

## Security of Supply (capacity)



Focused Conversation

### 1. Recommended Service Outcome/ Investment Option

Key participants are recommending to the Regulator that SA Power Networks should focus on enabling service providers to deliver 5, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100% of demand.

| Program                     | Program cost per annum | Residential bill impact (average \$ annual) | Business bill impact (average \$ annual) |
|-----------------------------|------------------------|---------------------------------------------|------------------------------------------|
| Energy storage              | \$44.2 Million         | \$0.00                                      | \$0.00                                   |
| Energy storage              | \$44.2 Million         | \$0.00                                      | \$0.00                                   |
| Energy storage              | \$44.2 Million         | \$0.00                                      | \$0.00                                   |
| Energy storage              | \$44.2 Million         | \$0.00                                      | \$0.00                                   |
| Energy storage              | \$44.2 Million         | \$0.00                                      | \$0.00                                   |
| <b>TOTAL cost per annum</b> | <b>\$181.8 Million</b> | <b>\$6.20</b>                               | <b>\$48.50</b>                           |
| <b>TOTAL cost 2025-30</b>   | <b>\$306 Million</b>   |                                             |                                          |

## Network Resilience



Focused Conversation

### 1. Recommended Service Outcome/ Investment Option

The workshop participants are recommending to the Regulator that SA Power Networks should focus on enabling service providers to deliver 5, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100% of demand.

The majority of stakeholders supported scenario 5, New Grid, as a system response to the system's concerns about network resilience which resulted in a higher cost with other stakeholders.

| Program                     | Program cost per annum | Residential bill impact (average \$ annual) | Business bill impact (average \$ annual) |
|-----------------------------|------------------------|---------------------------------------------|------------------------------------------|
| New Grid                    | \$2.1 Million          | \$3.00                                      | \$1.00                                   |
| Energy storage              | \$2.1 Million          | \$3.00                                      | \$1.00                                   |
| Energy storage              | \$2.1 Million          | \$3.00                                      | \$1.00                                   |
| Energy storage              | \$2.1 Million          | \$3.00                                      | \$1.00                                   |
| Energy storage              | \$2.1 Million          | \$3.00                                      | \$1.00                                   |
| <b>TOTAL cost per annum</b> | <b>\$4.9 Million</b>   | <b>\$3.30</b>                               | <b>\$1.70</b>                            |
| <b>TOTAL cost 2025-30</b>   | <b>\$28.3 Million</b>  |                                             |                                          |

## Customer Experience and Interactions

UPDATED

Focused Conversation

### 1. Recommended Service Outcome/ Investment Option

Based on our consultation with Focus Conversation attendees, SA Power Networks recommends investment in the following programs to improve its ability to deliver the transition to renewable energy by South Australia in the 2025-30 regulatory period.

| Program                     | Program cost per annum | Residential bill impact (average \$ annual) | Business bill impact (average \$ annual) |
|-----------------------------|------------------------|---------------------------------------------|------------------------------------------|
| Energy storage              | \$4.9 Million          | \$3.30                                      | \$1.70                                   |
| Energy storage              | \$4.9 Million          | \$3.30                                      | \$1.70                                   |
| Energy storage              | \$4.9 Million          | \$3.30                                      | \$1.70                                   |
| Energy storage              | \$4.9 Million          | \$3.30                                      | \$1.70                                   |
| Energy storage              | \$4.9 Million          | \$3.30                                      | \$1.70                                   |
| <b>TOTAL cost per annum</b> | <b>\$18.8 Million</b>  | <b>\$7.40</b>                               | <b>\$2.70</b>                            |
| <b>TOTAL cost 2025-30</b>   | <b>\$108.8 Million</b> |                                             |                                          |



# Our Customer and Stakeholder Engagement Program

## 2025-30 Regulatory Proposal

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# 1. Stakeholder engagement program

Underpinning the development of our 2025-30 Regulatory Proposal (reset) has been a comprehensive engagement program – ensuring we understand what our customers value and focusing our engagement activities on what matters most to our South Australian community.

In developing our reset engagement program, we worked collaboratively with our Community Advisory Board (CAB) and a Reset Subcommittee of that Board as strategic partners to develop, endorse and oversee our program.

We believe that our Regulatory Proposal provides a balance between service levels and price, that reflects what our customers value and told us throughout all stages of our engagement.

## 1.1 AER Early Signal Pathway

The Australian Energy Regulator (AER) is the party responsible for making a final revenue determination in response to our Regulatory Proposal. The AER supports genuine and early consumer engagement and places weighting on the extent to which a Proposal reflects effective engagement. To assist in determining this, the AER appointed a Consumer Challenge Panel, CCP30, that tracked and observed our engagement program.

The Panel will assess the quality and robustness of our engagement processes and outcomes, and the extent to which these have been factored into our Proposal.

SA Power Networks expressed interest in being part of the early signal pathway as it wanted to achieve a Regulatory Determination for 2025-30 that was consumer centric, aligned to the expectations and values of South Australians, while also meeting the needs of our

business. We believe the new AER process can, by facilitating greater understanding and collaboration between the regulator, the network and consumers, help us achieve our shared goals.

CAB members attended AER Board meetings on two occasions as part of the AER/ SA Power Networks check-ins in June and November 2023. CAB representatives spoke to the engagement process and their role.

## 1.2 Listening to our customers

As we prepare for 2025-30, we must consider how we can maintain our high performance, but also meet customers' evolving needs and adapt to new factors in our environment. In particular, we have key challenges in maintaining the performance of our network assets which are increasingly nearing end of life, and responding to growth in electricity demand

as customers seek to meet their transportation and broader energy needs with renewable electricity rather than fossil fuels. Equally, broad electrification offers customers the longer-term opportunity to significantly reduce their total energy bills – although this is within a short-term context of very high wholesale electricity pricing.

To inform our approach to addressing these challenges and opportunities, we have engaged deeply with our customers and stakeholders.

This work began in 2021, as we sought broad input on the key factors that customers value in the delivery of distribution network services. Extensive customer research was

undertaken to develop our Customer Strategy and Customer Charter that reflected what was most important to customers. The outcomes of this research guided the development of our engagement program and helped frame our conversations around four key themes that mattered most to our customers. Cost, reliability and decarbonisation of the network were of the highest importance to customers.

In 2022 we commenced our reset engagement program. This included broad engagement across the state with geographically and socially diverse groups of customers in early 2022, followed by six months of Focused Conversations on a number of key topics, with a selection of stakeholders with deep knowledge and understanding of those particular topics.

This process culminated in a deliberative People’s Panel in late 2022 and early 2023, where we sought advice from a representative group of 51 South Australian customers as to the most appropriate overall trade-off between price and service in the 2025-30 period, considering all aspects of price and service.

Throughout the course of our engagement, the feedback from customers as to their key priorities has been remarkably consistent:

- › Maintain safety and reliability – keep the lights on and minimise the risk of public harm from the failure or operation of network infrastructure.
- › Deliver good service – be easy to deal with and help me navigate

the complex choices I have in responding to the new energy future.

- › Enable the clean energy transition – since this is fundamental to mitigating climate change, and over the long-term, will result in significant reductions to customers’ energy bills.
- › Keep the price as low as possible and play your part in improving equity – because some customers are doing it particularly tough as interest rates and cost of living increases bite.

Recommendations from our People’s Panel were presented in-person to our CEO and Executive Leadership Team and were included in both our draft and final proposal.

### 1.3 Our reset program objectives

Four objectives provided the foundation for our reset strategy program and therefore influenced our engagement. The objectives

were endorsed by our Customer Consultative Panel (now our Community Advisory Board) and our internal Reset Steering Committee.

|                                                                                                                                           |                                                                                                                         |                                                                                                                          |                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Strong customer and stakeholder support</b></p> |  <p><b>Focus on what matters</b></p> |  <p><b>High quality analysis</b></p> |  <p><b>Clear, simple and compelling narrative</b></p> |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|

## 1.4 Our engagement principles

There were a number of principles that were the foundation for our engagement program. The objectives were initially developed with our Customer Consultative Panel and then revised and updated with our Community Advisory Board and endorsed by our Reset Steering Committee.

**Table 1. Our engagement principles and intentions**

| Our principles                    | Our intention                                                                                                                                                                                             |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Important and prioritised</b>  | <ul style="list-style-type: none"> <li>› Important to our business and community</li> <li>› Impact of engagement is lasting and measurable</li> <li>› Defined and clear level of influence</li> </ul>     |
| <b>Open and transparent</b>       | <ul style="list-style-type: none"> <li>› Openly sharing performance and decision-making information</li> <li>› Outlining our process of decision making</li> </ul>                                        |
| <b>Engaging and collaborative</b> | <ul style="list-style-type: none"> <li>› Supporting and encouraging participants</li> <li>› Refine engagement approach and activities based on feedback</li> <li>› Measure success and improve</li> </ul> |
| <b>Valued feedback</b>            | <ul style="list-style-type: none"> <li>› Sharing what we have heard and how the feedback is used</li> </ul>                                                                                               |
| <b>Inclusive and diverse</b>      | <ul style="list-style-type: none"> <li>› Participation is as easy as possible</li> <li>› Making an effort to include those who would not usually participate</li> </ul>                                   |

The engagement principles framed our participant evaluation at key stages throughout the engagement program. The principles were used to:

- › support delivery of ‘best practice’ engagement activities
- › evaluate and monitor our success
- › adapt or modify our approach and activities, at key stages of implementation
- › develop an overall ‘evaluation report’ of the reset process.



Italian Diverse Engagement Workshop

# 2. Governance

## 2.1 Community Advisory Board (CAB)

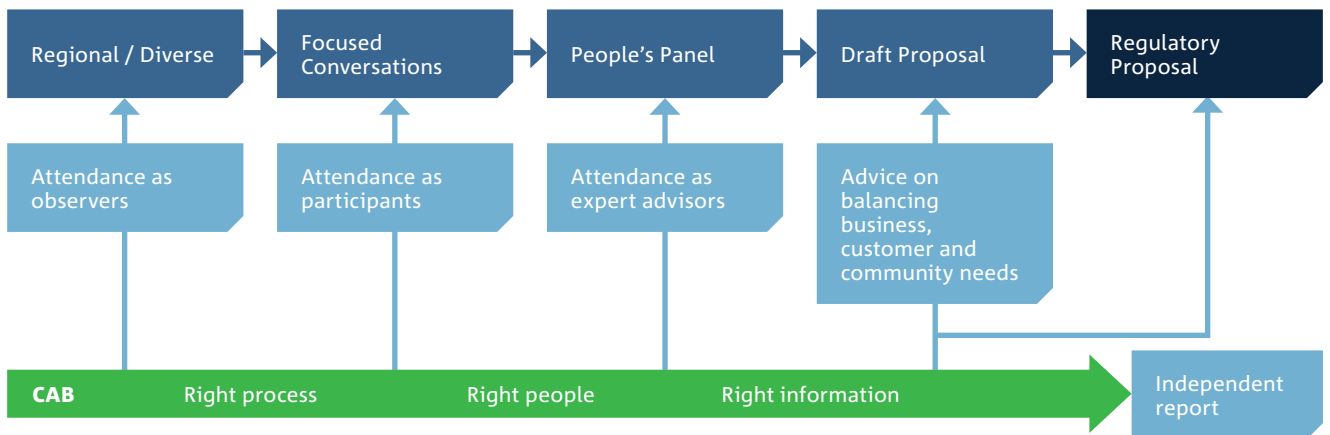
Our Community Advisory Board is our flagship group ensuring that customer views shape service delivery and are at the heart of all decision-making. Its members are drawn from across the South Australian community, representing views from businesses, green energy,

young people, regional communities, consumer advocacy groups, local government representatives and diverse populations.

The Community Advisory Board (CAB) had high-level overview of the community engagement process

for our 2025-30 regulatory reset and oversaw the development of our Regulatory Proposal to ensure customer and stakeholder input was used to inform our proposal.

**Figure 1. CAB oversight of engagement process**



The CAB Reset Sub-Committee is a sub-group of the CAB and have met monthly since April 2022 to focus on reset engagement activity. The sub-committee provided strategic guidance and advice on

our engagement process to ensure the outcomes and customer insights shaped our proposal. The group was not a 'customer forum' whose role was to negotiate with SA Power Networks on specific plans

or expenditure proposals. A copy of the Terms of Reference for the CAB Reset Sub-committee is provided as Attachment A.

The CAB and CAB Reset Sub-Committee were involved in all stages of the design and implementation of our reset engagement program, including:

- › Co-designed and endorsed our engagement program at the outset – did we have the right process, the right information and the right stakeholders?
- › Attended the broad and diverse workshops as observers.
- › Reviewed and endorsed the topics for focused conversations and the level of engagement for each focused conversation, based on the IAP2 spectrum of engagement.
- › Participated in all focused conversations – at least one member of the CAB participated in each of the focused conversations.
- › Collaboratively reviewed the two questions for consideration by the People’s Panel and endorsed the overarching People’s Panel strategy.
- › Involvement in the People’s Panel either as expert witnesses, resource table and observers in process.
- › Finalising the customer values research survey topics and tested draft survey.
- › Provided advice and improvement suggestions throughout the process, including a review of participant feedback at each engagement stage.
- › Interviewed as part of the post implementation review of our engagement program.
- › Developed the Independent Report on our customer engagement program.



Italian Diverse Engagement Workshop



The CAB Reset Sub-Committee examined a range of issues as part of the development of our Regulatory Proposal. The key topics covered in the meetings is provided below.

**Table 2. Overview of CAB Reset Meetings and agenda items**

| Meeting Date   | Key agenda items                                                                                                                                                                                                                                                        |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 2022     | <ul style="list-style-type: none"> <li>› Overview of reset</li> <li>› Proposed reset engagement program</li> </ul>                                                                                                                                                      |
| May 2022       | <ul style="list-style-type: none"> <li>› Membership and Terms of Reference</li> <li>› Reset engagement update</li> <li>› AER Better Resets Handbook</li> <li>› Focused conversation and levels of engagement</li> <li>› Engagement principles and evaluation</li> </ul> |
| June 2022      | <ul style="list-style-type: none"> <li>› Introduction to AER and CCP30 members</li> <li>› Reset engagement update</li> <li>› Focused conversation topics</li> <li>› Customer values research</li> </ul>                                                                 |
| August 2022    | <ul style="list-style-type: none"> <li>› Focused conversation invite list</li> <li>› People’s Panel Draft Strategy</li> <li>› Role of CAB and CAB Reset</li> <li>› Reset Fact Sheets</li> </ul>                                                                         |
| September 2022 | <ul style="list-style-type: none"> <li>› Updated role of CAB and CAB Reset</li> <li>› People’s Panel revised questions</li> <li>› People’s Panel Draft Strategy</li> </ul>                                                                                              |
| October 2022   | <ul style="list-style-type: none"> <li>› AER presentation of their role of Prudent and Efficient Assessment</li> <li>› Focused conversation outcomes</li> <li>› People’s Panel update (eg. recruitment)</li> <li>› Customer values research</li> </ul>                  |
| November 2022  | <ul style="list-style-type: none"> <li>› Focused conversation update</li> <li>› Update from AER</li> <li>› People’s Panel update</li> <li>› Customer values research</li> </ul>                                                                                         |
| December 2022  | <ul style="list-style-type: none"> <li>› Focused conversation update</li> <li>› People’s Panel update and review from weekend #1</li> <li>› Meeting with AER Board</li> </ul>                                                                                           |

| <b>Meeting Date</b>   | <b>Key agenda items</b>                                                                                                                                                                                                                                |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>January 2023</b>   | <ul style="list-style-type: none"> <li>› People’s Panel update</li> <li>› Customer values research</li> <li>› Focused conversation Evaluation feedback</li> </ul>                                                                                      |
| <b>February 2023</b>  | <ul style="list-style-type: none"> <li>› Expenditure Forecast – Iteration 3</li> <li>› People’s Panel – Draft recommendations</li> </ul>                                                                                                               |
| <b>March 2023</b>     | <ul style="list-style-type: none"> <li>› People’s Panel</li> <li>› Independent Consultants Report on Engagement</li> </ul>                                                                                                                             |
| <b>April 2023</b>     | <ul style="list-style-type: none"> <li>› CAB Independent Report – brief, ECA application</li> <li>› People’s Panel – outcomes and participant evaluation</li> <li>› Discussion of low demand and rate of return</li> </ul>                             |
| <b>May 2023</b>       | <ul style="list-style-type: none"> <li>› CAB Independent Report – final brief, governance</li> <li>› Reset Process hours/cost</li> <li>› AER Update – Lessons learnt and insights</li> </ul>                                                           |
| <b>June 2023</b>      | <ul style="list-style-type: none"> <li>› CCP30 - Endeavour and Essential Energy Update, Interim report</li> <li>› CAB Independent Report</li> <li>› Draft Proposal Update and AER Board Presentation</li> <li>› AER Incentive Scheme Review</li> </ul> |
| <b>July 2023</b>      | <ul style="list-style-type: none"> <li>› Proportion of Draft Proposal shaped by customers</li> <li>› CAB Independent Report update</li> <li>› Post Implementation Review of engagement program (SA Power Networks)</li> </ul>                          |
| <b>August 2023</b>    | <ul style="list-style-type: none"> <li>› Draft Proposal feedback update</li> <li>› CAB Independent Report update</li> </ul>                                                                                                                            |
| <b>September 2023</b> | <ul style="list-style-type: none"> <li>› Draft Proposal Update</li> <li>› CAB Independent Report update</li> </ul>                                                                                                                                     |
| <b>October 2023</b>   | <ul style="list-style-type: none"> <li>› Draft Proposal feedback update</li> <li>› CAB Independent Report update</li> <li>› Consultative Groups Review Update</li> <li>› AER Board Presentation</li> </ul>                                             |
| <b>November 2023</b>  | <ul style="list-style-type: none"> <li>› Draft Proposal response</li> <li>› CAB Independent Report update</li> <li>› AER Board Presentation</li> </ul>                                                                                                 |
| <b>December 2023</b>  | <ul style="list-style-type: none"> <li>› SA Power Networks Draft Proposal final response</li> <li>› CAB Independent Report update</li> <li>› Consultative Group review</li> </ul>                                                                      |

The CAB, led through the CAB Reset Sub-committee, engaged an independent consultant, Spencer and Co. to develop an independent report. The report offers the perspective of CAB on the development of our Regulatory Proposal, in particular:

- › SA Power Networks' community engagement program
- › the impact of consumer and community engagement on SA Power Networks' proposal
- › the impact of the proposal on consumers and their interests
- › other issues of importance raised by consumers during the development of the proposal that lie outside the reset process itself.

