SA Power Networks

Reset Advisory Group Meeting

26 October, 2026



You make the network

Acknowledgement of Country

SA Power Networks acknowledges the multiple Traditional Owners of the lands that host the South Australian electricity network and their connections to land, sea, and community. We would also like to pay our respects to all First Nations peoples past and present, acknowledging their deep connection to Country, Culture and Community.



Connection With Country, 2025 by Kelly Taylor & T'Keyah Ware

1. Welcome

- Present & Apologies
- SACOSS update



2. Update on co-design of our engagement plan 2030-35

Workshop #1 insights



The co-design process

A series of four workshops to co-design the Reset Engagement Program for 2030-35.



SAPN Design Workshop

The objective of this workshop is to explain the co-creation process and ensure everyone is clear on how the sessions will run and what will be expected of them and what needs to be prepared.

26 August



SAPN + RAG/CAF Design Workshop: Part 1

The objective of this workshop to help bring RAG/ CAF members up to speed on the regulatory process, agree **ways of working**, agree the **engagement goal** for the upcoming reset and start to discuss the regulatory **narrative.**

29 September



SAPN Check In Session

The objective of this workshop will be to re-group after meeting one, share feedback, refine the future approach as needed, and prepare for the next workshop.

23 October



SAPN + RAG/ CAF Design Workshop: Part 2

The objective of this workshop is to collectively discuss and then prioritise all the possible **topics** for engagement in the upcoming regulatory process and then explore, as a group, how these would plot on a matrix and howSAPN might best **engagement methods and audiences** for each topic.

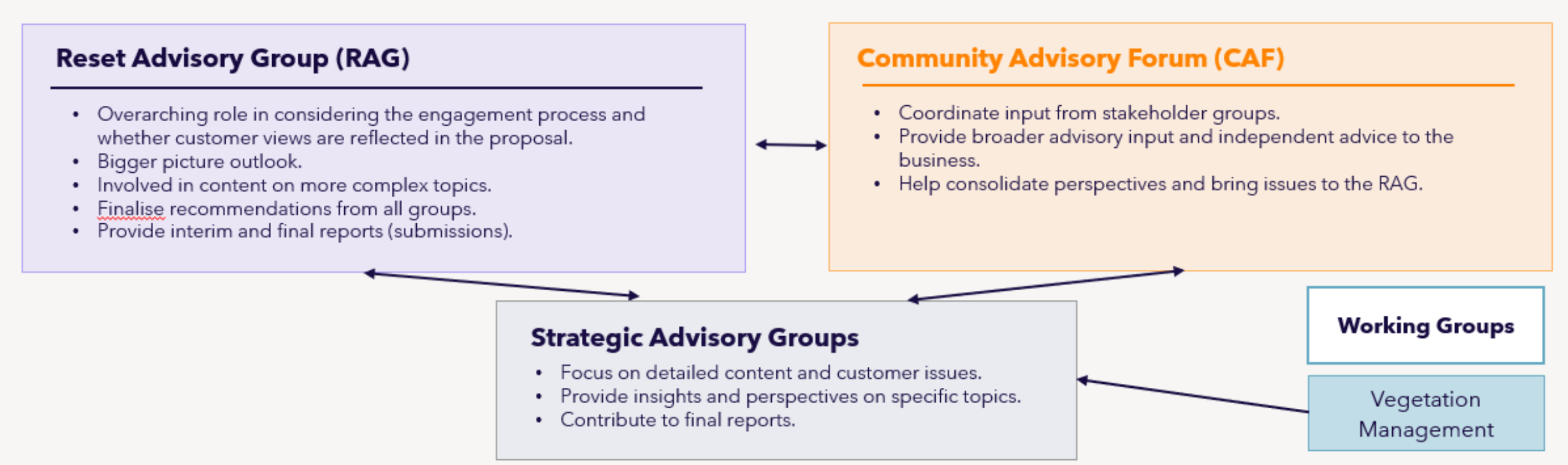
12 November

Engagement goal agreed at Workshop 1

Our goal is to co-design and deliver a genuine, inclusive and accessible engagement process focused on the outcomes that matter most to the South Australian community.

We will demonstrate transparently how customer and stakeholder feedback has shaped the regulatory proposal, applying fair and reasonable judgement to balance our customers' diverse needs and preferences~~, and the needs of the network~~.

Proposed advisory group structure



Key ways of working

- Information flows across and up between groups.
- Focus on customer preferences, not prudency and efficiency.
- Draw on multiple sources of evidence.
- Capture and report different perspectives.
- SAPN to be transparent about how feedback is used.
- Create space for all voices to contribute.
- Share information openly (no surprises).
- Roles and arrangements may evolve and differ by topic.

What is each consultative group's role in the regulatory process?

CAF

- Remain up to date on the progress of the regulatory process via the Chair of RAG and other Strategic Advisory Group Chairs at quarterly CAF meetings
- Co-sign the CAF / RAG report to the AER at the end of the process
- Attend engagement activities as required

RAG

- Prepare interim and final reports on the engagement process and proposed expenditure inputs
- Co-sign the CAF / RAG report to the AER at the end of the process
- AER engagement including AER board, CCP and Public Forum
- Attend RAG meetings and provide considered feedback
- Consider all other matters relevant to reset
- Chair attends CAF meetings and will share regular feedback on the process
- Attend engagement activities as required

Other Strategic Advisory Groups (NPAG, IAG, FEAG)

- Groups responsible for specific engagement topics based on their group speciality.
- Chairs of these groups attend RAG meetings at key points in the program to report on engagement outcomes, insights and assurance.
- Groups review and contribute to the interim and final reports on their engagement topics.
- Attend CAF meetings and provide quarterly updates.

