



SA Power Networks

People's Panel Strategy

FINAL October 2022



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Design Drivers

The Brief

Every engagement strategy we design is bespoke – designed to suit the individual needs of the project, our client and the communities involved.

No engagement situation is ever the same - the community being engaged is different, the stakeholders have different needs and interests: timeframes change, budgets differ and most importantly what our client wants to achieve through the engagement is different. In designing an engagement strategy, we seek to understand the policy and political environment that the project seeks to support.

This involves:

- Seeking to deeply understand your objectives – for the process but also the policy and reform objectives
- In-depth stakeholder analysis - seeking to understand the nature of their interests, their expertise, and relationships
- Community analysis - which communities are affected, who is interested and 'whose voice needs to be heard
- Understanding the history of the client's work with the community and stakeholders on this issue- the political context
- Budgets - we are creative in working to budgets
- Frank and fearless advice - We give honest advice if we really don't think a desired process will meet your objectives
- Timelines - we design processes that can meet the government's timeframes.

Policy / Regulatory Background

SA Power Networks is the principal electricity distribution network service provider in South Australia - the poles and wires that deliver the power to homes and businesses.

Every five years, SA Power Networks is required to undergo a regulatory reset process, and submit a Regulatory Proposal to the Australian Energy Regulator (AER), which details their proposed business operations and service delivery, including:

- Our ongoing commitment to customers and community
- Changes in our environment
- Forecast expenditure
- Asset base and depreciation
- Revenue and tariffs
- Customer price impacts

SA Power Networks has launched a comprehensive engagement program to help develop their regulatory proposal - due to the AER in January-2024.

Objectives - Purpose and Scope

The People's Panel is one part and the culmination of SA Power Networks extensive engagement strategy for its 2025-2030 Regulatory Proposal.

For the purpose of its 2025-30 Proposal, SA Power Networks wants to know what services and service levels the community thinks are needed and that they are prepared to pay for. They want the People's Panel to provide recommendations that shape SA Power Networks Draft Proposal - to directly influence the directions of the regulatory proposal. To this end SA Power Networks is wanting to 'empower' and collaborate with the community.

There are of course many areas that SA Power Networks could invest - and these activities all come with a cost. SA Power Networks wants to know what consumers are prepared to pay for in the 2025 – 2030 regulatory period. For example, SA Power Networks could replace more of their network or could reduce bushfire risk more by investing upfront in the knowledge that the costs of these investments would be borne ultimately by customers. SA Power Networks wants to understand what consumers are prepared to pay for and therefore, what they are prepared to have included into the SA Power Networks regulatory proposal.

To do this the community needs to understand the cost implications of the different services and service level outcomes that they want. The Australian Energy Regulator (AER) wants to see how customer and stakeholder feedback has directly shaped SA Power Networks proposal. In doing this, it is important that the community had a clear view on price and service trade-offs of different investment options.

The proposal from SA Power Networks needs to provide clear information about how the community have gone through the steps - in considering the opportunities and costs and that they have talked through a range of service outcomes and expenditure options.

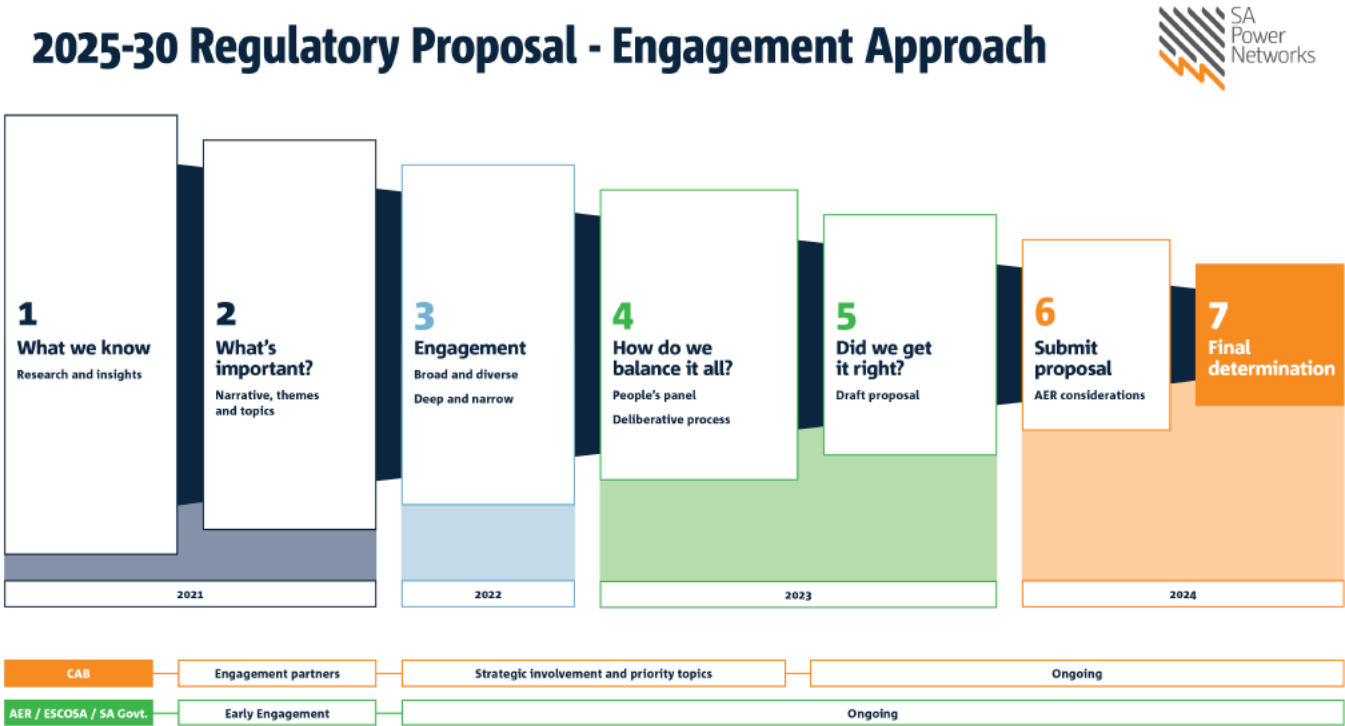
SA Power Networks has determined that a deliberative process offers the most appropriate process for achieving these outcomes. They have called the deliberative process - The People's Panel.

In addition to the discussion about what the community is prepared to pay for - SA Power Networks also wants to understand how the community thinks those costs should be covered. Who should pay? And when?

The Engagement Strategy

The People's Panel is to be a centre piece of SA Power Network's engagement for its 2025 – 2030 regulatory proposal. SA Power Networks has embarked upon an expansive engagement program which has been both broad (in terms of its breadth of community involvement) and deep (in terms of its consideration of the issues).

The details of the process up until the People's Panel is attached at Attachment A. The Engagement approach is summarised in the diagram below.



Focussed Conversations

Leading into the People's Panel, Focussed Conversation Groups will explore the key issues (which are of importance to the community and stakeholders) looking through a singular lens.

The Focussed Conversations areas were decided through the initial phase of engagement and updated and refined to reflect customer feedback through the broad and diverse workshops.

The Focussed Conversation groups will be made up of approximately 10-25 key stakeholders with an interest in the issues being explored and each one will involve a member from SA Power Network's Community Advisory Board (CAB). How participants for these groups were identified was different for each topic and in some instances built on or extend the work of existing SA Power Networks Consultative groups.

The purpose of the Focussed Conversations is to explore in more detail the key issues / areas and make recommendations about where that group thinks investment should occur on that topic - prioritising initiatives/ programs/ actions or policies that they think are needed to progress the outcomes within the scope of that area.

In most areas, they will do this by considering three investment/outcome options developed by SA Power Networks subject matter experts- Basic, Maintain, and New Value. Each of these options will include a suite of initiatives for funding. The Focussed Conversation will aim to develop consensus for a preferred option and make a clear recommendation to the People's Panel.

The outcome of each Focussed Conversation will be a recommended level of service outcomes and investment (and reasoning) that the Panel will ultimately consider in totality with all recommendations provided.