The CAB commended SA Power Networks on the sincere, comprehensive, transparent and responsive community engagement program it undertook to develop its 2025-30 Regulatory Proposal. The program was considered to be of a very high standard and the CAB scored the process very highly against the AERs engagement assessment criteria.

The CAB's key concerns regarding the engagement process were in relation to the People's Panel, with mixed views on its value, and overall issues of affordability, with cost of living pressures increasing over the engagement period.

The Independent Report also outlines several issues raised by customers that did not fit in to the regulatory reset, but which are important to customers' energy experience. The issues raised included:

- › Independent advice - the need for more information and better education about the energy industry.
- › Smart meters - more education about the value of smart meters and addressing supply chain constraints to facilitate customer's access to smart meters.
- › Electric vehicles – need for more charging stations, the impact on the grid and policies to promote.
- › Retailer pass through of network costs - no transparent pass through of network prices or other components.

- › AER's stakeholder engagement expectations – clarity on the type of engagement networks should undertake, as well as how engagement should be assessed. How much engagement is sufficient?

The CAB commended the AER for putting community engagement at the heart of networks' regulatory reset processes and strongly encourages the AER to investigate the prudence and efficiency of SA Power Networks proposal, which is beyond the capacity of consumers.

The CAB notes the value of engagement and believes that making community engagement a more central focus of business as usual will have better outcomes for SA Power Networks and the state, as well as for future reset processes.

A copy of the CAB's Independent Report can be found in Appendix A.

## 2.2 Reset Steering Committee and Reset Leadership Team

Internally, an executive Reset Steering Committee met monthly and provided strategic guidance, governance and decision making for the development of SA Power Networks 2025-30 Regulatory Proposal. Membership included

the CEO, senior executives and representatives from the regulatory and stakeholder engagement teams.

In addition, a Reset Leadership Team with executive leadership and members of the Regulation and

Stakeholder Engagement teams met fortnightly to guide implementation of the engagement and regulatory reset process as we developed our proposal.

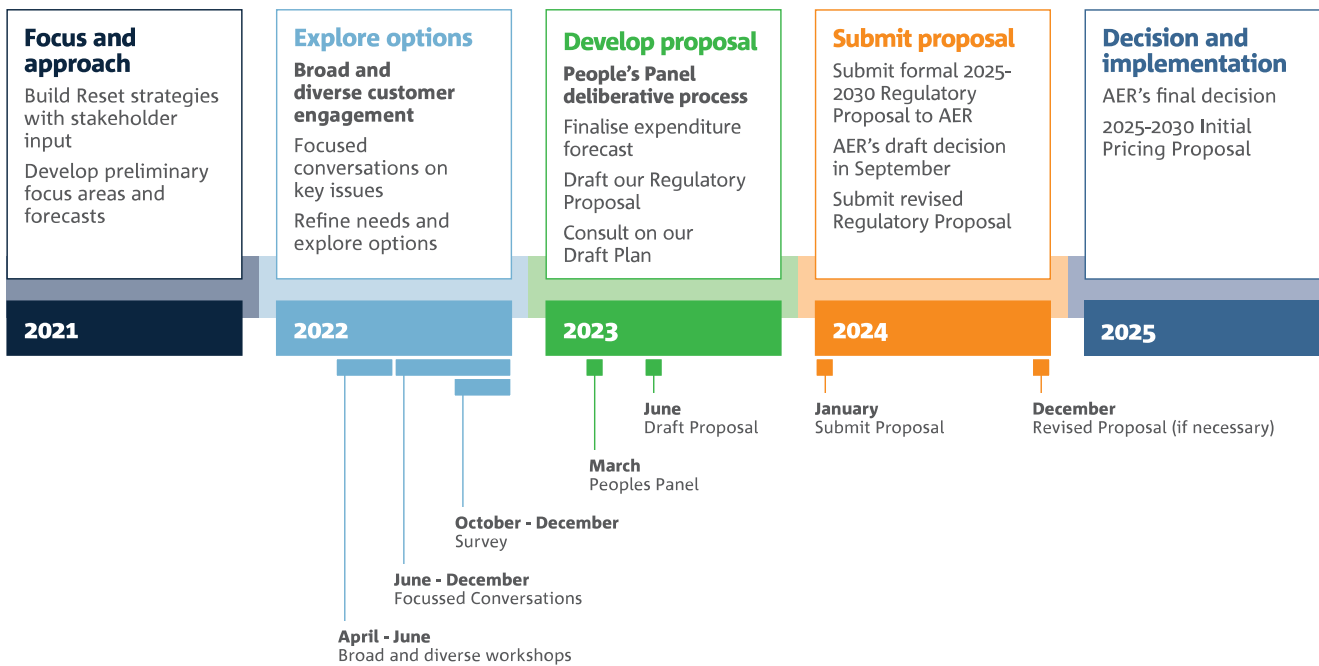
## 2.3 An iterative, scenario-based engagement process

A high-level overview of our engagement process is illustrated in Figure 2 below. Our program commenced with the development of key themes and priorities in late 2021. The next stage was our

‘Broad and diverse’ stage where we consulted with a wide range of customers and stakeholders, including running six targeted workshops and six regional workshops. This was followed by a

series of ‘Focused Conversations’ on specific topics identified through our earlier engagement, culminating in our deliberative People’s Panel in early 2023.

**Figure 2. Key phases of engagement**



This approach enabled an iterative approach to forecasting our total capital and operating expenditure (totex), with each key stage of our consumer engagement program directly informing and refining each forecast iteration to the next.

Three expenditure scenarios were developed to help frame our engagement. This was to allow stakeholders to explore the trade-offs for customers (what is gained / lost) in the service outcomes posed by the different options on future

network investments. This approach allowed stakeholders to understand what’s needed to maintain vs improve customer outcomes and provide transparency on how we align expenditure to customer expectations of service.

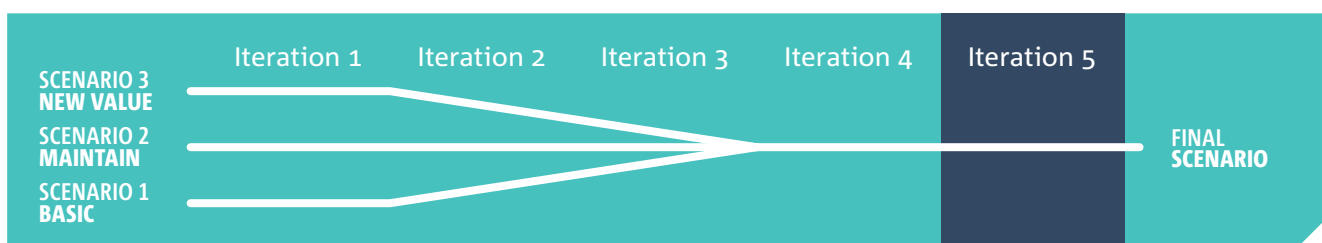


Whyalla Broad Engagement Workshop

Figure 3. Iterations in developing our forecast



PROVIDE TRANSPARENCY ON THE ITERATIVE PROCESS OF HOW EXPENDITURE FORECASTS HAVE BEEN SHAPED BY CUSTOMERS' EXPECTATIONS



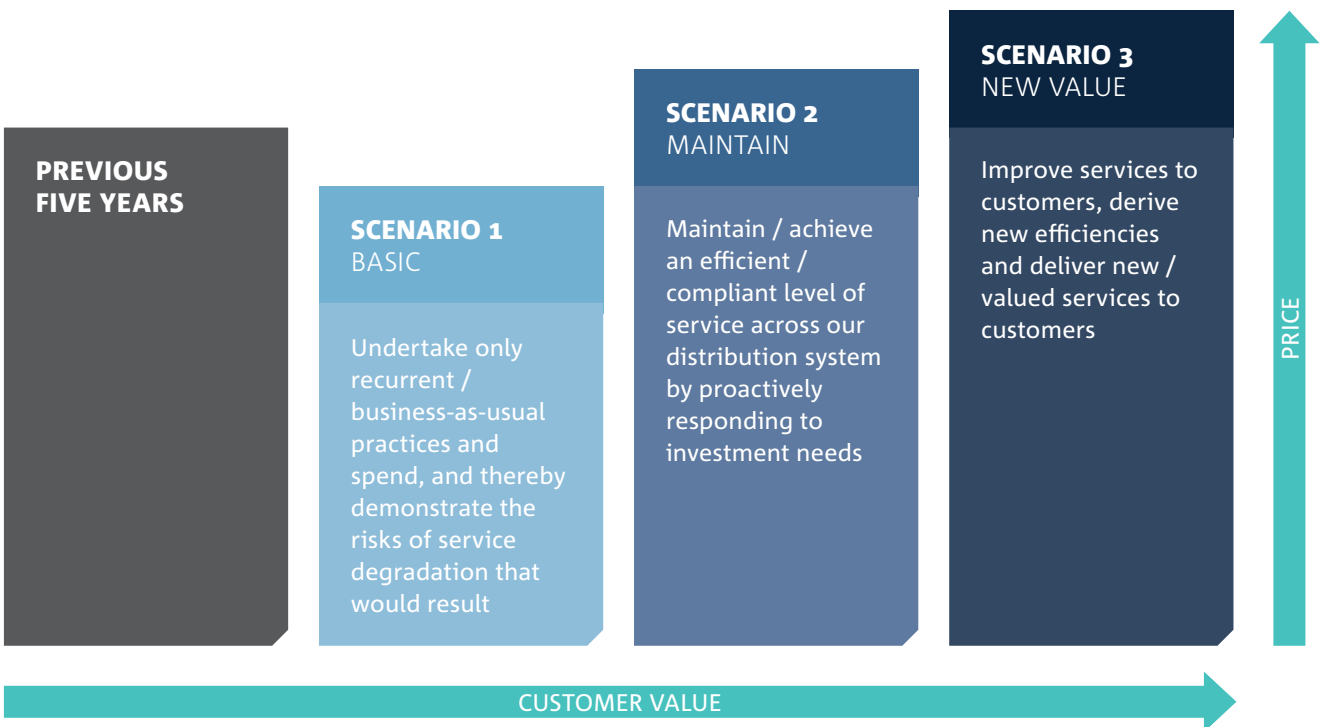
A notable change in our engagement approach from previous experiences, was to involve consumers throughout the entire process, rather than attempting to develop ‘the one right number’ and then trying to explain and seek support for our proposal. As a result, we:

- › took a ‘scenario’ approach to forecasting and engagement by providing three alternative scenarios in terms of what we could do and spend on the network in response to the key drivers facing our business:

1. a ‘Basic’ scenario - a base-case counterfactual where we set out what would occur if we reduced our expenditure to reflect recurrent or ‘business-as-usual’ practices.
2. a ‘Maintain’ scenario – where we essentially maintain current service levels and compliance.
3. a ‘New value’ scenario – where we achieve higher or differing service levels, or new services.

- › asked customers to recommend the service level and price outcomes balance they expect us to achieve in the 2025-30 period, and progressively refined our three forecast scenarios down to one scenario aligned to their expectations.

**Figure 4. Scenarios used to engage with stakeholders**

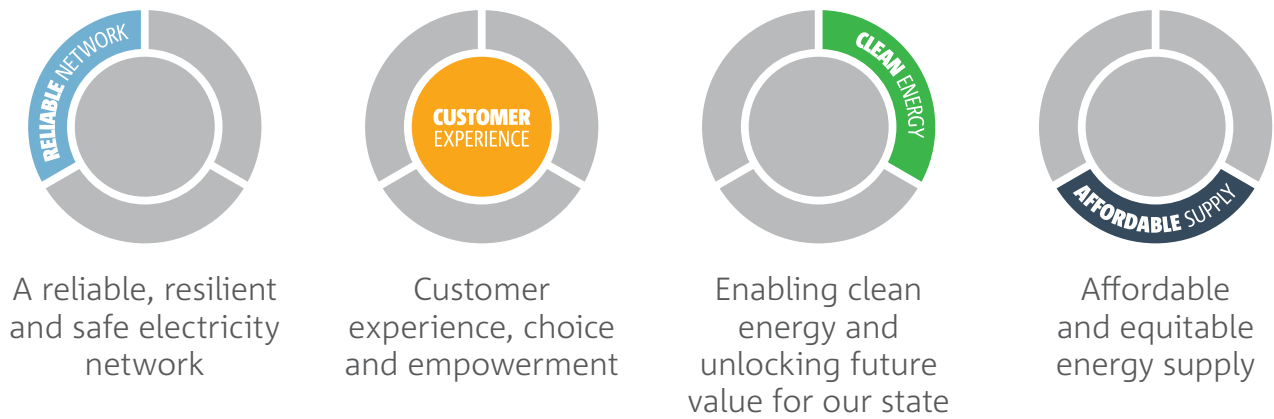


# 3. Key themes arising from the engagement

Throughout our engagement, four key themes continued to recur and were reinforced and refined at each stage. This included the need to:

- › **Maintain safety and reliability** – keep the lights on and minimise the risk of public harm from the failure or operation of network infrastructure.
- › **Deliver good service** – be easy to deal with and help customers navigate the complex choices they have in responding to the new energy future.
- › **Enable the clean energy transition** – since this is fundamental to mitigating climate change, and over the long-term, will result in significant reductions to customers’ energy bills.
- › **Keep the price as low as possible and play your part in improving equity** – because some customers are doing it particularly tough as interest rates and cost of living increases impact.