Working Groups

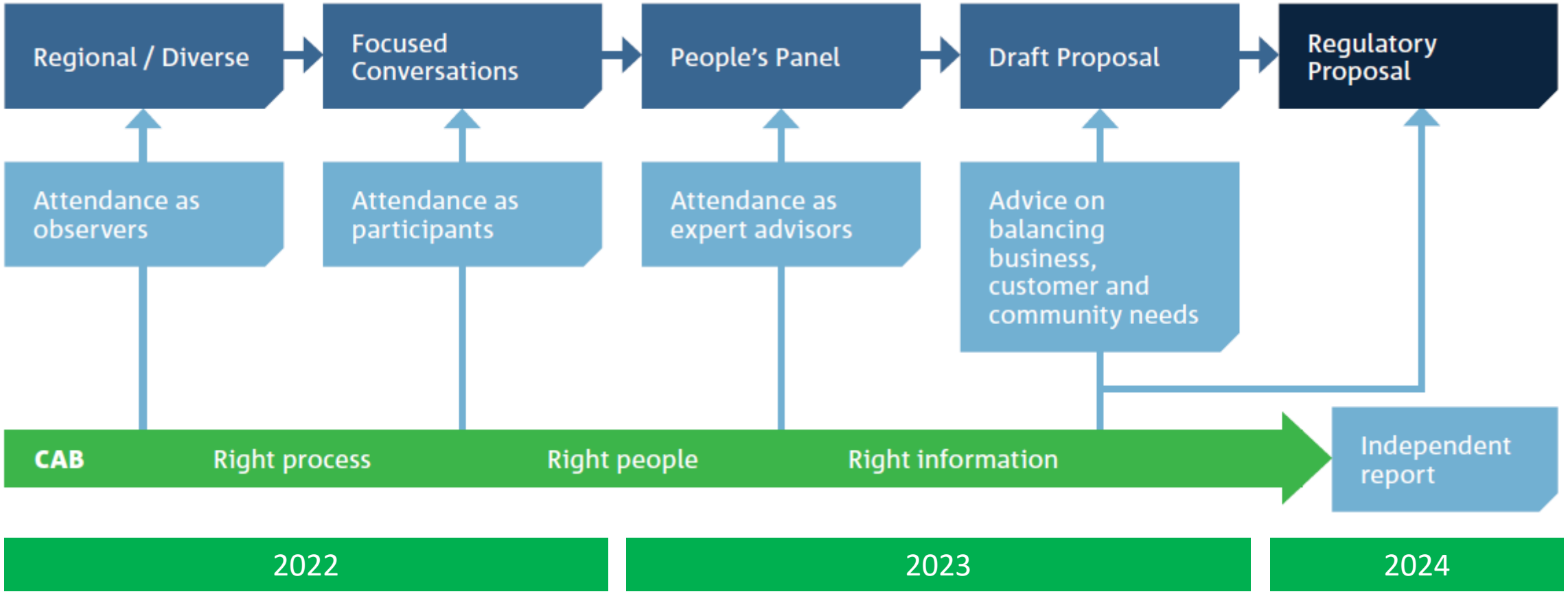
- No formal role – participate in engagement as required.

