Reset Advisory Group Meeting

12 March 2026

SA Power Networks

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, acknowledging their deep connection to Country, Culture and Community.



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

Item 1.3 – CAF Update

SA Power Networks



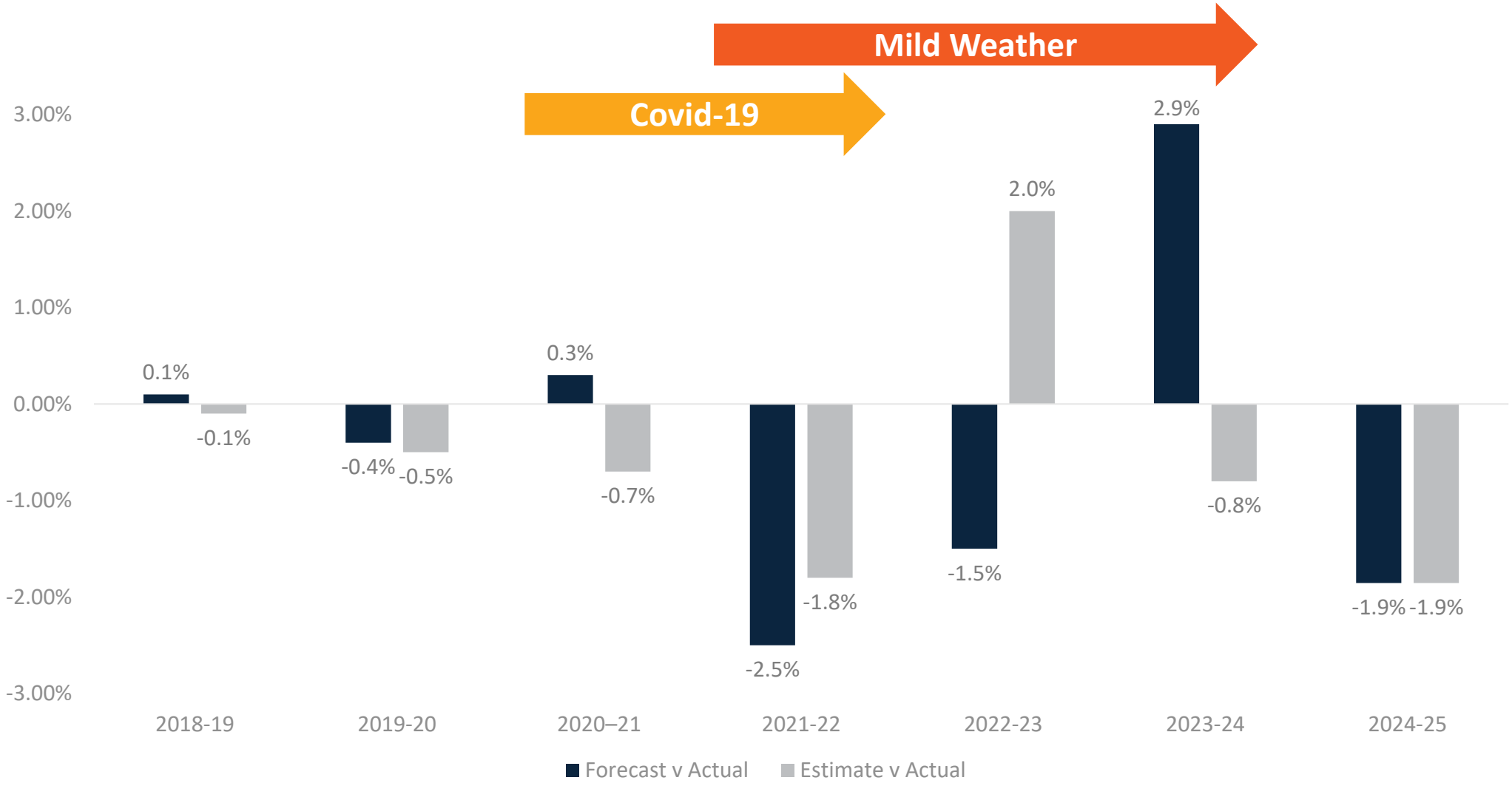
2. Analysis of forecast quantity v actual quantities

Richard Sibly

SA Power Networks



Forecast/Estimate volume accuracy



‘Forecast’ is largely based on historical data.
‘Estimate’ includes 7 months of actual data and 5 months of forecast data.

2.1 DRAFT 2026/27 Annual Pricing Proposal

Richard Sibly

SA Power Networks



Executive Summary

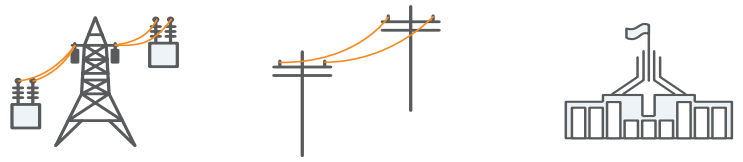
- Draft total network charges are increasing by 11% - Distribution, Transmission and SA Government Schemes.
- Increases are driven by **Transmission pricing** ($98m) and a **reduction in Residential forecast quantities**.
- South Australians have embraced the Federal Government's Cheaper Home Batteries Program (**CHBP**) with SA representing ~6.9% of the population but 13.1% of installations on the scheme as of mid January 2026.
- We also forecast a shift in Residential customers' consumption from Peak time windows to the cheaper Solar Sponge time window in response to the Federal Government Solar Sharer Offer (SSO) via the Default Market Offer (DMO).
- Final pricing submission to AER on 31 March will incorporate revised inputs.

Price movements compared to 2025/26 DMO inc. GST	Distribution	Transmission	SA Government Schemes	Metering	Total Network Charges
Residential 4,000kWh p.a.	$672 ↑ $53	$256 ↑ $62	$66 ↓ ($7)	$10 $-	$1,004 ↑ $107
Small Business 10,000kWh p.a.	$1,600 ↑ $56	$714 ↑ $116	$109 ↓ ($20)	$10 $-	$2,433 $151