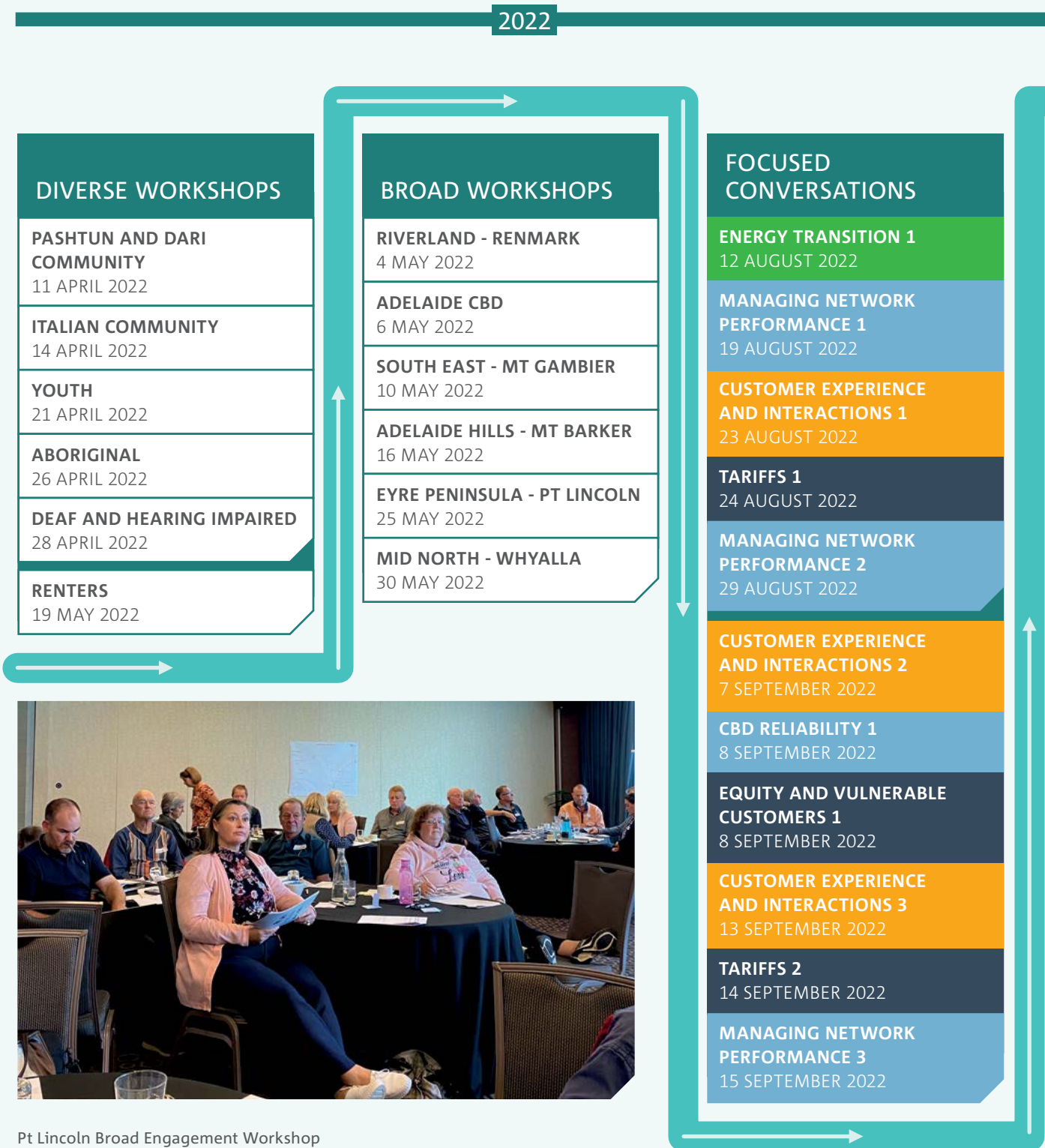
Figure 5. Key engagement themes



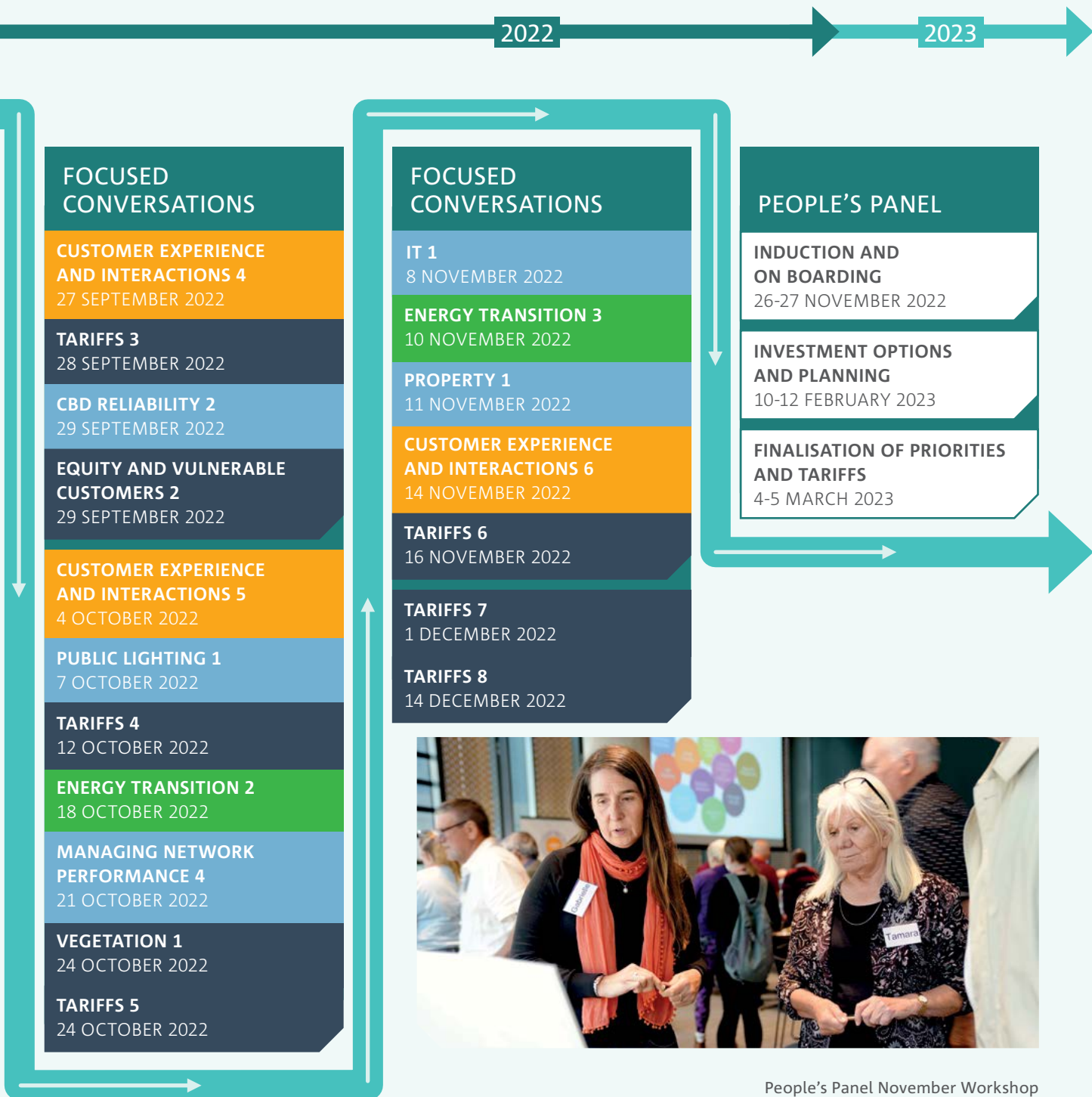
Within each theme, a number of sub-topics were identified which ended up forming the framework for our Focused Conversations. These were selected based on areas where:

- › Customers had genuine options and choices as to the services and service levels they might prefer, and these choices would have material impacts on expenditure and therefore customer bills; and/or
  - › The proposed expenditure differed materially from historical expenditure.
- The different phases of our engagement program are discussed in more detail in the following sections.

### 3.1 Engagement timeline







The following section provides a more detailed overview of each key engagement activity over 2022 and 2023.

### 3.2 Launch event (February 2022)

Our Engagement Program was launched in February 2022 with an online workshop to seek early input from our stakeholders on our proposed program, our four engagement themes and to understand priority topics for more detailed and focused conversations. The workshop was independently facilitated by external consultant Forethought, and was attended by 70 industry stakeholders and 38 SA Power Networks staff.

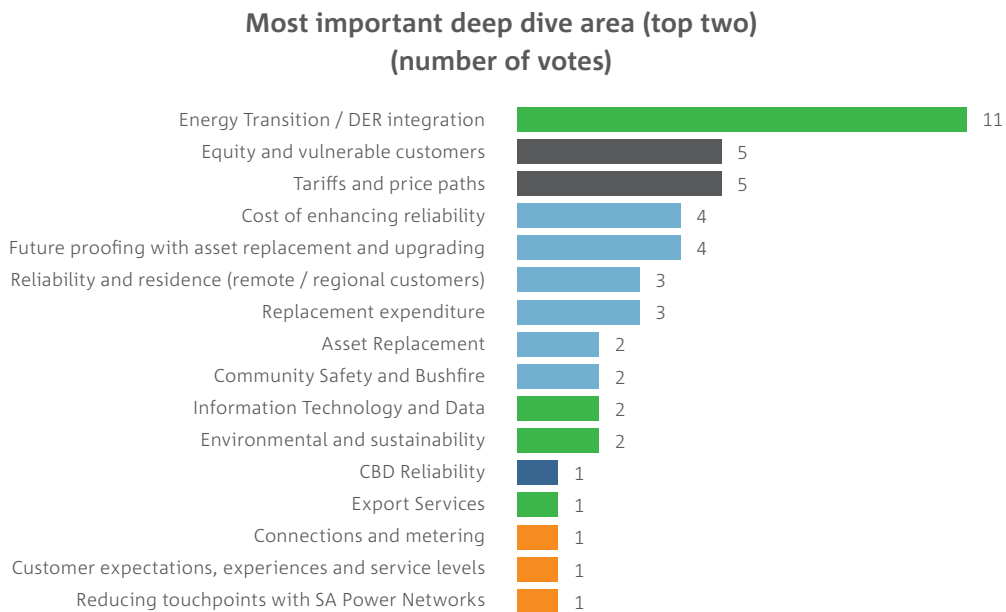
There was positive feedback on the engagement approach and the four themes were felt to be important areas for SA Power Networks to focus on during our engagement. Of the proposed themes, a reliable, resilient and safe electricity network was most important to stakeholders.

Stakeholders voted on the ‘deep dive’ (focused conversations) topics in terms of their importance for engagement. Energy transition

and Distributed Energy Resources integration was identified as the most important topic, followed by support for equity and vulnerable customers and tariffs and price paths. The prioritisation of the deep dive topics by stakeholders was the basis for the level of engagement on the IAP2 spectrum for the different focused conversations.

A summary of the outcomes is provided in Figure 6.

**Figure 6. Summary of outcomes on priority topics for further engagement**



### 3.3 Diverse stakeholder workshops (April - May 2022)

Early in 2022, a series of workshops were held to bring new voices to the 'future energy' conversation and involve members of our community who may otherwise not get involved or experience barriers to participation ('Diverse' workshops). This targeted engagement was not designed to be

inclusive to all groups, but rather focus on several target groups and leverage our existing relationships for detailed engagement.

The workshops aimed to provide a high-level conversation about electricity and future needs. The

sessions were externally facilitated, translators/interpreters were provided as required, and materials and formats were adjusted to meet specific needs. A targeted session for renters was added in response to specific stakeholder feedback.

**Table 3. Overview of diverse stakeholder workshops**

| Target community           | Date/time                      | Key issues raised/ explored                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pashtun and Dari Community | Monday 11 April<br>6-8pm       | <ul style="list-style-type: none"> <li>› Safety - Community safety, where seek advice</li> <li>› Access - Reducing the cost of solar and making it more accessible for all</li> <li>› Price - Affordable electricity and managing costs</li> <li>› Information - Simple and readily available information in a range of languages</li> </ul>                                                                                                                |
| Italian community          | Thursday 14 April<br>10am-1pm  | <ul style="list-style-type: none"> <li>› Advice - Building the relationship with SA Power Network as a trusted advisor</li> <li>› Access - Understanding the energy transition and making it affordable and accessible</li> <li>› EVs - Rollout of EVs and access to charging stations</li> <li>› Clean, reliable, affordable – the fundamentals!</li> <li>› Complexity – the industry is incredibly hard to navigate, retaining the human touch</li> </ul> |
| Youth                      | Thursday 21 April<br>1-3pm     | <ul style="list-style-type: none"> <li>› The basics - Sustainable, safe and affordable network</li> <li>› Climate change - Impacts of climate change</li> <li>› Input - Young people involved in decision-making</li> <li>› Access - Access to renewable options for young people and low income/ renters</li> <li>› Information - Access to unbiased information about choices and options</li> </ul>                                                      |
| Aboriginal                 | Tuesday 26 April<br>1-3pm      | <ul style="list-style-type: none"> <li>› Education - Aboriginal people educated and skilled in negotiating future impacted by climate change</li> <li>› Access - Awareness and access to renewables</li> <li>› Relationship - Building relationship between SA Power Network and Aboriginal communities, including ongoing communication</li> </ul>                                                                                                         |
| Deaf and Hearing impaired  | Thursday 28 April<br>10am-12pm | <ul style="list-style-type: none"> <li>› Access to information - Accessibility of information via assistive technologies and AUSLAN interpreters, information about EVs</li> <li>› Renewables - Subsidies for batteries</li> </ul>                                                                                                                                                                                                                          |
| Renters                    | Thursday 19 May<br>10am-1pm    | <ul style="list-style-type: none"> <li>› Access - Access to renewables and affordability, information (podcasts, social media, radio)</li> <li>› Choice - Flexibility in how and when people pay for their electricity</li> <li>› Safety - Network safety</li> </ul>                                                                                                                                                                                        |

### 3.4 Broad workshops (May 2022)

A series of regional workshop were held across South Australia to facilitate more detailed conversation with regional stakeholders and customers. The workshops were

longer in duration, allowing us to discuss localised issues and future planning aspirations. The sessions were framed around our four engagement themes and

stakeholders considered potential levels of investment and priority areas.

**Table 4. Overview of regional workshops**

| Location                | Date/time                        | Key issues raised                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Riverland - Renmark     | Wednesday 4 May<br>9.30am-3.30pm | <ul style="list-style-type: none"> <li>› <b>Local solutions</b> - local power requirements eg. water pumping, local storage capacity to meet local needs</li> <li>› <b>Reliability</b> - responsiveness to power outages</li> <li>› <b>Network management</b> - safeguards to maintain network functionality and improve resilience</li> <li>› <b>Energy transition</b> - renewable and sustainable energy</li> </ul>                                                                                                                                                                                                                        |
| Adelaide CBD            | Friday 6 May<br>9.30am-3.30pm    | <ul style="list-style-type: none"> <li>› <b>Reliability</b> - maintain reliability of network for vulnerable customers and businesses</li> <li>› <b>Vulnerable customers</b> – importance of supporting vulnerable customers</li> <li>› <b>Resilience</b> - cyber-attacks a key threat to network resilience</li> <li>› <b>Energy transition</b> - education and support for customers to transition to clean energy</li> <li>› <b>Meeting the basics</b> – safety, reliability and affordability</li> </ul>                                                                                                                                 |
| South East - Mt Gambier | Tuesday 10 May<br>9.30am-3.30pm  | <ul style="list-style-type: none"> <li>› <b>Resilience</b> - resilience of network to bushfires, cyber attacks and weather events</li> <li>› <b>Network management</b> - more preventative maintenance and monitoring of network, maintain strong foundation</li> <li>› <b>Retailers</b> - SA Power Networks working closely with retailers and issues with retailers</li> <li>› <b>Energy solutions</b> - community batteries, VPPs and microgrids</li> <li>› <b>Advocacy</b> - SA Power Networks role in clean energy transition</li> <li>› <b>Customer interaction</b> - personal, human customer service with local knowledge</li> </ul> |



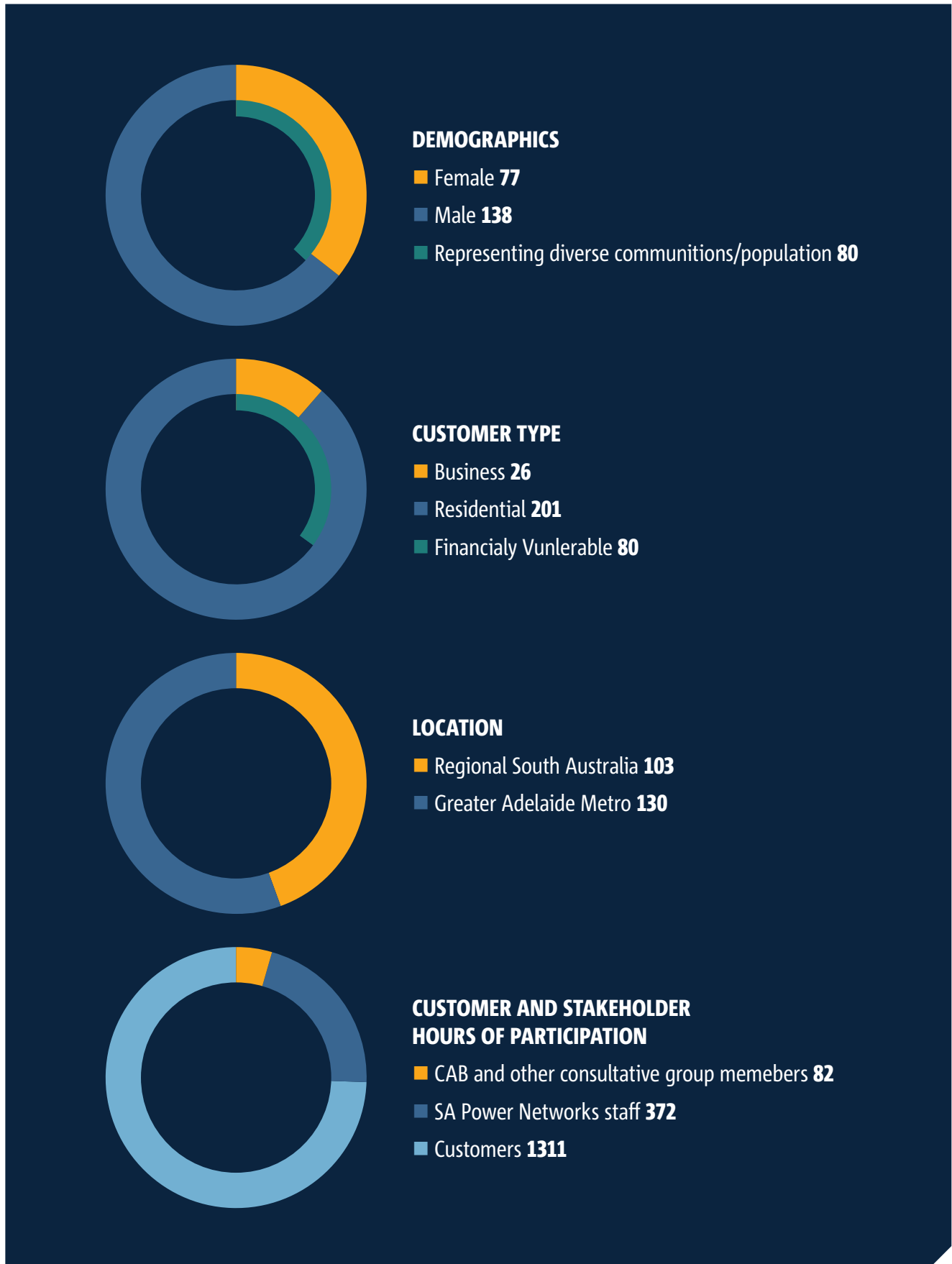
Mt Gambier Broad Engagement Workshop

| Location                       | Date/time                                | Key issues raised                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Adelaide Hills<br>- Mt Barker  | Monday 16<br>May<br>10am-4pm             | <ul style="list-style-type: none"> <li>› <b>External influences</b> - impact of world politics on reliability and security</li> <li>› <b>Vulnerable customers</b> - life support customer needs and access to generators</li> <li>› <b>Community safety</b> - rural specific safety issues and impact on stock control</li> <li>› <b>Investment</b> - increase in undergrounding and investment in smart cities technology</li> <li>› <b>Local Solutions</b> - local energy storage options, research and development</li> <li>› <b>Information</b> - simplification of industry and communication about role in energy transition</li> </ul> |
| Eyre Peninsula<br>- Pt Lincoln | Wednesday<br>25 May<br>9.30am-<br>3.30pm | <ul style="list-style-type: none"> <li>› <b>Investment</b> - infrastructure investment important</li> <li>› <b>Telecommunication</b> - telecommunication during outages key concern in regional areas</li> <li>› <b>Community safety</b> - education about farm safety</li> <li>› <b>Advocacy</b> - advocacy role of SA Power Networks is important</li> <li>› <b>Information</b> - advice and information on energy transition</li> <li>› <b>Local solutions</b> - leveraging local knowledge in region and local employment opportunities</li> </ul>                                                                                        |
| Mid North -<br>Whyalla         | Monday 30<br>May<br>9.30am-<br>3.30pm    | <ul style="list-style-type: none"> <li>› <b>Reliability</b> - reliability and equity of access, back-up capacity of telecommunications</li> <li>› <b>Access to information</b> - access to timely support and service</li> <li>› <b>Energy transition</b> – no-one left behind in the energy transition, access to solar and EV charging stations</li> <li>› <b>Support</b> - independent voice for consumers, listening to customers and supporting vulnerable customers</li> </ul>                                                                                                                                                          |



Mt Barker Broad Engagement Workshop

Figure 7. Broad and diverse workshops by the numbers



Numbers are based on self-reported data so may include errors

### 3.5 Focused Conversations (August - December 2022)

In the second half of 2022, more than 40 Focused Conversations were held on the 10 identified priority topics, aligned to different levels of engagement. The aim of these conversations was to engage on key

topics identified through our earlier engagement and narrow options on service and price outcomes. Our CAB Reset Sub-committee endorsed our priority topics and levels of engagement, based on the objective

of ‘focusing on what matters’. CAB Reset members also reviewed attendance lists to ensure the right subject matter experts were invited to participate.

