

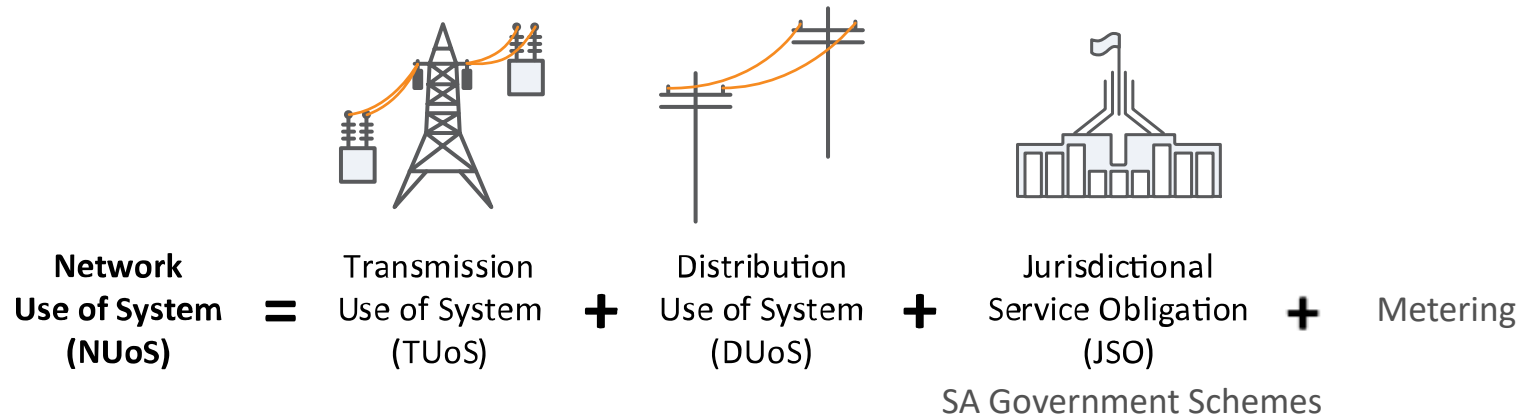
SA Power Networks | Tariffs Overview

Helen White | Revenue & Pricing Manager



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What are network tariffs?



- The role of network tariffs is to **recover Australian Energy Regulator (AER) approved distribution revenues, transmission costs and jurisdictional scheme costs** from customers via their retailer.
- Tariffs should be **reflective of the cost of using the transmission and distribution network**, with different types of customers using different parts of the network.
- Network tariffs send a **price signal to retailers**, it is the retailers choice as to how they incorporate it into a retail offer. SA Power Networks **bills the retailer** not the end customer.
- From **1 July 2025** there are tariffs for both **consumption and export**.

Tariff Regulatory Process

Five year regulatory period

Customer and Stakeholder Engagement

Revenue Determination (RD)

Approved by the Australian Energy Regulator (AER)
Adjusted annually for CPI, Incentive Schemes and Cost of Debt
Overall amount of revenue SAPN can recover from customers

Tariff Structure Statement (TSS)

Describes the tariff classes and structures, policies and procedures for assigning customers to tariffs, tariff charging parameters, and how the revenue will be recovered

Annual Pricing Proposal (APP)

Details the proposed prices for the agreed tariff structures to take effect at the commencement of each regulatory year - 1 July

Year 1

Year 2

Year 3

Year 4

Year 5

What is a Tariff Structure Statement (TSS)?

A TSS describes the tariff classes and structures, policies and procedures for assigning customers to tariffs and tariff charging parameters.

- Residential | Small Business | LV Large Business | HV Large Business | Major Customers
- Meter Type
- Supply Charge | Usage kWh | Demand kVA
- Consumption | Export
- Location does not restrict tariff choice

The **TSS covers a 5 year period** and departures cannot occur unless the TSS process is recommenced which is not considered favourably by the AER due to the lengthy administrative process.

The AER considers the **benefits of customer certainty** for a 5 year period **outweighed the benefits of flexibility**.

New tariffs can be trialled within the 5 year period through trial tariffs.