The following table summarises the Focussed Conversation topics and the intended focus of discussions by these groups -

Topic	Engage level	Focus areas / outcomes / service levels
Tariffs	Collaborate/ Empower	a. Tariff design, default tariff structures b. Cost allocation, tariff design c. Enabling the energy transition/ vulnerable customers d. Export tariffs
	Collaborate/ Empower	a. What can / should SA Power Networks provide eg. basic network tariffs, solar for renters, pre-disconnection assistance program expansion b. Claims process review c. Life support processes

	Collaborate	a. Integrating and enabling customer value through DER - Aligning network capacity to service levels that customers value b. Assisting to maintain system security c. Meeting demand growth (EV & other) and enabling the transition to EV d. Flexible service level options: energy consumption & storage – connection & usage tariffs e. Flexible service level options: energy export & storage – connection and usage tariffs f. Community energy / new energy services g. Digital network h. EV Fleet transition and property implications
	Involve	a. Targeted (non-condition driven) issues with reliability: SE; Upper Nth; Fleurieu; worst served customers.
	Involve/ Collaborate	a. Customer information and energy advisory b. Connections and metering customer interfaces, including data access for energy services businesses and digital customer (information channels; notifications; data access c. Connection policy, procedures, times, charges (F&A) d. New customer service measures/ Incentive Scheme
Resilience and bushfire safety	Involve	a. Network and community resilience: typical weather vs climate change. b. Community safety – mitigating bushfire risk and minimizing customer outages c. Stand Alone Power Stations (SAPS)
Network CBD reliability – targeted issues	Involve	a. Targeted (condition and non-condition driven) issues with reliability b. Grey Haired Flying Foxes
Network – Managing network condition for reliable and safe energy supply	Involve	a. Valuing / identifying service risk (reliability, community and employee safety, bushfire, environment etc) b. Repex pathways c. Repex business-wide delivery strategy d. Efficiency in delivering work
Property and Fleet	Consult	a. Property – BAU b. Fleet – BAU

IT	Consult	a. IT – BAU (includes Cyber) b. IT – New business improvements (transition & efficiencies)
Public lighting	Consult	a. Service offerings and prices
Vegetation Management	Consult	b. Trail/ initiatives/ research - reduce costs over time
Financial settings	Inform	a. Tax/depreciation/Rate of Return It is important to note that this group will be different from the other Focussed Conversations. They won't be providing recommendations but instead developing a key document that outlines the Reset financial settings for the People's Panel.

The People's Panel will take the outcomes of the Focussed Conversations and 'put it all together' by undertaking a holistic prioritisation process. SA Power Networks will update costings of all the priorities identified by the Focussed Conversations to provide the People's Panel with a sense of the total cost/price implications for customers in 2025 – 2030.

The process for each Focussed Conversation will be different depending on the level of engagement and interest of the community and stakeholders. For each Focussed Conversation there could be as few as two sessions and up to 10 related workshops/session.

Because recommendations from the Focussed Conversations are feeding into the People's Panel – a consistent 'template' will be created from each.

Transparency

SA Power Networks wants complete transparency for this project. They want it to exist in a 'glass box'. This is very important to trust in the process and to its credibility and SA Power Networks wants recommendations from democracyCo regarding how to make this possible.

This is discussed further later in this Strategy – page 51.

Outputs / products

There are thousands of pathways SA Power Networks can take as a business - all with different service level outcomes, costs and differential impacts on electricity pricing. Ultimately within the scope of the Focussed Conversations (that flow through to the People's Panel), SA Power Networks wants customer preferences and priorities to be reflected –in the final proposal, given a full understanding of the cost impacts of those inclusions.

This process will provide direction for SA Power Networks on what the community is prepared to have costed into the regulatory proposal, and hence pay for.

For example, SA Power Networks wants to understand what services and service levels the community wants and to understand customers' perspectives on the best balance between different service and cost options (price-service trade-offs). For example, should SA Power Networks invest more in reliability - do customers want reliability to be higher, lower or the same?

SA Power Networks wants to know the direct and very specific things/ initiatives/infrastructure/ programs that the community wants in the context of the community's full understanding of what the cost implications of those things will be.

Accordingly, SA Power Networks would like to be able to 'adopt what they say'.

Timeframes

The window which the People's Panel needs to meet within - is from mid-November 2022 to the end of March 2023 (with a possible extension into mid-April 2023).

Relationships and Recruitment

There are key organisations / groups that need to endorse the process of engagement being undertaken by SA Power Networks.

. The Australian Energy Regulator (AER) wants to be assured that the proposal reflects consumer views- they want confidence that the process is reflective of consumer needs and that the process hasn't steered them in a particular direction.

AER expectations¹

The AER outlines their expectations for the engagement that organisations should undertake in their "Better Reset's Handbook". Most importantly the AER is clear that they do not want to prescribe any model of community engagement as they want the community engagement approaches to be tailored to best suit the needs and circumstances of their consumers. The AER sets broad but strong expectations for the engagement processes - highlighting that network businesses should **sincerely partner** with consumers and **equip them to effectively engage** in the development of their proposals.

Sincerity of Engagement

The AER provides the following guidance to explain what it means by 'sincerely partner':

- This relates to the intent of a network business, and it is hard to quantify

¹ Taken from the AER's "Better Reset Handbook"
SA Power Networks People's Panel Design

- **genuine commitment** from the Boards and Executives down **to give effect to consumer preferences**
- network businesses should be open to new ideas and a willingness to change
- enable ongoing engagement with consumers about outcomes that matter to them, which **allows consumers to 'set the agenda'**
- ensure consumer confidence in the engagement process and **alleviate concerns** consumers may have

The AER wants - *"consumers to be partners in forming proposals rather than simply being asked for feedback on a proposal. Network businesses should **collaborate with and, where appropriate, empower consumers** in developing regulatory proposals."*

"Our expectation is that consumers should guide, and be seen to guide, the development of proposals."

AER example Project - Jemena's People's Panel

Jemena's 'People's Panel' approach to engagement with its customers, which won the 2019 ENA/ECA consumer engagement award, exemplifies the principles outlined above, with good buy-in and attendance at engagement activities by senior executives and Board members. Jemena demonstrated it is customer-driven and open to new ideas and change by adopting all recommendations made by the People's Panel. Jemena's approach provided us a good line of sight for issues that had been the subject of consultation with stakeholders and how consumer preferences had directly influenced the development of its regulatory proposal.

Equipping engagement

"To equip consumers, networks must provide them with accurate and unbiased information necessary to meaningfully participate."

The AER also highlight the importance of network businesses ensuring there is independence and integrity in the consumer engagement processes. To ensure independence the AER advice is that:

- consumer representatives should clearly declare any interests that may be perceived to conflict with those of the consumers they're representing and provide details on how they're managing any conflicts of interest.
- networks and consumer representatives should transparently set out all governance arrangements covering their interactions in the development of a regulatory proposal, including arrangements in place to ensure the independence of consumer representatives.
- networks should publicly declare all remuneration arrangements, benefits and financial support provided to consumer representatives.

There needs to be a clear link between consumer research and engagement, a network business's representation of the outcomes desired by consumers, and how the proposal gives effect to those outcomes. Networks need to provide evidence of consumer preferences – for example through independent surveys, research or focus groups.

Who needs to be involved?

The following section of this strategy details who needs to be involved and engaged in the work of the people's panel.

Community

SA Power Networks seeks to take the community, customers and stakeholders on a journey throughout the entire engagement process, to listen to their preferences and demonstrate how they have helped shape the proposal.

As part of their overall engagement program, it is of vital importance that the Panel is broadly representative of the diversity of the community, be a microcosm of the whole of SA Community.

SA Power Networks will need to demonstrate that the community involved in the Panel are diverse in the following respects -

- Age
- Gender (50/50)
- Culture
- Socio Economic
- Location (regional / metro) - in line with demographic splits statistically
- Regional diversity - not just townships (including representation from Kangaroo Island)
- Energy diversity - Solar vs Non solar -35% solar customers so try for 35-40%
- Information diversity - Level of knowledge - informed / partly informed and un-informed" How well informed do you believe you are with regards to what SA POWER NETWORKS does?"
- Values diversity - if we can ask a simple question that ascertains people's perspectives

Important Groups

It has been identified by SA Power Networks Community Advisory Board that it is important to ensure that the voices of two specific groups are heard within the process.

1. Vulnerable customers
2. Diverse businesses - low, medium, and high business consumers of electricity.

We note that both groups - have had strong representation throughout the process to date. Therefore, we expect the options coming forth from the Focussed Conversation to have had considerable input / advice from the business community. We understand that, hearing the voice of business will be particularly important throughout the People's Panel and also with regards to tariffs. As the transition arrangements for introducing export tariffs will impact business.

The SA Power Networks Community Advisory Board (CAB)

The CAB ensures that customer views shape SA Power Network's service delivery and are at the heart of all decision-making.

The members of the CAB provide informed, and objective views to SA Power Networks, ensuring that the diverse and changing needs of our 900,000 customers have been properly understood, balanced, and reflected.

The CAB seeks to carry out its responsibilities in a way that is independent, challenging, transparent, rigorous, innovative, and inclusive.

The CAB has been playing an extensive role in codesigning the overall engagement approach and participating in all stages of the engagement process. A CAB Reset Subcommittee was established in early 2022 to provide greater engagement and more detailed involvement in the process, and report back to the CAB at regular meetings. An example of their involvement is that there is a member of the CAB on each of the Focussed Conversation.

It is of vital importance to the process that CAB members continue their involvement through the People's Panel process. The CAB needs to monitor/evaluate the process so they have confidence and are in a position to support the Panel's recommendations.

The CAB will not be members of the People's Panel. However, as they are members of the Focussed Conversations - they could provide expert advice / links between the Focussed Conversation workshops and the People's Panel.

