

Tariff Advisory Group

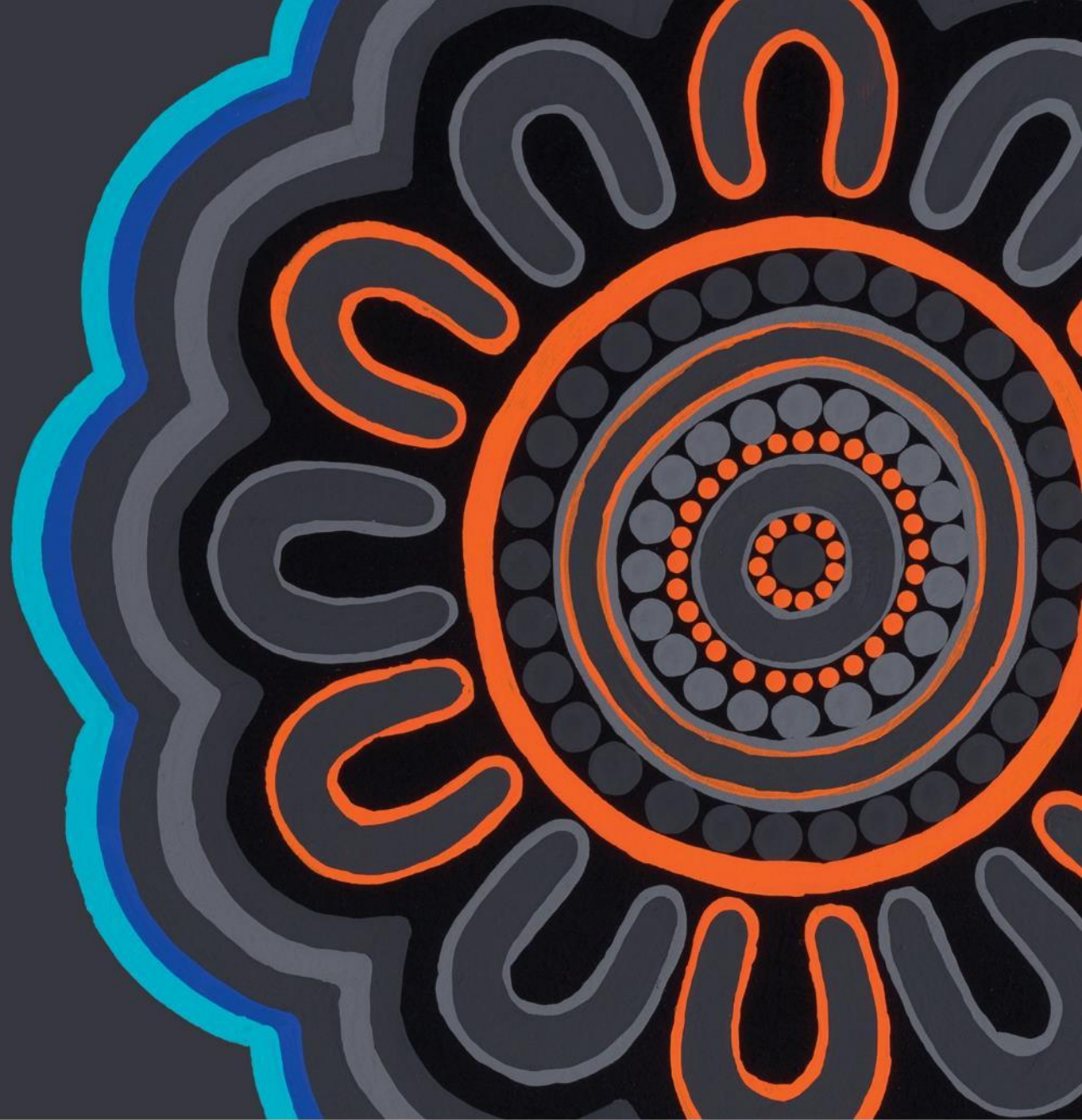
21 November 2025



Empowering South Australia

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 and acknowledge these living cultures.