Attachment 18 - Tariff Structure Statement Part A

2025-30 Revised Regulatory Proposal

December 2024



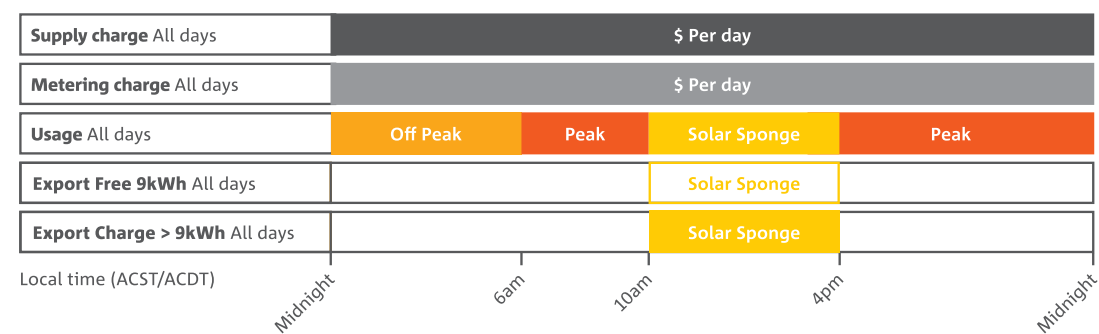
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Tariff Design

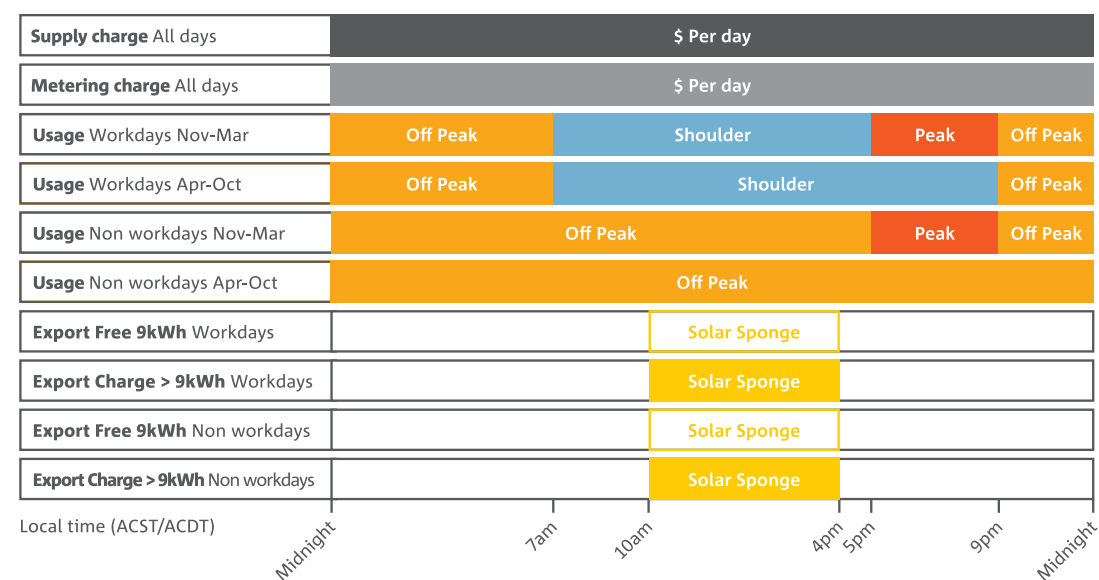
- SA Power Networks has **five tariff classes**:
 - Residential
 - Small Business
 - Large Business Low Voltage (LV)
 - Large Business High Voltage (HV)
 - Major Customers
 - Substation and Sub Transmission
- Within each tariff class there are Default and Customer Choice network tariffs:
 - **Default** tariffs are designed to be appropriate for the majority of customers
 - **Customer Choice** tariffs have strong pricing signals and are aimed at the engaged energy user
- The AER wants to progress tariff reform through cost reflective tariffs. SA Power Networks tariff assignment policy is that all customers with an interval meter are assigned to a time of use tariff, there is no opportunity to opt out.
- Today **64%** of customers have an interval meter at June 2026 and it is projected to be 100% by 2030 due the accelerated interval meter rollout.