SA Power Networks Community Advisory Board (CAB)	15 members who meet every second month and provide ongoing advice and engagement with SA Power Networks.	Strong Interest in overall engagement Reset process. Established a sub-committee for more detailed involvement Members also sit on many of the associated CAB subcommittee and other consultative groups (attached).
SA Power Networks CAB Reset Subcommittee	9 members (7 CAB members and 2 externals), tracking alongside reset engagement, meet every month	Two priority areas of reset engagement, Process and Impact (how input is reflected in proposal). At least one subcommittee member to attend each 'focussed conversation' High level of involvement in People's Panel.

Organisational Stakeholders

Firstly, and foremost this process is for the community. The People's Panel is to be made up of community members. Stakeholders have been involved in the Focussed Conversations - offering their expertise, advice and making their recommendations primarily at this stage.

However, members of the People's Panel will benefit from the input / advice and support of stakeholders during process, and some stakeholders are keen to observe the process to ensure that they are comfortable that it has been conducted appropriately and with integrity. These stakeholders are detailed here.

Stakeholder	Nature of Interest / Information about them	Engagement Approach
Energy Consumers Australia	Support 'network engagement'	Observer Interested to support CAB/consumers, to be involved in our engagement process. Has funding to support consumers for independent research or to help write independent engagement report.
South Australia Council of Social Service (SACOSS)	Representation on CAB with Georgina Morris. Concerned about the impact of high power prices on the most vulnerable in our society,	Key Stakeholder - needs to be comfortable with the veracity of the process Observer Assist with Recruitment Advisor / Information provider
Business SA	Business SA have an interest in minimising cost to business. They will want to have confidence that that the group has heard from business.	Key Stakeholder - needs to be comfortable with the veracity of the process Observer Assist with recruitment for tariffs Advisor / Information provider
SACOME	The South Australian Chamber of Mines and Energy (SACOME) is the peak industry association representing companies with interests in the South Australian minerals, energy, extractives, and oil & gas sectors, including those who provide services to these companies. These companies are big energy users and hence have an interest in the cost and cost structure imposed by networks.	Observer Advisor / Information provider
Shelter SA	Shelter SA is a peak body representing organisations that support South Australians in need, living on low incomes and experiencing homelessness. As there is no specific organisation that represents renters, it was felt by the CAB that Shelter may be able to assist in providing advice to the Panel about the needs of renters.	Observer Advisory / Information provider
Strata Community Association	SCA is the peak body in Australia for Industry Managers, Lot Owners, Tenants and Stakeholders living in or affected by Strata Title, Body Corporate, Community Title and Owners Corporations.	Observer Advisory / Information provider

Small Business Commissioner	One of the roles of the Small Business Commissioner, under the <i>Small Business Commissioner Act 2011</i> , is advocacy. The Small Business Commissioner put a submission to the SA Governments inquiry into embedded networks and we expect they will be interested in providing the view of small business on this and issues concerning electricity prices more broadly to the Panel.	Observer Advisory / Information provider
Council of the Ageing	COTA promotes the rights, interests, and good futures of Australians as they age. Retirement villages most often have embedded networks – and it is expected that COTA provided a submission to the	Observer Advisory / Information provider
Local Government Association	Local government are significant purchasers of power but SA Power Network's work also interacts closely with the work of Local government (ie trees and proximity to electricity wires), planning arrangements etc.	Observer Advisory / Information provider
Clean Energy Council	The Clean Energy Council is the peak body for the clean energy industry in Australia.	Observer Advisor / Information provider
Energy Retailers - Origin - Alinta Energy - Energy Australia - Savant Energy Power Networks	Retailers have to pass on the costs from networks and hence would receive complaints / concerns about cost and have a direct interest in the system. Savant Energy Power Networks specialises in embedded networks.	Observer Advisor / Information provider
Key industry organisations such as - Hotels Association and Retailers Association	Represent big users of power and are likely to have significant concerns about increases in costs	Observer Advisory / information provider
Primary Producers South Australia	As small businesses farmers can experience the impact of high energy prices. Primary Producers South Australia advocate for the needs of primary producers in SA.	Observer Advisor / Information provider

Solar Citizens	Strong advocate for rooftop solar. <i>"Solar Citizens is an independent, community-based organisation bringing together millions of solar owners and supporters to take the next step and keep growing renewables in Australia."</i>	Observer Advisory / information provider
Conservation Council	Environmental advocacy organisation with an interest in moving towards greener energy production, storage and transmission.	Observer Advisor / Information provider
Property Council of SA	The Property Council represents a significant proportion of businesses involved in the property industry.	Observer Advisory / information provider
Energy & Water Ombudsman of SA (EWOSA)	Representation on our with 'Tariff working group' - Jo De Silva	Important Observer Advisor/ Information provider
Electranet	Key stakeholder in Electricity Supply Chain. SA Power Networks meet on regular basis	Observer Advisor / Provision of information to People's Panel. Interested in SA Power Networks engagement process and 'expert witness'
AER CCP30 – Consumer Challenge Panel	Two members appointed by AER to follow our process. They write an engagement report/assessment	Assessors of process Important Observers - Members track alongside Mike Swanston and Mark Henley
DEM	Key Stakeholder, State policy and energy transition	Important Observer Advisor / Provision of Information to People's Panel
Australian Energy Regulator (AER)	Scrutinise and endorse our proposal.	Decision Makers
SA Power Networks Board	Board Members kept up to date with our process via written reports	Important Observers
Essential Services Commission of South Australia (ESCoSA)	Regulatory body Key interest in service levels, particularly reliability and meeting targeted levels. Will need proof of customer support for any changes eg. CBD reliability	Decision Makers Important Observers Decision Makers

Focus/Scope of the People's Panel

There are two key elements to the work of the People's Panel-

1. What services people are willing to pay for?
2. Transition arrangements for the export tariffs

What services should SA Power Networks invest in?

The focus of the People's Panel is to determine the overall package of services and level of service outcomes the community is prepared for it to invest in, for the purposes of the development of their Regulatory Proposal to the Australian Energy Regulator (AER).

This discussion will need to involve a conversation about what is important to South Australians in terms of what SA Power Networks invests in and of course testing these ideas to make sure that they are within scope of SA Power Networks' responsibilities.

In addition to this, the People's Panel will also explore one aspect of the broad tariffs issue – Export Tariffs.

Export Tariffs

The tariff conversation with the People's Panel will focus on one aspect of tariffs – the transition to export tariffs. Other aspects of consumption and export tariffs are being considered in multiple Focussed Conversations which are concluding in December 2022.

As Australian households and businesses continue to take up rooftop solar and other distributed energy resources, parts of the electricity network will need to be upgraded over time to ensure the network has enough capacity to transport the increasing volume of energy being fed in. In 2021, the Australian Energy Market Commission (AEMC) made changes to the National Electricity Rules that clarify the obligations on electricity distribution networks like SA Power Networks to plan for future levels of exports and invest appropriately in network capacity to meet demand. The rule changes also allow for the cost of this network investment to be recovered via export tariffs.

Like time-of-use tariffs today, export tariffs will allow network companies to send a pricing signal to customers to indicate when exports into the grid are a cost or benefit to the grid. These tariffs may include both a charge for energy sent to the grid if it is at a time when the grid is under constraint, or a credit for energy exported at a time when this benefits the grid. As is the case today, these network tariffs are paid by electricity retailers, who can then pass on these export charges and rebates through bills to customers. The intent of export tariffs is to ensure cost-reflective pricing, that is, money spent for the purpose of enabling exported energy into the grid is recovered from those who are exporting into the grid.

SA Power Networks wants the People's Panel to provide advice about what the transition arrangements should be for the introduction of export tariffs from 2020 onwards, i.e. when should export tariffs be introduced for different customer groups.

1. Noting that the Tariff Focussed Conversations do conclude until December 2022, SA Power Networks has formed some preliminary views on what transition options could be presented to the People's Panel. These options and potentially others will be considered and evolve as part of the final export tariffs Focussed Conversation, and will ultimately be presented to the People's Panel for their deliberation. Transition all export customers 1 July 2025
2. Transition all export customers 1 July 2030 (excluding new and upgrading customers)
3. Transition export customers based on customer groupings throughout the 5 year regulatory control period 2025 - 2030

SA Power Networks will provide both the customer groupings as well as the tariff structures to facilitate informed decision making.

Aside from the transition consideration, export tariffs will be discussed in depth at four tariff Focussed Conversations with detailed analysis, customer impacts and tariff structures all considered prior to the People's Panel.

Focussed Conversations will also include the following key stakeholders (required to be part of the engagement process by the AER):

- retailers
- the South Australian government.

Tariff Guidelines can be read here - <https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/export-tariff-guidelines>

"Distributors should sincerely partner with their customers and empower them to meaningfully contribute to considerations around whether, when and how to introduce two-way pricing options."