**Table 5. Overview of Focused Conversations and level of engagement**

| Topic                                            | Level of Engagement     | Key Topics Discussed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tariffs                                          | Empower/<br>Collaborate | <ul style="list-style-type: none"> <li>› Consumption tariffs</li> <li>› Export tariffs and options for transition</li> <li>› Cost reflectivity</li> <li>› Total revenue recovery from tariffs</li> </ul>                                                                                                                                                                                                                                                                                                                    |
| Equity and vulnerable customers                  | Collaborate             | <ul style="list-style-type: none"> <li>› What could/should SA Power Networks do to support vulnerable customers?</li> <li>› A range of possible initiatives and programs               <ul style="list-style-type: none"> <li>› Solar as a service</li> <li>› Knock before you disconnect</li> <li>› Claims and damages process</li> <li>› Community energy fund</li> <li>› Vulnerable Customer Assistance Program</li> <li>› Life Support Customers</li> </ul> </li> <li>› The role of Government and retailers</li> </ul> |
| Energy transition                                | Collaborate             | <ul style="list-style-type: none"> <li>› Integrating and enabling customer value through Customer Energy Resources (CER)</li> <li>› Assisting to maintain system security</li> <li>› Meeting demand growth and enabling the transition to electric vehicles</li> <li>› Energy export and storage</li> <li>› Community energy / new energy services</li> <li>› Customer education</li> <li>› Transition to EV fleet – pathways and who pays?</li> </ul>                                                                      |
| Managing a reliable, resilient, and safe network | Collaborate             | <ul style="list-style-type: none"> <li>› Reliability and bushfire safety risks</li> <li>› Network and community resilience to changing weather</li> <li>› Security of supply (network capacity)</li> <li>› Assets and Work program (network asset management efficiency improvement)</li> <li>› Equity and improving service levels for worst served customers and regions</li> <li>› Role of non-network, community-based solutions and the need for partnerships</li> </ul>                                               |

| Topic                                | Level of Engagement     | Key Topics Discussed                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CBD Reliability                      | Collaborate/<br>Involve | <ul style="list-style-type: none"> <li>› Jurisdictional reliability standards</li> <li>› Cable replacement</li> <li>› Remote monitoring and feeder automation</li> <li>› Safety requirements of CBD work and current operational constraints</li> </ul>                                                                                                      |
| Customer experience and interactions | Collaborate/<br>Involve | <ul style="list-style-type: none"> <li>› Energy Advisory service</li> <li>› Personalised and on demand services</li> <li>› Customer Service Measures and Incentives</li> <li>› Connections policy and procedures</li> </ul>                                                                                                                                  |
| Vegetation Management                | Consult                 | <ul style="list-style-type: none"> <li>› Undergrounding in bushfire risk areas</li> <li>› Woody weed and sapling removal</li> <li>› Appropriate species selection</li> <li>› Regulatory clearance requirements for bushfire and non-bushfire risk areas</li> <li>› Customer education on clearance requirements and appropriate species selection</li> </ul> |
| IT Cyber Security                    | Consult                 | <ul style="list-style-type: none"> <li>› Cyber security</li> <li>› IT as a supporting function in provision of customer services</li> </ul>                                                                                                                                                                                                                  |
| Property                             | Consult                 | <ul style="list-style-type: none"> <li>› Renewal and refurbishment of property assets</li> <li>› Strategic projects responding to asset age, work volume, operational efficiencies</li> </ul>                                                                                                                                                                |
| Financial Fact Sheets                | Consult                 | <ul style="list-style-type: none"> <li>› Tax, rate of return, depreciation, inflation, regulatory asset base</li> </ul>                                                                                                                                                                                                                                      |

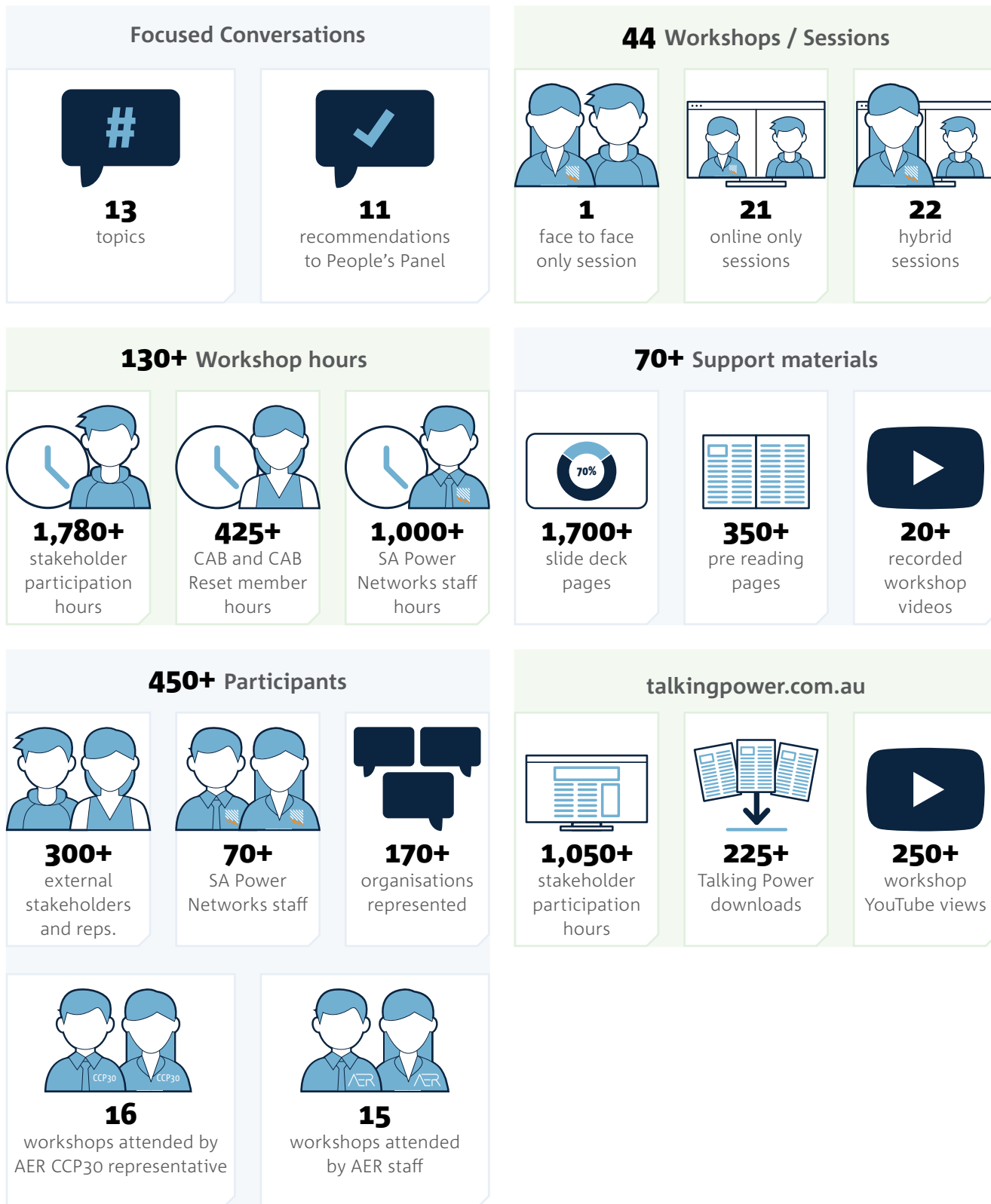
We leveraged the expertise and subject matter experts within our business-as-usual consultative group structure in the Focused Conversations stage. This enabled more detailed and nuanced exploration and discussion on service levels and price impacts for each of the 10 topics identified. The CAB Reset provided advice and suggestions on participants and representations to ensure we

had the “right mix of people and representation” attending, including a focus on vulnerable customers and business representatives. For example, the vegetation management Focused Conversations invited members from the Arborist Reference Group, Advisory Committee for Appropriate Species Selection and Local Government Association Working Group.

For the Customer Service Incentive Scheme, this topic was not the subject of a Focused Conversation or deliberated at the People’s Panel. Instead, we leveraged our existing BAU engagement model, consulting with our Community Reference Group and CAB in regard to future customer service measures.



Figure 8. Focused Conversations key statistics



Three expenditure scenarios were developed for each Focused Conversation to help frame our engagement and facilitate discussion on a preferred recommendation for the People’s Panel. This allowed stakeholders to explore the trade-offs in the service outcomes posed by the different scenarios on network investments. This approach allowed stakeholders to understand the expenditure requirements and price outcomes needed to maintain or improve customer outcomes and provide transparency on how we align forecast expenditure to customer expectations.

For each Focused Conversation topic, a range of potential initiatives was workshopped and a recommendation on the preferred investment scenario and expenditure level was identified.

The recommendations from each Focused Conversation provided the following to People’s Panel participants:

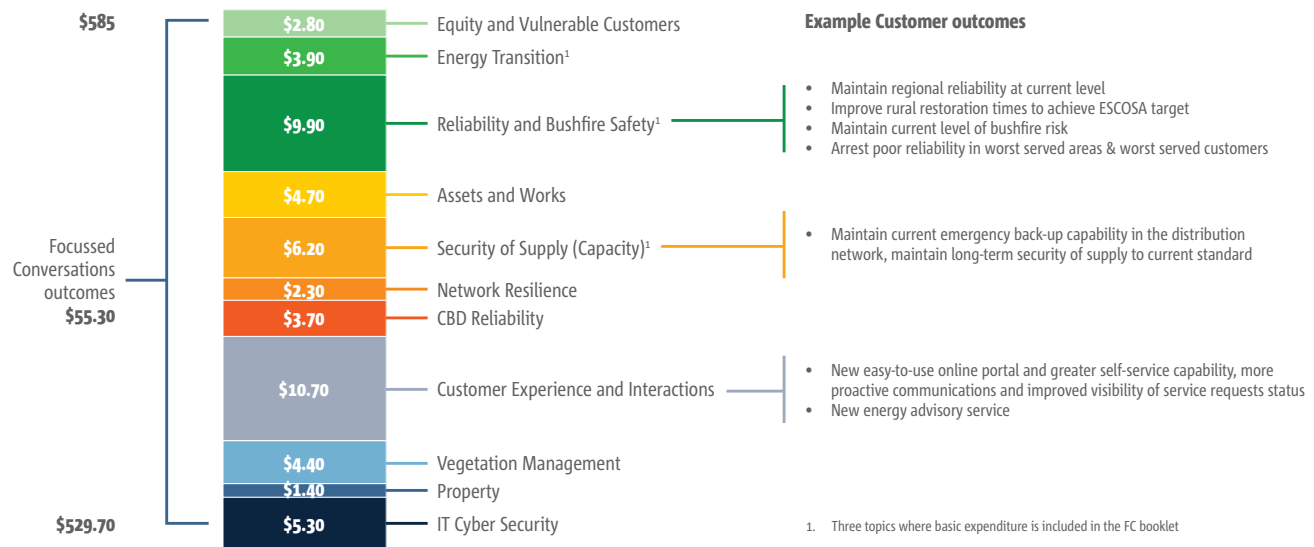
- › The recommended service outcome/ investment option.
- › An overview of why the preferred option was recommended.
- › The other service offerings/ initiatives that were explored through the Focused Conversation but not recommended for investment.
- › The key questions, contentious issues and divergent views discussed during the Focused Conversation to arrive at the recommendation.
- › Other options considered.

- › Focused conversation participant list.
- › Suggestions for expert witnesses and subject matter experts.
- › Any other additional information considered important for the People’s Panel.

All Focused Conversation recommendations were made publicly available on the Talking Power, our website for Regulatory Proposal engagement.

Figure 9 below shows the total residential bill information. This information was generated from the focused conversation recommendations and presented to the People’s Panel to provide an understanding of the total bill implications.

**Figure 9. Total (average) residential distribution bill (\$ p.a) information (March 2023)**



### 3.6 People's Panel (November 2022 - March 2023)

The deliberative People's Panel was the culmination of our reset engagement program.

Our CAB Reset Sub-committee were instrumental in the review and final endorsement of the People's Panel Engagement Strategy.

A 51-member Panel was recruited to represent the diversity of South Australia and balance service levels and price across the range of service topics. The panel was independently recruited and facilitated by DemocracyCo who are a leading deliberating democracy consultancy.

Recruitment to the panel was based on criteria identified to ensure the diversity of the SA community was represented, including age, gender, socio-economic status, location (regional/ metro) and regional diversity, solar vs non-solar, level of knowledge (informed / partly informed and un-informed) and beliefs. In addition, two specific groups were identified by the CAB Reset as being important to ensure their voices were heard within the

process - vulnerable customers and diverse businesses - low, medium, and high business consumers of electricity. The involvement of the business sector was considered key to the whole People's Panel but also specifically tariffs as the transition arrangements for introducing export tariffs will also impact businesses.

Business SA and SACOSS worked with us to ensure the voices of business and vulnerable customers was included as key part of the process.

The Panel considered the following two questions:

1. There are choices about the level of service that SA Power Networks offers, however all services come at a cost. Looking forward to 2025-30 – we want to understand what customers consider is the best balance of service and price?
2. Regulation requires SA Power Networks to consider export tariffs that reflect the cost of providing this service. How can the transition be phased in to maximise fairness and equity for all?

The Panel considered each recommendation from the Focused Conversations, and the overall impacts of service and price. Following 6.5 days of deliberation, the Panel presented the SA Power Networks Executive Leadership Team with their final recommendations.

Of the 27 recommended initiatives from the 10 Focused Conversation topics deliberated, the Panel reached consensus on 25 but was unable to reach a consensus view on two. In developing our Draft Proposal, we adopted the Panel's recommendations with minor exceptions and for the two initiatives where consensus wasn't reached, we referred back to the Focused Conversation outcome for one, and we are in discussions with the South Australian Government for the second.

**Table 6. People’s panel recommendations**

| <b>Topic</b>                         | <b>Total cost</b> | <b>PP recommendation</b>                              | <b>Description</b>                                                                                                                                                   |
|--------------------------------------|-------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity and vulnerable customers      | \$23M             | <b>Decrease</b><br>(with no consensus on one program) | The Panel did not support all the initiatives proposed by this Focused Conversation.                                                                                 |
| Energy Transition                    | \$82M             | <b>Support</b>                                        | Supported all recommendations from the Focused Conversation.                                                                                                         |
| Reliability and Bushfire Safety      | \$279M            | <b>Support</b>                                        | Supported all recommendations from the Focused Conversation.                                                                                                         |
| Assets and Works                     | \$45M             | <b>Support</b>                                        | Supported all recommendations from the Focused Conversation.                                                                                                         |
| Network resilience                   | \$25M             | <b>Support</b>                                        | Supported all recommendations from the Focused Conversation.                                                                                                         |
| Security of supply (capacity)        | \$184M            | <b>Support</b>                                        | Supported all recommendations from the Focused Conversation.                                                                                                         |
| CBD Reliability                      | \$90M             | <b>Support</b>                                        | Supported all recommendations from the Focused Conversation.                                                                                                         |
| IT Cyber Security                    | \$44M             | <b>Increase</b>                                       | The Panel didn’t support the Focused Conversation recommendation and instead proposed increased investment to manage what they consider to be increasing cyber risks |
| Property                             | \$35M             | <b>Support</b>                                        | Supported all recommendations from the Focused Conversation.                                                                                                         |
| Vegetation Management                | \$96M             | <b>Decrease</b>                                       | The Panel did not support all the initiatives proposed by this Focused Conversation.                                                                                 |
| Customer Experience and Interactions | \$77M             | <b>Decrease</b><br>(with no consensus on one program) | The Panel did not support all the initiatives proposed by this Focused Conversation.                                                                                 |

The Panel also failed to reach consensus in relation to question 2, the introduction of export tariffs. As the People’s Panel was not able to reach consensus, SA Power Networks is adopting the recommendation from the Focused Conversations workshops. This approach is supported by both our CAB and CAB Reset Sub-Committee, and our Tariff Working Group.