Example of Tariff Structures

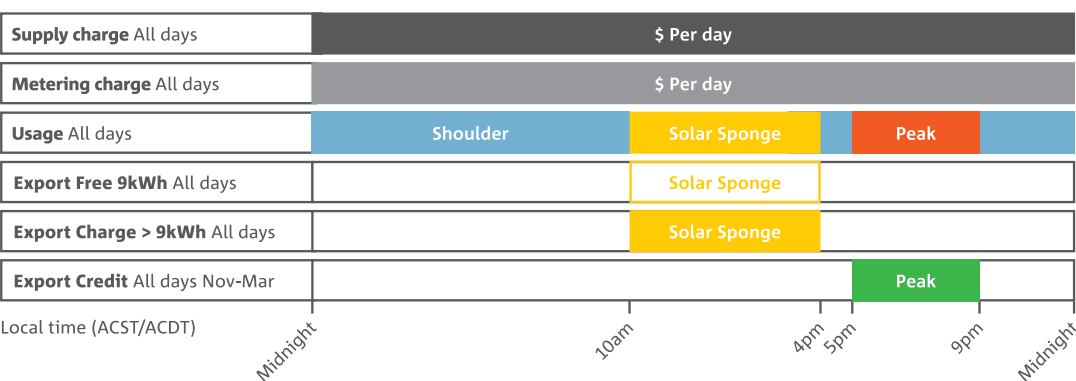
RTOU | Residential Time of Use | 0-30kW Export Capacity



SBTOU | Small Business Time of Use | 0-30kW Export Capacity



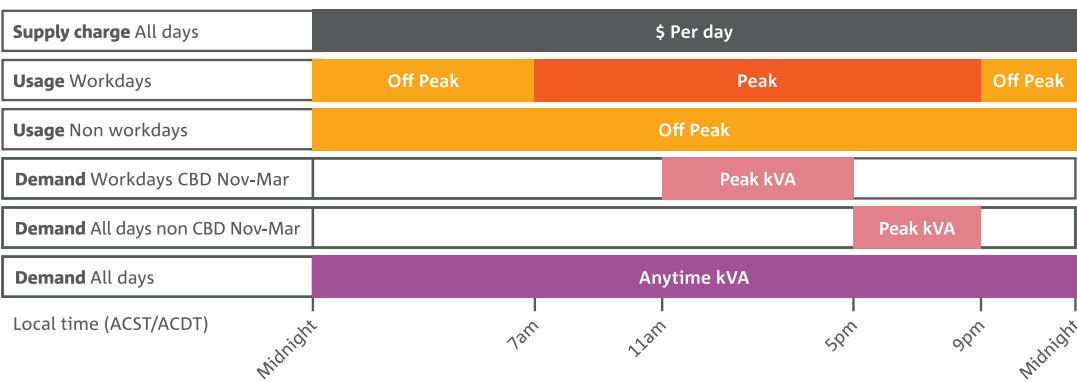
RESELE | Residential Electrify | 0-30kW Export Capacity



LBAD | Large Low Voltage Business Annual Demand

LBADF | Large Low Voltage Business Agreed Demand Flexible

LBMD | Large Low Voltage Business Monthly Demand



What is an Annual Pricing Proposal (APP)?

An APP outlines the **proposed prices** to take effect at the commencement of each regulatory year.

The structure of the tariffs set out in the APP must match those approved by the AER in the TSS.

The **APP is the annual implementation of the TSS**, and accounts for annual changes e.g. CPI and incentives and is required to be approved annually by the AER.