AER, Export Tariffs Guidelines
May 2022

The Approach

Recommended Engagement Approach

SA Power Networks have been clear that they want to use the People's Panel to involve, collaborate with and empower the community.

For this reason, we are using the field of engagement known as deliberative democracy to develop our approach. Deliberative processes are well suited to processes which are complex, require time to understand and involve higher degrees of commitment on the IAP2 scale of engagement.

Deliberative processes are defined by the following key elements²:



Clear and articulated purpose for the deliberation



Diverse participation - enabling reconciliation of views



Building understanding and knowledge



Time and space for deep consideration



A clear commitment

Deliberation is the best way for communities to tackle complex and wicked problems. A vast array of evidence is being gathered around the world which shows that deliberative approaches are highly effective in supporting communities to tackle complex and insurmountable problems together.

² [ANZSOG 6 elements of deliberative democracy](#)
SA Power Networks People's Panel Design

The Product

The Panel will produce a report that includes the following -

SA Power Networks Services

An answer to the central question – “What is the best balance of service and price?”

- Introductory Statement
- Overview of the Panel members (demographics / groups) who participated in this discussion / decision
- Details of the investment options from the Focussed Conversations that the **Panel agrees** should be included in SA Power Networks’ Regulatory proposal and why?
- A section that identifies issues that are important and need to be addressed but perhaps not through the pricing mechanism.

Export tariffs

- Introductory Statement
- Overview of the Panel members (demographics / groups) who participated in this discussion / decision
- The views / reflections of participants about the Export tariff
- A matrix which summarises the recommendations of the Panel as follows-

Customer Cohort <i>(List of cohorts to be provided by SA POWER NETWORKS)</i>	Residential or business	Transition timeframe / arrangements	Why?

Commitment and Parameters

It is proposed that SA Power Networks provides the following commitment to the People's Panel

Element of the PP's work	Recommended Commitment	Why we recommend this
In regard to the question - <i>Looking forward to <u>2025-2030</u> - we want to understand what customers consider is the best balance of service and price?</i>	We propose that SA Power Networks commit to - - Publish the Panel's report unchanged & in full publicly with SA Power Network's response - Take the Panel's report unchanged and in full to the SA Power Networks Board and the Australian Energy Regulator As much as possible SA Power Networks will want to take the People's Panel's recommendations to the AER - where SA Power Network doesn't take a recommendation to the AER they will provide evidence and their reasoning both to the AER and to Panel participants.	It might be challenging for SA Power Networks to indicate that they would implement all recommendations in full and it may cause SA Power Networks issues to make this commitment - so we offer this as a middle road.
In regard to the question - <i>Regulation requires SA Power Networks to consider export tariffs that reflect the cost of providing the service. How can the transition be phased in to maximise fairness and equity for all?</i>	We propose that SA Power Networks commit to - - Publish the Panel's report unchanged & in full publicly with SA Power Network's response - Take the Panel's report unchanged and in full to the SA Power Networks Board and the Australian Energy Regulator - Reflect the approach recommended by the Panel for transitioning to export tariff in SAPN's Regulatory Proposal to the AER.	What is being put to the Panel is very defined and precise - they are only being given three- four scenarios that have been put together by experts working with SA Power Networks. As a consequence, we think SA Power Networks can make a strong commitment here. We understand that SA Power Networks want to empower community in this area.

As much as possible SA Power Networks will want to take the People's Panel's recommendations to the AER - where SA Power Network doesn't take a recommendation to the AER they will provide evidence and their reasoning both to the AER and to Panel participants.

Parameters

SA Power Networks will need to be clear with participants that there are some things that are non-negotiables. There is a base level of service, the basics, and hence investment that needs to be undertaken - that is non-negotiable. These things are not the subject of Focussed Conversations - and hence won't come through as recommendations from the Focussed Conversations - but none the less they represent a base level of cost impost that SA Power Networks has to factor into its AER submission.

SA Power Networks will need to focus on these parameters in their opening remarks to the participants and facilitators will remind participants of these parameters throughout the process and where / when relevant.

Connection to Focussed Conversations

It is critical that the work of the People's Panel dovetails perfectly with the work of the Focussed Conversations. To enable this to occur seamlessly we have developed a template for the Focussed Conversations to use in the development of their recommendations to the People's Panel.

In addition to the template, we recommend the following -

- Briefings about Process - that a meeting is held to brief all Chairs, leads and facilitators of the Focussed Conversations about the People's Panel process
- DemocracyCo is on call to provide advice to facilitators of the Focussed Conversations as needed
- Where possible democracyCo checks the work of the Focussed Conversations to make sure it is in the appropriate format for the Peoples Panel.

The Concept- Overview

The Concept

The process outlined in this strategy brings together a diverse group of approximately 50 South Australians through a 5-stage deliberative process, The People's Panel.

The following framing for the Panel will be used in invitations and promotional materials for the People's Panel regarding services -

There are choices about the level of service that SA Power Networks offers, however all services come at a cost. Looking forward to 2025-2030 – we want to understand what customers consider is the best balance of service and price?³

The following framing will be used on invitations and promotional materials regarding export tariffs -

Regulation requires SA Power Networks to consider export tariffs that reflect the cost of providing the service. How can the transition be phased in to maximise fairness and equity for all?

NOTE – whilst at a basic level these are the questions that will be posed to the group – working with the CAB we might decide to expand on these questions / give more detailed versions once the Peoples Panel is more informed about the language being used.

³ To support and break down this question – during the Panel sessions facilitators will ask questions which help to break down the issues for participants and also ensure that they provide all the detailed desired information by SA Power Networks. Some examples of questions which SA Power Networks believe will assist in getting the information they need are as follows -

- Possible supplementary question (just used for facilitation purposes) - What services does SAPN 'need' to provide (over and above what they are required to provide) and what services do customers 'want'?"
- For existing services – are customers prepared to pay more to maintain or improve a service?
- What new services would customers be prepared to pay for?

This is likely to be just some of the questions posed. It isn't necessary to finalise these sub questions / facilitation questions at this point – we can do this as facilitators start to develop their running sheets over coming weeks / months.

The Panel members will initially build their understanding of the electricity system and develop tools for how they are going to work as individuals and together. They will then work to develop an assessment tool, which they will use to assess and prioritise the service recommendations from the Focussed Conversations.

In Stage 3 they will begin their main deliberation experience. They will undertake their first round of assessment (using their tool) and considering SA Power Networks' core role / functions to determine which recommendations the group agrees should be included in SA Power Network's regulatory proposal.

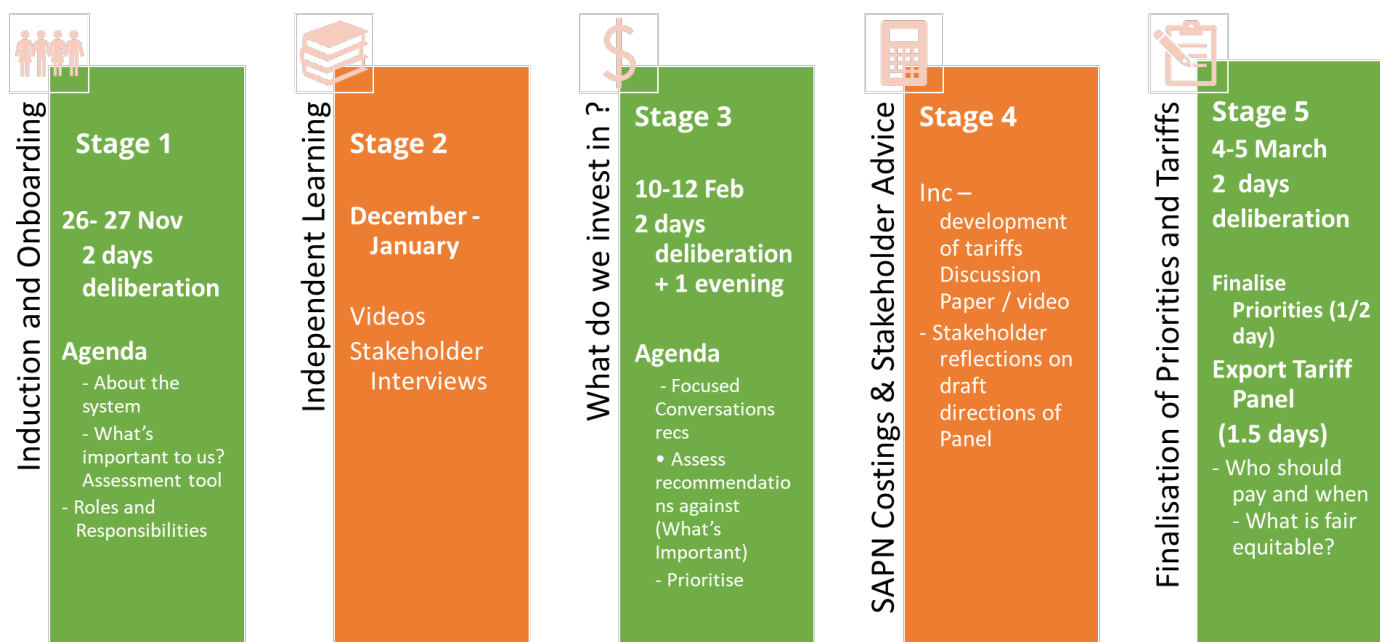
Stage 4 is optional at this point and is provided as a place holder. It does not involve the panel deliberating. Instead, it provides us with the space / opportunity for SA Power Networks to undertake costings if needed and also for further stakeholder advice (if determined that we require it).