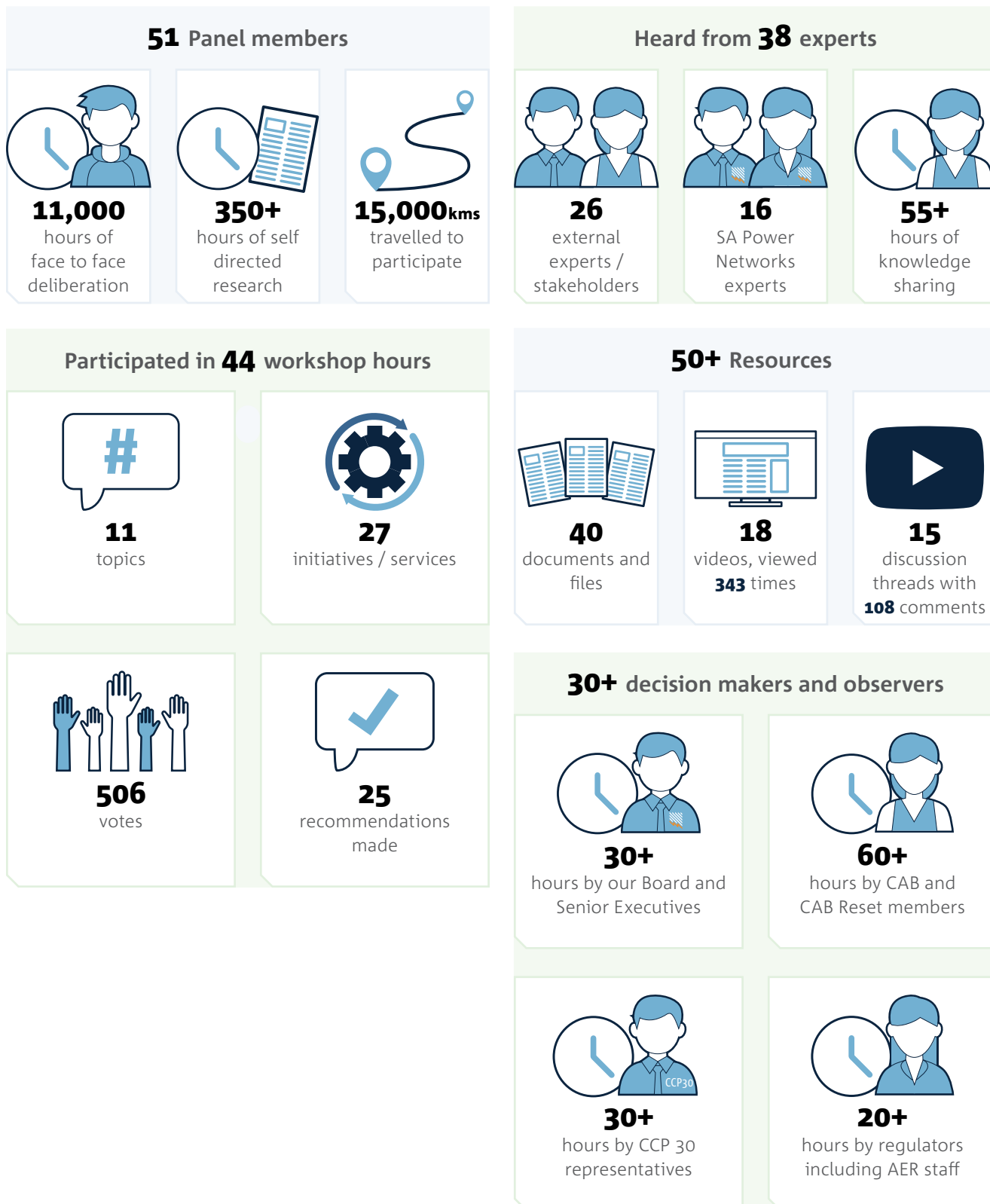
We propose to introduce export tariffs for all residential and business customers with small embedded generation (solar and/or battery systems less than 30kW in capacity), from 1 July 2025. No export tariffs will be applied for medium to large exporting customers (greater than 30 kW in capacity) – who typically connect at higher voltages in our network (where there is no congestion forecast) and pay up-front towards any capacity required to support their individual connections.

Nonetheless, the strong consensus reached by the Panel on the vast majority of topics – particularly when paired with the broad consistency between their recommendations and those of the Focused Conversations as well as subjective guidance provided by customers during our Broad and Diverse engagement – gave us confidence that their recommendations could be relied upon in forming up our Regulatory Proposal.

The Panel in their final report stated:

*“We strongly recommend SA Power Networks present this report verbatim to the Australian Energy Regulator (the Regulator) as part of their submission. We would further recommend that the Regulator give significant consideration to the views of the Panel, as the representatives of SA Power Networks’ customers.”*

Figure 10. People’s Panel key statistics



# 4. Customer Values Research

While the Focused Conversations asked participants to make investment recommendations based on a series of workshops and sessions, the Customer Values Research tested how much customers might be willing to pay for different levels of service across seven topics.

The research themes were identified through the previous stages of the customer engagement program and the outcomes of this research fed into the deliberations of the People’s Panel.

The key objective was to quantify customer demand for services that do not have established or published figures or methodology for expressing customer preferences in monetary terms. This included:

- › What services and outcomes customers value and are willing to pay for?

- › The relative importance of service outcomes, ie. how services are traded-off?
- › How customer value and their willingness to pay changes across a range of socioeconomic, demographic and other factors

The discrete choice experiment (DCE) approach was used as the basis of the SA Power Networks customer values research and conducted via an online survey supported with informational videos. DCE is recognised as best-practice for consumer choice modelling.

The CAB Reset Sub-committee provided valuable input into the final design of the survey, in particular the language/text used and the inclusion of alternative ways (eg. short videos) to help provide key information for respondents.

The research sought to understand residential and small business customer values across four service levels for each of the seven services tested - the current service level (the level of service provided if current expenditure levels are maintained) and up to three alternative service levels. Table 7 summarises the services and service level outcomes tested through the survey.

A speciality economic consultancy Marsden Jacob Associates were engaged to conduct best practice methodology research.



Table 7. Service Areas and Levels/Outcomes Tested

| Service area<br>(click on hyperlink to view video containing service description)                              | Current service level                                                                                          | Alternative service levels tested                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">Customers experiencing service interruptions in worst-served areas</a>                             | <b>90,000 customers a year</b><br>(10% of all customers).<br>12 hours of interruptions a year per customer.    | <b>25,000 to 110,000 customers a year</b><br>(3% to 12% of all customers).<br>9-15 hours of interruptions a year per customer.                                              |
| <a href="#">Customers experiencing service interruptions to stop powerlines starting fires</a>                 | <b>5,000 customers a year</b><br>(0.56% of all customers).<br>6-12 hours of interruptions a year per customer. | <b>1,000 to 7,000 customers a year</b><br>(0.11% to 0.78% of all customers).<br>6-12 hours of interruptions a year per customer.                                            |
| <a href="#">Customers who may experience service interruptions longer than 24 hours due to extreme weather</a> | <b>60,000 customers a year</b><br>(7% of all customers).                                                       | <b>30,000 to 54,000 customers a year</b><br>(3% to 6% of all customers).                                                                                                    |
| <a href="#">Energy advisory services</a>                                                                       | <b>Limited Energy Advisory service</b><br>No online portal.<br>No phone support.                               | <b>Personalised Energy Advisory service.</b><br>Online portal.<br>Limited to comprehensive phone support.                                                                   |
| <a href="#">Website services</a>                                                                               | <b>Limited personalised on-demand website services.</b>                                                        | <b>Personalised on-demand services.</b><br>Limited to comprehensive self-service.<br>No automated to highly automated responses, eg, receiving immediate connection quotes. |
| <a href="#">Carbon emissions from SA Power Networks' vehicle fleet by 2030</a>                                 | <b>8,000 tonnes a year</b><br>(Equivalent to emissions from 1,725 cars a year).                                | <b>3,600 to 4,800 tonnes a year</b><br>(Equivalent to emissions from 775 to 1,035 cars a year).                                                                             |
| <a href="#">Number of hours that customers' solar system exports are reduced</a>                               | <b>No more than 875 hours a year</b><br>(30% of daylight hours).                                               | <b>No more than 60 to 290 hours a year</b><br>(2% to 10% of daylight hours).                                                                                                |

Survey participants were recruited via several mechanisms including:

- › personalised email to randomly drawn customers from the SA Power Networks customer database.
- › email to registered users of SA Power Networks' Talking Power website.
- › promotional article in Business SA's regular e-newsletter targeting small businesses.
- › email to unsuccessful applicants for SA Power Networks' People's Panel.
- › an online panel operated by a third party.

A total of 1,390 respondents completed the survey including 1,250 residential and 140 small business customers. Figure 11 and Figure 12 summarise the profile of respondents.

**Figure 11. Profile of Residential customer respondents**

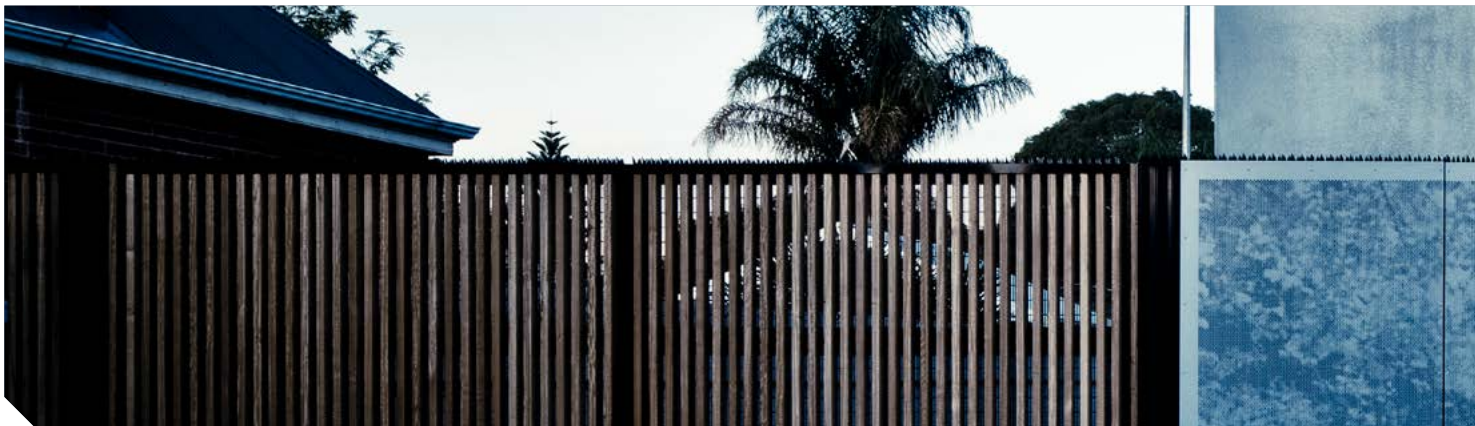
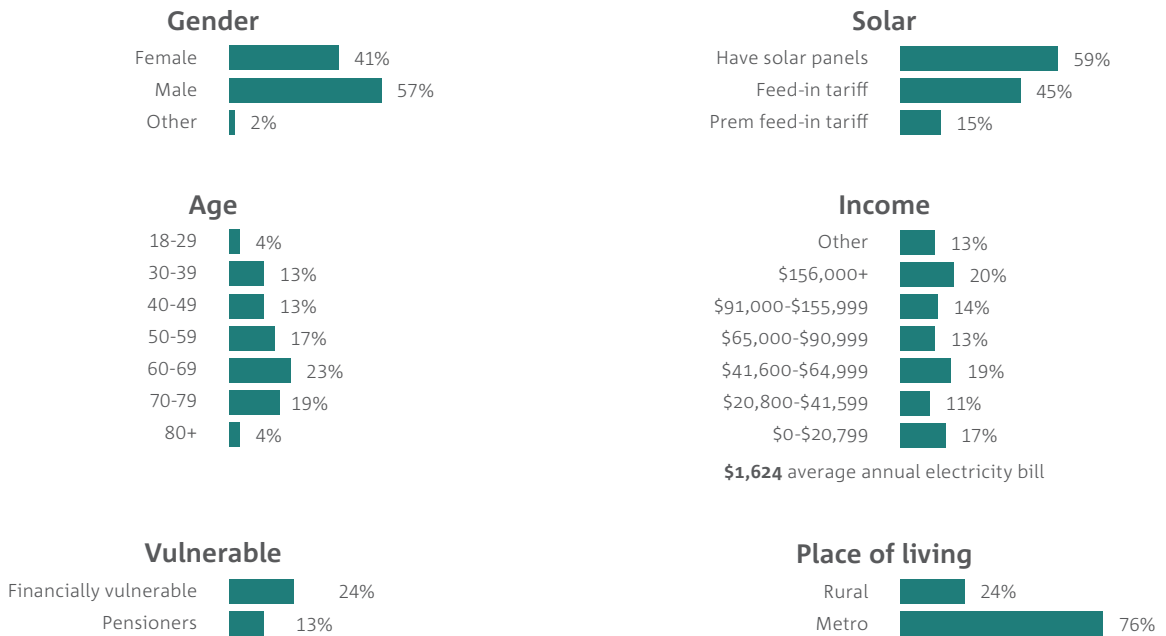
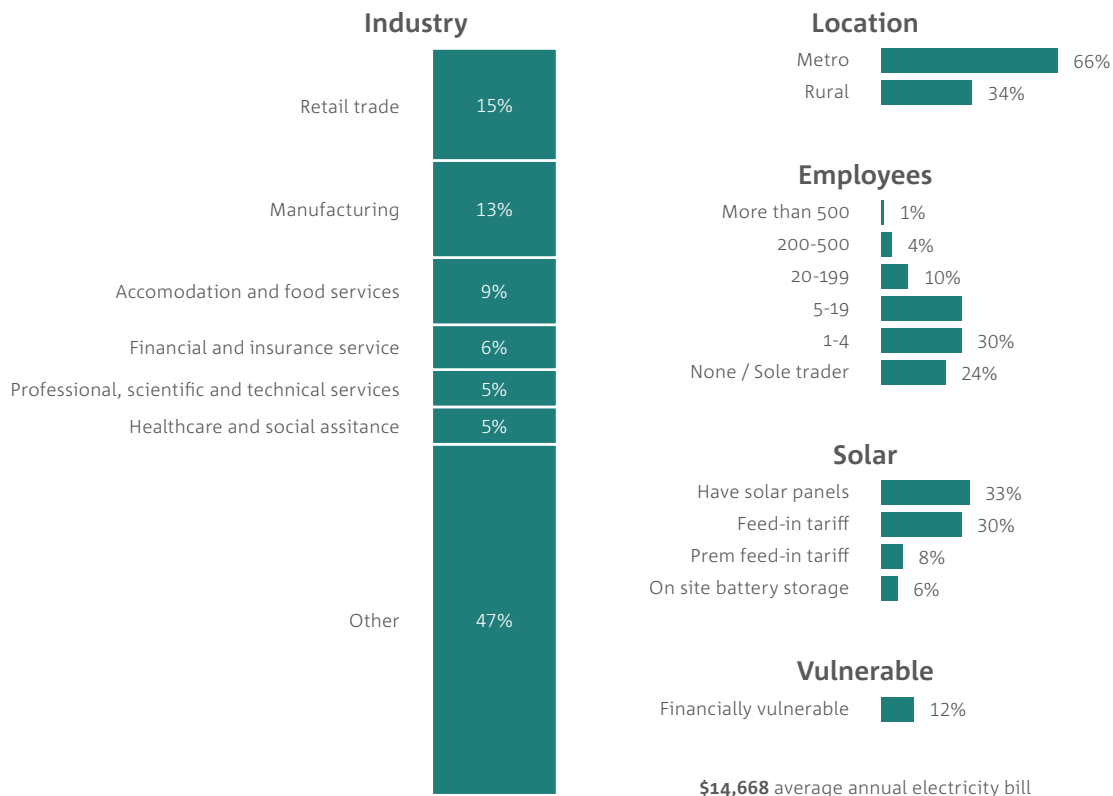




Figure 12. Profile of Small Business customer respondents



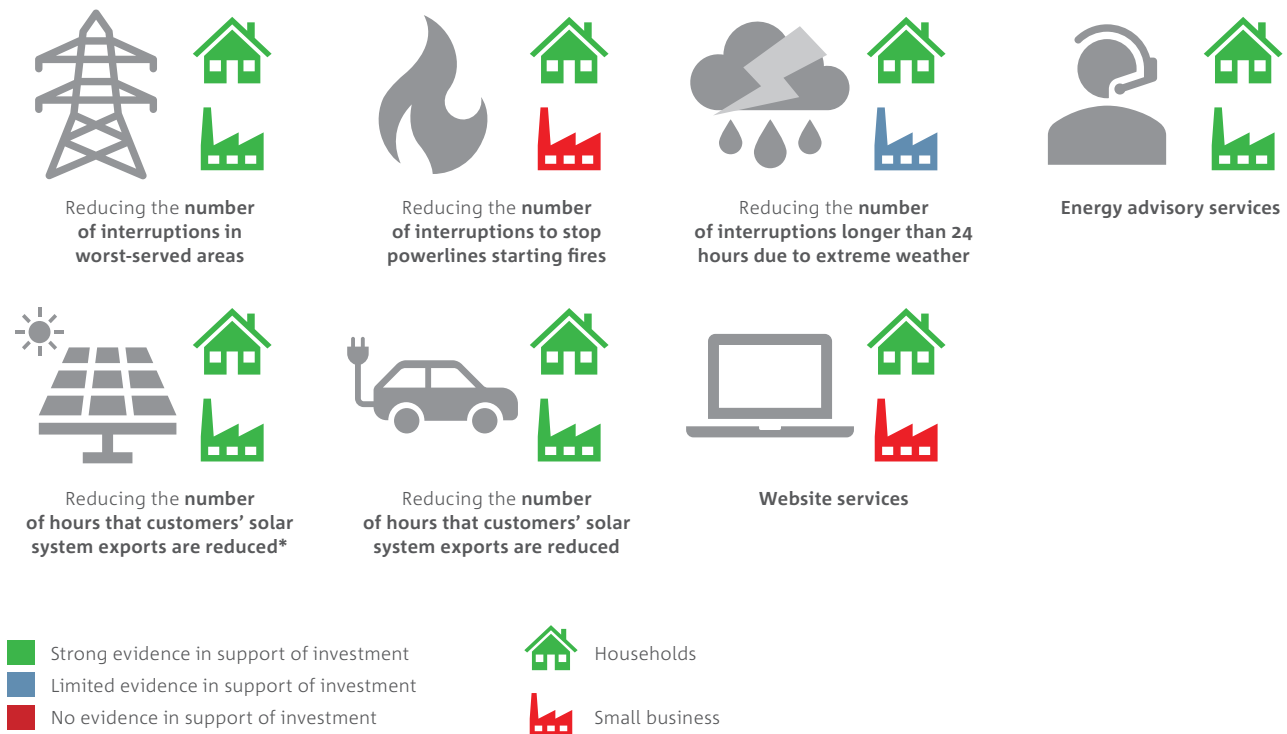
## 4.1 Summary of findings

Figure 13 provides a summary of customer preferences and willingness to pay across the seven services tested, using a traffic light approach to indicate the level of support (green indicates high level of support across all service levels tested, orange indicates mixed or limited levels of support across the levels tested, and red indicates no support for the service levels tested or insufficient evidence to draw a conclusion).

