

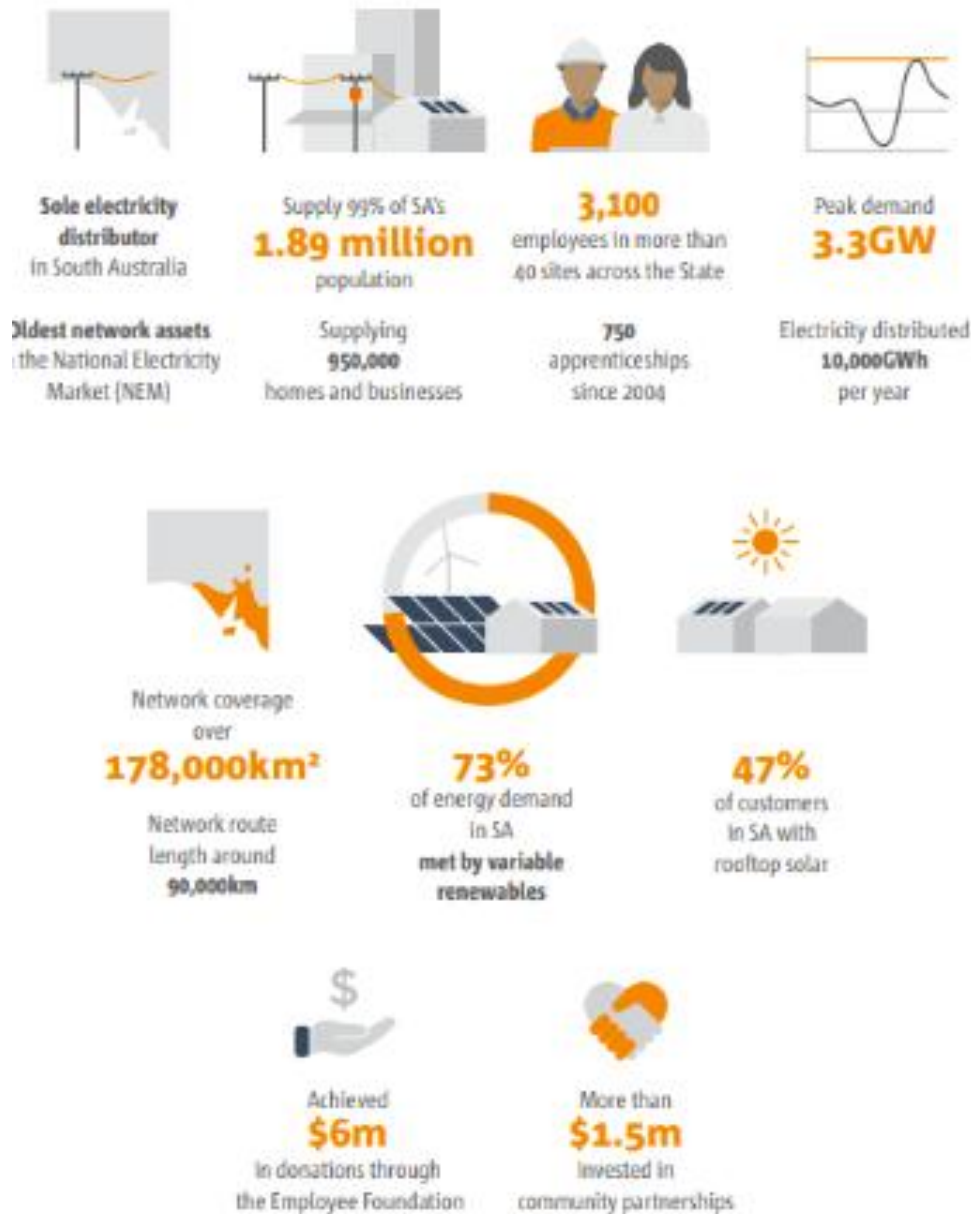
SA Power Networks

Information Booklet for consultative group members

May 2026



SA Power Networks – Key highlights



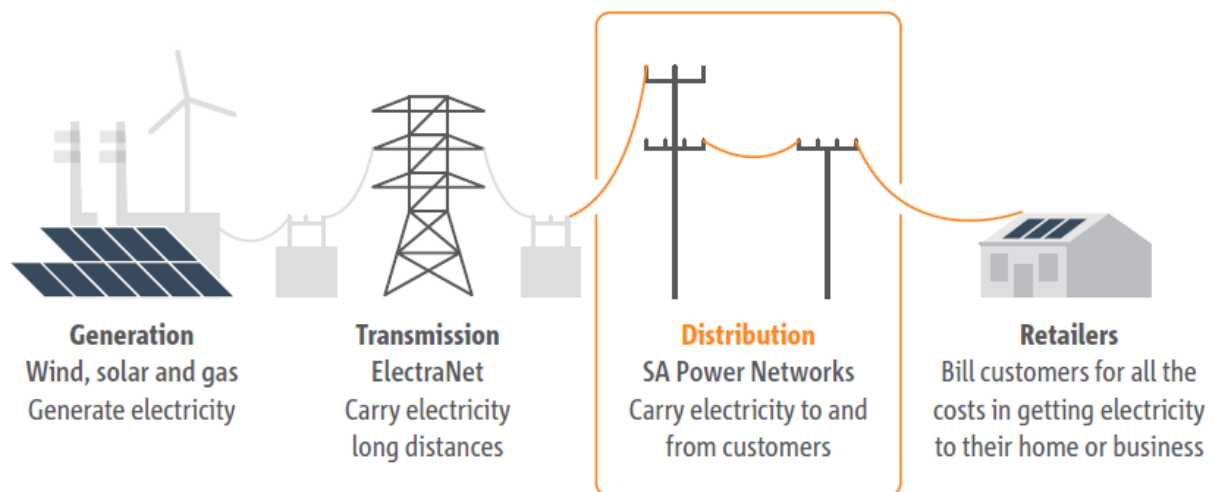
SA Power Networks is South Australia's regulated electricity distribution network service provider (distributor) covering a large service area of 178,000 square kilometres. We are responsible for managing the South Australian electricity distribution network – the substations, transformers, poles and wires that deliver electricity to your home or business.

Our traditional role has been to take power from the State's high voltage transmission network and deliver it to approximately 1.89 million South Australians in 950,000 homes and businesses. But, as our state's energy system undergoes significant transformation and modernisation, with approximately 45% of our residential consumers installing solar in their homes, we have become a major platform for sharing electricity from customer energy resources (CER).

The vast extent of our state and our dispersed population is serviced by a network with a route length of about 90,000 kilometres. 70% of our powerlines supply 30% of customers outside the Adelaide metropolitan area.

The network was designed to transport electricity from the transmission system to customers' premises as shown below.

Our role as distributor is just one element of the energy supply chain, which also involves energy generators (wind, solar, coal, gas etc); retailers (who source electricity from generators and manage your bills); and a transmission provider who transports electricity long distances at high voltages.



We are licensed by the Essential Services Commission of South Australia (ESCoSA) to operate our network and are regulated by state and national legislation. As a regulated monopoly, and in accordance with the National Electricity Rules (NER), every five years we are required to submit a regulatory proposal to the Australian Energy Regulator (AER) to secure revenue. Currently our charges account for approximately a third of the average residential electricity bill.

SA Power Networks customers and stakeholders are widespread, diverse and evolving. We serve almost the entire population of South Australia and as the state develops the number of customers we serve continues to grow.

Our distribution network has a central and ongoing role to play in the energy transformation underway in South Australia. It will be a platform for consumers to share the energy they generate and store, and to fuel the electrification of transport and the decarbonisation of our economy.