Distribution revenue and Transmission/JSO recoveries

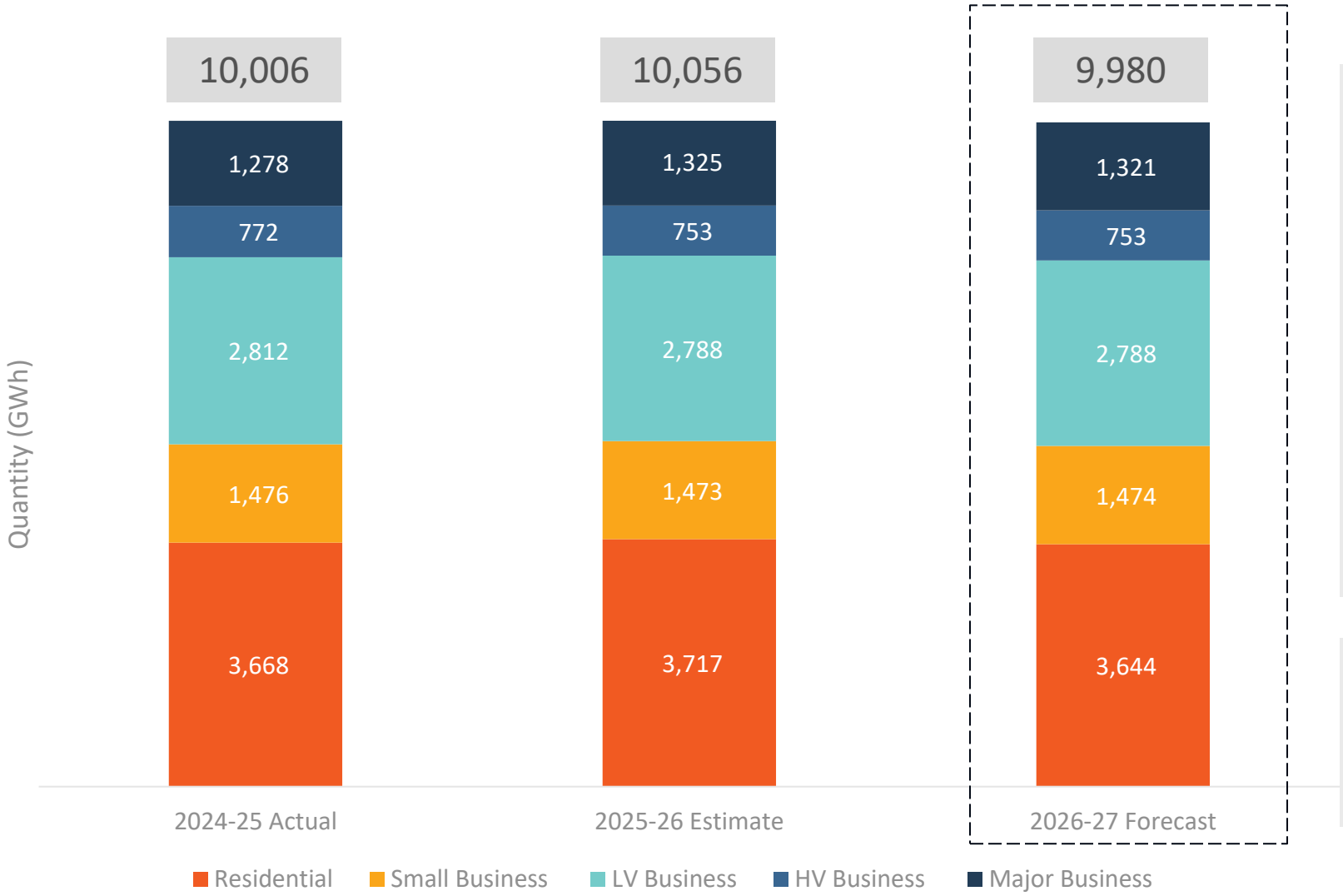
Network Charges $m ex GST	2026-27 Draft Annual Pricing Proposal	2026-27 Draft Recoveries*
Distribution Use of System | DUoS	1,006.72	989.36
• Revenue	994.72	994.72
• Incentive Schemes	12.00	12.00
• Under/(Over) Recovery		(17.36)
Metering	8.94	8.94
Transmission Use of System | TUoS	473.50	462.73
• Expense	473.50	473.50
• Under/(Over) Recovery		(10.77)
SA Government Schemes | JSO	83.45	80.92
• 44c/kWh PV FiT	80.45	80.45
• Small Claims Scheme	3.00	3.00
• Under/(Over) Recovery		(2.53)
Total Network Charges	1,572.61	1,541.95

* Forecast recoveries are used to set future prices and include the impact of prior year over/under recoveries.



Network Use of Service (NUoS) = Transmission Use of Service (TUoS) + Distribution Use of Service (DUoS) + Jurisdictional Service Obligation (JSO) + Metering

2026-27 Consumption (GWh) Forecast



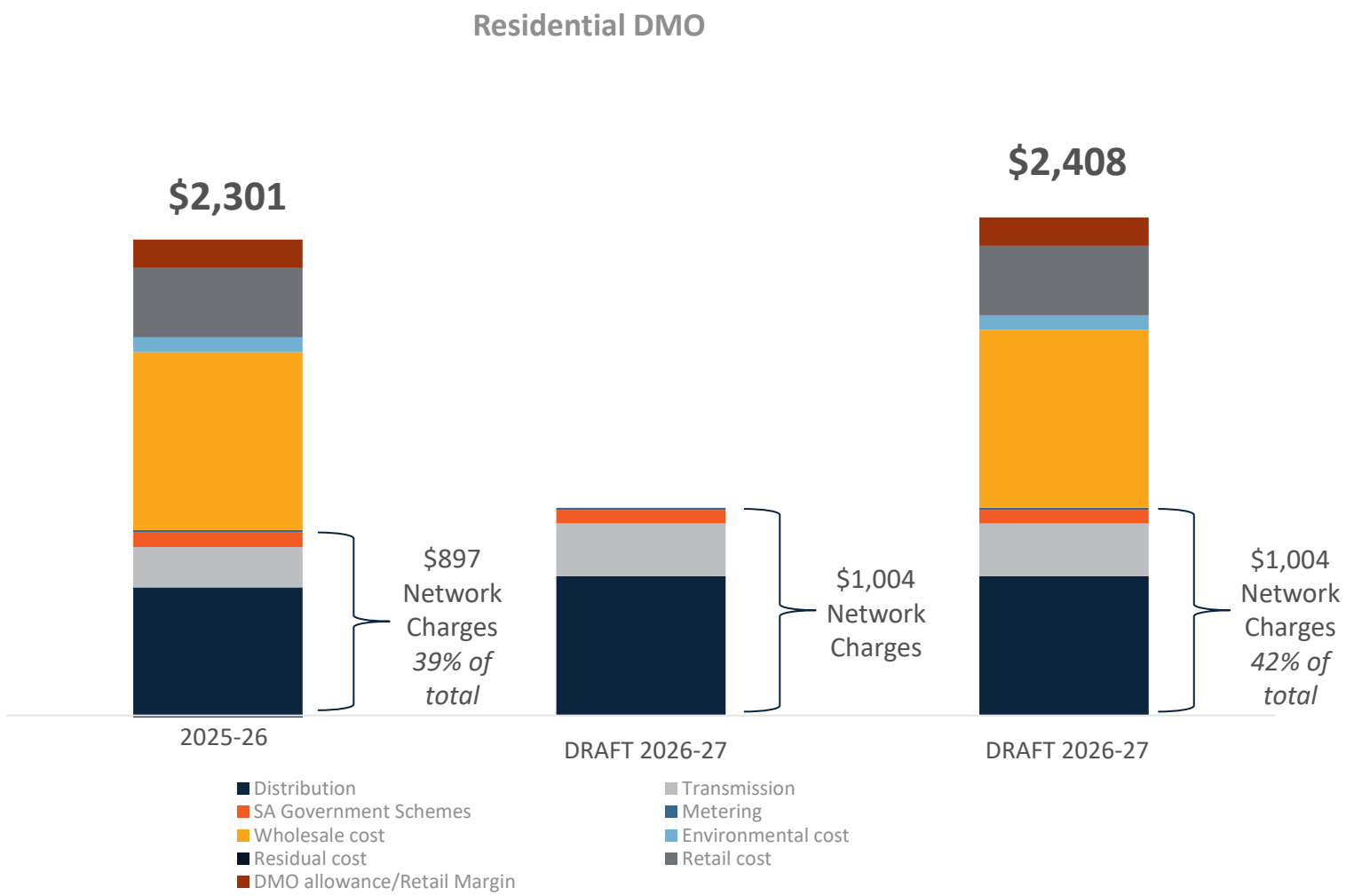
- 2026/27 Baseline Forecast is 1% lower than the current 2025/26 Estimate, based on the most recent 12 months of billing data.
- Baseline Forecast adjusted for Federal Government initiatives solely impacting Residential customers:
  - CHBP: ~125GWh reduction
  - SSO DMO: 5% consumption shift from Peak to Solar Sponge for RTOU customers

- Export prices are fixed at 1c/kWh over the 5 year period and therefore not impacted by export volume estimates and forecasts.