3. High level comparison of 2025-30 draft plan, proposal & revised proposal

Richard Sibly

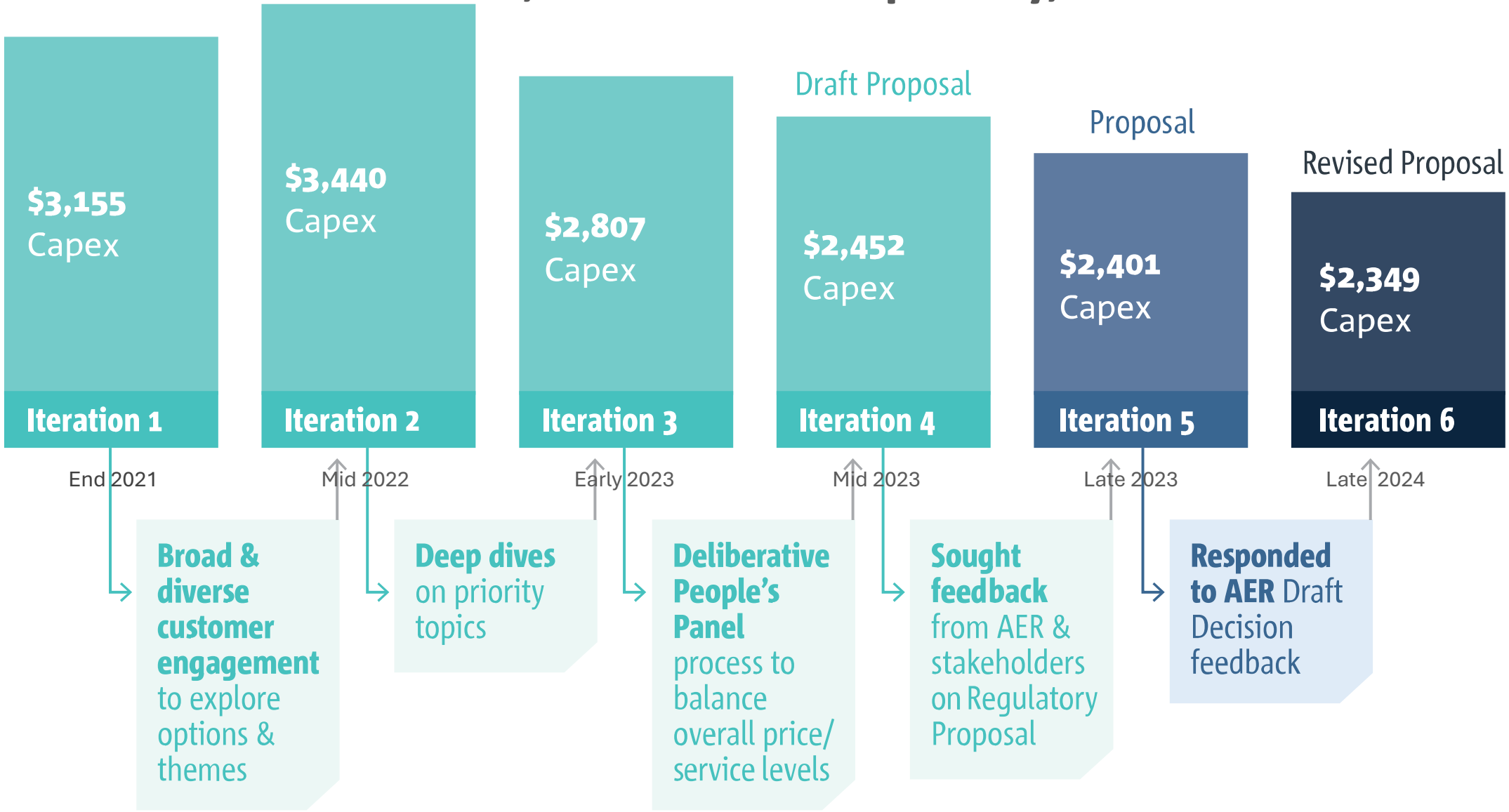


For the 2025 Reset, we had an extensive and structured stakeholder engagement program



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Several iterations of expenditure, revenue and customer bill forecasts both informed, and were shaped by, stakeholders



Figures shown are before disposals. To present a like-for-like comparison, we applied the same forecast inflation and real labour price escalators as those used in our Regulatory Proposal to all iterations.

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2025 Reset milestones

	Original Proposal	AER Draft Decision	Revised Proposal	AER Final Decision
Revenue*	$5,164 million	$5,143 million	$5,168 million	$5,207 million
Operating Expenditure* (excl. debt raising costs)	$1,970 million	$1,970 million	$2,023 million	$2,023 million
Capital Expenditure* (after disposals)	$2,379 million	$2,135 million	$2,338 million	$2,257 million