In Stage 5 the Panel will reconvene for an intensive deliberation to finalise their priorities – drawing on the significant work undertaken in Stage 4. On Saturday afternoon and Sunday, the Panel will turn their attention to export tariffs and at this point will be (joined by the 12-20 business representatives to decide when the tariff will be introduced for different consumer cohorts.

Overview

The following diagram summarises the process.

Method - detailed



Recruitment

The process will seek to recruit a demographically diverse group of approximately 50 for the People's Panel.

Recruitment process

By enlarge, for community participants, we are proposing to recruit through a process of random selection - as standard practice in deliberative practice.

Random selection involves sending out invitations to a randomly selected group, asking those who receive the invite if they would participate and then randomly stratifying the positive RSVPs in line with prioritised strata (i.e., gender, age, location etc).

Random selection of deliberative groups delivers the most representative cross section of the community ensuring that there is considered public judgment rather than simplistic public opinion.

While a degree of self-selection naturally occurs (in agreeing to RSVP in the first place) it is important to consider what would otherwise occur in the absence of a stratified process.

Processes which only involve self-selection include only the passionate voices (frequently with polarised views) and very few everyday people.

In contrast, random selection actively seeks individual *invited* voices instead of hearing solely from *insisted* voices.

We are recommending that the recruitment be undertaken through SA Power Networks databases. We understand that SA Power Networks has 950,000 customers on its database which includes 100,000 businesses. Of these 400,000 customers have email addresses. We will use the email database to randomly select 20,000 customers.

Recruitment Stratification Demographics.

Given the brief from SA Power Networks we will be seeking to recruit a group which is as close as possible the following demographic strata:

Age	Will be recruited based on South Australia's proportion of population over 20 (2021 Census data - based on proportion of the population aged over 15 years)
	15yr- 34 yr - 30% 15 participants
	35yr- 44yr - 15% 7-8 participants
	45yr-54yr - 15% 7-8 participants
	55-64yr - 15% 7-8 participants
	65+- 24%- 24% 12 participants

Gender	Approximately - 50% Female
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50% Male

Noting - whilst we won't have targets, we would also look to recruit people who are non-binary- should they register.

Cultural	Diverse (without specific demographic split)																
Socio Economic	Diversity without being specific (at this point) This issue is discussed in detail later in this report.																
Business owners	We will be looking to ensure that there are business owners on the Panel.																
Renters vs homeowners	68.4% of households are homeowners. We will seek to recruit approx. 31 homeowners and 19 non homeowners (renters or homeless)																
Locational / Regional diversity	We will be aiming to recruit the following in line with regional demographics ⁴ <table><tr><td>Greater Adelaide</td><td>38 participants</td></tr><tr><td colspan="2"><i>(3 of these 38 will come from the Adelaide Hills)</i></td></tr><tr><td>Barossa / Yorke and mid north</td><td>3 participants</td></tr><tr><td>Fleurieu / KI</td><td>2 participants</td></tr><tr><td>Murray and Mallee</td><td>2 participants</td></tr><tr><td>Limestone Coast</td><td>2 participants</td></tr><tr><td>Eyre Peninsula and SW Coast</td><td>2 participants</td></tr><tr><td>Outback North and East</td><td>1 participant</td></tr></table>	Greater Adelaide	38 participants	<i>(3 of these 38 will come from the Adelaide Hills)</i>		Barossa / Yorke and mid north	3 participants	Fleurieu / KI	2 participants	Murray and Mallee	2 participants	Limestone Coast	2 participants	Eyre Peninsula and SW Coast	2 participants	Outback North and East	1 participant
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Outback North and East	1 participant																
Solar and Non-Solar	We will be looking to recruit between 35% of participants with solar panels (no more than 40% of participants will have solar) on their roof - in line with the current number of homes with panels.																
Values	We also want a group that has diverse values - this is always hard to assess simply, and we don't want to ask a lot of questions as it will put people off registering - so we are proposing to ask a simple question which hints to the prioritisation of certain values - "What is most important to you? energy pricing , (someone who prioritises extrinsic values - power/money) energy reliability , (someone who prioritises conservative values) environmental sustainability of energy production , (someone who prioritises universal / intrinsic values)																

It is important to note that this is a significant number of strata – considerably more than generally used during best practice deliberative recruitment process. Therefore, it will be challenging to meet all these

4

https://www.dit.sa.gov.au/_data/assets/pdf_file/0008/563813/Population_Projections_for_South_Australia_and_Regions_2016-41_-_May_2019.pdf

criteria. However, we will use our best endeavours to recruit the right proportions of participants. Priority will be put on meeting age, gender, location and vulnerability strata.

Given our experience we expect we will achieve a maximum of 2% response rate to the invite.

Given the extent of strata that SA Power Networks require, we expect that we will need to invite approximately 20,000 South Australians to participate. At a 2 % response rate this will give us a group of approximately 400 people to choose from and meet the strata requirement above.

Recruitment for Cost / Services Trade-offs

Vulnerable customers and Business

It is vital that we hear the voices of both the financially vulnerable and business strongly when considering issues of service provision and cost.

There are two ways to include the views of these groups in the process

- 1) Participation as part of the Panel – as members of the Panel
- 2) Provision of information / advice through various mechanisms to the Panel members

There are challenges for recruiting both vulnerable customers and business as participants to the Panel.

Recruitment for financial status through random selection is challenging. In deliberative processes run in Australia in the past, socio economic has generally been inferred from looking at postcode and whether someone rents or owns their property. Whilst this is an imperfect measure, for most processes this is sufficient, as socio economic is not a central issue to the discussion. However, this is not sufficient for this project.

It is the view of democracyCo that having a diversity of people and having certainty that there is significant representation of those that are financially vulnerable is critical.

Equally, it will be important to hear from business, however business are typically a hard group to get to commit to deliberation. However, they are usually very willing and able to commit to providing advice to the deliberative group.

Given the above respective challenges, we are recommending that we work with SACOSS, Primary Producers SA and Business SA to determine the best approach for ensuring the voices of their respective constituents are appropriately heard through during this discussion.

This will include –

- Defining the groups ie defining who is financially vulnerable and using data / strong evidence base what proportion of the group should be financially vulnerable and defining the business groups needing to be represented
- If being involved as participants - defining what an appropriate number is from their perspective, complemented / supported by current data on incomes.

- Considering how we guard against dropouts or arrangements should this happen
- Considering assistance, the respective organisations could provide in supporting recruitment
- Considering the options for providing information outlined in this strategy – and what would be most appropriate to support the respective groups in having their voices adequately heard.

We think this approach not only ensures we get the best outcome in terms of ensuring we hear the voices of this group - but also will help to bring an important stakeholder into the process in an active and positive way.

Recruitment for tariffs discussion

In line with the above – we need to ensure that those who are financially vulnerable have their voices heard in the conversation on tariffs. How this is best done will be discussed and determined with SACOSS – in line with the process outlined in the section above.

With regards to business – it will be important to attract a diverse group of business to this aspect of the Panel's discussion. We will need to recruit a diversity of businesses which fall into the following categories –

- Small business – less than 160 MWh per annum
- Large business – greater than 160 – lv and hv
- Major customers – substation and sub transition

We are proposing to recruit between 14- 20 businesses to participate for the 1.5 days of deliberation - we know that this is a big impact on business and that it is hard to get this sort of commitment. Therefore, we think the best approach would be to work with the peak bodies – Primary Producers SA and Business SA to determine the best approach to recruitment.

A random invitation to business is unlikely to get the response that would be needed.

Honorarium

Honorariums are to compensate people for their costs of attending. They are intended to cover additional costs they may cover because of their involvement. They are not counted as income or salary. Honorariums are meant to cover costs such as public transport, parking, childcare, petrol or amenities. For processes such as this they are also helpful for attracting a diverse audience and enabling people to participate irrespective of their economic situation or location.

