

Minutes



Tariff Advisory Group (TAG)

Meeting Details

Organiser	Erin Hampton
Date	6 June 2025
Time	9:30 am to 12.30 pm
Location	SA Power Networks, Richmond Road Keswick

Attendees

Members	
Heather Merran (Chair)	Independent
Mark Yates	YES Group
Matthew Curnow	Sustainable Savings
Antony Clarke	Electricity and Water Ombudsman SA
Jen Bradley	Customer Advocate
Simon Blom	LGA Procurement
Don Woodhouse	Individual
Andrew Schultz	Department for Energy and Mining
David Russell	AGL
SA Power Networks	
Helen White	Manager Revenue and Pricing
Richard Sibly	Head of Regulation
Erin Hampton	Stakeholder Engagement Lead
Sam Craft	Customer Innovation Manager
Martin Coelho	National Market Revenue Manager
Apologies	
Pratib Parthiban	Pricing Manager
Estha van der Linden	Australian Industry Group
Diane Lomas	SA Small Business Commissioner
Lynette Day	Department for Energy and Mining
Cathi Buttfield	SA Business Chamber
Mark Gishen	Wine Industry SA
Greg McCarron	Central Irrigation Trust

Minutes

1. Welcome and Introductions – Heather Merren

Heather welcomed the group to the meeting and noted the apologies.

Erin acknowledged the multiple Traditional Owners of the lands that host the South Australian electricity grid.

Reminder - Heather chairs and is a member of the TAG in an independent capacity and it is not part of her employment or representative of her position as a Senior Policy Officer, Electricity Division, at the Department of Climate Change, Energy, the Environment and Water.

The previous meeting minutes from 6 November 2024 were accepted.

2. Outstanding Action Items/matters arising from previous meeting – Helen White

Various links provided in the previous meeting minutes including to the AEMC Pricing Review and the Tariff Structure Statement.

Export Tariffs - A separate working group was formed after the last meeting to develop the communications package. This workgroup has concluded, and the information is live on the website however is not being actively promoted. There is also a video available outlining the new export tariff that is available via the link below. There are FAQs and a factsheet on the website.

[Export Tariff Video - SA Power Networks](#)

[Tariffs we charge to distribute your electricity - SA Power Networks](#)

The new export tariff will come into effect from 1 July 2025 and Helen requested that the group review the website and accompanying information and suggest improvements if appropriate.

All tariff information on the website was reviewed and updated with the website reflecting new tariff structures from 1 July 2025. This includes time window changes for residential and new tariffs for business.

Action: Agenda item to be added for feedback discussion at August meeting.

Trial tariffs

All but one trial tariff will be fully adopted in the next reset period 2025-30. Please refer to slide deck for further information.

Discussion: Don questioned why batteries were not included as an eligible device in the Diversify 2.0 tariff (500 customers are on this tariff as part of the Energy Masters initiative). Sam explained that there are several incentives already in the marketplace for batteries but none for device flexibility that are connected via a HEMS device.

Devices like an air conditioner can be ramped up and down in operation or temperature and there is a focus on understanding customer behaviour as control of air conditioners can elicit a strong customer response. Other devices like heat pump hot water systems are part of the initiative.

The Diversify 2.0 tariff can be accessed by any retailer who can demonstrate their ability to participate. Energy Masters participants can access greater benefits through partner retailers Energy Australia and Amber Energy however customers can be with other retailers.

Action: Energy Masters update to be provided at either August or November meeting.

3. AER Final Decision

The AER published its Final Decision on the 2025-30 Regulatory Determination on 30 April 2025. Please refer to slides for further information and there will be a Post Implementation Review completed by the end of the year.

This amounts to an increase in Operational Expenditure of 19% and Capital Expenditure of 15% over the 2025-30 period. Most of the funding is allocated to Replacement Expenditure which involves maintaining a reliable, resilient and safe network. The determination includes a \$20M Innovation Fund.

Richard commented on the extensive engagement to develop the proposal however we are looking at ways to make this more efficient where possible.

Discussion: Mark asked if there is a cap for the proposal that is aligned with determinations from previous years. Richard explained that costs are structured in the proposal in a certain way however there are no strict limits for the proposal outside of the recommendations in the AER's Better Resets Handbook available here - [Better Reset Handbook - December 2021.pdf](#).

4. Innovation Operating Model and Pathway – Sam Craft/Mark Yates

Please refer to slides for further information.

The Innovation Fund is the first of its kind for SA Power Networks and an operating model has been developed to guide its success. A risk is to ensure that innovative ideas are not already behind technology advances by the time they are actualised.

Sam's role is to also look at cost of living pressures, growing energy affordability in the equity divide and increasing customer service expectations in the face of declining trust in the energy sector.

Innovation Advisory Group: purpose is to provide customer and industry input to the prioritisation, selection and delivery of Innovation Fund Projects. The group will also be given visibility of SA Power Networks broader Innovation Framework and other projects that fall outside of the Innovation Fund.

Mark discussed the Innovation Fund structure and the development of the Advisory Group and that the AER initially rejected the fund. The submission was revised and business cases provided, and approval was given.

Discussion: Mark is eager to collect ideas for innovation initiatives within the Tariffs area and there was a recommendation that the Talking Power website and SAPN social media could be used to communicate or engage with the wider community.