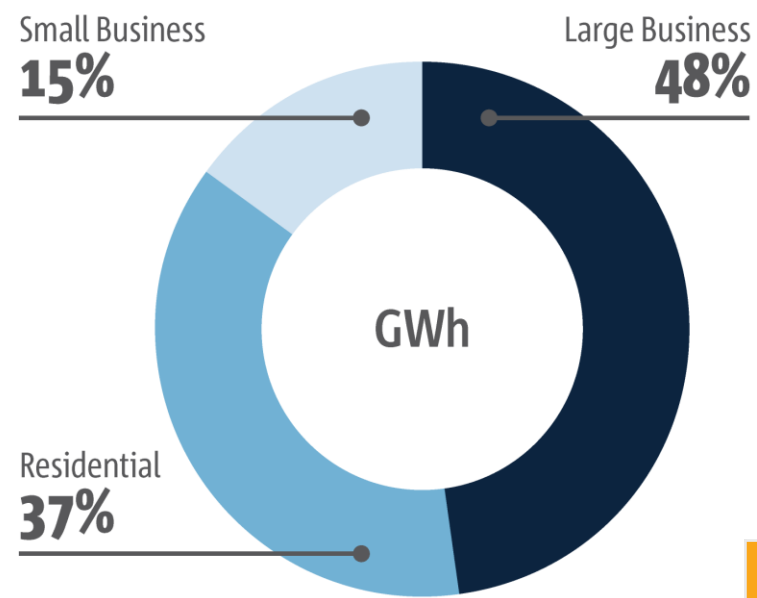
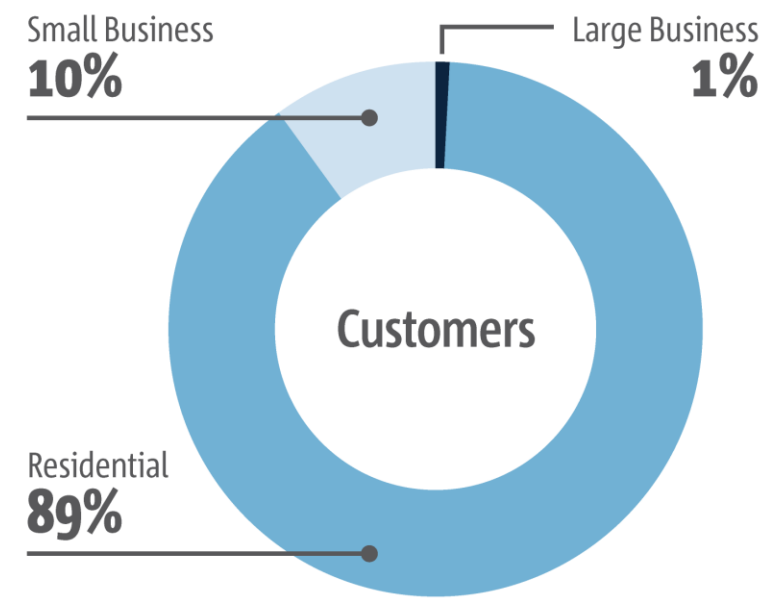
Annual Pricing Proposal Overview 2026-27

