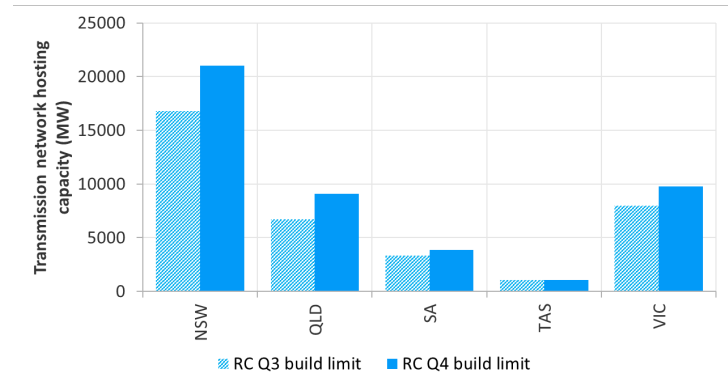
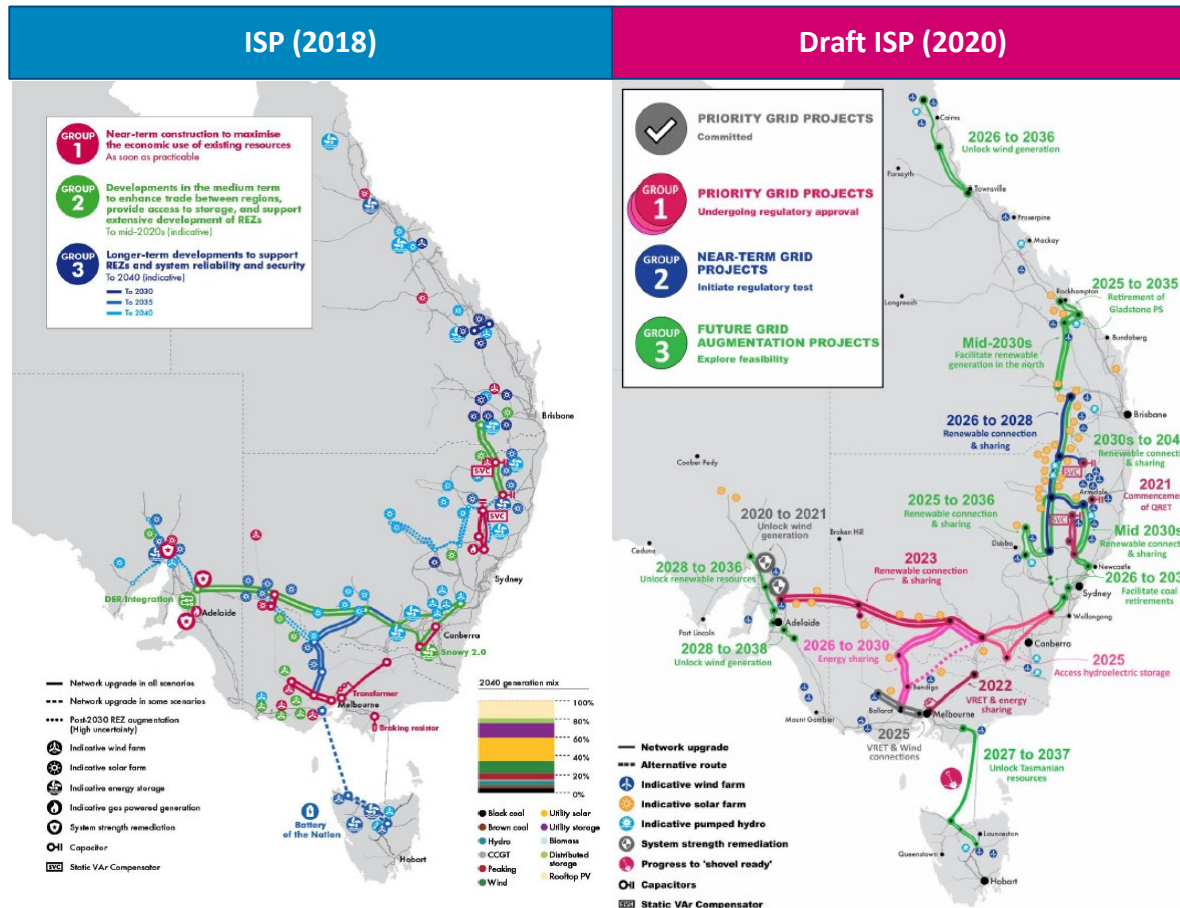


The impact of AEMO's ISP on NEM wholesale prices



Baringa's latest Reference Case incorporates AEMO's network development plan **Draft ISP 2020**. We find that, by unlocking new renewables, greater transmission reinforcement through ISP is likely to put **downward pressure on wholesale prices**.

NEM Transmission Development Paths – Integrated System Path (ISP) 2018 vs Draft ISP 2020



What's new in Baringa's Reference Case Q4/19:

- ▶ Network background is Draft ISP 2020's transmission outlook in the 'central scenario';
- ▶ **Renewable hosting capacity** by the transmission network has increased by ~7 GW by 2040;
- ▶ The **increase in transmission network hosting capacity** relaxes the renewable build limit constraint across multiple Renewable Energy Zones (REZs), and allows more renewable capacity to be built;
- ▶ This has led to over **3 GW of additional renewable capacity** to be built in the long term across the NEM, on an economic basis **without subsidy**.