Draft 2026/27 Pricing changes Summary | Weighted Average Price Change

	Distribution	Transmission	SA Government Schemes	Total Network
Residential	8%	32%	(10%)	12%
Small Business	3%	19%	(15%)	7%
Large LV Business	6%	24%	(13%)	10%
HV Business	6%	24%	(16%)	11%
Major Business	6%	23%	(12%)	18%
Total	**7%**	**26%**	**(11%)**	**11%**

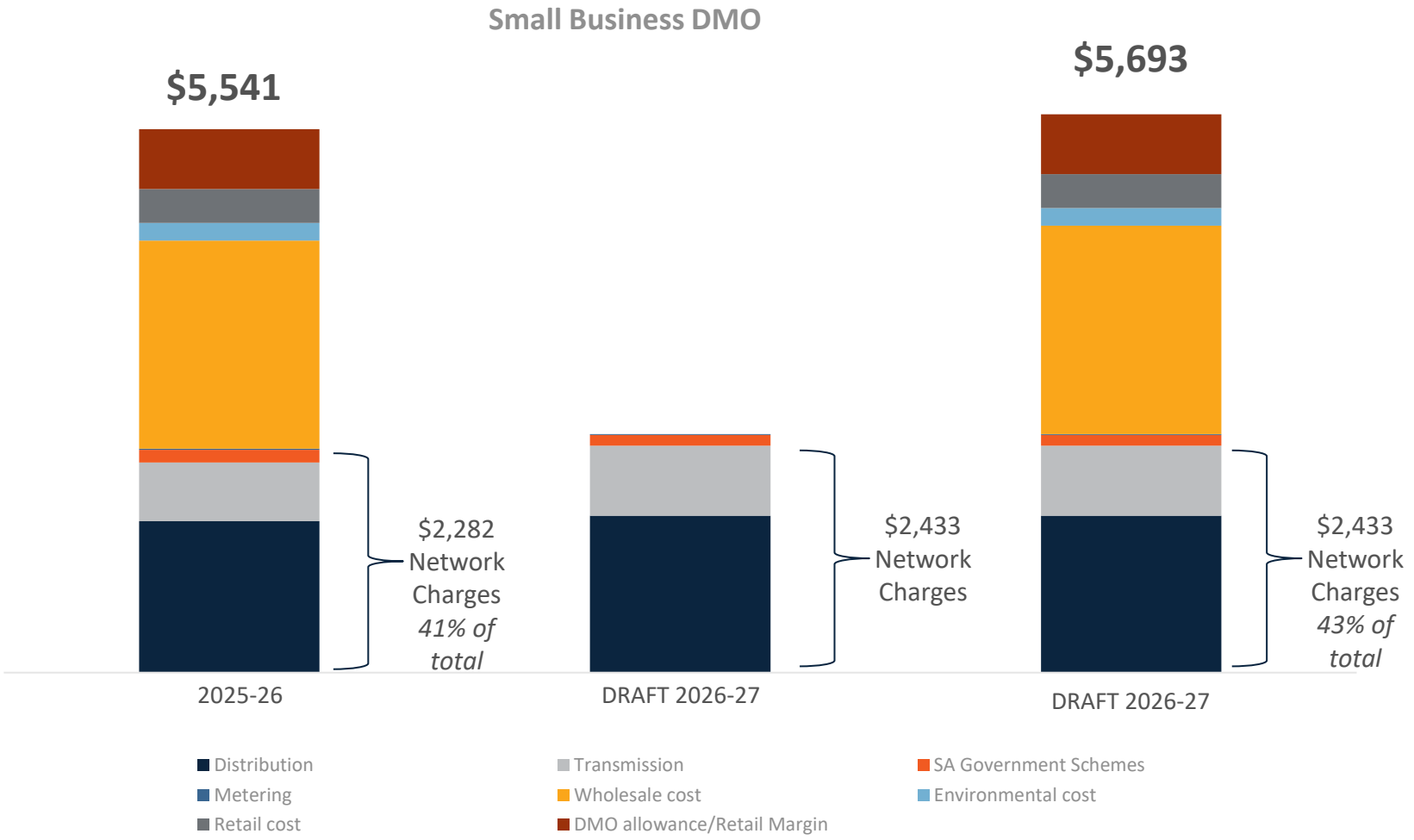
DRAFT Residential Customer bill inc. GST 4,000kWh p.a. | $Nominal



Total Network Charges	2026-27 Amount	Change $	Change %
Distribution	$672	+$53	+8.5 %
Transmission	$256	+$62	+31.7%
SA Government Schemes	$66	$(7)	(9.8%)
Metering	$10	$ 0	0 %
Total	$1,004	**+$107**	**+11.9%**

- DRAFT 2026-27 Distribution pricing represents 28% of the 2025-26 DMO.

DRAFT Small Business Customer bill inc. GST 10,000kWh p.a. | $Nominal

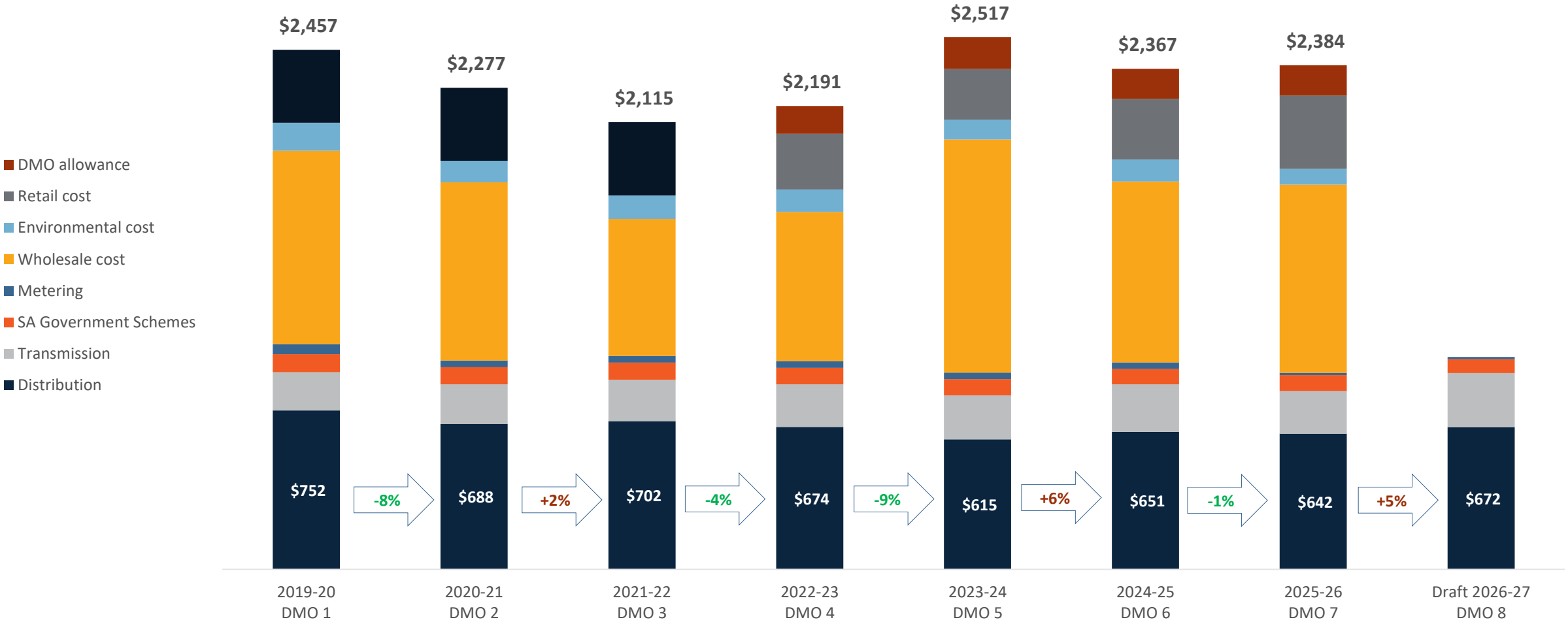


Total Network Charges	2026-27 Amount	Change $	Change %
Distribution	$1,600	+$56	+3.6%
Transmission	$714	+$116	+19.3%
SA Government Schemes	$109	$(20)	-(15.4%)
Metering	$10	$0	0 %
Total	**$2,433**	**+$151**	**+6.6%**

- DRAFT 2026-27 Distribution pricing represents 28% of the 2025-26 DMO.