*Revenue expressed in nominal terms and expenditure expressed in $2025 terms

4. 2025/26 outcomes & commentary

Ali Walsh



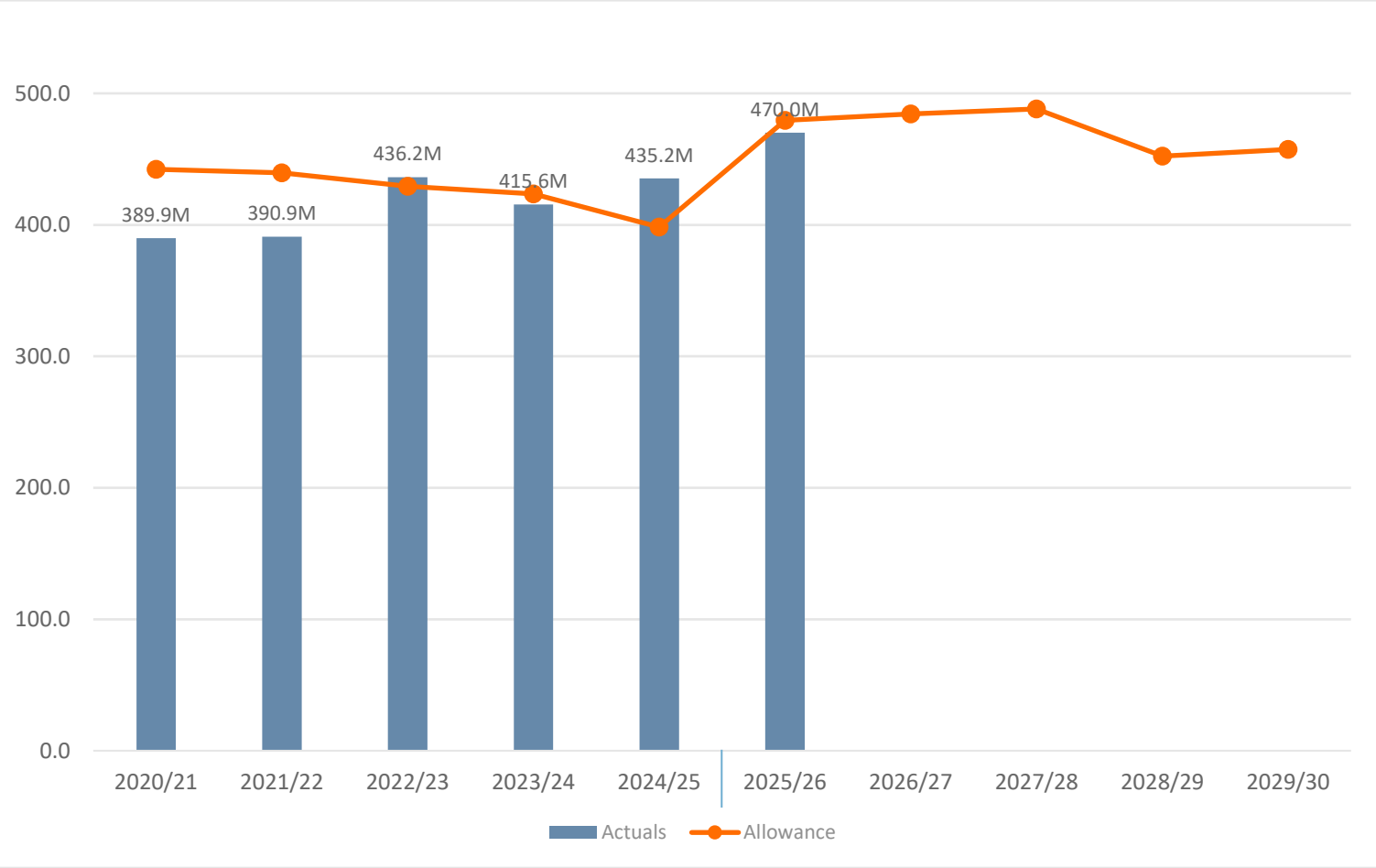
Purpose

- To present to the RAG and NPAG how we are tracking against the outcomes discussed in the reset engagement for the 2025-2030 reset.
- Customer and stakeholder preferences were incorporated into our Asset Management Objectives which guide decision making and outcomes tracking in the business.

Overview

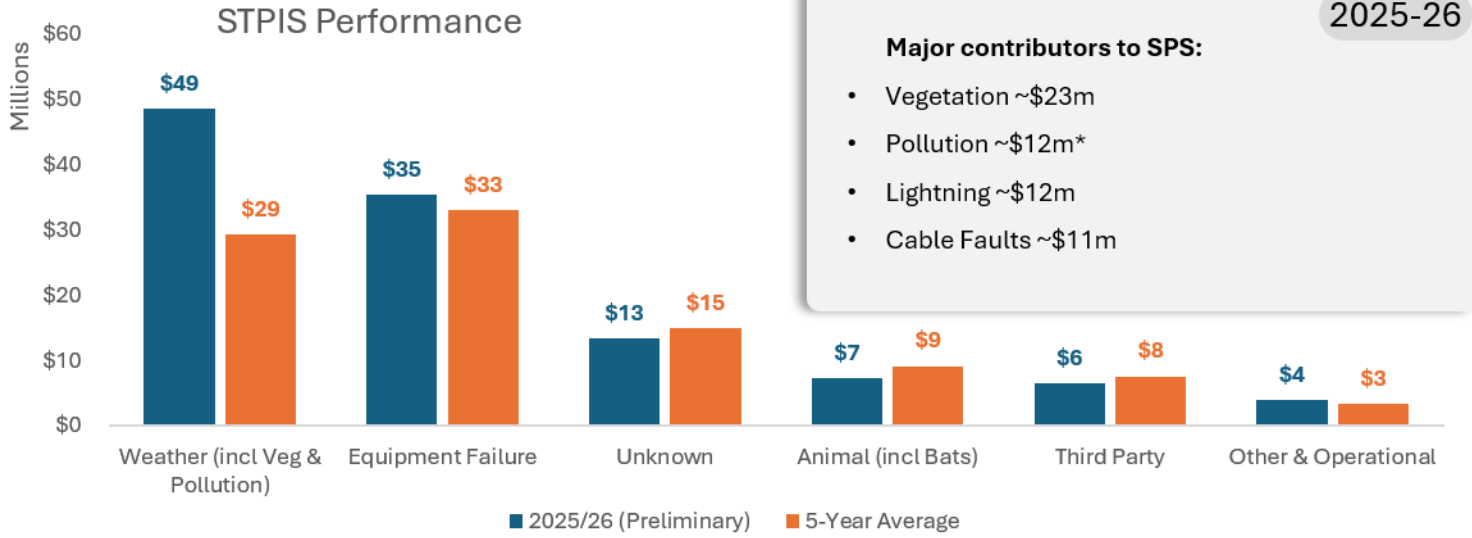
- Overall, we spent close to our allowances for the 2025/26 regulatory year
- We failed to achieve 8 of our 16 ESCOSA reliability targets and achieved only 3 of our geographic region reliability SAIDI targets.
- SAIDI = System Average Interruption Duration Index = how many minutes on average customers were without supply.
- We have managed our safety risk with the safety outcomes of electric shocks and fire starts on Total Fire Ban (TOBAN) days below the historical average.
- Delivery occurs across multi-year projects within a regulatory control period (RCP) and is generally tracking well.
- We have commenced delivery for the large multi-year ICT (Information and Communication Technology) improvement projects that are part of this RCP.

Capex allowance and actual spend



Asset Management Objectives

- The story of 2025/26 for SA Power Networks has been the significant impact of insulator pollution that has adversely impacted our reliability metrics, particularly across coastal regional areas such as the Yorke and Eyre Peninsulas.
- The impact has garnered a sizable organisational response with both operational, maintenance and emergency response work to address the challenge as it occurred and significant reprioritisation of the work program for 2026/27 to ensure that we can address the cause of the problem before next summer.
- Reliability away from our regional coastal areas has been impacted by vegetation, weather and cable faults with our unplanned repex exceeding allowances in 2026 and presenting a risk against the regulatory control period (RCP) unplanned repex allowance. We had 2 major event days (where SAIDI exceeded 4.6 minutes) in 2025/26 due to storm activity including the Port Pirie storm.
- Connections work, particularly major customer connections work, is higher (in gross terms) than the reset profile and remained strong for 2025/26. Net is close to allowance due to strong contributions on major customer work.
- Within our ICT portfolio we have completed the Field Warehouse Replacement project and initiated all major improvement projects including the Customer Technology and Asset Management Programs.



