

SA Power Networks Response to the People's Panel recommendations – March 2023



SA Power Networks response

- We sincerely thank the panel for their time and commitment to our engagement process.
- The panel comprised a diverse range of South Australians who were asked to consider two questions for the 2025-30 period:
 - *There are choices about the level of service that SA Power Networks offers, however, all services come at a cost. Looking forward to 2025-2030, we want to understand what customers consider is the best balance of service and price?*
 - *Regulation requires SA Power Networks to consider export tariffs that reflect the cost of providing the service. How can the transition be phased in to maximise fairness and equity for all?*
- The panel was required to consider appropriate service levels and expenditure across 10 topics and recommendations from earlier stages of engagement.
- To inform their decision-making, the panel heard from a broad range of internal SA Power Networks staff and key external stakeholders, who the panel selected.
- We commend the panel on their recommendations, which were a culmination of 6.5 days of deliberation over 3 weekends.
- We believe the panel understood their task and recognised the significance of what was asked of them, in relation to giving SA Power Networks guidance on the future plans for the State's distribution network.
- The panel's report will be published unchanged and in full, along with SA Power Networks' response.
- The panel's recommendations will be considered by the SA Power Networks Executive and Board and will guide the development of our Draft Proposal, which will be released for consultation in July 2023.

Our principles in responding to the Panel's recommendations

- Where the Panel reached consensus, and we consider the recommendation can also be justified on economic grounds to the Australian Energy Regulator (AER), we have accepted the recommendation.
- On this basis, the vast majority of the People's Panel recommendations have been accepted.
- Where no consensus was reached, we have reverted to the recommendation from the Focused Conversation unless we do not believe it could be economically justified.
- This approach has been supported by our Community Advisory Board Reset sub-committee.

SA Power Networks – response to the People’s Panel Recommendations

Topic	PP Final recommendations	SAPN response
Equity & Vulnerable Customers	Removed - Community Energy Fund No consensus reached - Claims and damages scheme Support - Vulnerable Customer Assistance Program (VCAP) – if funded 50/50 by customers/SAPN Support – Knock before you disconnect	Accepted Claims and damages scheme removed as unable to justify to AER. SAPN will advocate to State Government to consider a jurisdictional claims scheme. The VCAP removed as unable to justify to AER. SAPN investigating the re-direction of existing funding to allow for a relief support van in 2024.
Energy Transition	Support FC recommendation – no change	Accepted in full
Reliability & Bushfire Safety	Support FC recommendation – no change	Accepted in full
Assets and Works	Support FC recommendation – no change	Accepted in full
Security of Supply (Capacity)	Support FC recommendation – no change	Accepted in full
Network Resilience	Support FC recommendation – no change	Accepted in full
CBD Reliability	Support FC recommendation – no change	Accepted in full
Customer Experience & Interaction	Removed – Energy Advisory service No consensus reached – Personalised & on demand services	Accepted SAPN is reviewing the personalised and on demand services and will consider a scaled-back proposal if strong business cases can be developed, with benefits for new value initiatives outweighing costs. This approach is based on strong support for these services through previous customer research and earlier stages of engagement.
Vegetation Management	Removed - Undergrounding in high bushfire risk areas Support – Wood weed removal program Support – Sapling removal program	Accepted SAPN will investigate if the woody weed and sapling removal programs can commence in 2024 recognising the long-term benefits.
Property	Support FC recommendation – no change	Accepted in full
IT Cyber Security	Increased service/expenditure – to option 3 New Value	Accepted in full

Export Tariff - People's Panel Recommendations

No consensus was reached for a recommended Export Tariff Transition Pathway

- **Option 1 – 20 votes** (All export customers assigned to export tariffs from July 2025)
- **Option 2 – 20 votes** (No export tariffs introduced until July 2030)

However, the Panel agreed:

- Investment in the 'Energy Transition' and enabling renewable energy exports is strongly supported
- All export customers, existing and new should transition at the same time (ie. Option 3 was not supported by the panel).

In the absence of consensus from the People's Panel:

- We are inclined to revert to the Focussed Conversation recommendation (Option 1. Introduction of an Export Tariff to all customers from 1 July 2025) noting that option is also supported by our Community Advisory Board Reset Sub-committee and has a stronger alignment to the Australian Energy Regulator's Pricing Principles. This being the case, it is more likely to be approved by the AER.
- However, SAPN acknowledges this is a challenging and complex issue with a strong divergence of opinion.

SA Power Networks response:

- We will undertake further engagement with our key stakeholders to confirm the transition pathway and approach.

Other matters of importance identified by the Panel

- The Panel also identified a number of other topics that, while out of scope, were matters of importance identified by individuals on the Panel. These included:
 - smart meters – who gets them and when, need for education
 - electric vehicles – more charging stations, managing impacts on the grid
 - tariffs and solar panels – better education on tariffs, recycling solar panels
- Some members of the Panel also recommended that SA Power Networks work with third parties to advocate for a better customer experience and outcomes. This included engagement with retailers, State Government and ElectraNet.

Although these matters were not canvased or voted on by the panel as a whole, on the basis of this feedback, SA Power Networks plans to:

- Work with our Community Advisory Board and other consultative groups to consider the topics raised
- Engage with State Government on these topics, and in particular the potential for an accelerated rollout of smart meters and education to support that rollout
- Continue to work collaboratively across the energy sector to deliver a safe and reliable electricity supply for South Australia that meets future needs



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