Residential Historical bills | 4,000kWh p.a. inc. GST $2026

Whilst wholesale prices have been volatile, distribution has reduced in real terms since 2019-20 by $80 (11%)

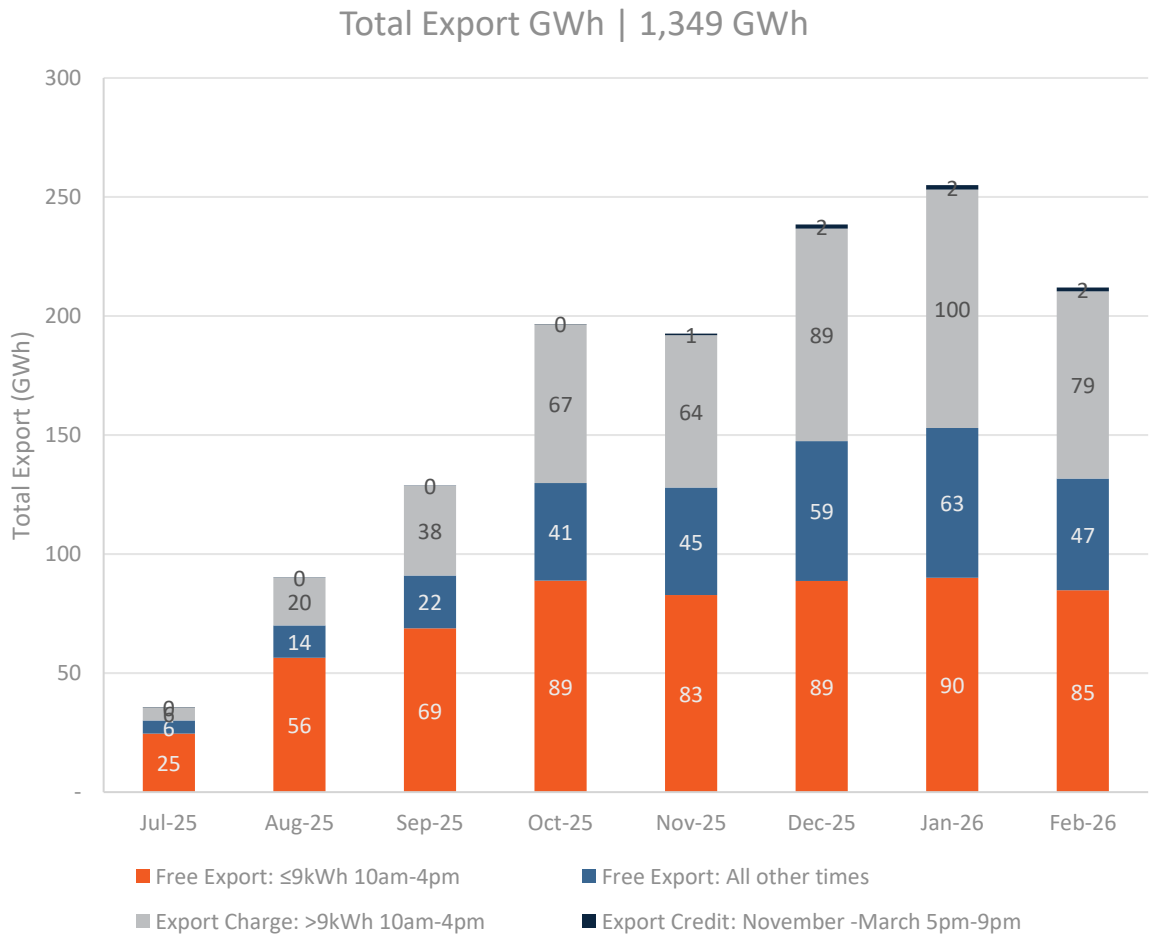


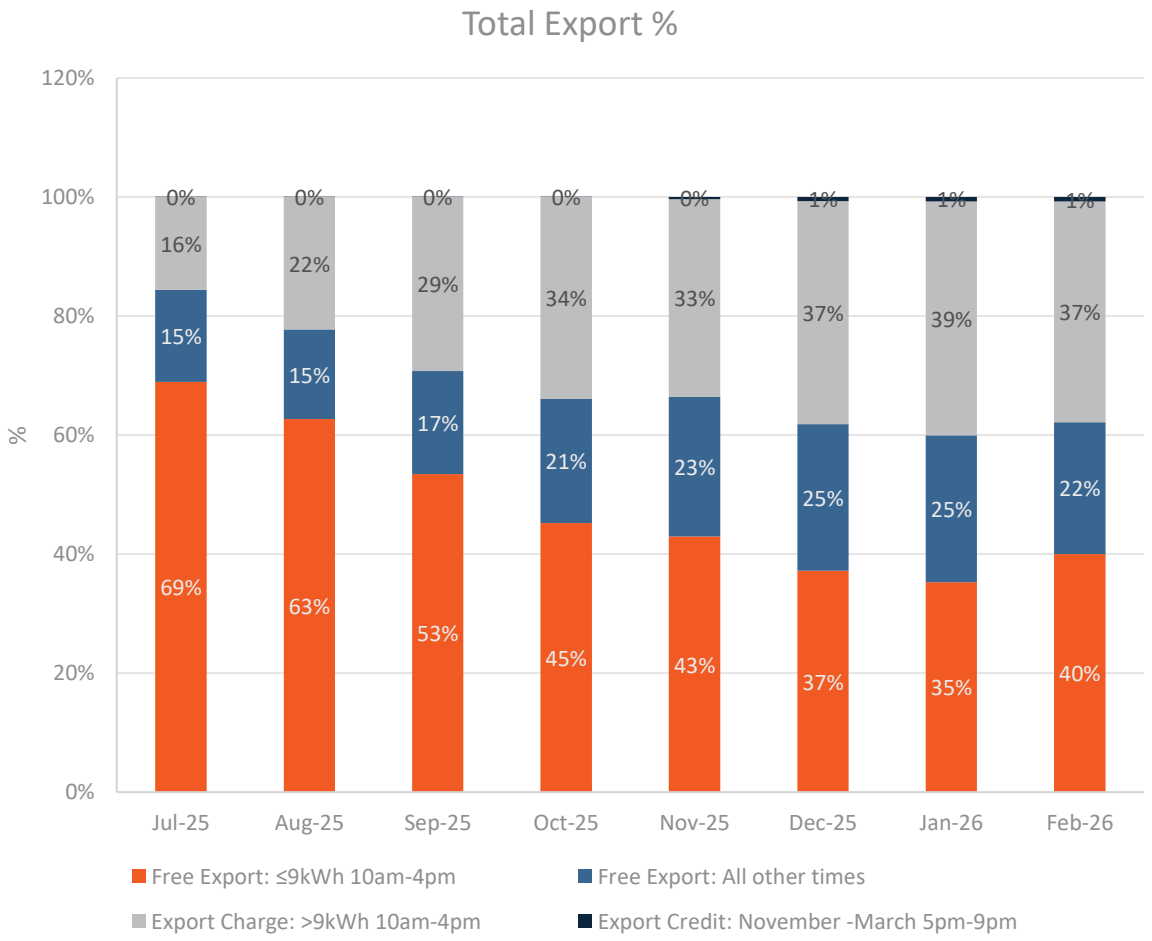
In 2022-23, the DMO disaggregated 'Residual cost' into 'DMO allowance' and 'Retail cost'

Export volumes (GWh) | July - February

YTD Export Charges: **$4.5m**
YTD Export Credits: **($0.8m)**
YTD Net Export Charges: **$3.7m**

