Minutes

Reset Advisory Group

Meeting 4

Meeting Details

Organiser	Alex Lewis
Date	Wednesday 19 November 2025
Time	9.30pm – 12.30pm
Location	Rex Hotel

Members

Chris Marsden, Chair
Matt Curnow (RAG Rep on CAF)
Adam Davidson (Deputy - RAG)
Georgie Morris
Mike Leane
Pawan Verma
Jason Huang
Cathi Buttfield

SA Power Networks (SAPN)

Jessica Morris, Chief Customer & Strategy Officer
Alex Lewis, Stakeholder Engagement Manager
Kylie Lush, Minute Secretary
Richard Sibly, Head of Regulation
Megan Grey, Head of Communications & Engagement

Guests/Presenters

Helen White, Manager Revenue & Pricing SAPN
Michelle Howie, Innovation Development Mng SAPN
James Brown, Manager Enterprise Innovation

1. Recurring Ordinary Items

1.1. Welcome and acknowledgement of country
Chris welcomed everyone to the meeting and acknowledged the traditional owners of the land.

1.2. Present & Apologies – Apologies from Georgie Morris were noted.

1.3. Previous minutes & Actions - Minutes from the previous meeting were circulated to members and accepted as an accurate representation of the meeting.
CAF Update – Alex provided a brief update on the topics discussed at the CAF meeting held on 6 Nov. She also highlighted the upcoming Advisory Group speed dating session on 20 November, designed to gather feedback from chairs about their experience over the past year and discussed the consultative group structure currently under review.

2. SEC Newgate Report – Overview & Findings

Alex provided an update on the key findings in the SEC Newgate report. A number of advisory group members were interviewed as part of the process, as well as AER representatives, State Government and Mark Henley as the AER's CCP30 representative. This report will provide input into and help shape SA Power Networks path to the 2030 reset period.

The report captured the overall perspective of SA Power Networks review process including things that went well and opportunities for improvement.

Stakeholders and internal leaders typically rated SA Power Networks regulatory reset process highly, noting

steady improvement across resets, with SA Power Networks widely regarded as a sector leader, with strong engagement, technical capability and a trusted brand.

The main areas for improvement include affordability focus, scenario design, engagement scope v impact and board visibility. The emerging issues and trends that stakeholders believe SA Power Networks will need to factor in for its next reset were also discussed.

Discussion:
Jess acknowledged the challenge of Board level visibility, noting none of them are based in Adelaide and most are Hong Kong based. However, it was agreed that emphasising the importance of increased board presence during the next Reset Engagement process would be a priority. Members also suggested that board members should not only attend as observers but actively introduce themselves and contribute to discussions.

It was noted that the AER is currently reviewing its Customer Consultative Panel process, however the timing for outcomes was unclear. A comment was made regarding the SEC Newgate report's repeated references to streamlining which were partly attributed to engagement fatigue and the desire to utilise our BAU engagement more. We will discuss the engagement principles and co-design the engagement process with RAG/ CAF. Alex noted that it appears that the AER has no appetite to review its Better Resets handbook in the near future.

Strategic recommendations were discussed. Alex highlighted that engagement with ESCoSA has already commenced, and next year will focus on building Reset strategies with stakeholder input. This will include developing preliminary narratives and forecasts by December 2026 with the next Draft Proposal scheduled for submission in July 2028. Members expressed support for the report's emphasis on focusing on outcomes that consumers can influence.

Chris also queried what SEC Newgate meant when referring to the need for 'fresh eyes' and 'blind spots' in the report. Fresh eyes referred to the need for other engagement approaches interstate or in different sectors eg. water to be considered in developing a program.

It was noted that SA Power Networks has yet to receive guidance from the AER regarding the next reset period. Members suggested inviting the AER to the next Reset Advisory Group meeting in February 2026.

Chris raised a question about SA Power Networks' internal reflections on the revenue outcome from the previous reset process, in particular whether SAPN was satisfied with the result or if a different approach could have yielded better outcomes. Jess expressed concerns about capital expenditure, particularly regarding repex and reliability, noting that SA Power Networks is currently spending more than the allowance provided. She emphasised the importance of avoiding penalties under the incentive scheme and highlighted the need to ramp up asset replacement efforts, targeting an increase of $50 million per annum.

Jason suggested exploring engagement with international participants to bring in diverse industry perspectives, which could provide valuable insights for the Reset process.

3. 2024/25 Revenue & Quantity Outcomes
Helen provided an update on 2024-25 revenue and quantity outcomes.

Consumption Quantities:
- 2023/24 saw a decline due to mild weather and a 24% DMO price rise.
- 2024/25 quantities increased across all tariff classes, driven by hot weather, SA Water desalination plant usage, cooler winter conditions, and a 2% DMO price decrease.
- Residential and small business billings were impacted by factors like weather, COVID, and price changes.

