



SA Power Networks

People's Panel Strategy - Overview

2022/2023

democracyCo



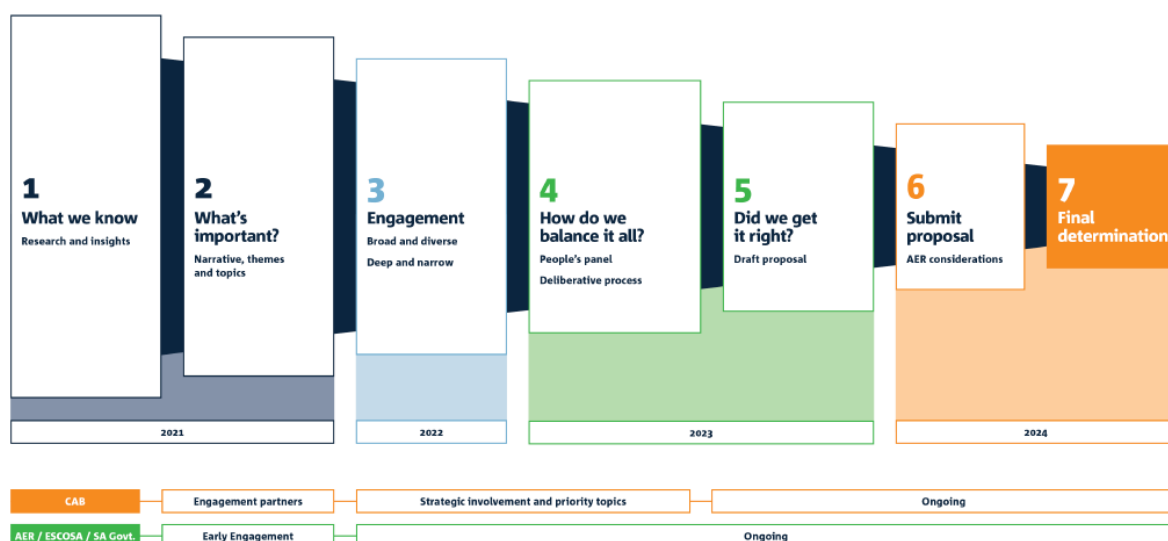
Background

SA Power Networks is the principal electricity distribution network service provider in South Australia - the poles and wires that deliver the power to homes and businesses.

Every five years, SA Power Networks is required to undergo a regulatory reset process and submit a Regulatory Proposal to the Australian Energy Regulator (AER), which details their proposed business operations and service delivery.

SA Power Networks have launched a comprehensive engagement program to help them develop their regulatory proposal - due to the AER in mid-2024. The People's Panel is the culmination of this engagement process.

2025-30 Regulatory Proposal - Engagement Approach



The Method

The process outlined in the strategy brings together a diverse group of approximately 50 South Australians through a 5-stage deliberative process, The People's Panel. The Peoples Panel will be considering the following questions-