March 2026



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Customer Profile

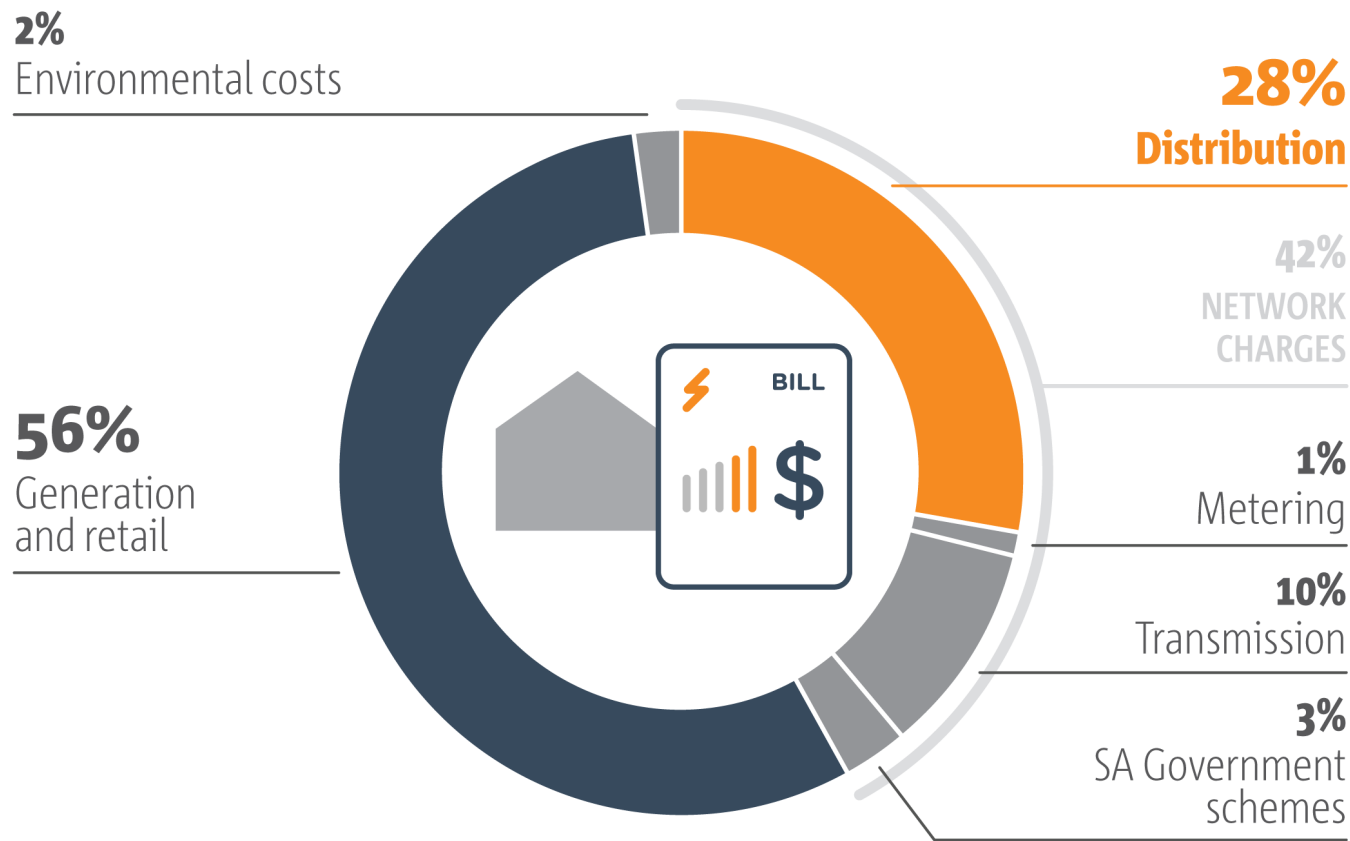


■ Residential ■ Small Business* ■ Large Business

*Customers using <160MWh per year are defined as small customers.

Customer	Accumulation Meter	Interval Meter
Residential	31%	58%
Small Business	5%	5%
Large Business	-	1%
Total	36%	64%

Breaking Down the Residential Electricity Bill



SA Power Networks has consistently been 30% or less of the total retail bill.

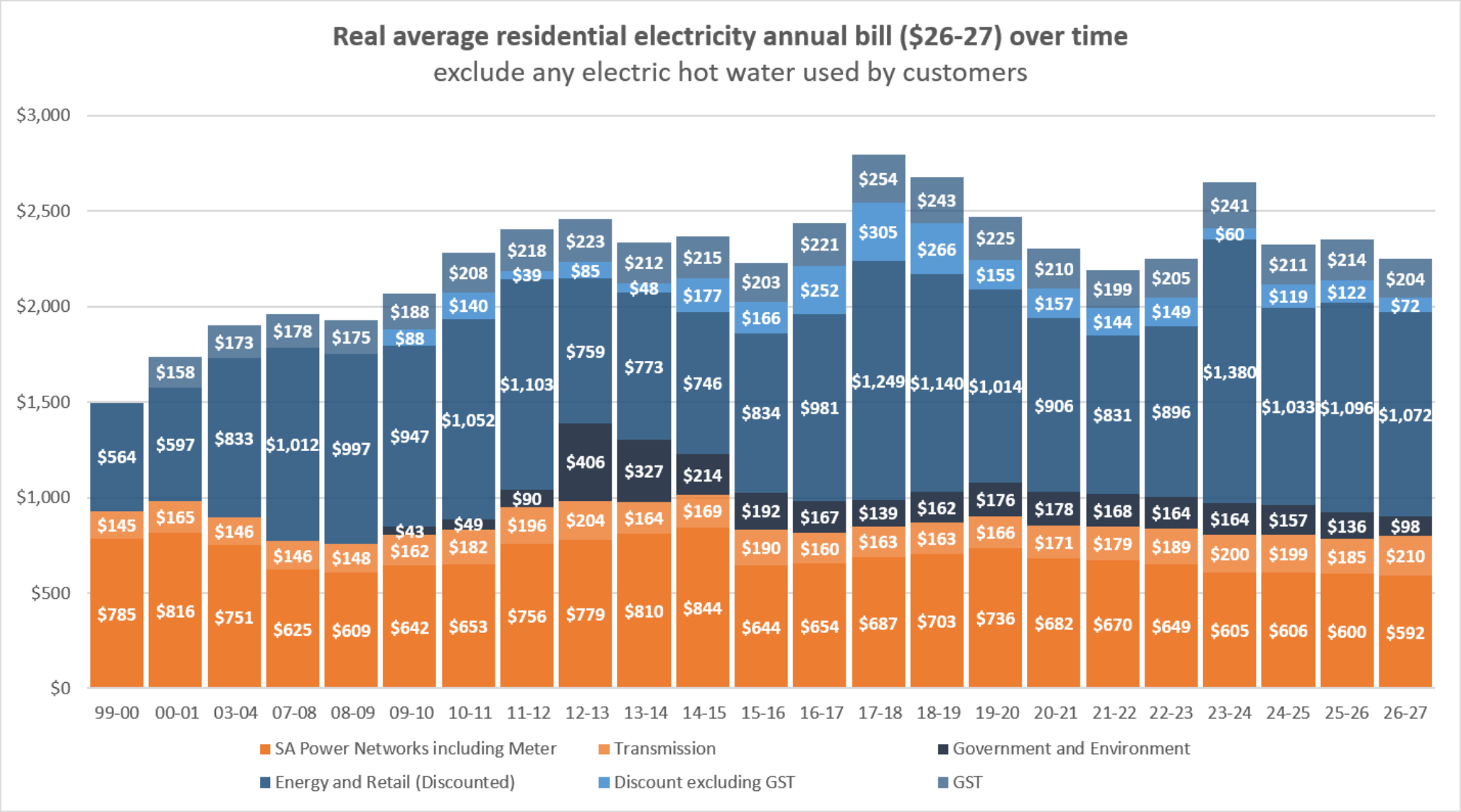
- Accumulation Meter reading
- Smart Meter rollout