Major contributors to SPS:

- Vegetation ~$23m
- Pollution ~$12m*
- Lightning ~$12m
- Cable Faults ~$11m

Note: Whether an outage is pollution-related or has no identifiable cause can be unclear. As a result, pollution SPS may be overstated.

2026 Performance Overview (30 June)

Objective	Measure	YTD	YTD Target	Annual Target
Community Safety Risk ALARP	Electric Shock >=50V	20	47	47
	All Unassisted Failure	4,030	6,559	6,559
	TOBAN fire starts	2.4	2.6	2.6
Objective	**Measure**	**FYTD**	**FYTD Target**	**Annual Target**
STPIS Performance	+ Reward / - Penalty	-$17.5M	$0	$0
Meet ESCOSA Reliability Targets	Feeder Category SAIDI	3/4	4/4	4/4
	Feeder Category SAIFI	3/4	4/4	4/4
	Restoration of supply	2/8	8/8	8/8
Export Service Performance	Percentage of sites at or above 95% service level	85%*	95%	95%

On Track At Risk Not on track

***85% is the indicative Level of Service for Flex Customers Only**

Maintain geographic region Reliability

SAIDI Regions

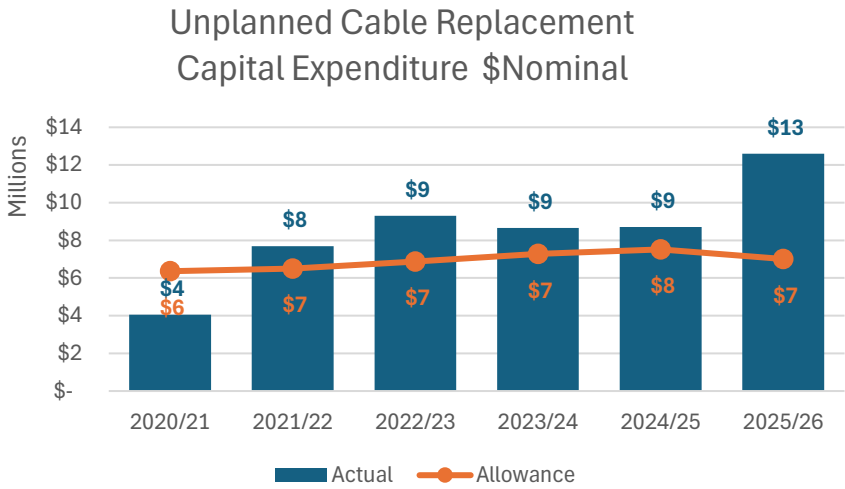
Region	FYTD	FYTD Target
Adelaide Business Area-ABA	8.90	18.60
Barossa, Mid-North and Yorke Peninsula-BMY ★	380.10	190.92
Eastern Hills-EH	271.30	295.92
Eyre Peninsula-EP* ★	538.60	393.60
Fleurieu Peninsula-FP ☆	269.30	225.24
Greater Adelaide Metropolitan Area-GAMA	112.60	94.56
Major Regional Centres-MRC ☆	94.40	84.00
Riverland and Murraylands-RM	256.60	242.40
South East-SE* ☆	339.30	295.92
Upper North-UN*	262.20	370.08

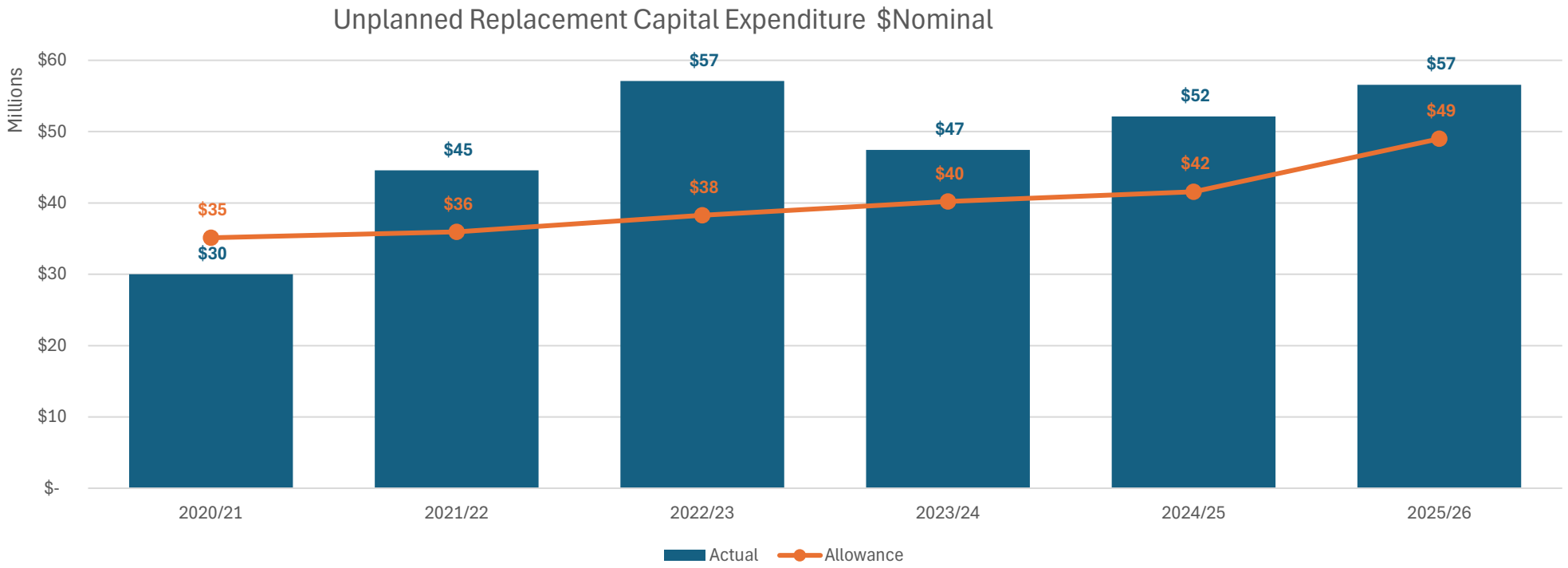
★ Regions severely impacted by insulator pollution