Agenda

Item	Presenter
1. Welcome and Introduction - Welcome, Acknowledgement of Country - CAF Update	Heather Merran
2. Outstanding Action Items	Helen White
3. Standing Agenda Items Trial tariffs	Helen White
4. Innovation Advisory Group Update	Sam Craft/Mark Yates
5. Energy Masters Update	Sam Craft
6. Long Term Pricing Strategy Workshop	Helen White Heather Merran
7. Customer Outcomes	Erin Hampton
BREAK	

Item	Presenter
8. FERM Update	Helen White
9. Reflections from 2025 and Priorities for 2026	All
10. Wrap Up - Other Business - Consultative Group Review	All

Community Advisory Forum Update

Heather Merran



CAF Update

Community Safety Campaign

- October was National Safety Month with a social media safety campaign
- Focus on farm and rural safety around electrical infrastructure
- First responders and council representative safety around downed powerlines

Summer and Bushfire Preparedness

- Bushfire season brought forward by one month.
- Focus on vegetation management and fault clearing on bushfire lines.
- Recent bushfire simulation exercise conducted to ensure readiness.
- Social media summer education program underway

Digital and Technology Dept Update – Eva Balan-Vnuk

- Increased field mobility
- Cyber security and preparation for next Reset period underway
- Vegetation Management – investigating drone/LiDAR technology

Strategic Plan Update

- Customer Experience Program
- Evolution of SAPN as DSO
- Asset Risk and Condition performance – improving data for decision making
- Safety Culture and recent safety survey responses review



Action topic	Action item	Party Responsible	Status
Customer Outcomes	Update of the collected Export Tariff \$\$ and expenditure at the August 2026 meeting (allows for a full year of collected data)	Erin/Helen	Complete – Agenda item August 2026
Customer Outcomes	Investigate advisory group access to SAPN's role as a DSO podcast	Erin	TBC
Customer Outcomes	Contact Georgie Morris and Antony Clarke for potential EWoSA, SACOSS, SA Business Chamber letter supporting support for vulnerable customers through LMRP	Erin	Complete
Innovation	Please send any ideas for IAG investigation through to Mark Yates (mark@yesgroupsa.com.au) and Sam Craft (sam.craft@sapowernetworks.com.au)	All	Ongoing
Innovation	Meeting to be scheduled with Mark Yates and Sam Craft to discuss innovation ideas from TAG further.	Erin	Complete
Energy Masters	Update to be provided at November meeting	Erin	Complete – Agenda item

Standing Agenda Items

Helen White



Innovation Advisory Group Update

Sam Craft/Mark Yates



New funding source and customer voice for innovation activities

Potential funding sources for Innovation:

- Reg business cases (e.g. CER, AUGEX)
- Diversion of BAU funds (via investment committee)
- DMIAM/DMIS*
- **Innovation Fund**
- Grants & partnerships (e.g. ARENA)