To help attract people to the process and help achieve the demographic strata that SA Power Networks is seeking (especially attracting those of low socio-economic background), democracyCo are proposing a generous honorarium rate as follows-

- Participants who reside over 100km away or those of low socio-economic status - \$160 per day. In addition, SA Power Networks will also cover travel and accommodation for regional participants over 100km away from the CBD.
- Participants who reside within 100km of the CBD - \$120 per day

The honorarium will be paid at the end of the process - and will only be paid to participants who attend all sessions (exemptions may be applied). For simplicity of payment, we recommend the use of pre-paid visa cards - which can be given to all participants at the end of the last day of deliberation. We use this method as this is the simplest and most efficient to organise from an administrative perspective. All participants will need to receive ATO forms confirming that they payment was not provided as income.

democracyCO will look to seek Business SA advice on the usefulness of an honorarium to assist in the recruitment of business.

Eligibility

It is important that participants in the process aren't motivated by strong personal interests or their personal financial interests and hence have their views on what is best for South Australians clouded by what is 'best' for their own personal circumstances. It is also important that the participants are independent from SA Power Networks.

To avoid participation by people with strong vested / personal interest in the process, the following groups will be considered ineligible for participation on the Panel

- Employees of SA Power Networks including SA Power Networks Board members (and members of their household)
- Employees of Enerven (and their household members)
- Employees of relevant regulatory bodies / decision making bodies eg. AER, ESCOSA, OTR
- Employees of organisations that work closely with SA Power Networks in the energy sector eg. DEM?
- Members of SA Power Network's consultative groups, including Community Advisory Board, Reference Groups or Working Groups
- Members of Parliament

Stage 1 - Induction and Onboarding – Nov 26- 27

This stage will require 2 full days on the 26th and 27th November.

Purpose

The purpose of Stage 1 is -

- Provide an understanding of who SA Power Networks is and what they are responsible for
- Enable the participants to get to know each other
- Build understanding of the basics - i.e.
 - o The People's Panel process and how it fits in the engagement process more generally
 - o The electricity system in general terms and SA Power Networks' role in that system (what SA Power Networks does)
 - o Key stakeholder perspectives - regarding "What is Important to them about the system"
- Deliberate on and develop the assessment tool they will use to assess the recommendations from the Focussed Conversations

Product from Stage 1

We want the Panel members to feel like they have completed their first 2 days of work having made significant progress. This is even more important given the long gap in their deliberations (there is approximately two months between their first and second meeting and we don't want to lose participants!).

Therefore, we want them to leave with something tangible from their work - so they leave with a sense of achievement and success. It is also important for them to have applied the skills and knowledge that they have learnt in their induction phase.

In addition, and probably more importantly - it will be useful to the Panel and the process if the Panel members are clear early in the process about *what is important to them in the supply of energy*. It will help the Panel to more rigorously and objectively assess the recommendations from the Focussed Conversations (and determine what they are prepared to pay for) if they are clear on a group as to what is most important to them and these important elements are prioritised). It is also useful for this to happen before the group has been exposed to the recommendations from the Focussed Conversations. The assessment tool will be developed by the group in Stage 1 (and this will also form a part of their final report).

Proposed approach for Stage 1

The following elements will be involved in Stage 1 -

	What	Why	Who to Deliver
1.	Welcome, Thanks and SA Power Networks Commitment to the Process	Formally open proceedings. Trust in the process and demonstrating the credibility of the process is critical to its success. We want the panel to help create 40+ advocates for SA Power Networks and its work. We also want the participants to see value in participating and commit to attending the whole process. Achieving these outcomes involves SA Power Networks being clear on its commitment to the process early in Stage 1.	SA Power Networks CEO / Executive General Manager – Strategy and Transformation Kurna Elder to conduct welcome to country.
2.	Getting to know each other and how they will work together - Social activities - building understanding and empathy between participants	It is important in a deliberative process that the group develops empathy and understanding for each other. This will occur naturally during lunch and morning tea breaks - but initial work is needed on day 1.	DemocracyCo

	- Development of Group Norms - Understanding how they were selected and who is in the room	In addition, it is very useful for the Group to have developed Group Norms that can be referred to should issues occur in the group.	
2.	Understanding the role of the People's Panel and the process	This involves three parts 1. Ensuring the group understands the overall engagement process that the People's Panel contributes to 2. The group knows the process they will be going through 3. Understands what their role is and what their role isn't SA Power Networks also need to be clear about what SA Power Networks can affect change / can influence / can do.	DemocracyCo and SA Power Networks
3.	Preparing for deliberation Learning Critical Thinking Skills and about personal bias	Deliberative processes are about moving beyond 'opinion' to informed judgement. We spend time preparing participants for deliberation - by honing and raising their critical thinking skills and making them aware of their own bias (and how they can remind each other of bias). You can read more on this below.	DemocracyCo
4.	Understanding the energy system and SA Power Network's role in it. Understanding the Reset Proposal and the role of the AER.	Before the group can commence its deliberations, it needs to have a basic understanding of the energy system, how it works and also clarity SA Power Networks role. The group will also need to understand here about the regulatory framework, and the purpose and function of the reset proposal. Also, here we will do some work with the panel to align the issues they experience to roles of SA Power Networks vs others (government, regulators, social services) – facilitated activity.	SA Power Networks, AER and Andrew Nance
5.	Understanding key stakeholder perspectives	Short briefings from Business SA and SACOSS - re what is important to them	Business SA SACOSS and Env group

- | | | |
|---|--|---------------------------------|
| 6. Development of their own assessment tool | The group will spend at least 4 hours of their time together at this stage to develop the assessment tool. This Tool will make it easier for the group to objectively assess the recommendations - for what is most important to them. | democracyCo facilitated process |
| 7. Selection of people / organisations for interviews and preparing for interviews | | |
| 8. Selection process for people to brief Panel on Export tariffs | | |

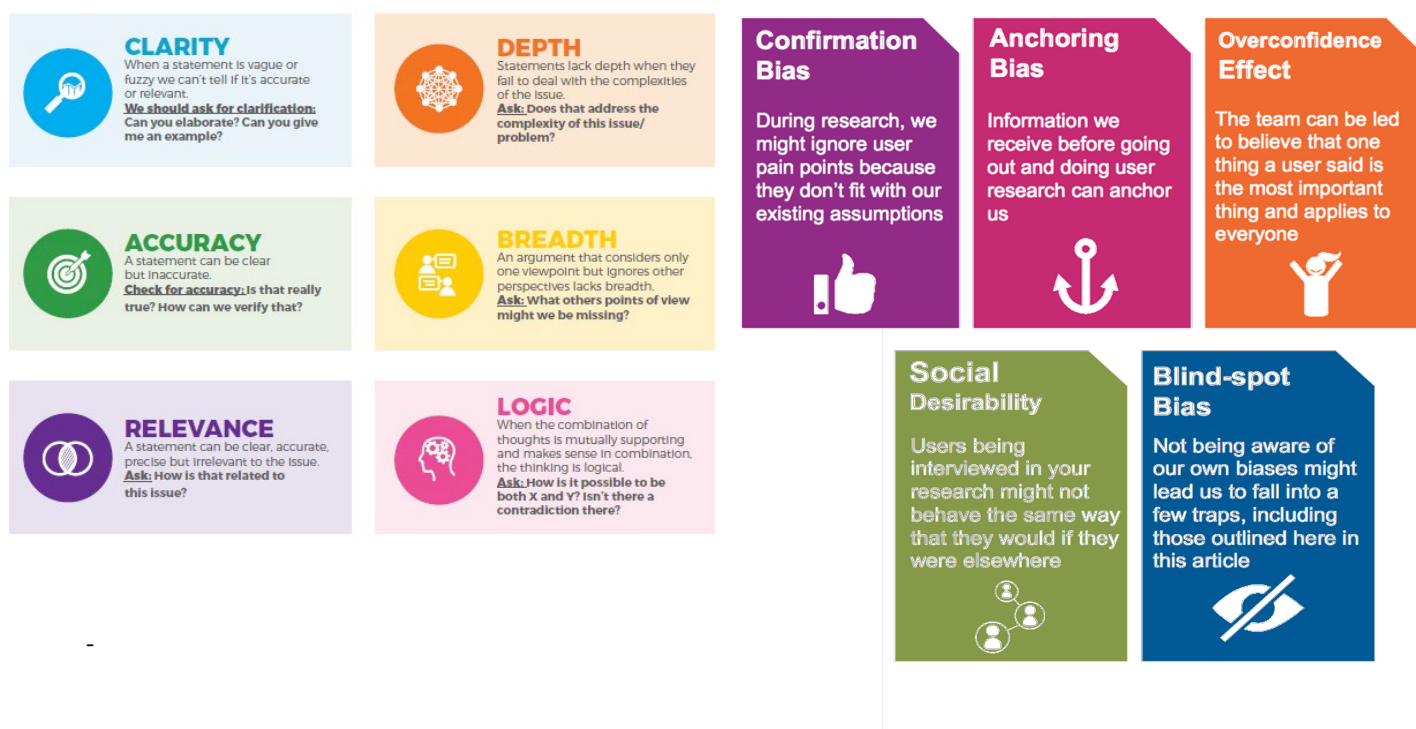
Critical Thinking & Understanding Bias

We introduce participants to the notions of critical thinking and bias in all our deliberative work. This supports them to 'come to public judgement' in a robust way, and not be influenced by persuasive agendas.