Export Revenue 2025/26:**$4.4m**







Morning Tea Break

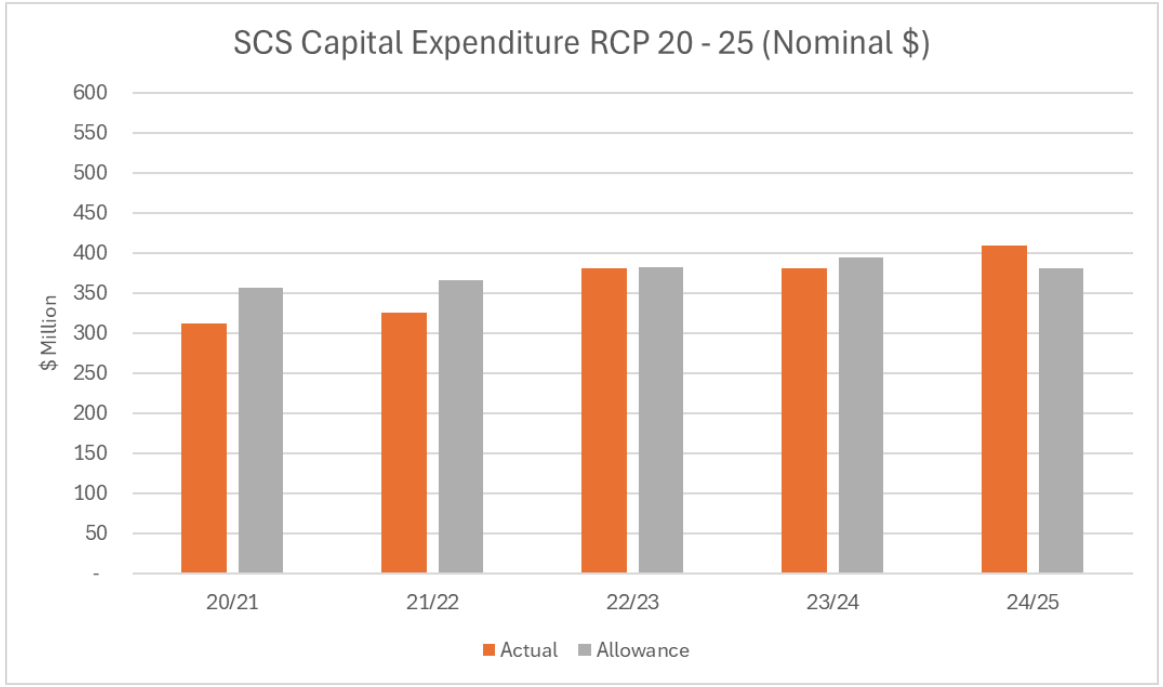
3. Engagement Framework – financials on expenditure

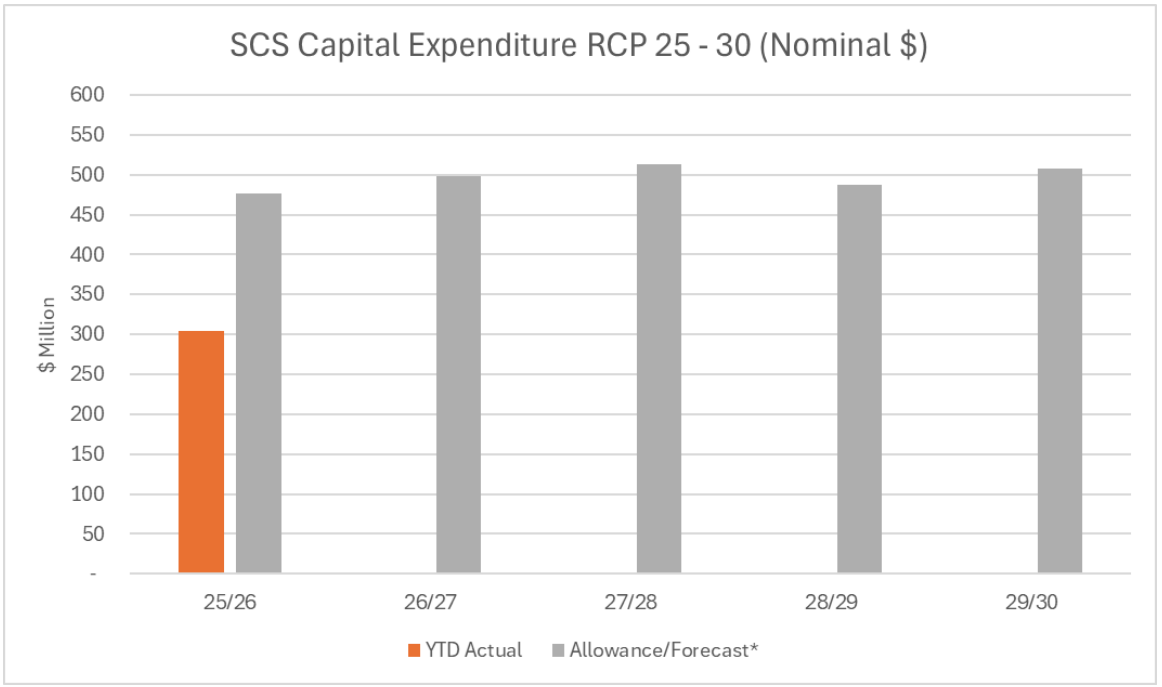
Richard Sibly

SA Power Networks



Capex – 2020-25 & 2025/26 Jul-Feb YTD





Regulatory Control Period 2020-25 (4% under allowance)

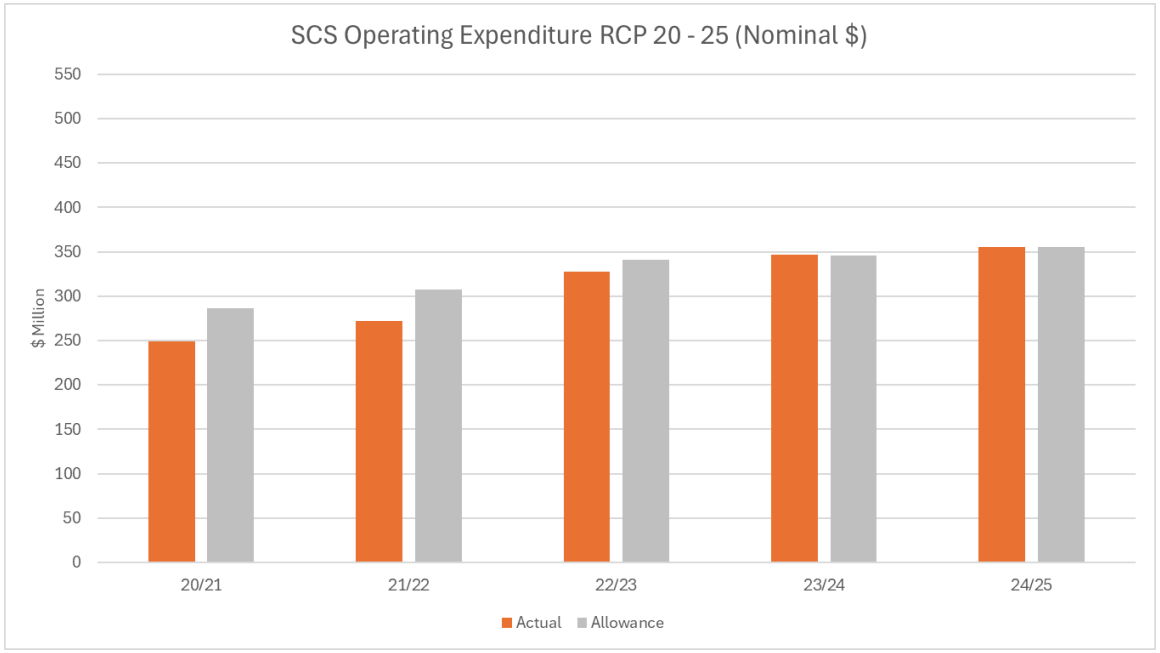
- 2020/21 to 2021/22 capital work program impacted as a result of COVID 19.
- 2022/23 to 2024/25 saw increase in Replacement expenditure focusing on upgrading and extending life of network infrastructure.
- Strong demand for Customer Connections and Residential Development, whilst Government investment in major infrastructure has also been a significant factor.