Innovation Fund



\$20 million for the 5-year period



Use it or lose it



Knowledge sharing requirements

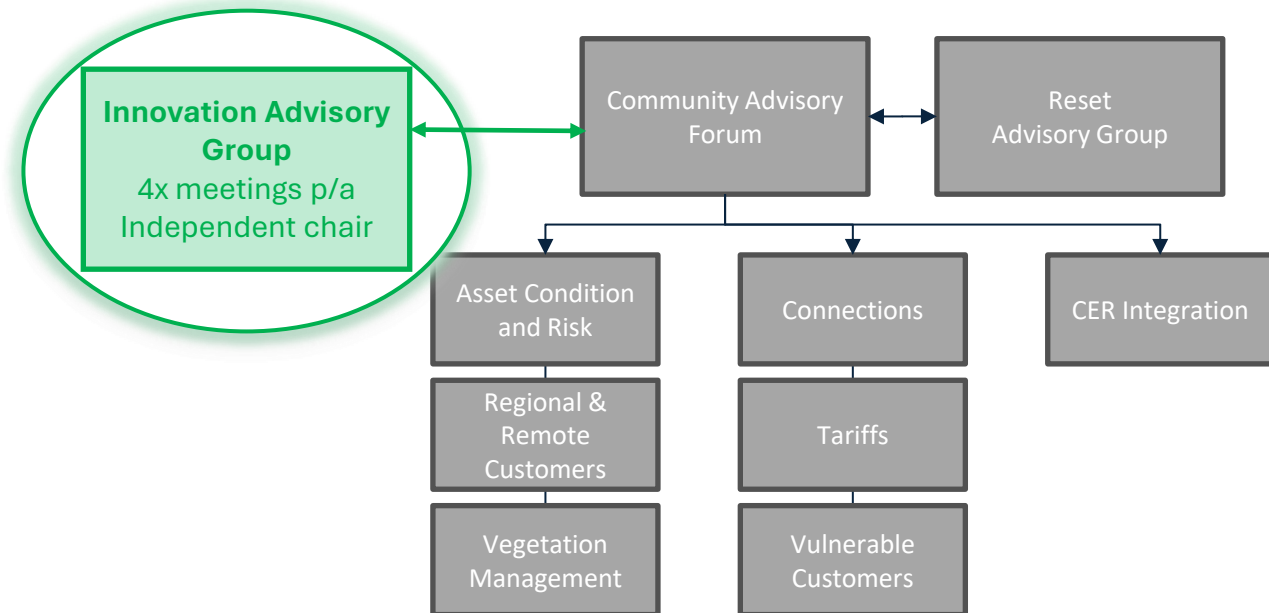


Principles-based IAG governance

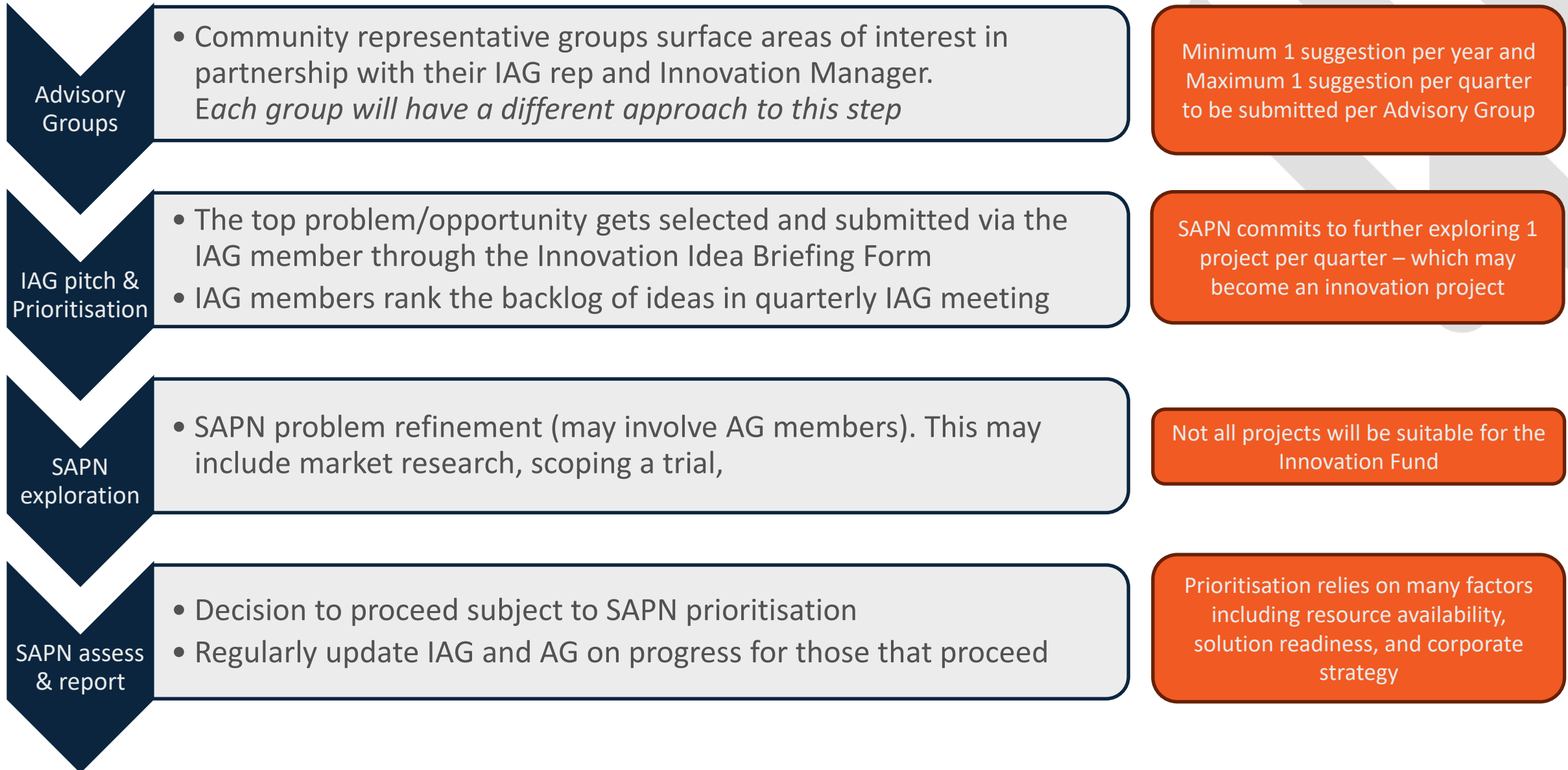
IAG Purpose

1. Provide customer and industry input to the prioritisation, and delivery of SAPN-proposed Innovation Fund projects.
2. Prioritise problem statements or ideas for innovation arising from other Advisory Groups.