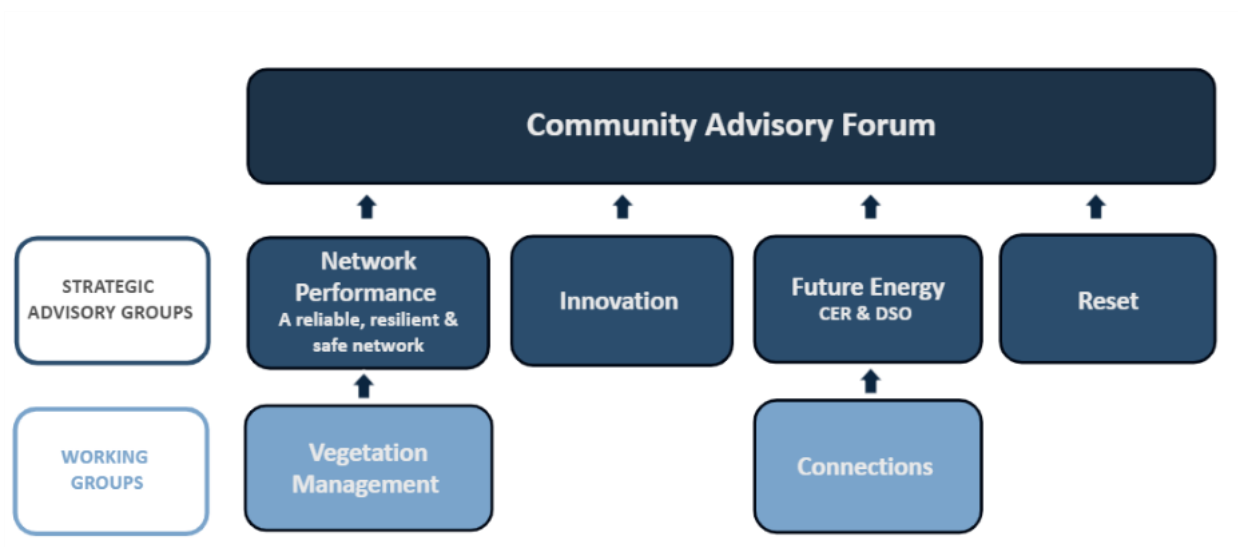
Customer and stakeholder engagement

SA Power Networks is committed to engaging and collaborating with our customers and stakeholders to drive better outcomes for customers, the business and our community. We are committed to ensuring that the needs and views of electricity users are heard and considered on key issues in the delivery of our vision of *'Connecting South Australians to a better energy future, today'*.

Following a recent review of our consultative group model, our new structure will comprise a Community Advisory Forum (CAF) and several specialised Advisory or Working Groups, facilitating regular scheduled engagement opportunities to ensure customer and stakeholder perspectives are considered in our ongoing business decision-making. This engagement will be supplemented by other engagement opportunities to ensure our engagement is fit for purpose for different stakeholders.

The model has been shaped through stakeholder feedback to ensure engagement is meaningful, focused and outcome oriented. It includes a high-level strategic Community Advisory Forum that provides oversight of customer outcomes aligned with our Strategic Plan, supported by specialised advisory and working groups that inform the delivery of services customers value.

Our model has been designed to focus on the issues that matter most to customers and where stakeholder input can genuinely influence outcomes. All groups have clearly defined Terms of Reference and interested parties should look at these to understand the purpose and scope of the different groups. The model is shown below.



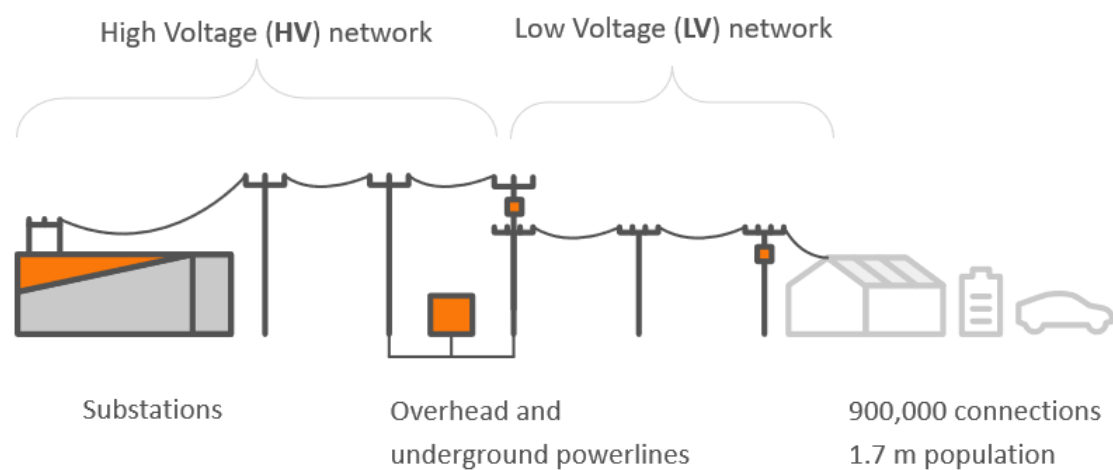
Interested parties should read the draft Terms of Reference for each group, but a brief overview of the purpose of each group is provided below:

- Network Performance Advisory Group: enable customers and stakeholders to build an understanding of our asset management framework and provide feedback into how we manage the network and invest.
- Innovation Advisory Group: provide structured customer and industry insights to inform Innovation Fund projects.
- Future Energy Advisory Group: provide strategic, forward-looking advice on Consumer Energy Resources, demand flexibility and evolving Distribution System Operator functions, and to support customer-focused and efficient energy transition outcomes.
- Reset Advisory Group: provide in-depth input into the regulatory strategy for 2030-35 and ongoing engagement on regulatory topics.
- Vegetation Management Working Group: provide advice on issues related to vegetation management near powerlines.
- Connections Working Group: inform initiatives that improve the connections experience across Minor Connections and Projects.