Our approach provides them with some structures and language upon which to activate their critical thinking and unconscious bias 'muscles', which they draw on and use throughout their deliberative work.

This helps to provide 'guard rails' for boosting citizens' ability to think about and analyse information they are seeing and ensure they can be confident that they have considered the issues and their recommendations fully and objectively.

This investment of time at the front end of their deliberations, sets them up to work effectively throughout their time together.



Stage 2 Independent Learning

During Stage 2 participants are partaking in independent learning - but through a supported process. This part of the process is reflective and slow – and allows us to productively use a normally unproductive summer break.

We envision two key elements to this learning

1. Stakeholder Interviews
2. Focussed Conversation - 2min Videos Challenge

Stakeholder Interviews

In December we are proposing that a group of selected Panel participants conduct short interviews of the stakeholders - to understand what these stakeholders think is most important for SA Power Networks to invest in.

The Panel will also be asked who they want to interview. It will be completely up to the Panel who they seek to interview, however we would provide them with the Stakeholder list (page 14-17) for them to choose. They will also be able to add to this list – if there are other people/ organisations that they would like to hear from.

These interviews will be short 20min-30min and could be done via Zoom to assist participation by regional participants. It is proposed that 2 Panel members attend the interview and have standard questions to ask that are prepared by democracyCo. They may decide to ask additional questions at their discretion.

The Panel members will record their interviews and upload the recordings to Basecamp (the Panel's online learning and discussion forum) for other Panel members to listen to at their leisure over the summer break.

Why do the interviews?

We are recommending these interviews to help build understanding by participants of the issues and the complexities / trade-offs. Because there is a lot to learn we want to use their summer break as much as we can to enable them to learn. The other rationale for these interviews - is to engage and involve stakeholders and to showcase the process to these stakeholders. Engaging the stakeholders as much as possible - in a way that draws positively on their skills and experience, is an excellent way to help build positive relationships and positive perceptions of the process.

Focussed Conversation Videos

As soon as each Focussed Conversation is finished, we are proposing that they translate their report (the information in the template) into a short two-minute video. In terms of what their video is like - or how they do it - the world is their oyster. We will only put a cap of 2 min on it and would encourage them to be as engaging and as innovative as they can in how they present it. We don't expect substantial funds to be invested in this - they can be done on SMART phones or through a recorded zoom meeting.

The videos will be uploaded to the Panels online information portal as we receive them after the Panels first meeting. Panel members will be encouraged to watch them over the summer break.

Why do the videos?

Put simply, people aren't reading like they used to! We see this across all our work – where careful thought and hours have been put into writing perfect documents, only for them not to be read.

This is a fun and engaging way to get the Panel members thinking about the recommendations coming from the Focussed Conversations and start their reflections over the summer break. It also connects panel members to the people at the heart of the focussed conversations – activating neurons which support them to recall the information.

Again, this will help save time in the room, allowing more time to be spent on deliberation. It will also enable Panel members to have more reflective time - a key tenant of deliberative practice. The videos will no doubt also prompt conversation and debate over the online portal as well during this time, allowing the conversations to continue and keeping panel members engaged.

Customer Value Research

SA Power Networks is commissioning research by Marsden Jacobs Associates – a survey of approximately 1,200 customers (residential, commercial, and industrial) that will help to establish capacity and willingness to pay for new capital and/or operating expenditure.

The research report and findings will be available resource for Panel members to consider as part of their deliberation process.

Stage 3 - deliberation 10 - 12th Feb

Stage 3 sees the Panel reconvene on the evening of the 10th and for the full weekend on the 11th and 12th of February to do their first cut at determining what they think needs to be invested in for the purposes of SA Power Networks costing during Stage 4.

This session will involve the following -

What	Why
1. Re-entry - including - Stakeholder Story telling (2hrs – over a casual pizza) - Presentation from SA Power Networks re Customer Values Research plus facilitated activity.	This session will be about reminding the group about their work and reconnecting. It will also provide an opportunity to raise awareness / understanding about the views of consumers (as gained from SA Power Networks research) as well as embedding understanding of what they learnt from the stakeholder interviews.
2. Focussed Conversations – Introductions (Saturday morning)	We will split the group up into subgroups and enable each group to delve deeply into a smaller number of the Focussed Conversations.

Using Deep Dialogues

Conversations with a focus on Q + A

This session will enable the participants to build on and improve their understanding of the recommendations from the Focussed Conversations. Noting that the participants would have been introduced to the recommendations over the summer break via the videos - this session will be able digging deeper, enabling participants to get their questions answered.

3. **Assessment of FC**

recommendations using the groups own assessment tool (as developed during Stage 1)

This will be conducted using a range of deliberative facilitation approaches – to assist the group to mix/diversify and narrow down the options. Consensus methodology will also be applied here.

This is the time when the group assess each of the recommendations against their assessment criteria - this is central to the process and achieving recommendations for SA Power Networks.

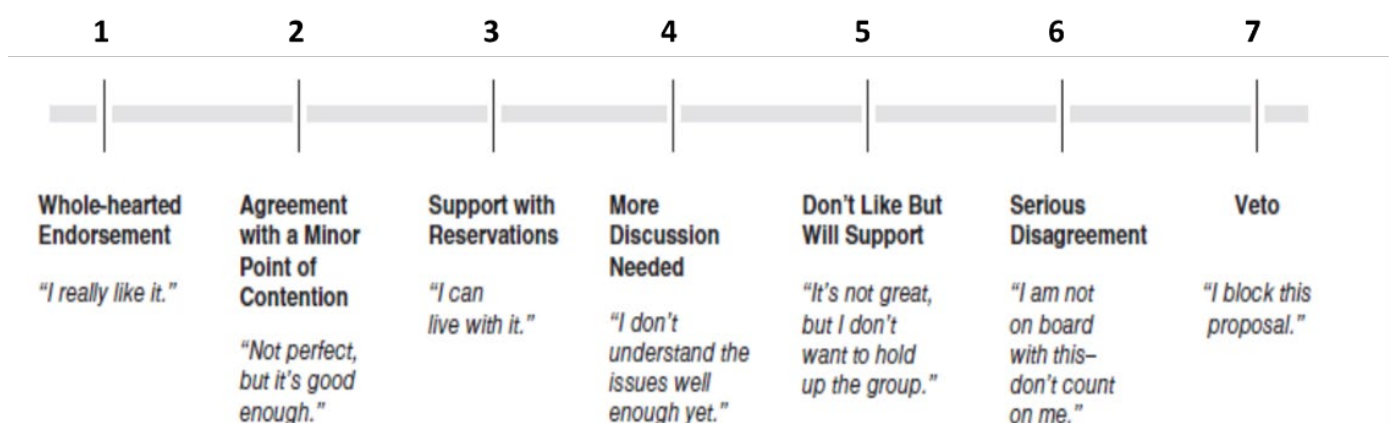
4. **Look across - what do we agree are the priorities**

Having assessed the recommendations using the assessment tool and hence having created a prioritised list from those who most meet the Determine where the group agrees - are the priorities for investment.

Agreement / Consensus - what do we mean?

When we say the group agrees on which recommendations should be agreed to and be included in SA Power Networks costings/ Regulatory Proposal - what do we mean by agreement?

In deliberative processes the usual standard for determining agreement is 80% being able to 'live with it'. To do this we generally use the gradients of agreement to provide language to panel participants.



For the purposes of this project, we will need to consider what is an appropriate level of consensus. This will in part depend on our conversations with SA Power Networks about what will give them comfort and will in part relate to our work with SACOSS regarding the definition and number of low SES participants. In general terms we will be looking to get a super majority - so the rate will need to be between 60-90%. Whatever the level of consensus we land on we will need to be transparent and clear about this rate and the reasons for it.

Stage 4 – SA Power Networks Costings and Stakeholder Advice

Four weeks is allowed at this stage to allow for the following activities to take place -

1. SA Power Networks Costings
2. Stakeholder feedback

SA Power Network Costings

SA Power Networks will take the draft recommendations from the Panel and undertake costings - so that the Panel can consider the cost impacts on their recommendations.

Ideally these costings would be presented back to the Panel in terms of how much it would cost individual customers or impact individuals pricing- to make it as relevant as possible to them as consumers. We completely understand the challenges and complexities of doing this however and will work with SA Power Networks to work out the most effective / powerful and relevant format for the presentation of the costings data.

Why do the costings?

Doing the costings allows the group to completely understand the impact of their initial thinking and then enables them the opportunity to revise their thinking based on this advice. As many of the trade-offs implicit in the conversation the Panel is having are cost trade-offs - it is of vital importance that the Panel has good information on costs to assist them in making assessments.

Stakeholder feedback

It will be helpful at this stage for the Panel to be reminded of the views of key stakeholders and receive some feedback from key stakeholders which is specific to the Panel's initial thinking. This will also act to keep stakeholders actively involved with the process and engaged.