*Demand management incentive scheme and innovation allowance mechanism



How IAG members raise potential innovation ideas



Problem Statement

Describe the biggest problem or challenge you're currently seeing in relation to tariffs or pricing:	What does this problem impact? (eg customer experience)	Who is affected by this problem (eg small businesses)	How often does this problem occur?	Can you give an example of this problem (optional)	Do you see any opportunities to improve, simplify, or innovate in this area?
Encouragement for consumers brave enough to commit large capital to batteries and solar getting rewarded via better tariff or VPP	Making energy stored privately available to the grid at valuable times	All consumers would benefit either by providing energy and getting returns or by reduced cost of energy in the grid coming from renewable decentralised sources	Wide spread / systemically	Chris Bowen's new scheme is seeing a massive uptake of private batteries of nearly double the capacity expected due to the pricing incentives. This surplus energy could be used in the grid every day given appropriate pricing opportunities. Amber and a few select retailers offer VPP's but they can be confusing, risky or not suited that those that are unsure.	Amber exposes customers to full retail market rates which can be concerning and other VPP programs have lots of rules and restrictions so preparedness by general consumers to get involved can be low

Energy Masters Update

Sam Craft





ENERGY MASTERS



Recruit 500 homes in SA



Install HEMS and electric appliances with subsidy support



Develop and trial new energy offers and demand flexibility technologies

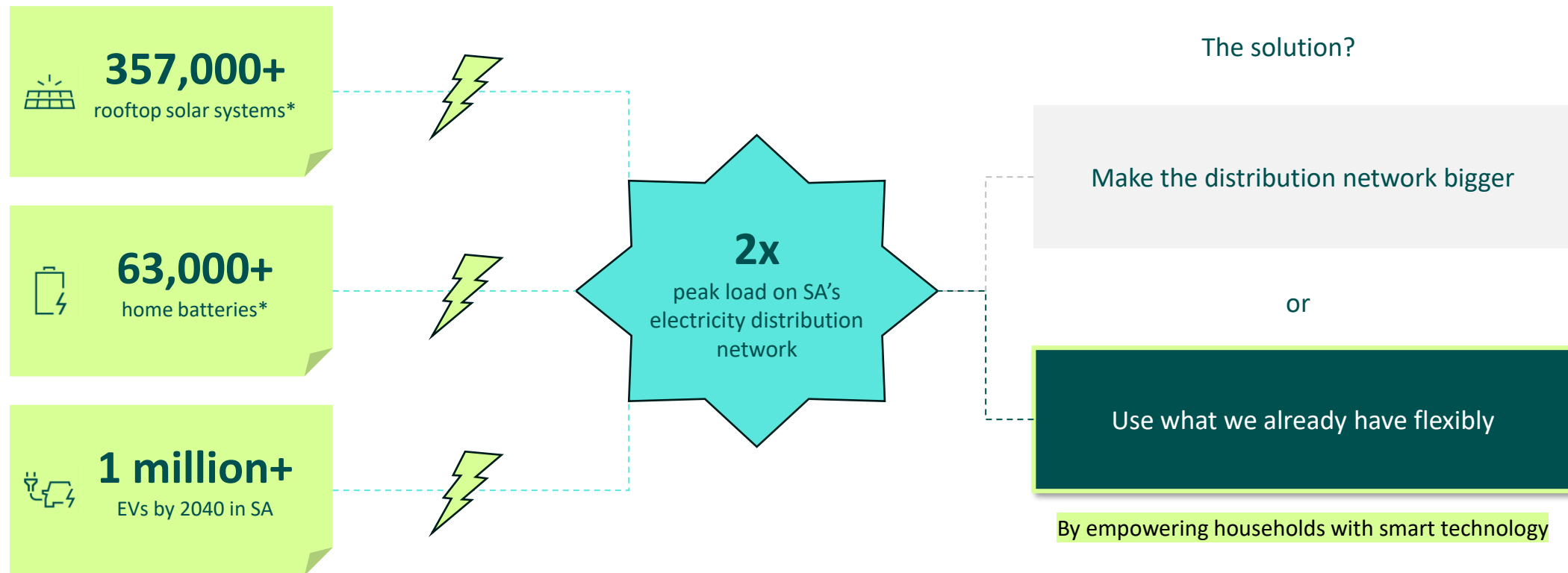


Run an 18-month research program exploring technical, policy and behavioural barriers.