In general, residential customers showed strong support for improvements in service levels, and a commensurate increase in average bill, for all services tested except for solar customers that receive the Government’s Premium Feed-In solar Tariff, which showed negative willingness to pay for any change in the service levels for solar exports.

Small businesses showed limited support for investments to reduce the number of interruptions longer than 24 hours due to extreme weather and no support for reducing the number of interruptions to stop powerlines starting fires or improving website services. There was insufficient data to form a conclusion for small business preferences relating to reducing the number of hours that customers’ solar system exports are reduced.

**Figure 13. Summary of Customer Willingness to Pay**



\*Except solar PV fit customers

# 5. Talking Power

Our Talking Power website ([www.takingpower.com.au](http://www.takingpower.com.au)) is our website for our Regulatory Proposal engagement and provided our customers with access to information on all aspects of the engagement program, as well as information on how to engage with us and how we engage with our key stakeholders as part of our formal consultative group structure.

The Talking Power website hosted the materials used during the Regulatory engagement process, including briefing papers, participant packs, PowerPoint presentations, videos, and short clips to inform customers about the engagement process and the regulatory framework. It also

shows key themes, key documents, and tracks the development of three recommendations from one part of the process to the next.

The website provides a valuable resource that allows customers and independent observers to view recordings of workshops and forums throughout the process and review materials provided to participants.

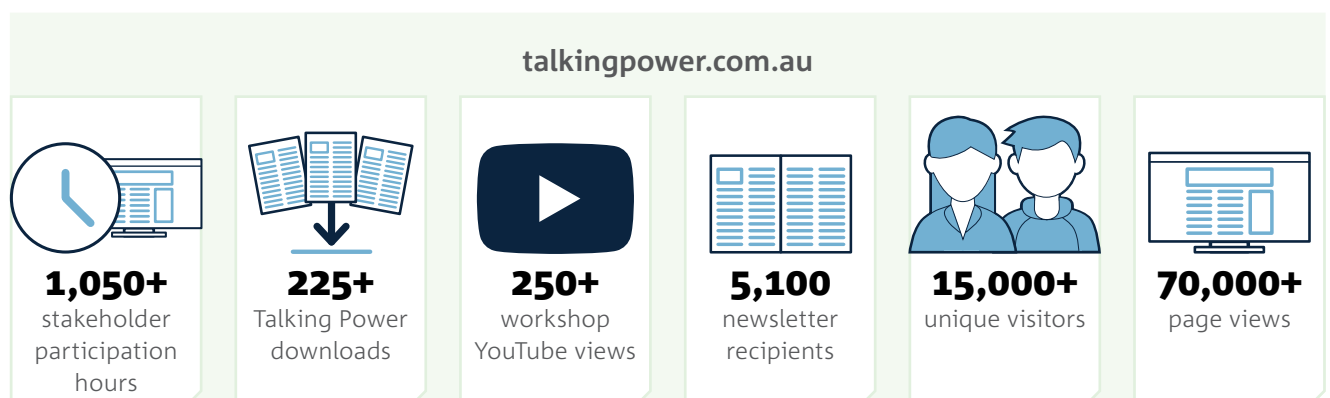
Regular Talking Power newsletters are also distributed bi-monthly providing our registered database of 5,100 recipients updates on reset, as well as other key initiatives or projects within the business.

The Talking Power website is a key component of our engagement platform and between 1 January

2022 and 31 October 2023, the Talking Power website received 15,262 visitors and 20,607 site visits, suggesting that 1 in 4 visitors were a return visitor, and over 70,000 page views. Of these, 11,816 visitors (77% of total visitors) were to reset related pages. Website analytics data suggests a correlation between our engagement activities and website activity. For example, nearly 3% of all website page views occurred in the three week period in October 2022, when we were recruiting for both our Customer Values Research survey and People's Panel participants.

Fifty-six percent of Talking Power website visitors were direct (they typed in the URL), with a further 31% referred via a search engine (eg. Google).

Figure 14. Overview of Talking Power usage



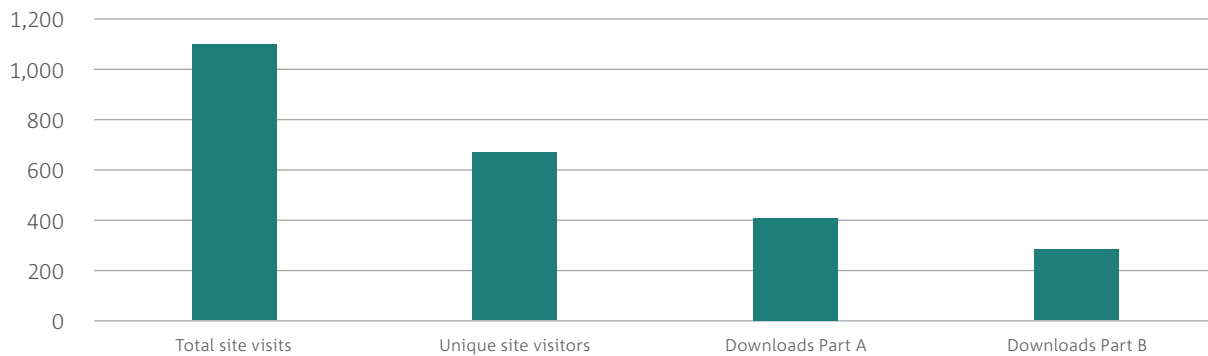
# 6. Summary of Draft Proposal feedback

Feedback on our Draft Proposal was sought for five weeks, between 26 July and 31 August 2023. We wanted to know if customers thought our Draft Proposal reflected what they had told us during our engagement, and whether we had the right service/price balance.

Feedback was channelled via Talking Power, where people could download Parts A and Parts B of the Draft Proposal, complete a survey or upload a formal response. During the 5-week consultation period, the dedicated webpage achieved over 1.1k site visits and nearly 700 unique

visitors. In addition, over 400 people downloaded the Draft Proposal (Part A) during this period.

**Figure 16. TalingPower.com site visitors (26 July - 31 August)**

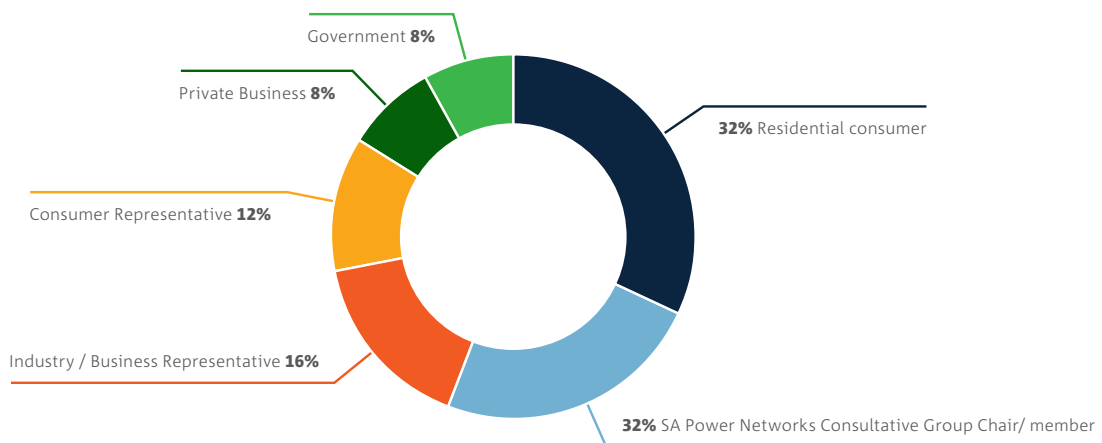


A total of 25 submissions were received – including 12 formal submissions, seven emails and six responses to our Talking Power survey. Feedback was received

from a broad cross section of views represented across residential and business customers and other stakeholder groups. 68% of respondents had participated in one

or more of our reset engagement activities. All submissions are available via our Taking Power website.

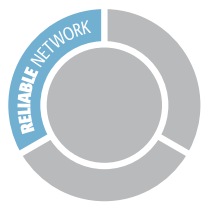
**Figure 17. Responent by type**



## 6.1 In summary

- › People’s Panel representatives confirmed the Draft Proposal reflects their recommendations and they are still relevant.
- › Several stakeholders have very specific issues that we will address individually.
- › Several stakeholders recommended affordability and the price/service balance be reconsidered.
- › Support for vulnerable customers highlighted as a priority by several consumer representatives.
- › Diverse views on the introduction of Export Tariffs.

## 6.2 Summary by theme



Mixed support across this theme. High levels of support for resilience expenditure including to prevent high impact low frequency events and bushfires. Two key stakeholders have questioned the significant capital investment proposed and have suggested this expenditure be reduced or delayed.



Mixed support for investments to improve customer experience – majority support but some questioned the need for related IT system investments. Majority support for the Customer Incentive Service Scheme (CSIS).



High levels of support for proposed investments to support the energy transition, adoption of flexible loads and our approach to transitioning our vehicle fleet. Export tariff remains contentious, supported by consumer representatives as equitable but opposed by a number of individual consumers. Mixed view within business representatives.



High levels of support for expanding Knock b4 you disconnect program. Mixed support for the innovation fund, some stakeholders support and proposed funding priority areas. Others questioned the need for this (at customer expense) in current economic climate. Majority satisfied that the Draft Proposal appropriately balances the price/service trade-off.

# 7. How we responded to feedback

**Table 8. Affordable and equitable energy supply**

| What we heard                                                                                                                                                          | Our response                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Affordability and price/ service trade off                                                                                                                             | Overall service/price balance was deliberated on and agreed by the representative People’s Panel, and tested again in Draft Proposal                                                                        |
| Solar export tariffs will benefit vulnerable customers                                                                                                                 | Proposed introduction of a solar export tariff to reduce costs for customers who don’t have, or can’t access, solar                                                                                         |
| Knock before you disconnect                                                                                                                                            | Removed specific program and is being pursued internally and with retailers to support vulnerable customers avoiding disconnections.                                                                        |
| SA Power Networks should play an advocacy role                                                                                                                         | Customers encouraged SA Power Networks to continue to advocate for improved outcomes for customers experiencing vulnerability and SA Power Networks has become a full signatory to the Energy Charter       |
| Ensure no-one is left behind in the energy transition, particularly vulnerable customers and those who aren’t able to access solar and other Customer Energy Resources | Working with State Government as part of Green Paper process to encourage solar programs and improved energy efficiency                                                                                     |
| Consider further ways to support vulnerable customers                                                                                                                  | We have iterated costs down through all engagement stages, despite facing several externally driven scope increases. Removed two specific programs and will look to self-fund vulnerable customer programs. |



Whyalla Broad Engagement Workshop

**Table 9. A reliable, resilient and safe network**

| <b>What we heard</b>                                                                         | <b>Our response</b>                                                                                                                             |
|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintain average regional reliability and state-wide bushfire risk                           | Increased replacement of deteriorating network assets to maintain current bushfire safety risk and geographic region reliability service levels |
| Address the ageing assets issue in an efficient manner                                       | We will continue to invest in our Assets and Work program to deliver network investment more efficiently                                        |
| CBD reliability needs to be addressed to meet reliability targets and attract investment     | Targeted program to restore CBD reliability to regulated target                                                                                 |
| Reliability and equity for worst serviced customers                                          | Targeted Programs to improve reliability for our worst served customers in regional areas (where economic)                                      |
| Support for investment in network and community resilience                                   | New mobile generators to reduce impact of long duration outages for regional/remote customers                                                   |
| Reduce bushfire risk particularly given climate change and increased risk                    | Targeted programs to reduce the risk of bushfire (where economic) and reduce the impact of emergency power shutoffs                             |
| Security of supply is important for customers, particularly as demand is increasing          | Powerline and substation upgrades to maintain system security in light of increased customer demand                                             |
| Increased threat from cyber security and the critical role of electricity                    | New measures to exceed Australian Energy Sector Cyber Security Framework obligations by 2030                                                    |
| Property and Fleet upgrades needed to meet compliance and provide a safe working environment | Fleet and Property upgrades (including new vehicles and depots), to meet the additional capacity required for the proposed network work plan    |
| Keeping the skills in SA is important for ongoing sovereignty                                | New transformer workshop                                                                                                                        |

**Table 10. Customer experience, choice and empowerment**

| <b>What we heard</b>                                                             | <b>Our response</b>                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Demand for more timely, accurate and personalised online services                | Replacing multiple legacy customer facing solutions with a consolidated, secure and fit for purpose solution                                                                                                                                           |
| Ensuring customer experience meets customers needs                               | New Customer Service Incentive Scheme proposed to incentivise: <ul style="list-style-type: none"> <li>› resolving customer enquiries on the first customer contact</li> <li>› providing more timely information on outage restoration times</li> </ul> |
| Flexible connections options to enable increased customer energy resources       | Connections Policy changes to cater for firm and flexible load connection services and for flexible generation connection services to support a two-way network                                                                                        |
| The industry is complex and customers are seeking independent and trusted advice | We will continue to advocate for energy advisory as part of our submission to the Government’s Green Paper process                                                                                                                                     |

**Table 11. Enabling clean energy and unlocking future value for our state**

| <b>What we heard</b>                                                                     | <b>Our response</b>                                                                                            |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Increase the networks capacity for solar and investment to support the energy transition | Network upgrades to keep solar curtailment below 5% for most customers                                         |
| Customers strongly supported the transition to EVs and decarbonisation                   | A gradual, cost-neutral approach, phasing in EVs as it becomes economic to do so                               |
| Customers had mixed views about the introduction of an export tariff                     | All Export Customers with systems up to 30kW in capacity will be assigned to an export tariff from 1 July 2025 |



# 8. Evaluation and ongoing engagement

SA Power Networks committed and implemented a comprehensive engagement program over two years. We believe that our Regulatory Proposal provides the balance between service levels and price that reflects what our customers told us through this engagement program.

While our engagement was a significant step in terms of effort and complexity and we adopted new approaches to engage with customers on matters that impacted them the most, there is always the opportunity to improve and learn for future engagement activities. Participant evaluation was undertaken at the end of each key engagement stage to gain direct feedback from participants on the engagement activity in the context of our engagement principles. A summary of this feedback is provided below.

Approximately 200 people across three activities – 131 participants in our broad and diverse workshops,

46 participants from focused conversations and 24 members of the People's Panel – completed evaluation surveys which sought views of a range of common statements against a seven-point Likert scale. The statements were framed against our Engagement Principles and related to understanding (of the topic and the process) and sentiment (how they felt in relation to their participation):

- › Question 1: I understood the objective of each workshop/session.
- › Question 2: I understood what I was being asked to do in each workshop/session.
- › Question 3: I understood how my input would be used in each workshop/session.
- › Question 4: I felt heard, and that my input was valued, at each workshop/session.

- › Question 5: I felt welcome at each workshop session.
- › Question 6: I felt supported to participate in each workshop/session.
- › Question 7: I understood what was being discussed in each workshop/session.

Overall, a good response rate was achieved for the evaluation surveys with 50% (5 out of 10) Focused Conversations achieving >80% response rate whereas 3 achieved a response rate of less than 40%. The 6 regional workshops achieved an average 86% participation rate.

The majority of participants either Agreed or Strongly Agreed with each of the seven statements (refer to Appendix B for further information). The table below summarises the results against our engagement principles.