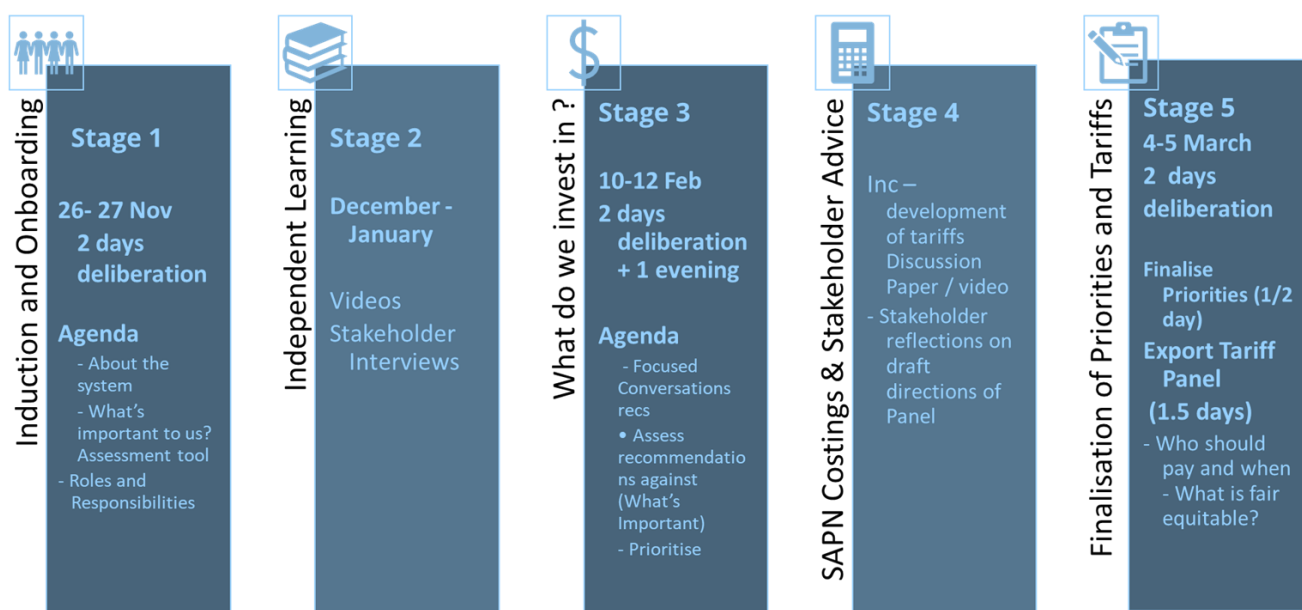
There are choices about the level of service that SA Power Networks offers, however all services come at a cost. Looking forward to 2025-2030 – we want to understand what customers consider is the best balance of service and price?

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 members will initially build their understanding of the electricity system and develop tools for how they are going to work as individuals and together. Then will then work to develop an assessment tool, which they will use to assess and prioritise the service recommendations from the Focussed Conversations.

In Stage 3 they will begin their main deliberation experience. They will undertake their first round of assessment (using their tool) and considering SA Power Networks role / functions to determine which recommendations the group agrees should be included in SA Power Network's regulatory proposal.

Stage 4 provides SA Power Networks with the opportunity to undertake costings if needed and for further stakeholder advice if needed. In Stage 5 the Panel will reconvene for an intensive deliberation to finalise their priorities – drawing on the significant work undertaken in Stage 4. The Panel will also focus on export tariffs and at this point will be (joined by more business representatives to decide when the tariff will be introduced for different consumer cohorts.



Commitment

As much as possible SA Power Networks wants to take the People's Panel's recommendations to the Australian Energy Regulator (AER) - where SA Power Network doesn't take a recommendation to the AER they will provide evidence and their reasoning both to the AER and to Panel participants.

SA Power Networks is committed to -

- Publish the Panel's report unchanged and in full publicly with SA Power Network's response.
- Take the Panel's report unchanged and in full to the SA Power Networks Board and the Australian Energy Regulator.
- Reflect the approach recommended by the Panel for transitioning to export tariff in SAPN's Regulatory Proposal to the AER.

Recruitment

The process has sought to recruit a demographically diverse group of approximately 50 for the People's Panel through a process of random selection and stratification.

Random selection involves sending out invitations to a randomly selected group, asking those who receive the invite if they would participate and then randomly stratifying the positive RSVPs in line with prioritised strata.