But why?

15.3% of CHBP subsidy usage in SA since 1 July, compared to 6.9% of national population

South Australians are already undertaking their own shift to renewables and electric appliances. This means electricity demand is expected to increase. **How do we manage this?**



* As of 10 Oct 2025. Source: SA Power Networks

On our way, but a way to go

As of 17 October 2025:

- 120 Home Energy Management Systems installed.
 - 109 heat pump HWS, 158 air-conditioning units, 39 smart EV chargers.
 - 369 research survey completions by selected households.
 - 45 research interviews with selected households.
 - 665 research survey completions by general public (control group).
-
- Behind our desired schedule.
 - But interesting research findings already coming out.

Trial tariffs – Diversify 2.0

A daily rebate to incentivise residential customers with devices connected to a Home Energy Management System (HEMS). This will allow SA Power Networks to alter the customer import limit, which may result in the HEMS regulating the consumption of connected smart devices to comply with the import limit.

This will enable SA Power Networks to increase the diversity of load, thereby avoiding inefficient distribution network investment.

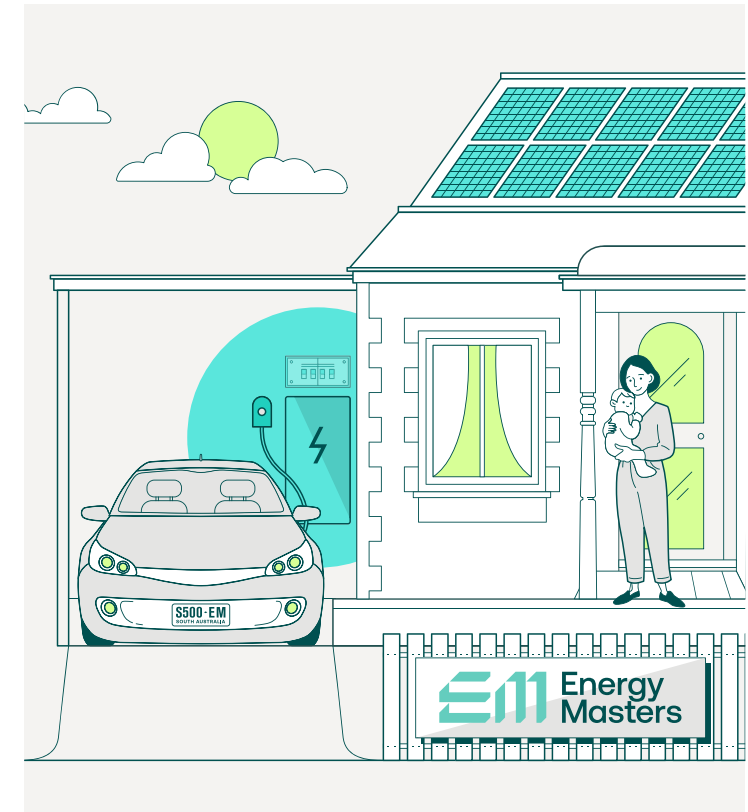
The participating HEMS must demonstrate the capability to receive SA Power Networks dynamic operating envelope signals.

Diversify 2.0 will have a two tiered daily rebate for eligible smart devices:

- Tier 1 | 1 or 2 eligible smart devices
- Tier 2 | 3 or more eligible smart devices

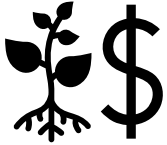
Eligible smart devices include hot water, air conditioning and electric vehicles. Batteries are not considered to be an eligible smart device in this trial.

50 – Amber
21 – Energy Australia
Tier 1

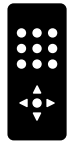


Energy Masters – Interoperability + Inclusive Transition

Insights



90%+ of pilot households link bill savings to emissions reductions



Majority comfortable with smart control if override available



54% EOs cannot be included due lack of interoperability



Meter box and home configurations are a major barrier

Two Speed Transition

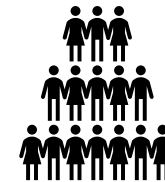


Pilot Group

- 80% know which tariff
- 40% own an EV
- 27% own a battery
- 46% HEMS aware
- 122k avg household income



General population (SA baseline)



- 50% know which tariff
- ~2% own an EV
- 11% own a battery
- 7% HEMS aware
- \$91k avg household income



Interoperability makes mainstream adoption possible - ensuring all customers can connect, participate, and benefit.