**Table 12. Summary of participant feedback against engagement principles**

| What we heard              | Our response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Important and prioritised  | <ul style="list-style-type: none"> <li>Direct feedback on this principle wasn't sought as stakeholders prioritised the themes early on in our engagement and we worked closely with our CAB to determine the level of engagement for the focused conversation topics.</li> </ul>                                                                                                                                                                                                                                                      |
| Open and transparent       | <ul style="list-style-type: none"> <li>While the majority of participants reported they understood how their input would be used with 82% of participants either Agreeing or Strongly Agreeing with the statement: "I understood how my input would be used" (see Chart 6, Appendix B), we could improve our communication around this to ensure that all participants have a clear understanding of how their input will be used in all workshop formats.</li> </ul>                                                                 |
| Engaging and collaborative | <ul style="list-style-type: none"> <li>The majority of participants reported they understood the objectives of our activities with 89% of participants either Agreeing or Strongly Agreeing with the statement: "I understood the objectives of each workshop/session" (see Chart 4, Appendix B). The evaluation results indicate we could improve our communication of session objectives to all participants, particularly when our engagement activities include members of the public or non-traditional stakeholders.</li> </ul> |
| Valued feedback            | <ul style="list-style-type: none"> <li>While the majority of participants reported they felt heard and that their input was valued, with 84% of participants either Agreeing or Strongly Agreeing with the statement: "I felt heard, and that my input was valued". However, the data suggests we could make improvements to ensure all participants feel heard and valued, particularly when we are engaging with diverse or non-traditional stakeholders (see Chart 7, Appendix B).</li> </ul>                                      |
| Inclusive and diverse      | <ul style="list-style-type: none"> <li>The vast majority of participants reported they felt welcome at our engagement activities , with 98% either Agreeing or Strongly Agreeing to the statement "I felt welcome" (see Chart 8, Appendix B).</li> <li>The vast majority of participants felt supported to participate with 95% of participants either Agreeing or Strongly Agreeing to the statement: "I felt supported to participate" (see Chart 9, Appendix B)</li> </ul>                                                         |

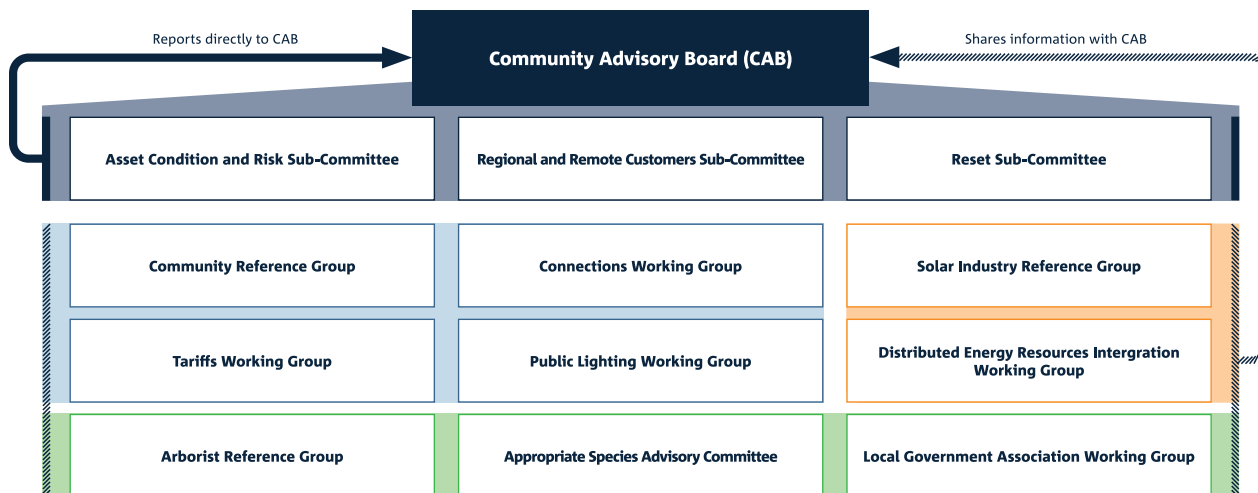


Mt Gambier Broad Engagement Workshop

## 8.1 Our business-as-usual (BAU) engagement

SA Power Networks has an extensive consultative group structure for BAU engagement on a range of strategic and operational topics.

Figure 18. Overview of current consultative group structure



We leveraged the expertise within our consultative group structure during all stages of our engagement program. For example, during the Focused Conversations the vegetation management workshops invited members from the Arborist Reference Group, Advisory Committee for Appropriate Species Selection and Local Government Association Working Group. Members of our consultative groups attended the People’s Panel as expert witnesses to discuss the recommendations and the rationale for the decision made.

In late 2023 we reviewed our consultative group model to ensure it aligns with what our customers told us throughout our reset engagement and is fit for purpose going forward. We will continue our BAU engagement and continue to build relationships with customers and stakeholders to improve service delivery for the future.

We also engaged external consultant Think Human to undertake a review of our reset engagement. While the review had an internal focus to understand which elements of the program were the most effective and

to identify areas for improvement, external stakeholder interviews were undertaken to feed into this review. The review concluded that we have undertaken an ambitious approach to engagement. Whilst there are opportunities for improvements to both process and outcome, SA Power Networks is in a strong position to learn from the process and move forward in strong partnership with its customers, CAB and external stakeholders.

We thank all our stakeholders who generously committed their time to input into our engagement program.

# Appendix A - CAB Reset Sub-Committee Terms of Reference

## Purpose

Our stakeholders and customers will continue to play a central role in developing our plans and proposals for the Regulatory Reset for 2025-30.

The purpose of the Reset Sub-Committee is to provide strategic guidance and advice on SA Power Networks’ engagement process to ensure high quality engagement outcomes and customer insights that shape the Regulatory Proposal for 2025-30. The aim of this is to ensure SA Power Networks designs and implements an engagement program that delivers a broad range

of customer insights, which the Reset Sub-Committee considers are then appropriately reflected in SA Power Networks’ 2025-30 Regulatory Proposal.

It is important to note that the Reset Sub-Committee is not a ‘customer forum’ whose role is to negotiate with SA Power Networks on specific plans or expenditure proposals. Rather, it is a group designed to provide advice and guidance on the engagement process, to ensure the Community Advisory Board and other stakeholders can have confidence

in the quality of the engagement outcomes, and that these have been considered and reflected appropriately in our Regulatory Proposal.

The Reset sub-committee is a sub-committee of our Community Advisory Board (CAB) which is our flagship consultation group, tasked with providing strategic guidance and advice on behalf of customers to inform decision-making on many aspects of the business.

## Membership

The Reset Sub-Committee will consist of a maximum of 10 external members. This will include (subject to acceptance and confirmation):

- › Existing CAB members
  - › Kelvin Trimper (Chair sub-committee)
  - › Dr Jessie Byrne (Deputy Chair sub-committee)
  - › Doug Strain
  - › Andrew Stock
  - › Mike Leane
  - › Davis Veremu
  - › Georgina Morris

- › Additional representatives
  - › Jordan Smith, Business SA
  - › Chris Marsden
- › Plus, appropriate SA Power Networks’ staff:
  - › Dan Popping, Head of Stakeholder Engagement
  - › Alex Lewis, Reset Engagement Manager
  - › Mark Vincent, Executive General Manager, Strategy and Innovation (as required)

- › Jess Vonthethoff, General Manager, Customer and Community (as required)
- › Other invited staff as required
- › AER CCP30 as required and by invitation in agreement with sub-committee meeting

## Term

Membership of the Reset Sub-Committee is for a two-year term, from February 2022 to February 2024, or until the final Regulatory Proposal is finalised and lodged

with the Australian Energy Regulator (AER). Should SA Power Networks also choose to submit a Revised Proposal, the term may be extended to support this process.

## Role and Responsibilities

The key role of the Reset Sub-Committee is to provide strategic guidance and advice on SA Power Networks engagement process for its Regulatory Proposal for 2025-30 to ensure engagement is appropriate and effective with stakeholders and customers.

To achieve this, the committee will:

- › Provide advice on the engagement process, including but not limited to engagement audiences, activities, topics, and overall program implementation and effectiveness.
- › Provide specific advice on the People's Panel process and selection of an external facilitator.

- › Develop a set of engagement principles to guide the engagement process.
- › Evaluate SA Power Networks' engagement process to ensure it meets customer expectations.
- › Periodically review the engagement program's progress and how SA Power Networks has responded to engagement outcomes.
- › Provide feedback on whether SA Power Networks has appropriately reflected engagement outcomes and customer priorities in its Regulatory Proposal.

- › Where appropriate, make recommendations for endorsement for the CAB.
- › If required, prepare brief reports on the engagement process and outcomes for other stakeholders such as the AER.

This will be underpinned by:

- › Mutual respect and trust
- › A commitment to collaboration
- › A balanced 'best for overall community' approach

## Role of CAB

The CAB will operate as our 'engagement partners' for the Regulatory Reset Proposal and provide strategic advice and guidance on the engagement process and key customer outcomes. Where

appropriate, key recommendations from the Reset Sub-Committee will be brought to the CAB for endorsement and/or discussion.

## Role of SA Power Networks

SA Power Networks will:

- › Provide secretariat support – meeting agendas and minutes.
- › Provide information on engagement activities for feedback.

It is anticipated that the Reset Sub-Committee will meet monthly for a duration of approximately 18 months (from February 2022 till September 2023).

## Remuneration

SA Power Networks acknowledges and is grateful for the time invested from members participating on the Reset Sub-Committee.

SA Power Networks is pleased to offer remuneration of \$2,500 per annum per person, with payment being

based on attendance at meetings (estimated \$200 per meeting). This fee also covers work outside of meetings, such as pre-meeting preparation/ reading. This will be paid bi-annually over the two-year term.

Members travelling from interstate/ intrastate will receive reimbursement of their flight costs or for any interstate/ intrastate travel and accommodation associated with CAB activities members will be reimbursed.



Afghan Diverse Engagement Workshop

# Appendix B - Participant Overview and Evaluation

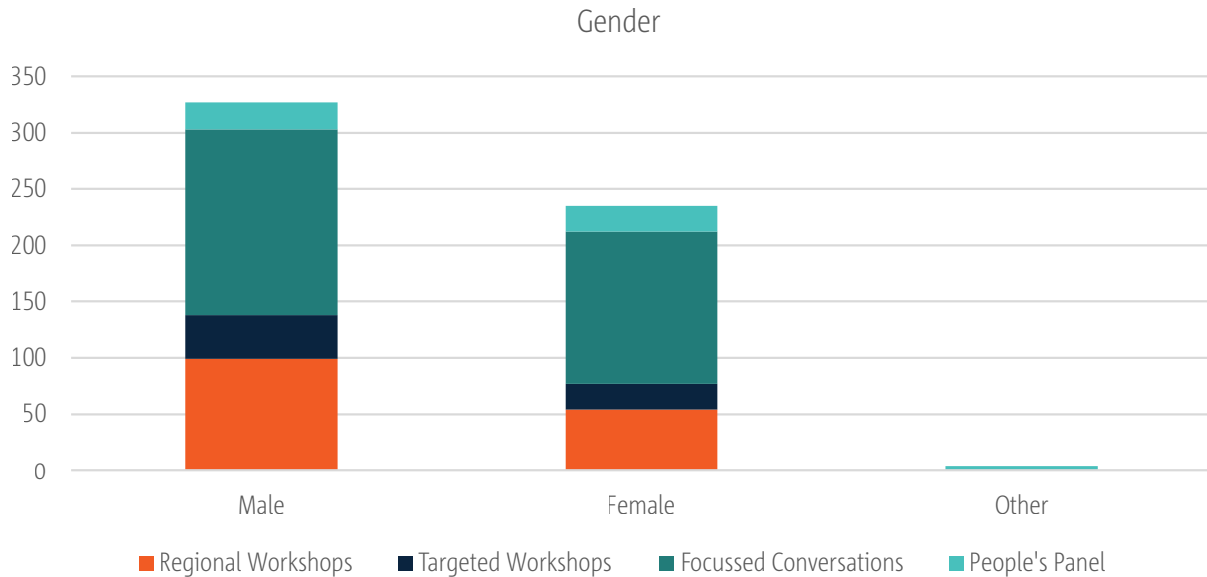
## Reset Engagement Activity - Participant Overview and Evaluation

In total we engaged nearly 600 participants across four of the six primary engagement activities that formed part of the Reset engagement

program: Regional Workshops, Targeted Workshops, Focused Conversations and People’s Panel.

Fifty-eight percent of participants identified as male, 42% female and less than 1% non-binary or prefer not to identify (Chart 1).

**Chart 1. Participant Gender**

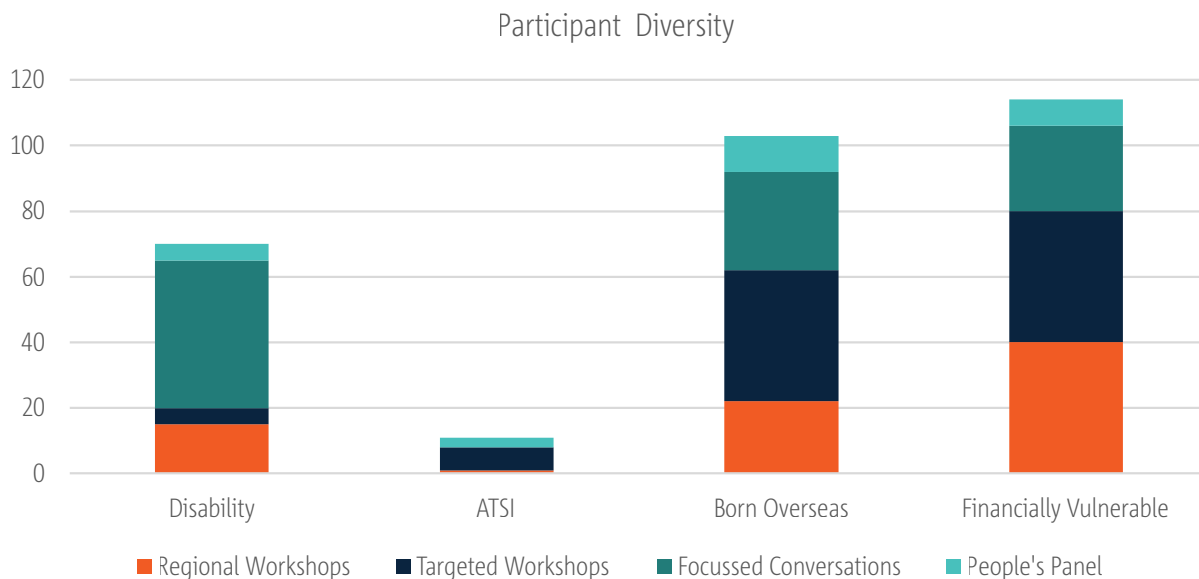


Significant diversity was achieved across demographic and socio-economic spheres (Chart 2). Seventy-four percent of participants were

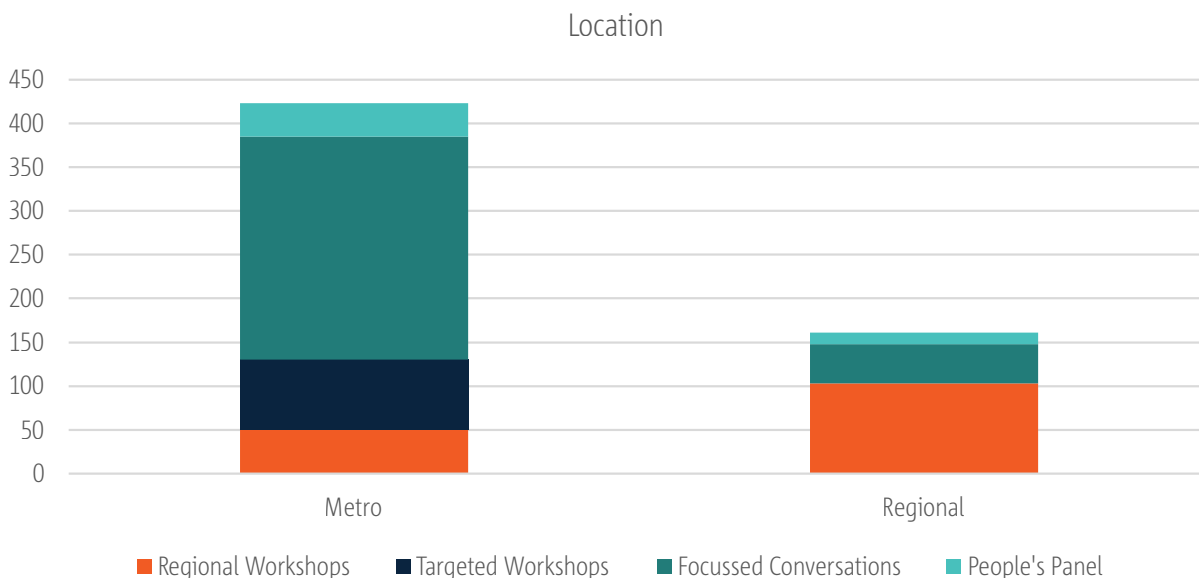
from the greater metropolitan Adelaide region with 26% from regional South Australia (Chart 3).



**Chart 2. Participant Diversity**



**Chart 3. Participant Residential Location**



Note to Chart 3: due to proximity of the metro region, participants in the Adelaide Hills Regional Workshop, held in Mount Barker, are more likely

to be categorised as living in the metropolitan area than a regional area.