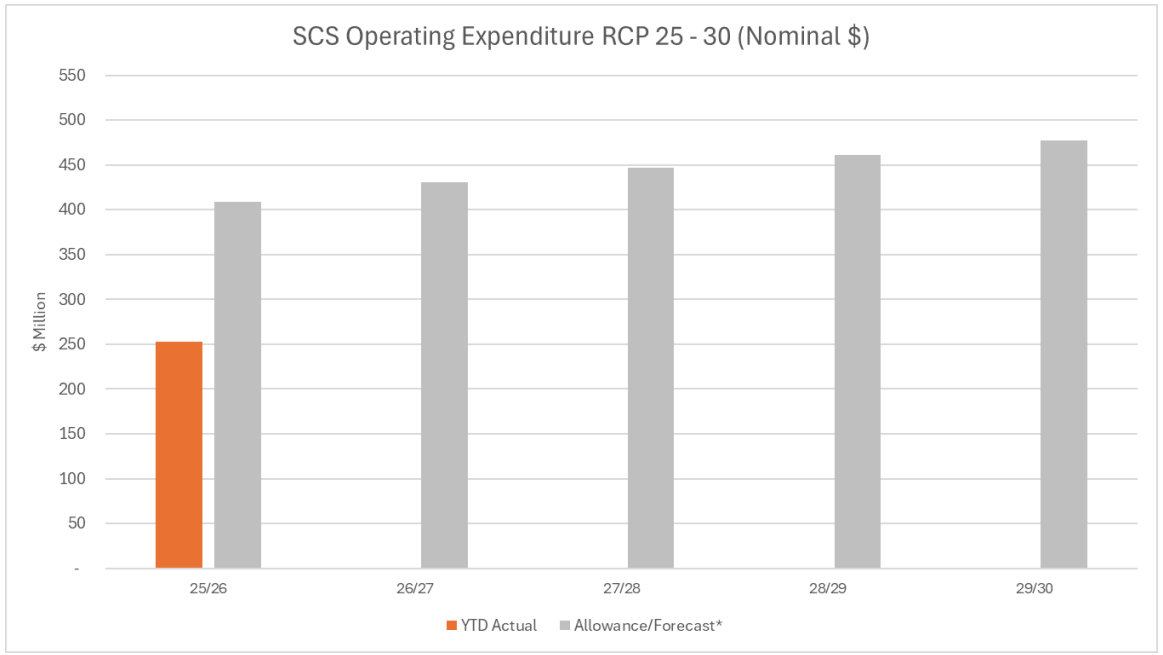
Regulatory Control Period 2025-30

- 2025/26 has continued to see high volumes across Customer Connections, whilst investment in Replacement expenditure has continued in line with Reset outcomes.
- EOY position is forecast to be close to allowance based on YTD expenditure.

**Allowance for RCP 25-30 escalated based on RBA CPI Inflation for outer years*

Opex - 2020-25 & 2025/26 Jul-Feb YTD





Regulatory Control Period 2020-25 (5% under allowance)

- 2020/21 operating & maintenance work programs impacted as a result of COVID 19.
- 2022/23 onwards saw a significant increase in expenditure, higher emergency response activity and GSL payments due to severe weather events, in particular responding to River Murray floods.
- 2024/25 saw a ramp up in maintenance expenditure, ensuring the management and maintenance of our aging network infrastructure across substations and lines were maintained.

Regulatory Control Period 2025-30

- 2025/26 has seen higher maintenance expenditure to manage impacts of high insulator pollution.
- EOY position is forecast to be close to allowance based on YTD expenditure.