The ARENA community batteries project was discussed and Heather commented that we are reconsidering the traditional operation of energy networks to one that is consumer centric, operating from the premises up to the transmission network. The AEMC's Pricing Review is also



ongoing with a recent forum and discussion paper released. It is rethinking the tariff structure and how we pay for the changes in energy generation, transmission and distribution.

SA Power Networks' Innovation Business Case is available via the following link - [Business case: Innovation fund](#)

Action: Please send any ideas for IAG investigation through to Mark Yates (mark@yesgroupsa.com.au) and Sam Craft (sam.craft@sapowernetworks.com.au)

5. 2025-26 Pricing Outcomes – Helen White

Please refer to slides for further information.

The Regulatory Determination was received at the end of April and the TSS received approval. The first year of the reset is called the Initial Pricing Proposal and approval was received for this on 26 May 2025. There are two relevant documents:

1. Statement of compliance – demonstrating how we have complied with all National Electricity Rules.
2. Customer Only Document – information customers want to know including tariff structures, actual prices for distribution and transmission, SA Government schemes and alternate control prices. It also includes a customer impact analysis.

[Initial Pricing Proposal Overview 2025-26](#)

For the upcoming period, South Australia had the lowest percentage increase compared to other states for the residential default market offer. SA Power Networks charges make up 27% of the total retail bill, consistent since privatisation.

Discussion: Mark asked if SA Power Networks are considering the agreed maximum demand charges from ElectraNet given the amount of distributed generation that's being imported to the network. Helen advised that there is a Transmission Connection Agreement which dictates how SA Power Networks engage with ElectraNet and part of that process is the forecasting of demand requirements by the network team and discussions are ongoing with ElectraNet regarding the charging structure. ElectraNet are a regulated business however there are different processes that they need to go through with the AER.

David explained that any customer can contact their retailer and request to be put on the Default Market Offer (DMO). Helen advised that approximately 7% of South Australian's are on the DMO, all others are on agreements created by the retailers, but these must be marketed in relation to the DMO.

The \$20M that is collected as part of the Export Tariff from 1 July 2025 over 2025-30 will be used to invest in a mixture of capital and operational expenditure items. Some of this money will be used for upgrades in substations to support the amount of distributed energy on the network as well as IT systems.

6. Customer Outcomes – Heather Merren/Erin Hampton

Heather presented the outcomes that were listed for achievement by the TAG and asked members to review and provide feedback.

Please refer to slides for more information.

Action: Update 'Reliable, safe and resilient network' outcome metric to an annual update of the collection amounts through the Export Tariff from 1 July 2025.

The group were interested in the expenditure of the dollar collected through Export Tariffs and Helen explained that the list of proposed expenditure was published in the TSS Part B – available via this link - [Attachment 18 - Tariff Structure Statement Part B - Explanatory Statement](#) (page 82) and shown below

11.6.1 Export cost recovery start date

SA Power Networks is proposing to recover expenditure relating to the enablement of export on the distribution network incurred from 1 July 2025, the first day of our new RCP.

The proposed expenditure includes the following:

- Ongoing maintenance and support for the systems that enable our Flexible Exports capability;
- Improvements to distribution network voltage management to reduce daytime voltage rise in high solar areas including installation of dynamic voltage control equipment at 48 zone substations and a transformer tapping program to tap down over 740 LV transformers;
- Capacity upgrades to 484 existing LV transformers (including replacement of old fixed-tap transformers) and the installation of 615 additional infill transformers to increase export capacity in areas of congestion;
- Installation of new voltage regulators required to maintain voltage compliance at 11 locations in the regional sub transmission network;
- Upgrades to SCADA to enable measurement of reverse power flows at 82 substations; and
- Continuation of our CER compliance program to improve compliance to inverter technical standards and configuration settings.

Discussion: Mark commented that there may be a lack of understanding of tariffs and the relationship between those that DNSP's set and how they are packaged by the retailers. He believes that there is a lack of information available. Helen explained that the customer overview should explain this better and is available via the following link (copy from above) - [Initial Pricing Proposal Overview 2025-26](#).

Erin asked how members could contribute to the achievement of the outcomes. Cathi advised that she could use her network to distribute information and gather feedback from various sectors.

7. Around the Table/Chair wrap up:

Retailer Roadshow – In March, the Billing and Pricing teams travelled to Melbourne to discuss the upcoming tariff structures and Export Tariffs. Helen and her team will continue to build the relationships with the retailers.

Cathi asked if SA Power Networks has had any involvement in the Firm Energy Reliability Mechanism (FERM) - more information is available here - [Firm Energy Reliability Mechanism – Stage 2 Consultation | YourSAy](#). Helen advised that this may be outside of the remit for the TAG however she will determine if it impacts us and advise at the next meeting.

Heather declared the meeting closed at 12:35pm.

Action Items

Action topic	Action item	Party Responsible
Tariffs: Consumption and Export	Agenda item to be added for comms feedback discussion at August meeting	Erin
Energy Masters	Update to be provided at either August or November meeting	Erin
Innovation Ideas	Sam requested suggestions from the group for customer innovation initiatives that can be investigated further.	All
Customer Outcomes	Update 'Reliable, safe and resilient network' outcome metric to an annual update of the collection amounts through the Export Tariff from 1 July 2025.	Erin
Customer Outcomes	Members to provide feedback on Customer Outcomes to Erin	All
Customer Outcomes	Erin/Heather to write letter advocating for government support of vulnerable customers through smart meter roll out	Erin/Heather