☆ Regions somewhat impacted by insulator pollution

* Worst Served regions where the AMO is to improve reliability

Unplanned Repex





Delivery and Benefits update

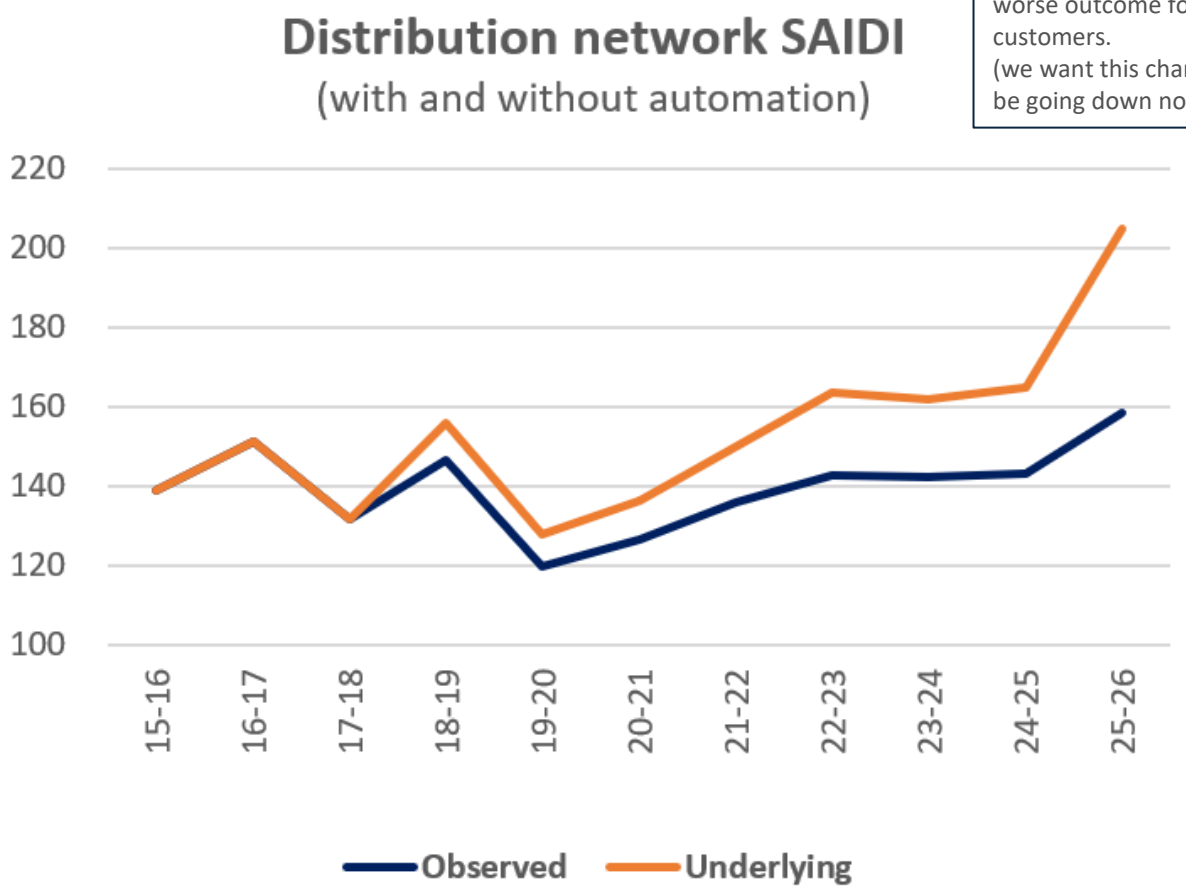
- We have pivoted to spending above allowance on repex and reliability programs to address our failure to meet reliability targets, balancing the risk across the portfolio.
- We are investing in upgrading 10,000 insulators on our 33kV powerlines to pollution-resistant designs. Our crews are also cleaning, replacing and applying a silicon coating to insulators across regional South Australia.
- We are investing in additional feeder automation (self healing network segmentation) that helps address reliability outcomes regardless of cause and supports our work to achieve our AMOs while the underlying trend worsens.



Why we worry about reliability & network condition

- After a period of significant improvement during the 2010s, we are now barely maintaining the level of 'observed' performance, and underlying performance is deteriorating markedly
- Tactically, we are seeking to apply proven methods to maintain *performance*, while we begin to more effectively address *condition*

More SAIDI = more minutes off supply = worse outcome for customers.
(we want this chart to be going down not up)



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Why is this occurring?