**Allowance for 2025-30 escalated based on RBA CPI Inflation for outer years*

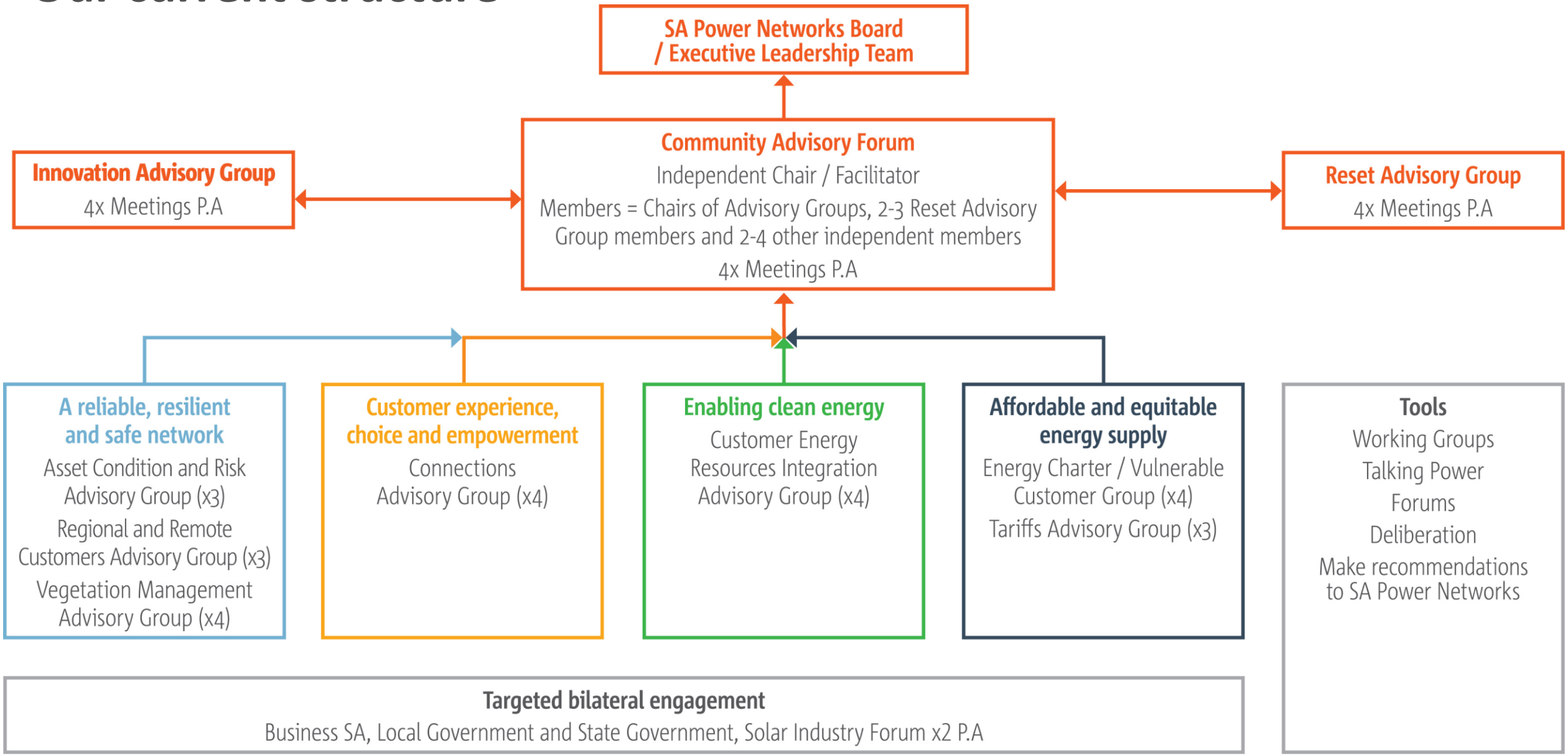
3.1 Review of engagement 2020-2025



4. Consultative Group Review



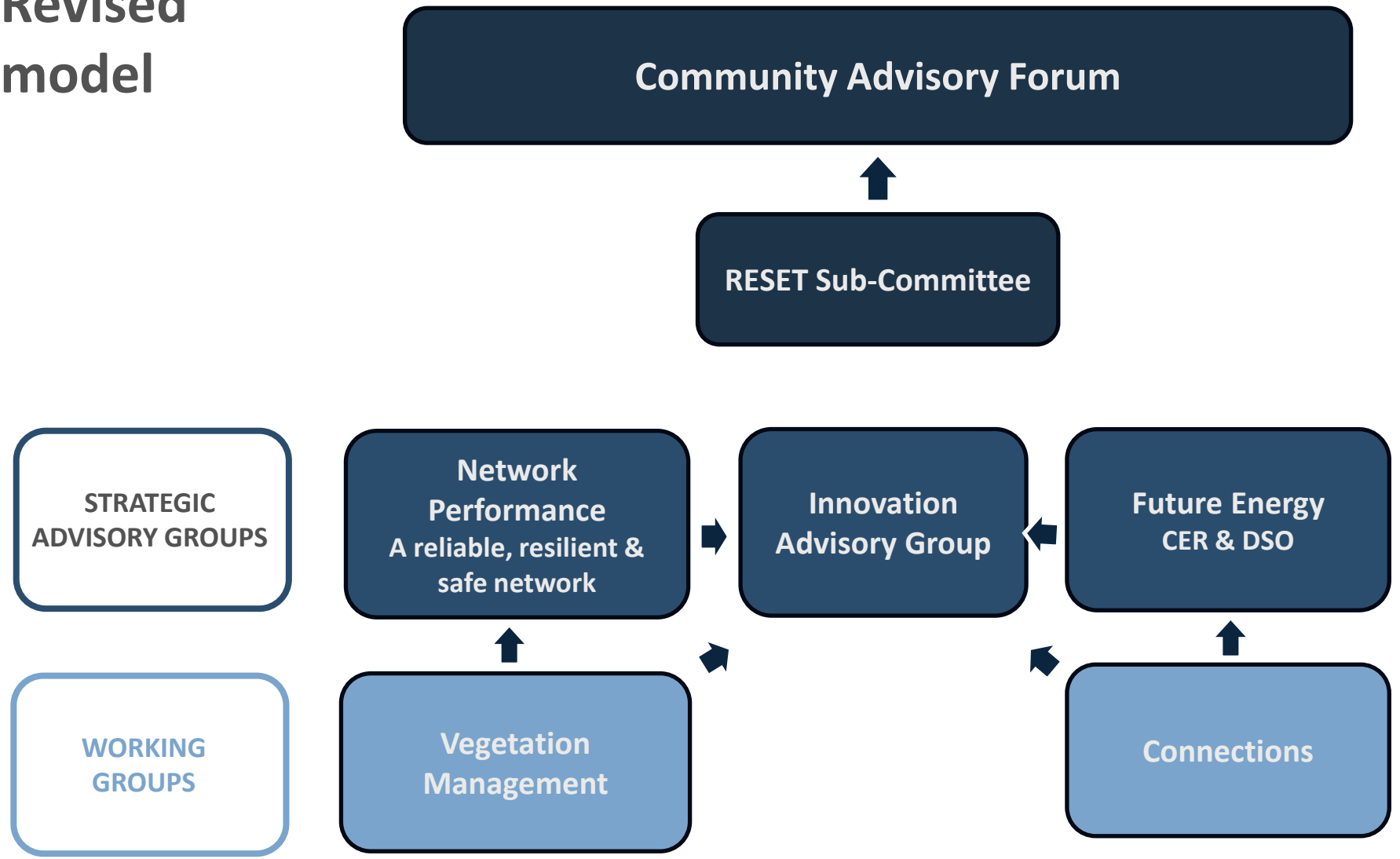
Our current structure



What we heard from our internal and external stakeholders

- Streamline our engagement efforts and leverage BAU engagement ahead of the next reset.
- Focus engagement on what really matters to customers and where customers have an ability to influence outcomes.
- Be deliberate about the purpose and expected value of each group, ensuring alignment with SAPN’s strategic goals.
- Look at other opportunities for engagement eg. targeted engagement, our engagement with regional and remote customers.
- Ensure group membership aligns with future needs and priorities, and clearly define groups' roles & accountability.
- Show how our engagement has influenced SAPN’s decisions - “You Said / We Did.”

Revised model

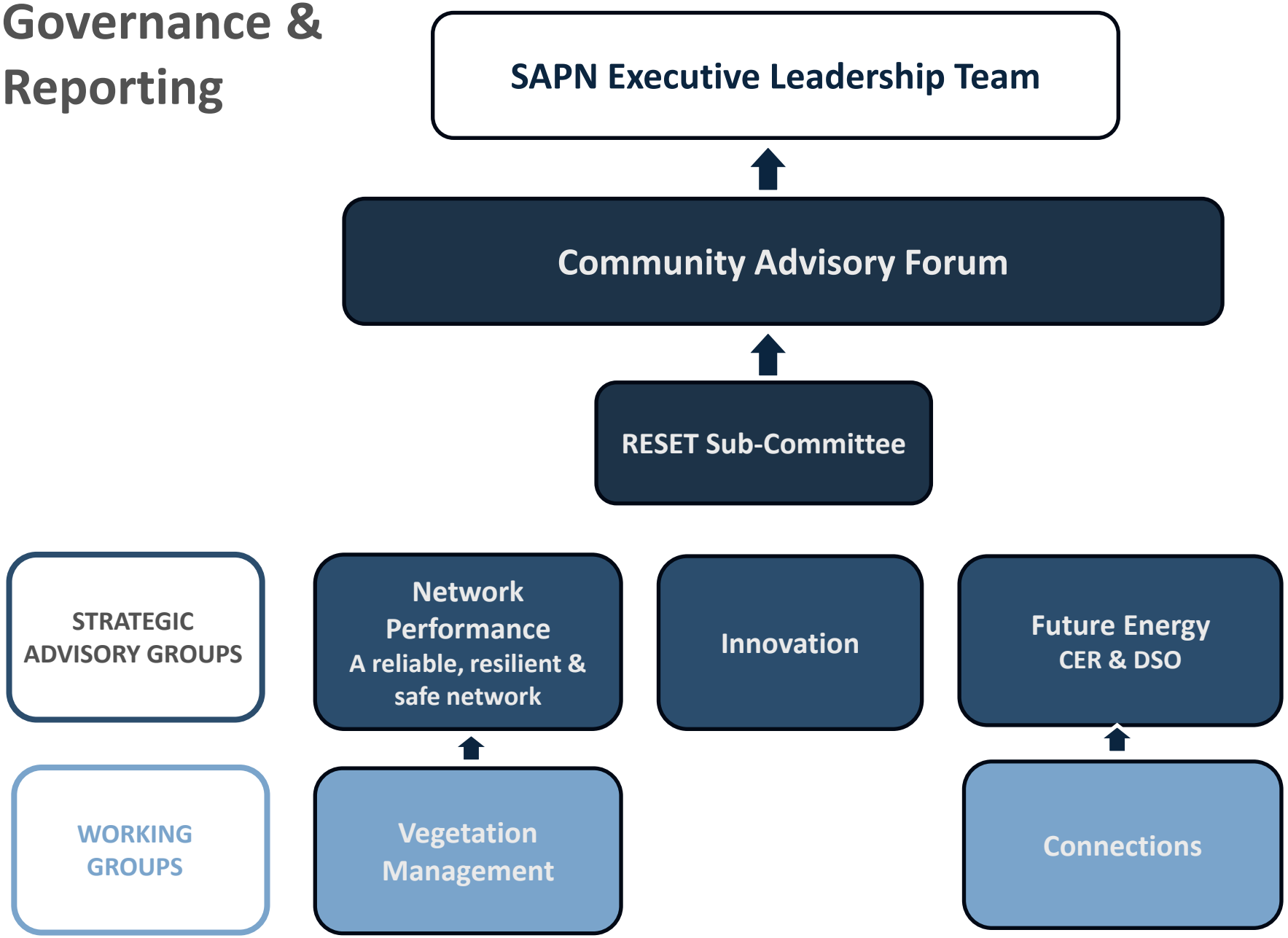


- Dedicated RESET sub-group of CAF members.
- Report back to CAF.
- CAF Deputy Chair chairs Reset sub-committee.

- Three strategic advisory groups that report back to CAF.

- Two operational working groups on key topics that have significant touchpoints with customers.

Governance & Reporting



- CAF quarterly ELT briefings
- Chair meets quarterly with CEO

- Dedicated RESET sub-group of CAF members.
- Report back to CAF.
- CAF Deputy Chair chairs Reset sub-committee.

- Chairs sit on CAF
- Quarterly Briefing Note to CAF – key issues/ recommendations

- Briefing Note to CAF on strategic issues as required. And Chair present min. once per year to CAF.
- Link back to strategic advisory group – cross collaboration/ Chairs attend meeting at least once a year.

