Social licence is 'dynamic' and can change over time, meaning there is no guarantee of continued acceptance. Goodwill can dissipate.
- Generally high levels of support for renewable energy will not negate opposition to specific projects. Opposition will often increase as scale/density of renewable projects or REZ development increases.
- Different groups will experience impacts differently and these experiences will be shaped by existing socio-economic inequalities. Benefits and harms of renewable energy development distributed unevenly can lead to a deterioration of social licence and community cohesion.
- Early and meaningful community engagement, on-site tours, local presence from trusted people who can explain the system and the overarching plan are crucial and good governance will improve and maintain the level of community acceptance.
- Perceived economic benefits will influence social acceptance, as will perceived impacts (e.g. visual, land use, environmental).
- Procedural fairness, governance, and knowledge of the energy transition are all commonly identified as key factors influencing social licence and can in turn help improve trust in the industry. The importance of communication is discussed further below.

Many of these factors have been identified in the *Draft 2026 ISP*, and we recognise that these issues can often be hard to quantify and incorporate directly into modelling, and as such are more appropriately used by AEMO as a 'barometer'. Incorporating social licence considerations into, for example, early network options planning, REZ identification and location, and REZ resource and land use limits, represent positive developments in network and REZ planning.

The *2024 ISP* included a social licence sensitivity analysis which AEMO has decided not to continue in the *2026 ISP*, as broader social licence considerations and have been included in the Constrained Delivery sensitivity. We hold a level of concern relating to any perceived or real erosion of accountability, recognition or importance of social licence in the *2026 ISP*. It is our view that the amended Constrained Delivery approach should enhance and support more – not less – consideration of social licence, community engagement and support and regional benefit sharing. Should this not be the case we would see this as a backward step out of sync with AEIC and community expectations.

The importance of effectively communicating the energy shift

A crucial aspect of ensuring social licence centres on effectively communicating the energy shift—the “what, why, when and how”—in a way that is transparent and accessible to the wider community.

The above-mentioned community sentiment research has found that there are relatively low levels of knowledge and understanding about renewable energy infrastructure and why the transition is happening, or why, for example, additional transmission infrastructure is required.

Recommendation six of the [Community Engagement Review](#) (2023) identified the need for clear narratives explaining the “why” of the energy shift and for trusted and reliable sources of information. Notwithstanding a range of policies and initiatives (for example, see the Energy and Climate Change Ministerial Council’s [Schedule of Activities](#)) aimed at addressing these communications shortfalls, there remains a strong need to effectively communicate the broader changes taking place, as well as regional and project-level issues.

A range of policy mechanisms can be utilised to help build legitimacy and social licence, including improving participatory processes. Trust, legitimacy, and credibility—all common proxies for social licence—will be central to ensure social acceptance of individual projects and the energy shift more broadly.

The ISP provides a unique opportunity to address and/or communicate many of the concerns and information gaps associated with Australia’s energy transition, and in many respects is already doing so. AEMO’s [ISP Information Toolkit](#) represents one valuable way information about the *Integrated System Plan* is communicated to consumers and communities, and we would welcome the opportunity to work with the AEMO on making key facts and information about the broader drivers of the energy shift and subsequent sectoral changes even more accessible.

We recognise AEMO’s role in the energy system and the focus of the ISP around broad planning considerations for the National Electricity Market necessarily means social licence considerations are addressed at a high level, with other engagement responsibilities falling to jurisdictional planning bodies and developers. Some responsibility, particularly for project-level information, will fall with the proponent. However, proponents will not necessarily be viewed by communities as a trusted source of information. As such, we believe that AEMO’s unique position provides an opportunity to better communicate many central aspects of the energy shift, including particular aspects of the planning process, concerns around cumulative impacts, and potentially utilising the ISP’s mapping information to communicate land use requirements of renewable energy and transmission infrastructure more effectively.

As there will be roles for different levels of government, developers, community groups and other stakeholders in communicating the transition, AEMO could potentially better support/leverage state-level information to help these stakeholders. As a starting point, this could be a matter of clearly signposting State-level information and resources.

We agree with the observation that community support for the energy shift is greater when there is respectful and informed engagement with host, neighbour, and local community cohorts. Governments, developers, and other stakeholders should also identify ways to more effectively communicate the benefits—economic and non-economic.

The AEIC will continue to advocate for more extensive measures to be enacted to fully implement the Community Engagement Review's recommendation six, which we do not think has been progressed actively enough. There is work that is being undertaken but it needs to be implemented swiftly and collaboratively. We believe the ISP can (and is) play(ing) a crucial role in addressing many of the identified information and communication gaps.

Other observations

The identification and location of REZs is a particularly important aspect of ensuring social licence of the energy shift in Australia.

In our experience, there is still significant angst within some communities located near or within REZs or proposed REZs locations. Additionally, local communities have expressed to our Office that there remains confusion around how some project proposals can progress outside of REZs, and how energy system framework interact with broader planning processes. Entities such as VicGrid (VIC) and EnergyCo (NSW) fill important roles in planning and explaining these developments at the state level. Like these entities, AEMO is already undertaking important work to address these concerns. Our Office welcomes the incorporation of social licence considerations into REZ identification and location, with the aim of reducing community impacts, including by taking Indigenous land interests into consideration, following consultation with external stakeholders. We encourage continued work in this area as REZ development continues.

Recommendation three of the Community Engagement Review was directed at State and Territory Governments and identified a number of measures to improve community engagement through better site/route selection. This included utilising mapping information, identifying 'no-go' zones, recognising the importance of First Nations cultural heritage, and ensuring consistency around information and definitions. In particular, the Review identified that, in addition to the ISP, AEMO is in a unique position to "provide information that would lead to producing and updating an integrated generation and transmission plan... [T]his map and supporting information would include guidance on new transmission line capacity limitations, as well as preferred generation locations along the transmission lines (type and scale) – from a systems operator perspective" (p. 23). Any progress in this space could also be aligned with the further development of [regional planning](#) under the EPBC Act reforms.

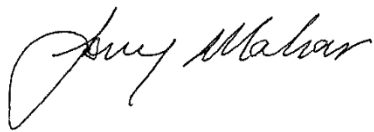
As noted above, the role of new transmission infrastructure or network investment requirements is not always well understood. AEMO's role and knowledge base as the national transmission planner could be leveraged alongside other key stakeholders to help improve community understanding of these requirements. We also recognise that the required transmission build has been reduced from previous forecasts in the previous ISP, due to a range of factors. We believe it is positive that AEMO explores the role of distribution networks and non-network options where available to reduce the impacts and flow-on costs from transmission investments.

Further information

Thank you again for the opportunity to make a submission to the *Draft 2026 ISP*. I look forward to seeing the *2026 ISP's* further development and would welcome the opportunity to discuss these matters in further detail with you and your colleagues.

If you have any further questions or wish to discuss this submission, please do not hesitate to contact us via email at aeic@aeic.gov.au or on 1800 656 395.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tony Mahar', written in a cursive style.

TONY MAHAR

AUSTRALIAN ENERGY INFRASTRUCTURE COMMISSIONER