- ElectraNet

- 44c/kWh PV FiT Scheme
- Small Claims Scheme

2026-27 AER Default Market Offer Residential flat rate customer 4,000kWh p.a. | Inclusive of GST

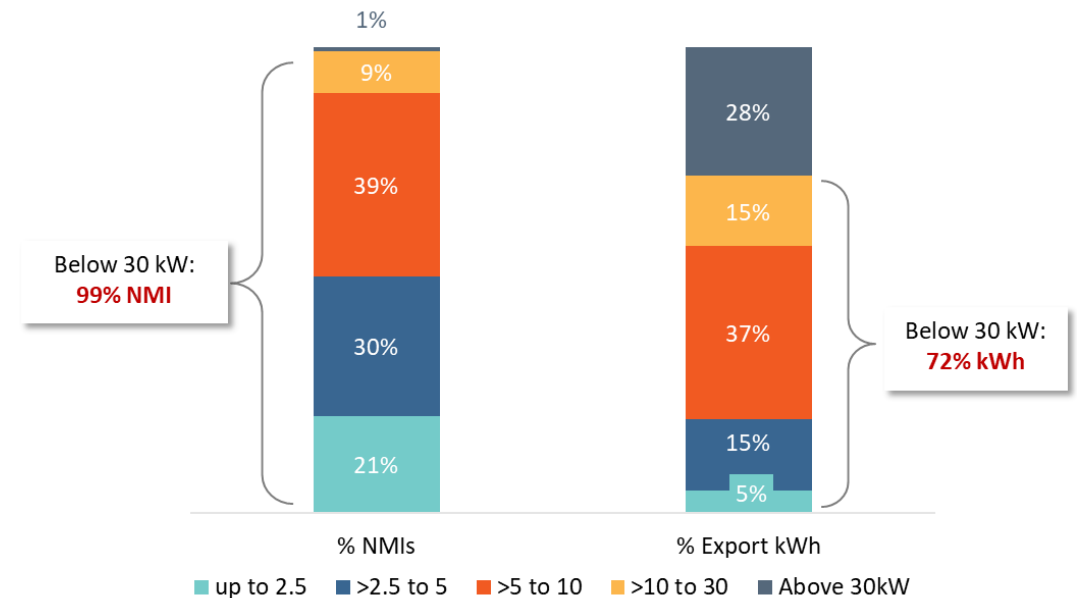
Historical Electricity Pricing



Export Tariffs | 1 July 2025

- The distribution network was **originally designed** for a **one way flow of energy**.
- With the **uptake of rooftop solar** the network needs to **accommodate two way flows**.
- The existing distribution network can do this to an extent but **without investment** the network is becoming **increasingly congested**.
- The **AEMC rule change** in 2021 **allows distribution networks to invest** in their networks to support the export of energy.
- It also allowed for the cost of this **investment** to be **recovered** from **Export tariffs**.
- **Export tariffs** provide a price signal to **encourage** customers to **export energy at times of the day when energy is needed** and **limit export through self-consumption or battery storage** when the **distribution network doesn't need the additional energy**, e.g. the middle of the day.