Community Advisory Forum



High level **strategic group** providing oversight on **customer outcomes** aligned with our Strategic Plan

- Community safety
- Customer experience & insights
- Energy equity/ affordability
- Reliability/ community resilience
- DSO and network utilisation
- Tariffs
- Dedicated Reset sub-committee

- CAF quarterly briefings with ELT
- Chair meets quarterly with CEO

Membership

- Chair
- Deputy Chair – Chairs Reset Sub-Committee
- Chair Network Performance Advisory Group
- Chair Future Energy Advisory Group
- Chair Innovation Advisory Group
- 2-3 community representatives
- SA Business Chamber / Business / Industry representatives
- Representatives from the following sectors:
  - CER
  - Consumer advocates/ vulnerable customers/ CALD
  - Environment/ sustainability
  - Regional/ remote

Additional options for engagement outside of our formal structure

- Regional engagement through depots/ Field Days
  - Program of Field Days, country shows and events eg. Telstra annual road trip
  - Depot visits to engage with customers and key stakeholders (working with 5 regional ops managers)
- Annual Vegetation Management Forum
- Public lighting engagement – regular newsletters, annual forum, LGA engagement.
- Retailer engagement – tariff design (retailer roadshow).
- Focused engagement sessions to gain insights (eg. renters, cyber security, vulnerable customers) and energy literacy training (vulnerable customers/ lived experience).
- Bilateral engagement eg. DEM, ESCoSA, AER.
- Industry engagement eg. UDIA, property developers, consulting engineers.
- First Nations engagement through rangers or specific projects eg. Leigh Creek.
- Talking Power and newsletters.
- NIC engagement, including The Fuse (industry newsletter).

Process and timeframes

- Terms of current groups end in April 2026.
- Inform all Advisory Group members of proposed new structure – via email or as part of Q1 meeting schedule.
- Refine Terms of Reference for CAF/ Advisory Groups/ Working Groups. Terms for 3 to 3.5 years (June 2026 – July 2029) or 2 + 2 years. * *Final Proposal submitted Dec. 2029*.
- Expression of Interest process to commence in March/ April seeking nominations for CAF Chair, CAF Deputy Chair and CAF/ Strategic Advisory Groups/ Working Groups.
- Appoint new Chair – April/ May 2026.
- Appoint Advisory/ Working Group members – May 2026.
- Schedule meetings for remainder of 2026 (Q2, Q3 & Q4) – May 2026.
- Induction Workshop with new CAF/ Advisory Groups – June/ July 2026.

5. Advocacy Framework

Rebecca Carter



Advocacy Framework

- Since 2022, we have been progressively advocating on broader energy transition issues which matter to our customers and stakeholders and are viewed as key challenges/opportunities in our *Strategic Plan.*
- In 2025, we took the next steps on aligning and proactively engaging on priority issues through the development of our Advocacy Framework.

Our Advocacy Framework (our system for delivering good advocacy)

- A documented Framework providing the **governance, functions, inputs and outputs** to develop, approve manage and share *Key Advocacy Positions* – the things we say externally**.**
- **Key Advocacy Themes:** launched with the business – providing greater clarity on our focus areas.
- **Key Advocacy Positions:** The more detailed substance sitting underneath the *Themes,* while still being accessible/understandable to a broad audience (not the nitty-gritty).
- An established and operational **Advocacy Committee**
- **Snapshot**: Latest view of our advocacy work, broken down by the Themes – our key internal comms mechanism, so people can use it and make it real.

Themes: Development Process

Stocktake

Which positions are we communicating in various forums (Reg reset, consultations, conferences, media, other)

Positions which have often been informed by Consultative Groups, Reset Engagement, Strategic Plan.

Theming

Which broad buckets do these positions fit into?

Outcome Statements

For each theme, what's the outcome statement which best reflects the overall intent of the many positions we are pushing?

Why we needed them

- Business-wide clarity, visibility of our advocacy priorities – not about creating new positions.
- Equipping the business with memorable and recitable statements.
- Setting the guard-rails for the development of positions (from a general to a technical/granular level).

Advocacy Framework

Providing **alignment**, **visibility, and governance** to ensure our advocacy delivers on our Vision.

Inputs

- Strategic Plan
- Consultative Groups
- Reset Engagement
- External Engagement
- Environmental Scanning

These **inputs** feed into the development, operating process and governance of our external Advocacy:

Alignment & Visibility

Advocacy Committee

- Decides priorities, triages activities, assigns SMEs.
- Custodian of **Advocacy Themes** and **Positions.**
- Contribute to monthly **Snapshot.**

SMEs

- **Engagement:** CAF & Consultative Groups, Reset, general external.
- Working groups for detailed **Positions.**
- Prepares submissions, presentations, briefings for Exec and Senior Leaders.

External Affairs

- Accountability for Framework system / process / governance.
- **Key Themes / Positions** current + aligned.
- Maintains registers etc.
- Applies political + policy lens to public messaging.
- Promotes **Framework, Themes, Positions** internally so that our people can activate it.

ELT & SLT

- Endorse, approve, represent SAPN externally.
- Identify and report strategic risks and opportunities of relevance to advocacy
- Promote monthly **Snapshot** to teams.

Our Advocacy efforts are delivered through **outputs**:

Channels

- Consultation processes
- Forums and meetings (reg + ad-hoc)
- Boards and Committees
- Conferences
- Media

Audiences

- Our People
- Customer + Community
- Decision Makers + Influencers
- Industry
- Investors

Connecting South Australians to a better energy future, today.

Delivering our vision means enabling a future where our State, our communities, and our economy can thrive.

Our advocacy is focused on **5 areas** which will influence the **greatest change** towards that *better energy future*.

By **leading** these conversations **early, decisively, and collaboratively**, we help lay the foundations for a stronger South Australia – where communities thrive, industries grow, and the renewable energy we carry powers **sustainable prosperity**.

We also **build the trust** and consensus needed to ensure the energy transition benefits **all** South Australians.

Reliable and Efficient Energy Markets

As we transition from traditional to renewable energy sources, we support energy markets that manage the shift carefully - keeping supply reliable, costs efficient, and guiding investment in ways that value distributed energy resources as a central part of the future energy mix.



Energy Equity and Affordability

We're working to keep costs low and fair, and value high, by investing wisely, enabling flexible energy use, engaging with customers on the services they value, and advocating for equity and affordability across the energy sector.



Efficient Electrification and Growth

South Australians are leading the way in going electric and installing more solar than anywhere else in the world. The growing mismatch between when renewable electricity is made, and when it's used, is a real challenge for the network.

By using the network in smarter, more flexible ways, we can do more with the network and energy resources customers have invested in. We'll combine traditional network investment with smart non-network solutions, to help drive a least-cost energy system.



Network Resilience and Reliability

We support the replacement of ageing infrastructure in a planned and strategic way, to account for growing climate risks, mitigate higher future costs, and help lay the groundwork for all generations to benefit and contribute fairly.



State Development and Future Skills

We seek to collaborate early on State growth plans – guiding decisions, informing efficient network investment, and encouraging coordinated, timely approvals to streamline customer connections.

At the same time, we are committed to building a strong, local, skilled, and diverse workforce — that will underpin the State's transition to a net-zero future.



Reliable and Efficient Energy Markets

Examples from 2025 / 2026..

- Firm Energy Reliability Mechanism (FERM)
- AEMC Pricing Review
- NEM Review
- AEMO Governance Review
- Integrated Distributed System Planning
- Demand Side Factors Information Guidelines
- Voluntarily Scheduled Resource Guidelines

Coming up in 2026

- AEMC Network Regulation review
- Future Grids Pathway

Key Messages:

- We are working with AEMO to best integrate CER into market operations and into long-term system planning.
- We are closely integrating into AEMO's long-term system planning to better represent our network and customers.
- The NEM Review supports our position as a DSO and should accelerate the integration of CER into the market to support a least-cost power system.

What's next in 2026?

- **Making it accessible and useable:** Communicating with the business on what we stand for, how to activate it, how to make sure that what you're saying has integrity
- **Continuing to embed:** Useable policies and processes to activate the *Framework*
- **Constantly evolving:** Continuing to ensure the *Framework*, *Themes* and *Positions* are current and fit for purpose
- **Making it real:** We are striving to ensure that this *Framework* is applied to every influential forum that matters to our customers, stakeholders and business

How can our Advisory Groups help?

- **Embed** the *Themes* in our consultation, to ensure that our engagement is focused on the things that matter
- **Hold us to account** in Consultative Groups, to ensure the positions we engage on are consistent with the *Themes* – these *Themes* are the "headlines" of our advocacy

6. Other Business