Our infrastructure

The distribution network in South Australia is vast. It covers an area of more than 178,000km² along a coastline longer than 5,000km. The network extends about 90,000km across difficult and remote terrain and operates in demanding conditions. It includes 408 zone substations, 1,955 feeders, 77,000 distribution transformers, 647,000 poles, 174,000km of overhead conductors and 20,200km of underground cables. We also provide and maintain around 220,000 streetlights for more than 70 Council, Aboriginal and regional areas across South Australia.

Apart from urban coastal areas, South Australia is very sparsely settled. Approximately 70% of SA Power Networks’ customers reside in major metropolitan areas, including the great majority of business and commercial customers. However, the extensive area serviced by our distribution system means 70% of the network infrastructure (in route length) delivers energy to the remaining 30% of customers. The average customer density per kilometre of distribution line in South Australia is the lowest among Australian distributors, with on average, 10 customers per kilometre of line.



Key strategic issues

As a business we face a number of challenges that will be explored as we engage with our consultative groups.

Issue	Key challenges / issues
Energy affordability and the growing divide (equity)	- Access to electricity is an essential service and all customers should have access to a safe, reliable and affordable supply. - The affordability of energy and the rising cost of living is affecting many Australians, creating ‘energy haves and have nots’. - We have a role to play in advocating for equity and affordability across the energy sector and ensuring all customers benefit from the energy transition.
Ageing infrastructure	- The oldest asset base, and lowest replacement rates in the National Electricity Market. - Much of our network was constructed in the 1950s and 1960s, and an increasing number of these assets are reaching the end of their life. - We support the replacement of ageing infrastructure in a planned and strategic way, to account for growing climate risks and mitigate higher future costs.
Our evolving Distribution System Operator (DSO) role	- An evolution of our existing role - a DSO more actively manages customer energy resources (CER) on the network and seeks to better utilise existing network capacity by embedding CER in the planning and operation of the network. - By using the network in smarter, more flexible ways, we can make more efficient use of existing infrastructure and customer energy resources where appropriate. - We continue to build capabilities for flexible services and invest in innovation, technology, and new capabilities to help manage this transition and improve outcomes for customers and the network over time.

Issue	Key challenges / issues
World-leading Customer Energy Resource (CER) uptake	- Approximately 45% of our residential consumers have solar PV and increasing number embracing technologies like batteries, electric vehicles and the electrification of homes and businesses. - How do we support an energy transition that seeks to deliver benefits across the community and considers the needs of customers who may face barriers to participation.
Climate change and community resilience	- Climate change presents future challenges with rising temperatures, increased bushfire risk and more frequent extreme weather events. - Community resilience for regional communities and building a resilient network that can withstand the growing frequency and severity of climate related weather events.
Evolving customer expectations and needs	- In a complex energy landscape, customers expect us to 'do more' to meet future needs, enable choice, help them make informed decisions, and keep them reliably connected today. - Our <i>Customer Strategy 2022–2026</i> outlines our customer vision, '<i>We make energy easy for every customer, every day</i>'.

2030-2035 Regulatory Proposal

SA Power Networks is the primary electricity distribution network operator in South Australia, and we are responsible for managing the South Australian electricity distribution network. As a distributor, we are regulated by the Australian Energy Regulator (AER) and are required to submit our expenditure and revenue proposals every five years for their review and approval.

This process is often referred to as a 'price reset' - hence the term 'Reset' which you might hear us say. As part of the process, SA Power Networks is required to develop a revenue determination considering capital investment, operating cost and overall funding required to complete our program of work for the upcoming regulatory control period. Ultimately, this determines the network charges that customers will pay as part of their electricity bills.

In 2026, we will design our engagement program in consultation with our Reset Advisory Group for the 2030-35 regulatory period. Our engagement with customers to input into the development of our regulatory proposal will commence in 2027.

The Terms of Reference for the groups will be 2 plus 2 years, with the anticipation that some members will commit for the whole 4 year period to align with the regulatory process and the lodgement of our Final Regulatory Proposal for 2030-35. This will be particularly important for those nominating for the Reset Advisory Group.

Our stakeholders and customers play a central role in developing our plans as we seek to ensure we understand customers' needs, and navigate the inevitable trade-offs between service levels, including network safety and reliability, and price.

In developing our Regulatory Proposal for the upcoming 2030-35 period, we will work closely with our advisory groups to ensure their views are considered in the building up of our proposal.

We thank you for your interest in being involved in our consultative groups structure and look forward with working with you to ensure customers views are heard and help shape our decision making.

For more information on our engagement please visit our Talking Power website [Talking Power](#)