Solar Systems connected to the distribution network



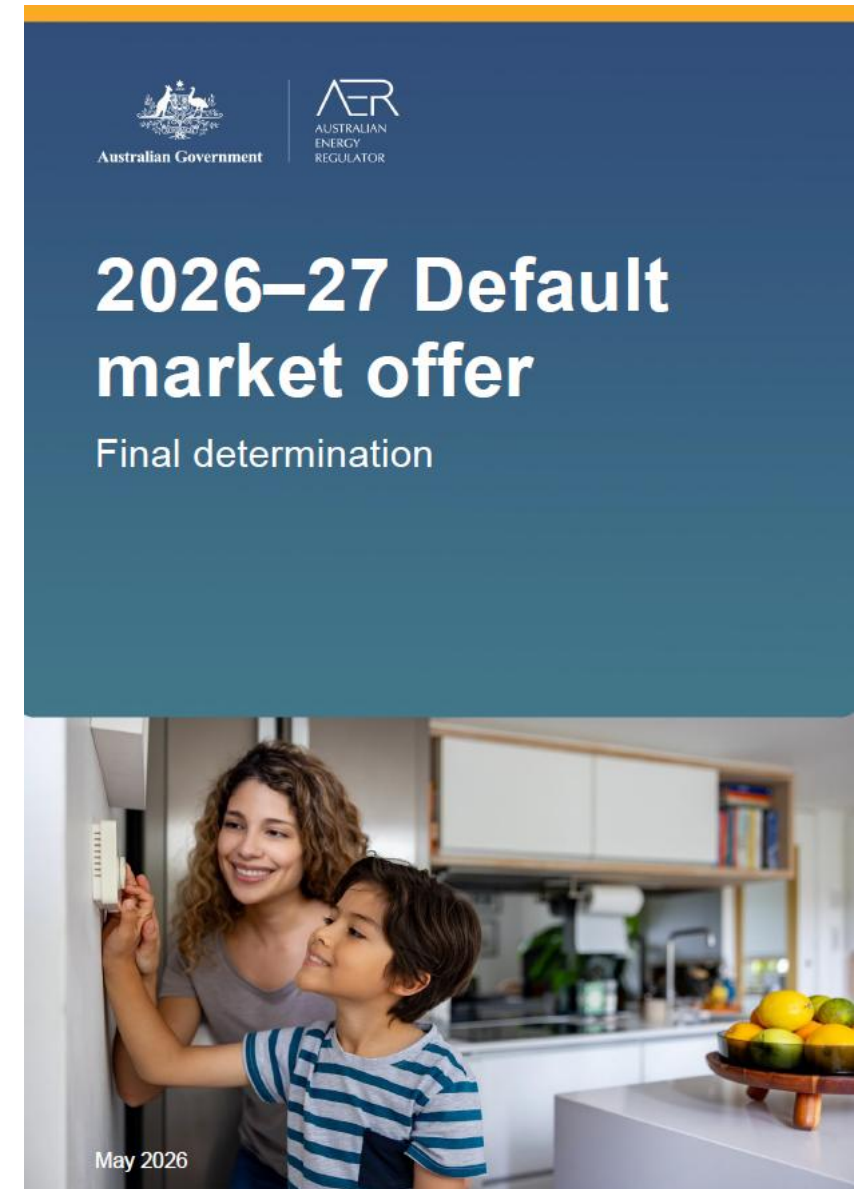
Retailers

- SA Power Networks bills approximately **70 retailers** each month.
- **66%** of customers are with **2 retailers**.
- **Small Market <160MWh p.a.** | There is **no obligation to pass through** SA Power Networks' **pricing signals** for Residential and Small Business customers.
- **Large Market >160MWh p.a.** | Retailers will **pass through network costs** for Large and Major Business customers via an **unbundled retail bill**.