## Evaluation Results

Of the approximately 600 participants, 201 completed and provided a participant evaluation survey, delivering a 30% response rate across all activities. The Targeted Workshops (including Italian and Afghan Migrants, Renters, Aboriginal, Deaf/Hearing Impaired and Young People) did not include a participant evaluation survey. If we factor this in, the response rate increases to nearly 40%.

Response rates varied between activities (and even sub-activities) and were influenced by a range of factors including workshop style and audience, and the duration of the activity. The data indicates that participants from the business and government sectors were less likely to complete an evaluation survey as were participants from an activity that occurred over an extended period (for example the Tariffs Focused Conversation achieved

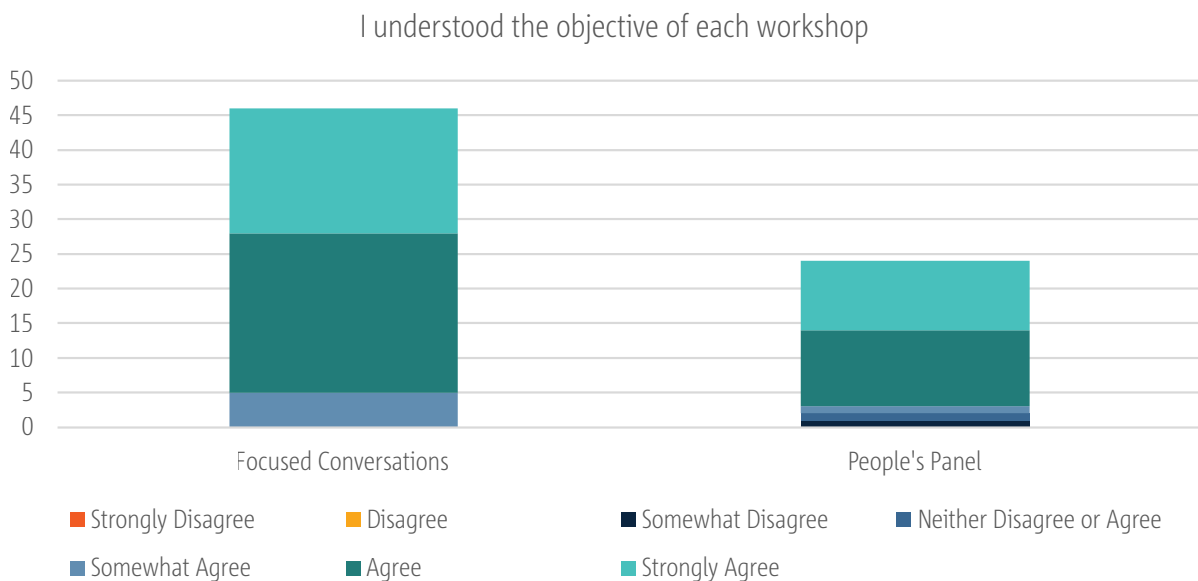
the lowest response rate and had the longest engagement period, 8 sessions over 4 months). Online surveys that were distributed via email also elicited a lower response rate than paper-based surveys that were completed in the room on the day of a workshop.

Respondents were asked to rate seven statements against a 7-point Likert scale (the regional workshops used a 10-point scale which was converted to a 7-point scale to allow comparison of responses across all activities). Common statements were used across all activities to allow comparison of data however a number of statements were added to the evaluation survey following the Regional Workshops. The data (charts) reflect this.

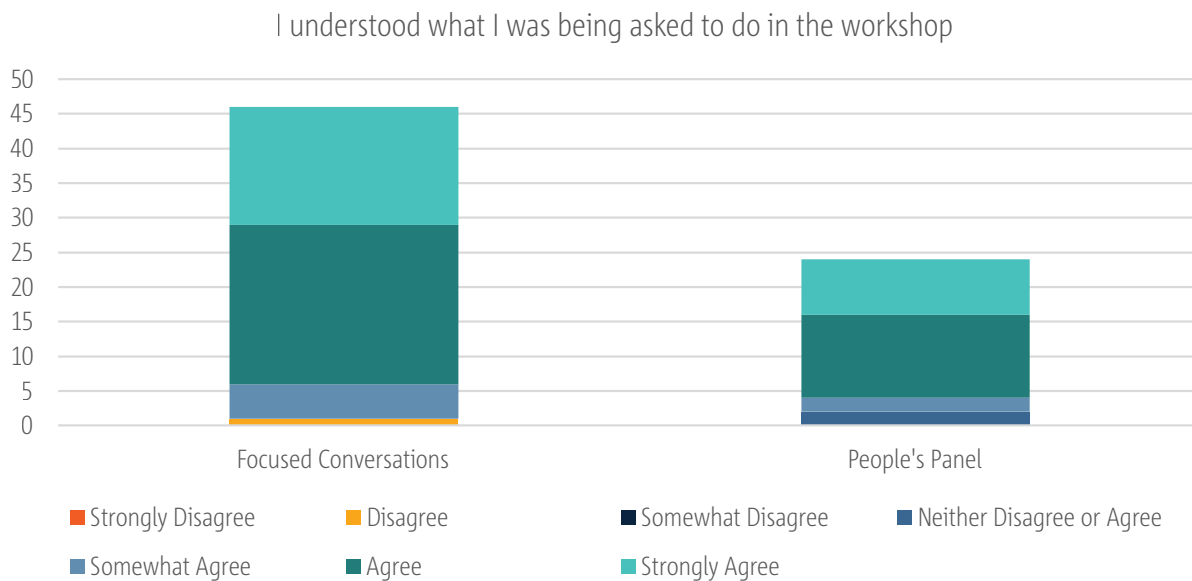
Participant Evaluation Survey Statements:

- ▶ Statement 1: I understood the objective of each workshop/session.
- ▶ Statement 2: I understood what I was being asked to do in each workshop/session.
- ▶ Statement 3: I understood how my input would be used in each workshop/session.
- ▶ Statement 4: I felt heard, and that my input was valued, at each workshop/session.
- ▶ Statement 5: I felt welcome at each workshop session.
- ▶ Statement 6: I felt supported to participate in each workshop/session.
- ▶ Statement 7: I understood what was being discussed in each workshop/session.

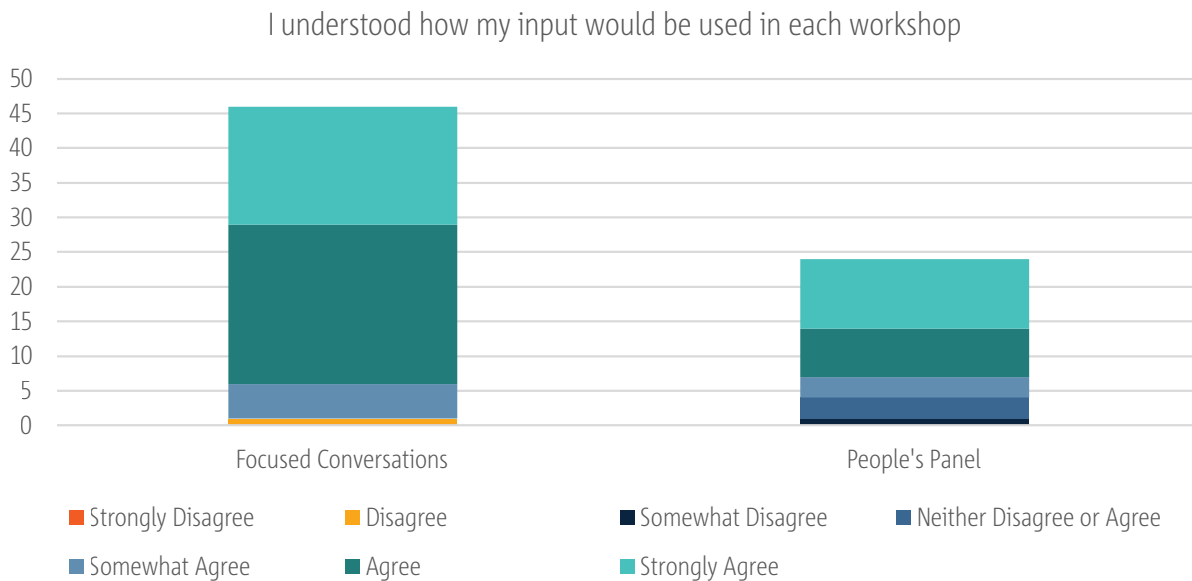
**Chart 4. Evaluation Survey Question 1, Results**



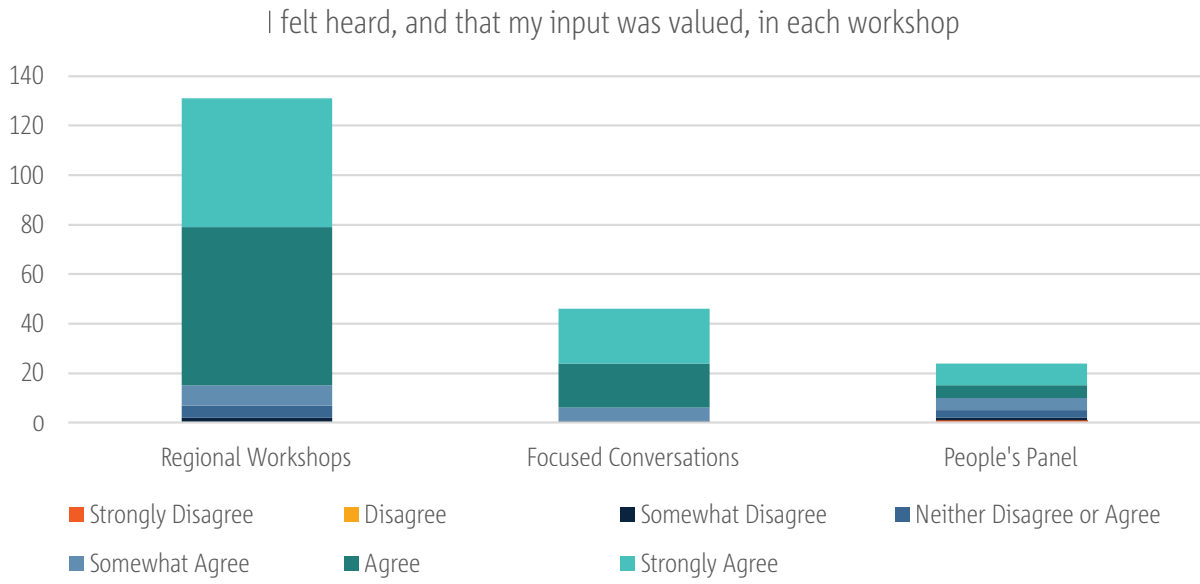
**Chart 5. Evaluation Survey Question 2 Results**



**Chart 6. Evaluation Survey Question 3 Results**



**Chart 7. Evaluation Survey Question 4 Results**



**Chart 8. Evaluation Survey Question 5 Results**

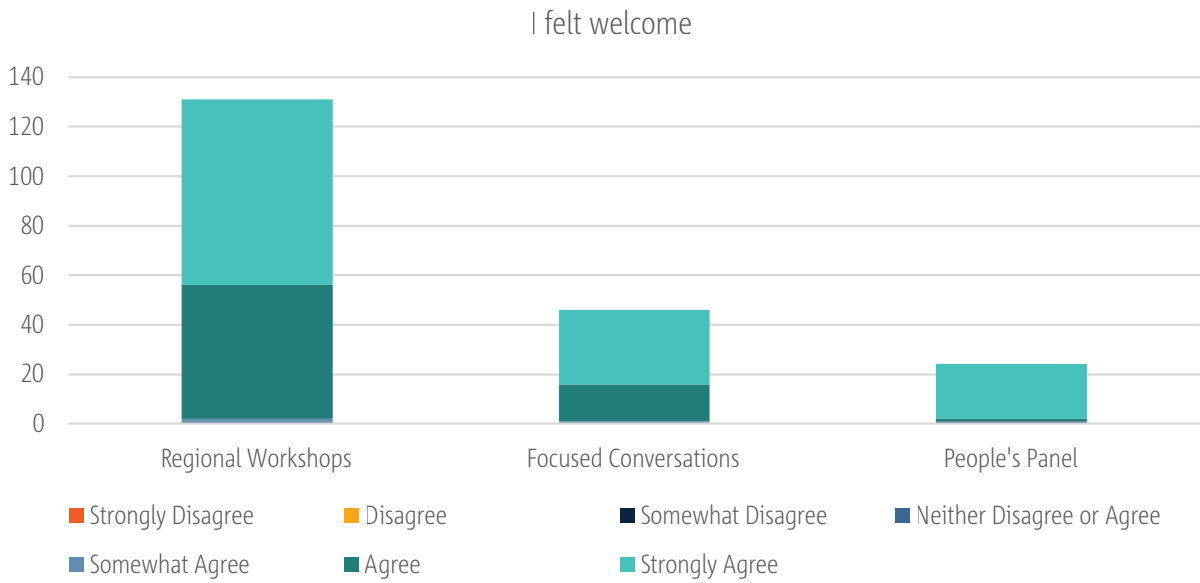


Chart 9. Evaluation Survey Question 6 Results

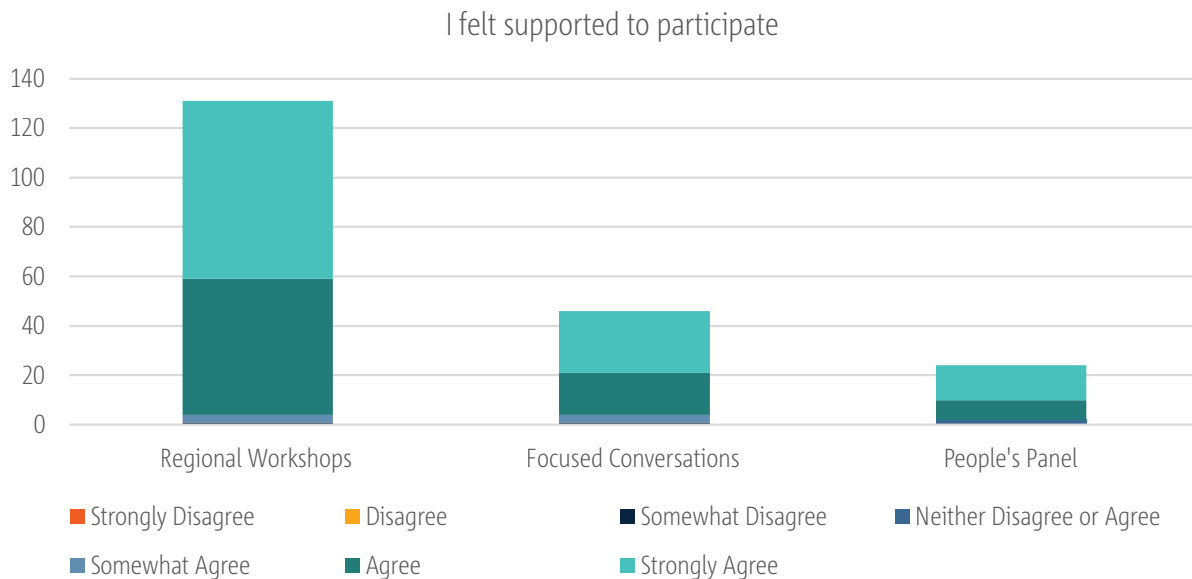
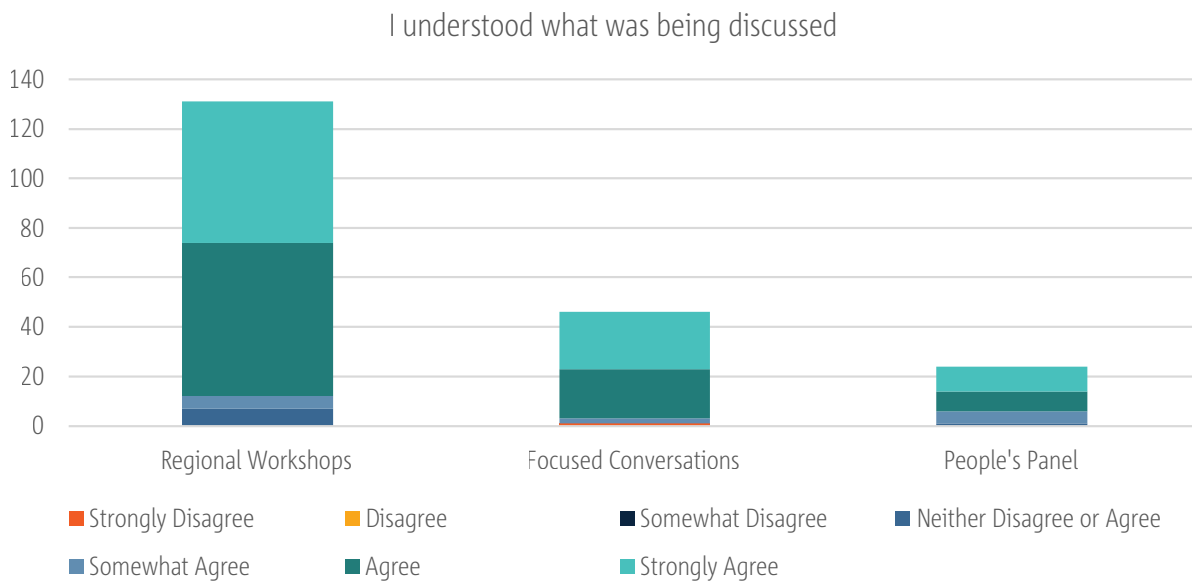


Chart 10. Evaluation Survey Question 7 Results





Empowering South Australia