

Have your say – the AER is consulting on our 2020-25 Regulatory Proposal

The Australian Energy Regulator (AER) is inviting submissions on SA Power Networks' Regulatory Proposal by close of business 16 May 2019. If you are keen to make a formal submission, please follow this link to learn more about the process and how to have your say.

Register for the AER Public Forum

During the morning of Thursday 4 April, the AER will be hosting a public forum on our 2020-25 Regulatory Proposal at the Stamford Hotel. If you would like to register for this event, please click here for more information.

Prior to this forum, the AER will release an issues paper which will be available on the AER's website. More details available here.

What does it mean to put consumers at the heart? Learn more at SACOSS Energy, Water and Telco Conference 2019

We are proud sponsors of the upcoming SACOSS Energy, Water and Telco Conference on Monday 29 April. The conference is focused on the new 'consumer-centric' transformation evolving in essential services across Australia and has a great line up of speakers and topics. View/download the draft program and register today.

AER releases its final decision on forecasting operating expenditure productivity growth

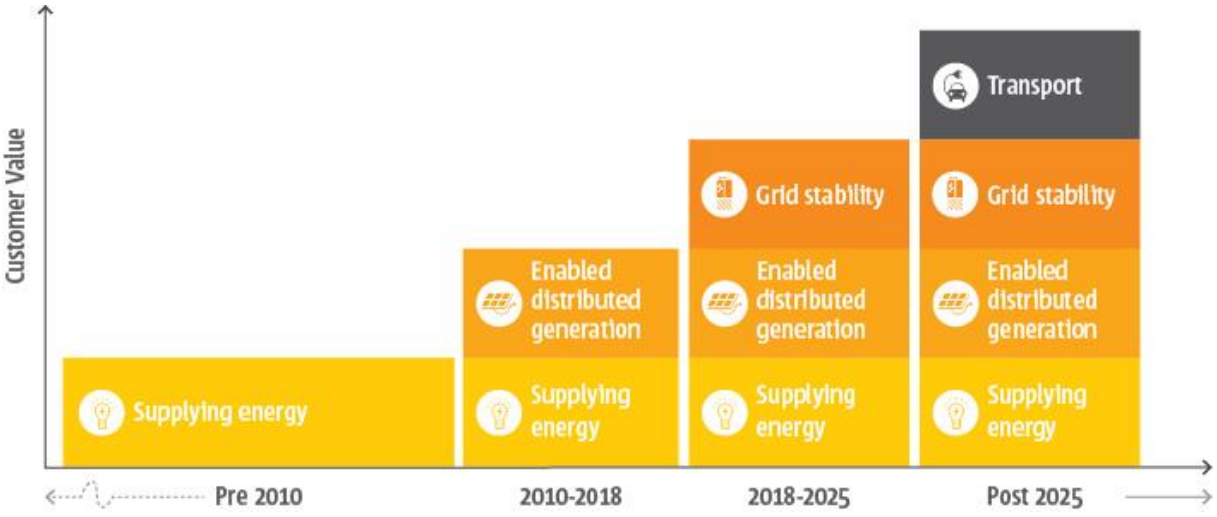
The Australian Energy Regulator (AER) has released a final decision paper on productivity. In essence the AER has determined that distributors can achieve opex productivity growth of 0.5 per cent each year. More information about this decision can be found here.

For SA Power Networks, this is likely to have an impact on our 2020-25 draft determination in September this year. More information will shared as it becomes available.

The transition to a new energy future

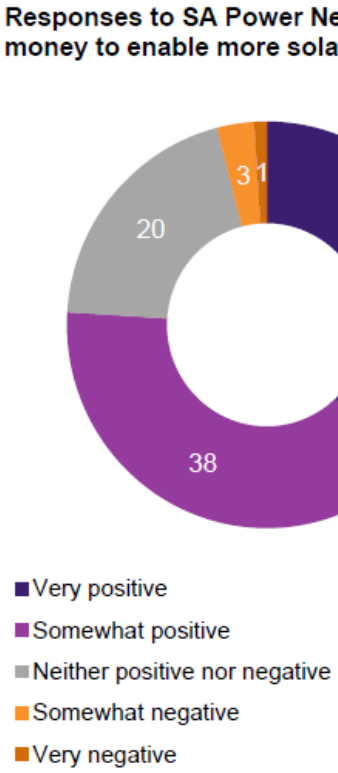
Balancing competing objectives is fundamental to our 2020-25 Regulatory Proposal. Historically, we have balanced the need to keep prices down while maintaining a safe and reliable network. Now we must also consider a new third objective – prudently transitioning to the new energy future.

Two of our biggest challenges are managing an ageing network and integrating renewables. South Australia has seen a dramatic take up of distributed resources such as solar. One customer in every three now has their own rooftop solar generation. Taken together, these customers can generate 1,000 mega-watts (MW) which is more energy than any other single generator in the State. In addition, the market for residential battery storage is accelerating. Retailers are rolling out 'virtual power plant' (VPP) projects, and more significantly, 2018 saw the launch of two major State Government VPP programs that could result in 90,000 new batteries with up to 400 MW of controllable storage connected to the network in the next few years.



Our network will be key to enabling customers to access more efficient energy solutions and services and it must be able to deal with the system impacts of these resources. Currently we are experiencing escalating 'quality of supply' issues typically due to voltage levels rising above technical standards, often relating to solar on our network. We are proposing a sensible and prudent approach to manage this challenge.

Our proposed approach involves managing emerging network constraints by enabling dynamic exports limits. Our modelling indicates this provides a better long-term economic outcome for all customers (both with and without solar) than investing in new network capacity or managing solar through fixed export limits, under a wide range of possible future scenarios.



This approach was supported by customers across all segments (including with and without solar, and hardship customers) in a recent survey undertaken on our behalf by Newgate Research. Newgate's research involved ~1,000 South Australian customers to explore whether customers are willing to pay for network upgrades that enable solar, and, if so, which specific options they prefer. In broad terms, it was clear that customers support the transition to renewables and recognise the importance of SA Power Networks in enabling more household solar connections. For more information, see the full report here.

- the Stakeholder Engagement Team

If you have any questions about this newsletter or want to provide additional feedback, please email us on talkingpower@sapowernetworks.com.au and we will contact you. Click to view the full grievance policy.

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