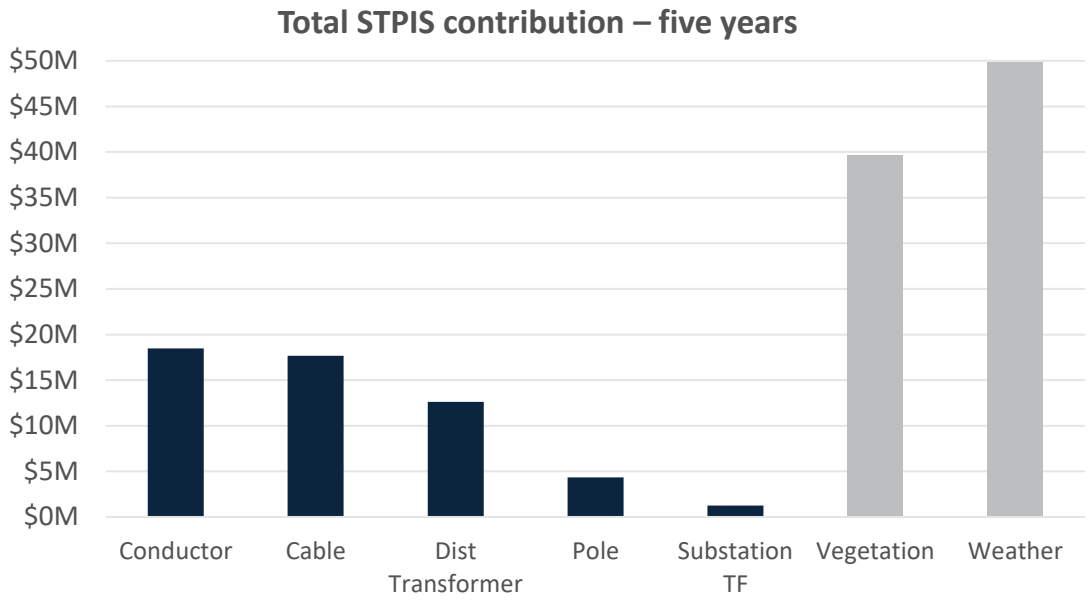
We have largely relied on **inspection** to drive replacement of powerline assets for decades, and have significantly improved how we record and evaluate defects to ensure our investment is directed to the highest risk.

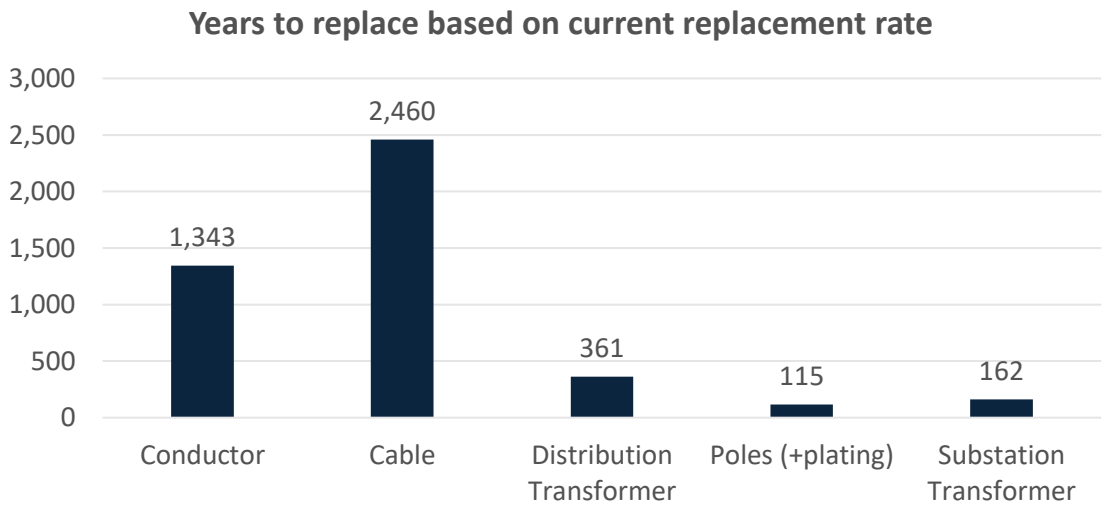
That worked well when our assets were younger, however, we are entering a new phase for our network assets.

Relying *too* heavily on inspection to select investments is now leading to:

- Under-investment in assets for which inspection cannot reliably assess condition (eg. conductor) as well as external causes (eg vegetation)
- A piecemeal approach to replacement – appropriate for a young fleet, inefficient in an ageing network.

Managing *all* asset types and other causes of interruptions requires more sophisticated data/information and analysis *and more expenditure.*





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Conclusion

- Major ICT programs are making progress on improving how we do work and simplifying the experience for our customers and industry connections.
- Our reliability performance is not where we want it, and we have programs in place to address the major causes but will continue to need investment to achieve customer service outcomes.
- We are broadly on track with our Reset commitments and will continue to track outcomes we are delivering for our customers.