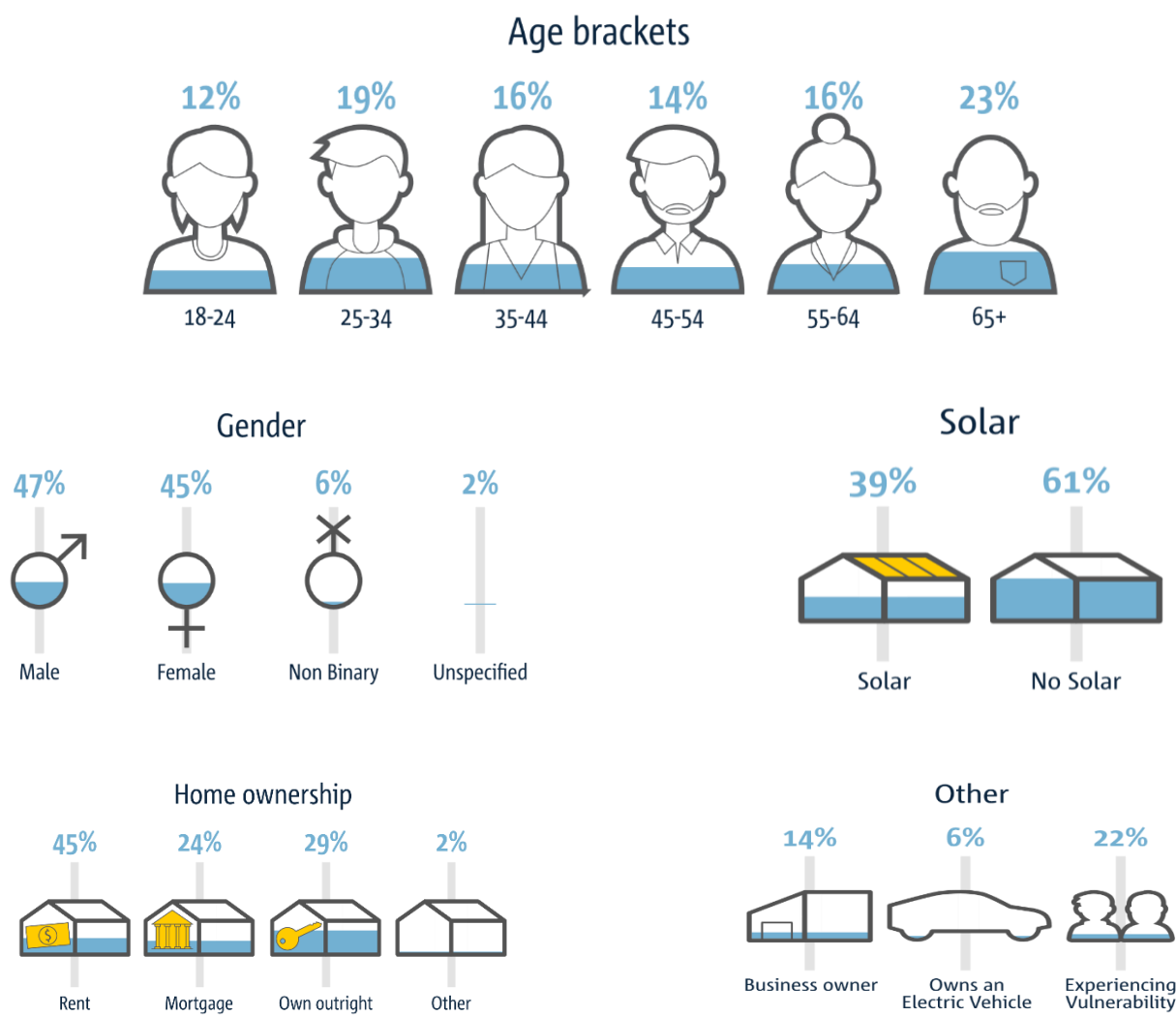
Random selection of deliberative groups delivers the most representative cross section of the community ensuring that there is considered public judgment rather than simplistic public opinion.

While a degree of self-selection naturally occurs (in agreeing to RSVP in the first place) it is important to consider what would otherwise occur in the absence of a stratified process.

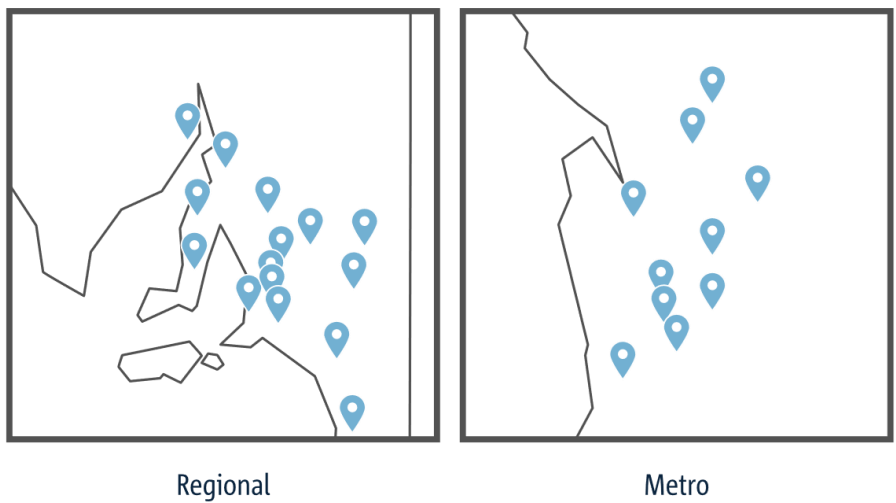
Processes which only involve self-selection include only the passionate voices (frequently with polarised views) and very few everyday people.