Default Market Offer – DMO

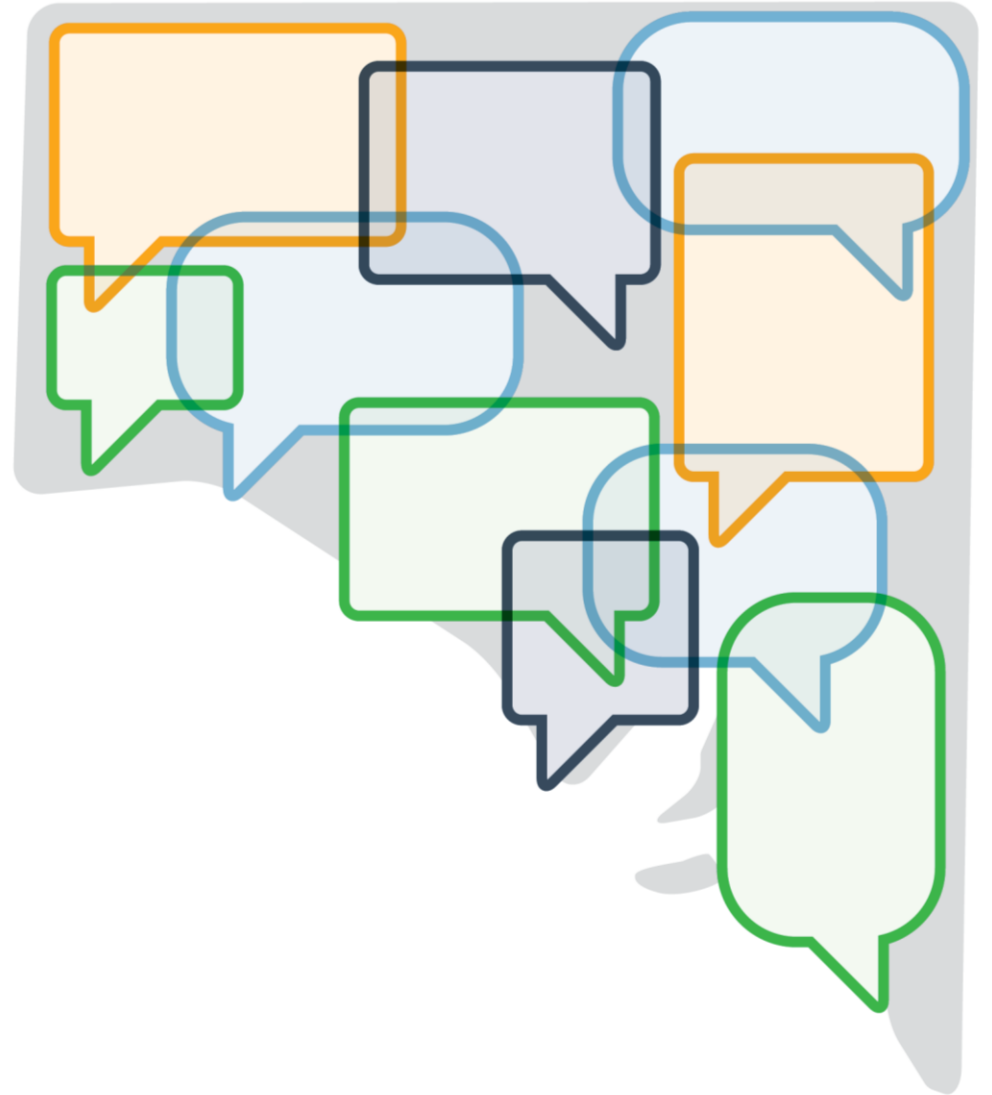
- The DMO is developed by the Australian Energy Regulator with input from all participants who are a part of the total electricity bill for customers – generators, networks, retailers etc.
- The DMO aims to protect households and small business customers, on standard retail plans, otherwise known as ‘standing offers’ from unjustifiably high prices in South Australia, New South Wales and south-east Queensland.
- 8% of Residential customers and 16% of Small Business customers in South Australia are on a standing offer.



Discussion | Questions | Comments | Observations

- If you would like to know more:

helen.white@sapowernetworks.com.au | 042 111 8196





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