Long Term Pricing Strategy Workshop

Helen White



Current Thinking / Future Directions and Considerations

2025-30 Pricing Strategies

1. Progress towards network tariff reform
 - Carrot vs stick approach (default tariff assignment)
 - Customer choice tariffs
 - Streamlined tariff offers
2. Introduction of two-way pricing
3. Support electrification and flexible load management
 - Electrify tariff
 - Diversify tariff
 - Flexible tariff for large customers & Flex 2.0 trial tariff

Future considerations

1. Pricing to the retailers: “Complex price but simple bill”
 - One tariff per tariff class
 - Portfolio pricing
 - Retailer performance (behavioural) based pricing
2. Transition state vs end state



AEMC Draft Report
published December 2025

Customer Outcomes

Erin Hampton



Empowering South Australia

Area	Outcome	Metric
Reliable, safe and resilient network	Export Tariff Expenditure Accountability/oversight	An annual update of the collection amounts through the Export Tariff from 1 July 2025 – scheduled for August 2026 meeting
Customer experience, choice, and empowerment	Time of Use Tariffs education and informed choice for customers	Review tariffs website and ensure TOU tariffs are appropriately communicated (review of website material) - completed
Clean and green energy	Export Tariff Expenditure Accountability/oversight	An annual update of the collection amounts through the Export Tariff from 1 July 2025 – scheduled for August 2026 meeting
Affordable and equitable supply	AEMC Pricing Review involvement	Group to review SAPN's long term pricing strategy - ongoing
Advocacy	Vulnerable customer assistance through LMRP	TAG writes to minister regarding government assistance for vulnerable customers requiring upgrades for smart meter installation. – completed – TAG/CAF/CAG and VCAG joint letter sent September 2025.
Innovation	Tariff trials particularly in the shift to more people on TOU tariffs through LMRP	Investigate future trial tariffs and share with the group. Group to suggest trial tariffs or make one suggestion for IAG investigation - ongoing
Know your customer/ Data	Distribution tariff interaction with retailer tariffs	Retailer pricing update from Pricing Team at August meeting - complete

Morning tea break



Firm Energy Reliability Mechanism | FERM

Helen White



Firm Energy Reliability Mechanism | FERM

- Introduced by SA Government Department of Energy and Mining in September 2025 via Regulation.
- Designed to ensure that South Australia has sufficient long-duration dispatchable electricity capacity by having generating or storage capacity which can run continuously for an extended duration (at least 8 hours) and meet a defined minimum size of 30 MW.
- Enables the state to transition to higher levels of renewable energy while maintaining system reliability.
- Firm Energy Targets (FET) are declared by the Minister which outlines the quantity of long-duration capacity required over a specified period – currently 2026-27 to 2030-31.

FET Declaration	2026-27	2027-28	2028-29	2029-30	2030-31
September 2025	2,300 MW	2,300 MW	2,300 MW	2,300 MW	2,300 MW

- A competitive process invites new providers to bid for providing capacity under FERM contracts.



Firm Energy Reliability Mechanism | FERM

- FERM costs will be included in ElectraNet's Transmission charges to SA Power Networks in March 2026.
- We understand that any FERM costs will not be itemised in our invoice from ElectraNet, rather the costs will be spread across all transmission connection points.
- We consider that all customers will benefit from the FERM scheme and therefore our current pricing methodology is fit for purpose.
- We will include forecast transmission charges in our Draft Annual Pricing Proposal in February which will form the basis of Default Market Offer 8.



Reflections from 2025 2026 Priorities

Helen White/Erin Hampton/Heather
Merran



2025 Achievements

- Embedding Reset Determination and TSS
- Website communications review
- Long term pricing review – stakeholder workshop
- LMRP support for vulnerable customers advocacy letter
- Innovation problem statement discussions
- Lots of interesting discussions!!



Priorities for 2026

- AEMC Pricing Review
- AEMC Regulation Review
- SAPN's long term pricing strategy
- Innovation Problem Statement investigation and development
- Any others?



Wrap Up

Other Business

Consultative Group Review

Final questions/comments/opinions

THANK YOU TAG!





Empowering South Australia