In contrast, random selection actively seeks individual **invited** voices instead of hearing solely from **insisted** voices.

Panel Statistics



Location



Honorarium

Honorariums are to compensate people for their costs of attending. They are intended to cover additional costs they may cover because of their involvement.

- Participants who reside over 100km away or who are financially vulnerable - \$160 per day. In addition, SA Power Networks will also cover travel and accommodation for regional participants over 100km away from the CBD.
- Participants who reside within 100km of the CBD - \$120 per day.

The voices of people experiencing financial vulnerability and business

For a process considering the trade-offs in setting price and decisions about the transition to charging tariffs for export of residential/ business solar energy to the grid – we knew we need to make sure that the views / needs of diverse business and those experiencing financial vulnerabilities are well understood by the Panel.

We have been working with Business SA and SA Council of Social Services to clearly identify these groups and determine the best way to ensure their voices are heard. This includes-

- **Representation on the Panel –**
 - On the advice of SACOSS¹, The Anti-Poverty Network has assisted us in recruiting 5 participants experiencing financial vulnerabilities. We worked with YouthInc to recruit 6 youth experiencing financial vulnerabilities. In addition, to date one of our randomly selected participants has self-identified as experiencing significant financial vulnerabilities.² This means that at least a total of 12, recruited have financial vulnerabilities.
 - Business – 7 business owners signed up to be participants on the panel for the 6 days. Business SA advised that recruiting our preferred target of 20 businesses to participate throughout would be challenging. We are working with Business SA and Australian Industry Group to recruit approximately 10-13 more owners of diverse businesses to join their colleagues for the final weekend on Export tariffs.
- **Information provision and advice-**

¹ We are very thankful to SACOSS who undertook extensive analysis for us of the different data measures on financial vulnerability. SACOSS provided extensive advice on measures of financial vulnerability. We agreed with them to use the following - “SACOSS uses this poverty line in both its [Waged Poor Report](#) (2019) (p.16) and the [Submission to the Select Committee on Poverty](#) (2018) (see page 9). The 2018 Submission provides some SA specific analysis, stating that the 50% of median household income line is a widely recognised measure of poverty, and using unpublished data from the ABS Survey of Income and Wealth (this could be updated with more recent [ABS Income Data](#)), SACOSS calculated that **in 2015-16 in South Australia: 60,660 households were living below the poverty line, constituting 8.9% of all SA households**”. This would equate to approximately 6 out of 50 Peoples Panel participants.

² We have not asked participants recruited through the random selection about their financial situation as this is not a question that people often feel comfortable asking and is overly intrusive. Therefore, it is likely that at least several of the randomly selected panel members are experiencing financial stress/ vulnerability.

- Independent Advisor and energy expert Andrew Nance will be supporting the Panel in their deliberations
- Participants will be hearing from business, social service, and environmental agencies about their perspectives on the first weekend.
- Interviews – social service and business representatives are listed as being available for participants to interview during December/ January.
- A panel of Business representatives will be presenting to the Panel on the second weekend – regarding important considerations from a business perspective.
- Business, social, and environmental organisations will be asked to provide the Panel with their perspectives/advice on Export tariffs both in advance of the final weekend and during the session on this weekend.

Keen to Learn More?

- You can read more about the SA Power Network's Regulatory Reset process and its status on the Talking Power website – www.talkingpower.com.au
- You can read more about the People's Panel, including the full strategy document here - <https://www.talkingpower.com.au/peoples-panel>
- Keen to learn more about the process designers and facilitators, democracyCo – visit the website www.democracyco.com.au