Afternoon Tea Break



5. Enhance online opportunities

Board member participation in future engagements



Board of Directors

Peter Tulloch, Chairman – appointed May 2005



Mr Tulloch has been Chairman of SA Power Networks and Victoria Power Networks Pty Ltd, as well as its subsidiaries CitiPower Pty Ltd and Powercor Australia Limited, since 2005. He is also a Non-Executive Director of CK Life Sciences Int'l (Holdings) Inc.
Prior to moving to Australia in late 2002, Mr Tulloch worked for more than 30 years in banking in Asia. He was educated in Scotland and is a Fellow of the Institute of Canadian Bankers

HL Kam, Director – appointed March 2000



Mr Kam is a Director of SA Power Networks. He is also a Director of Victoria Power Networks Pty Ltd and Australian Gas Networks.
In addition, he is the Group Managing Director of CK Infrastructure Holdings Limited, Deputy Managing Director of CK Hutchison Holdings Limited and CK Asset Holdings Limited, as well as President of CK Life Sciences Int'l (Holdings) Inc. Mr Kam is also Chairman of Hui Xian Asset Management Limited, which manages Hui Xian Real Estate Investment Trust, a real estate investment trust listed on the Stock Exchange of Hong Kong Limited.

Charles Tsai, Director - appointed October 2022



Mr Tsai is a Director of SA Power Networks and is Chief Executive Officer & Executive Director at Power Assets Holdings, a position he has held since January 2014. He has been with the Group since June 1987. Mr Tsai is the General Manager of Power Assets Investments Limited, a wholly-owned subsidiary of the Company. He is also a Director or Alternate Director of most of the subsidiaries and certain joint ventures of the Company. Mr Tsai has been responsible for the Group's investments outside Hong Kong since 1997.

Andrew Hunter Director - appointed December 2006



Mr Hunter is a Director of Victoria Power Networks Pty Ltd and its subsidiary companies and a Director of Australian Gas Networks.
He is the Deputy Managing Director of CK Infrastructure Holdings Limited, and an Executive Director of Power Assets Holdings Ltd.
He is a member of the Institute of Chartered Accountants in Scotland and holds a Master of Arts degree and Master's degree in Business Admin.

Continued

Loi Shun Chan, Director – appointed February 2013

Mr Chan is an Executive Director and Chief Financial Officer of CK Infrastructure Holdings Limited. He is an Executive Director of Power Assets Holdings Limited, HK Electric Investments Limited, HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and a Director of The Hongkong Electric Company, Limited. Mr Chan is also a Director of Australian Gas Networks and Victoria Power Networks Pty Ltd. Mr Chan joined the CK Group in 1992. He is a fellow of the Hong Kong Institute of Certified Public Accountants,



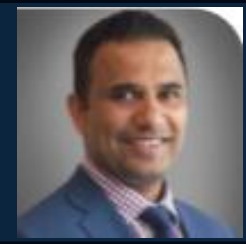
Ilan Sadeh, Director appointed December 2021

Mr Sadeh is an experienced infrastructure investment professional with more than 20 years' experience across a number of sectors. Recently, Mr Sadeh was responsible for the transition of the Victorian Land Registry from the Victorian Government, and prior to that led the Australian New Investments team at Hastings Funds Management. During his time at Hastings Mr Sadeh led a number of investments including the privatisations of the NSW Land Registry, Transgrid, Sydney Desalination Plant and the acquisition of Phoenix Natural Gas in the UK.



Rushan (Rudy) Sheriff, Director - appointed August 2024

Mr. Rudy Sheriff is a senior executive with over 20 years of experience across the energy, water, infrastructure, resources and telecommunications sectors. He currently serves as the Managing Director of Spark Infrastructure, overseeing investments in major regulated electricity networks, including SA Power Networks, Victoria Power Networks, and Transgrid. Prior to joining Spark Infrastructure in May 2024, Mr. Sheriff held several key leadership positions, including Deputy CFO at Indara (Australia's largest digital infrastructure portfolio), Chief Financial Officer and Company Secretary at Saunders International and Divisional CFO roles across UGL and Ventia.



Dean Jenkins, Director - appointed October 2024

Mr. Dean Jenkins is an accomplished executive with over 25 years of experience across the transport, manufacturing, engineering, energy, and resources sectors, both domestically and internationally. He has held senior leadership positions, including Managing Director and Chief Executive Officer of MaxiPARTS Limited (Formerly MaxiTRANS), Chief Operating Officer and Executive Director of Weir Group PLC, and CEO of UGL Rail.



Tom Laidlaw, Director - appointed May 2026

Mr Laidlaw has more than 25 years of experience across the infrastructure and energy sectors, with a strong record of leadership in the financing, operation and growth of large-scale, capital-intensive assets. Mr Laidlaw is currently a Non-Executive Director of the Port Authority of New South Wales and Dalrymple Bay Infrastructure. He is a former Non-Executive Director of many companies including Flinders Ports and Kinetic Group. He holds a Bachelor of Commerce and Law from Flinders University of South Australia.



SAPN Board engagement during 2025-30 Reset

- The SAPN Board was regularly updated on progress with:
  - our 2025 Reset Engagement program;
  - development of our 2025-30 Draft Plan (published mid 2023);
  - development of our full 2025-30 Regulatory Proposal submitted to the AER in January 2024; and
  - our Revised Proposal submitted December 2024
- As required by the National Electricity Rules, in December 2023 the Board formally approved:
  - the submission of our 2025-30 Regulatory Proposal to the AER; and
  - 2 Directors executing a Statement that the key assumptions that underlie the Proposal's expenditure forecasts were reasonable
- Board director, Ms Laura Reed, attended the “Broad and Diverse - Youth” workshop in 2022
- A Board member attended the Port Lincoln
- Two Board members (Peter Tulloch, Ilan Sadeh) attended the People’s Panel (March 2023 weekend session)

6. Ways of working



Ways of Working

7. Other Business





You make the net*work*