Over/Under Recovery DUoS:

- 2023/24: Under-recovery due to lower residential consumption.
- 2024/25: Prices adjusted to address under-recovery.
- 2025-30: New regulatory period expected to start in a neutral or over-recovery position.

Performance Incentive Schemes:

- **STPIS:** Targets reset each regulatory period, measuring reliability, quality of supply, and customer service (e.g., call response times).
- **CESS:** 5-year outperformance of $37.6m, with a $4m bonus.
- **EBSS:** 5-year outperformance of $103.5m, offset by a $120.1m penalty.

Discussion:
Helen noted the funding SA Power Networks received from ARENA to put in 8 community batteries under 3 different use cases to defer network expenditure.
Chris is interested to see an analysis of Forecast quantities v Actual quantities for 2020-2025.
Next year, RAG would like to see export quantities and charges tracked; Incentive schemes and how penalties are applied; and Business forecasts vs long-term usage?

Helen noted that the increases in rooftop PV and population growth net each other out for the period.

4. Innovation & Energy Masters Update - Michelle Howie

New Innovation Portfolios:

- Expanded focus beyond future networks to include customer innovation and asset management/operations innovation.
- Introduced an innovation framework to streamline governance, reporting, and tracking of value from innovation investments.
- Shifted to a partnership model, decentralising innovation efforts across business units.

Innovation Fund:

- Additional funding granted for innovation projects, complementing existing sources like the Demand Management Innovation Allowance.
- Advisory Groups aim to surface or identify possible innovation opportunities and provide input on projects seeking funding.
- First project, SAPS, has been pitched to the Innovation Advisory Group.

Energy Masters

- Energy Masters is a pilot program testing site-level demand flexibility in 500 homes.
- Participants receive subsidies for electrification upgrades, including free home energy management systems (HEMS) to monitor and optimise energy use.
- The programme aims to balance customer trust, value, and technology while advancing industry standards for device interoperability.

Discussion:
Members encouraged to suggest innovation ideas for future projects.

Adam and Mike who are part of the Energy Masters pilot program shared positive experiences with the program, highlighting the value of subsidies and the importance of trust and simplicity in managing energy use. Challenges include compatibility issues between devices and HEMS, highlighting the need for interoperability standards across the industry. The heat pump rules create specific limitations for SA and

this issue has been elevated nationally.

Members discussed the potential for expanding the program to include small businesses and commercial/industrial customers. This will be scoped in 2026.

5. **DSO Role – James Brown**

James is keen to build members' understanding about the DSO (distribution system operator) concept, an emerging industry term describing new functions for distribution networks to integrate consumer energy resources like rooftop solar, batteries, and EVs into the grid.

SA Power Networks is taking on additional roles to manage, leverage and optimise CER while maintaining existing functions.

South Australia leads globally in renewable energy uptake with 72% of annual net demand met by renewables, therefore SA Power Networks is experiencing challenges with minimum demand days, rooftop solar exports and maintaining system stability.

Discussion:

Members raised questions about the impact of electrification on network utilisation and peak demand.

SA Power Networks is working to improve visibility of the network through smart meters and data sharing.

The importance of balancing flexibility with customer trust and ensuring customers retain control over their assets was emphasised.

A question was raised about the export tariff and role of the DSO in avoiding augmentation and making effective financial decisions. The response clarified that the role of the DSO is not solely about avoiding augmentation but rather about making the most effective investment decisions.

Cathi emphasised that trust and equity are critical elements in the transition to new energy systems and are significant challenges that need to be addressed.

6. **Other Business & Round Table**

- **CAF / Advisory Group Survey –** Alex noted the feedback from the survey will feed into the review of consultative groups in early 2026.

- **ECA Update** – Chris noted the ECA funding application to address cross-jurisdictional issues that was initially rejected has now had some follow-up discussions. Progress has been slow with intermittent interest and activity. Chris met with senior ECA representatives in late September to discuss consumer advocacy initiatives. Plans for an online consumer advocacy forum will likely occur next year.

  Chris and Alex are attending ECA's networking drinks as part of the annual board meeting in Adelaide and Alex is providing an overview of Kelvin Trimper and the scholarship established to honour his legacy.

- Chris highlighted the value of the Reset Advisory Group's diverse and interactive discussions, noting its effectiveness.

Chris acknowledged the time and effort contributed by members, particularly those balancing full-time work, and expressed appreciation for their input and engagement and thanked SA Power Networks for their time and effort.

Jess thanked Chris for his efforts this year and chairing the Reset Advisory Group.

Actions Arising	**Who**	**Status**
Invite AER to the Reset February Meeting in 2026	Kylie	Feb 2026
Analysis of Forecast quantities v Actual quantities for 2020-2025	Helen	Feb 2026
Advocacy Framework to the Reset February Meeting in 2026	Kylie	Feb 2026

Meeting closed at 12:33
Next Meeting – Feb 2026