Stakeholders can either provide written feedback to the Panel or could create a short video which summarises their perspective. This information will be provided to the Panel members via their online portal.

Stage 5 - Final weekend 5/6th of March

Stage 5 is going to be a big and busy weekend!

This final weekend has two purposes:

1. To consider the costings and finalise the prioritisation of the recommendations as well as which recommendations they agree should be included in SA Power Network's regulatory proposal
2. to make its recommendation on export tariffs.

Finalisation of Priority Recommendations

To enable the Panel to review and finalise its recommended inclusions for costing - this Stage will start with SA Power Networks presenting its costings.

The Panel will then briefly deliberate together about the implications of this costing advice and what impact that has on their original assessment of what is important. This will be followed by a poll that participants will undertake as individuals. This poll will enable SA Power Networks to see the priority order for these recommendations and also to see which have consensus.

The panel will write up their report in the room – finalising their recommendations and capturing the results of the poll.

Export Tariffs

During the second half of the Saturday session the approx. 50 Panel members will be joined by up to 20 business members to learn more about export tariffs (building on what they have learnt from the deliberative guide).

Note we may need to bring the business representatives in earlier in the day to do a brief introductory session on their own on critical thinking, bias and group norms – to ensure that they are at the same point as the community panel members and are ready to work with them.

The combined group of 50 Panel members and up to 20 business members (referred to as The Export Tariffs Panel) will then hear from the Focussed Conversation leads about the outcomes of their work, SA Power Network and also the views of different stakeholders

On the Sunday the group will work through the matrix identifying which customer cohorts should pay the export tariffs / when and why.

Customer Cohort	Residential or business	Transition timeframe / and arrangements	Why?
<i>(List of cohorts to be provided by SA POWER NETWORKS)</i>			

The group will also have the opportunity to provide SA Power Networks with their views and reflections about export tariffs.

An attachment to their report will outline in full the views/ reflections of participants about the export tariffs more generally. As we develop the facilitation plan, we will explore how and when this is best done.

We are recommending that this opportunity be afforded to participants because it is recognised that this conversation will be controversial. There will be many, even when provided with information about the purpose of export tariffs and the need for it – that will disagree that it is appropriate. All members will need to be able to provide their views on export tariffs to SA Power Networks to enable them to effectively and positively engage with the very specific question that SA Power Networks is asking re timeframes for transition.

Supporting the tariff conversation

To reduce the amount of time needed in the room it is proposed that a discussion paper or what we call a deliberative guide is developed by SA Power Networks using the outcomes of the Focussed Conversations which explains export tariffs, the proposed structure, and the rationale for that structure. The paper will also outline the customer cohorts and the encapsulate the debate regarding when export tariffs should be applied.

The paper should also include a short section from key stakeholders about their views on when tariffs should be applied to different customer cohorts and why.

Subject to discussions with stakeholders we would propose that at least the following stakeholders be involved in this process -

- SACOSS
- Business SA
- Department of Energy and Mines / State Government

WHAT IS A DELIBERATIVE GUIDE?

“A deliberative guide is a sophisticated and community facing document that seeks to name the problem that you want to talk about – and frame the discussion by identifying critical options and their respective strengths and drawbacks. Its purpose is not to create experts, but to rather illuminate what is at issue and allow people to make decisions about how to act together.”

**Brad Rourke, Kettering Foundation:
Developing materials for Deliberative
Forums**

We will discuss this list further with SA Power Networks and CAB and finalise closer to the time.

Essentially the paper will distil the essence of the debate on export tariffs to make it easy (and quicker!) for the Panel members to understand the issues.

A word about flexibility!

We have proposed a detailed strategy here, however it will be important to be flexible in delivering on this strategy. We will need to be responsive to the participants on the People's Panel, their needs and their dynamics. Equally it will also be important to be cognisant of the broader political environment and stakeholder dynamics / expectations throughout.

We have a range of tools and approaches we use with groups to flex and move to their needs – particularly around consensus work, and we can deploy these as needed. When democracyCo recommend a change in tack, we will document the reasoning and logic behind it.

Summarised Overview of Stakeholder Engagement

In this strategy we have not only been conscious of the community and the focus on ensuring community diversity on the Panel - but also about SA Power Network's relationships with key stakeholders, stakeholder expectations and to the wealth of experience and expertise that stakeholders can bring to the process.

To this end this strategy proposes several mechanisms to **involve** stakeholders positively and genuinely. It is our view that the involvement of stakeholders will be of enormous benefit to the process, to the participants on the Panel and to SA Power Network's ongoing relationships. We also note that several stakeholders are monitoring the process and that this needs to be supported.

To this end all stakeholders will be invited to attend as observers to the process. DemocracyCo will design and implement an observer process which will involve the following -

1. A pre brief
 - a. Before democracyCo start recruitment, we will work with SA Power Networks to brief all stakeholders about this strategy and what we hope their role will be in it
 - b. Ask stakeholders to promote the opportunity to provide a submission
2. Opportunity to provide a submission
 - a. We will provide an open opportunity for any stakeholder to provide the Panel with a brief written submission OR video submission outlining their views about what is most important to invest in. We will recommend that this is a video submission as these are more likely to be watched.
 - b. We recommend that SA Power Networks promote the opportunity to make submissions and we will encourage stakeholders at the pre brief to promote the opportunity to their networks.

3. A standing invitation to each Panel session as observers⁵. To support their attendance as observers democracyCo will
 - a. Provide each stakeholder an agenda in advance of each stage and a written briefing regarding what the Panel will be doing during that stage. This will include a Code of Conduct.
 - b. An indication of the best times to attend as observers
 - c. Host an observer information session at the start of each day.
 - d. Provide an observer / Stakeholder Liaison - who will be available throughout the process including during each Panel session to be the 'go to' person for stakeholders throughout.

Whilst this process may appear significant. We think it is vital that stakeholders are respected and that their role in observing the process is supported.

We know from experience that stakeholders often come and go from deliberative processes and as a consequence can be very confused by what the deliberative group is doing when they arrive. As deliberative processes can be 'messy' (deliberation is at times very messy!) and is often conducted in small groups - we find that stakeholder can find this confusing and challenging. We think it is vital to have the process open to observers even during sessions that are going to be mess - for transparency purposes (and this is especially the case in this project) - so we feel that stakeholders should be able to access during this time, but it is best to help support them and assist their understanding of what is happening during this time.

It is important to note - that as part of the pre brief we will explain to stakeholders in advance about how deliberative processes work and what to expect - so that 'the messy 'groan zone' and the format more generally is not a surprise to them - but nevertheless it can be confronting to observers even when they are expecting it!

In addition to the above observer opportunity, this strategy proposes several different opportunities for involving stakeholders. The following table summarises how we propose that each stakeholder will be involved. There is some flexibility in how we involve stakeholders, and we want them to be supportive of our proposed approach. To this end we recommend that we work with SA Power Networks to consult with these stakeholders on their proposed role - to check that they think that what we have proposed is appropriate

Stakeholder	How they will be involved
Energy Consumers Australia	- Observers only - Stage 2 Interview Option - Option of Submission
South Australia Council of Social Service (SACOSS)	- Observers - Advice and potentially Assistance with recruitment - Stage 1 briefing of the Panel

⁵ NOTE – there will be a large number of stakeholders who will want to be observers – so we need to think of a process which enables them all to attend but not to all sessions.

- Stage 2 Interview Option
- Stage 4 - Feedback on Panel's initial recommendations
- Stage 5 - SACOSS perspective on Export tariffs to be included in discussion paper (unchanged)
- Option of Submission

Business SA

- Observers
- Advice and potentially Assistance with recruitment
- Stage 1 briefing of the Panel
- Stage 2 Interview Option
- Stage 4 - Feedback on Panel's initial recommendations
- Stage 5 - Business SA perspective on Export tariffs to be included in discussion paper (unchanged)
- Option of Submission

Strata Corporation Association

- Observers
- Stage 2 Interview Option
- Option of Submission

Shelter SA

- Assistance with Recruitment
- Observers
- Stage 2 Interview Option
- Option of Submission

Small Business Commissioner

- Observers
- Stage 2 Interview Option
- Option of Submission

Council of the Aging

- Observers
- Stage 2 Interview Option
- Option of Submission

Local Government Association

- Observers
- Stage 2 Interview Option
- Option of Submission

Clean Energy Council

- Observers
- Stage 2 Interview Option
- Option of Submission

Energy Retailers

- **Origin**
- **Alinta Energy**
- **Energy Australia**
- **Savant Energy Power Networks**
- Observers
- Stage 2 Interview Option
- Option of Submission

Key industry organisations such as - Hotels Association and Retailers Association	- Observers - Stage 2 Interview Option - Option of Submission
Primary Producers SA	- Observers - Stage 2 Interview Option - Option of Submission
Solar Citizens	- Observers - Stage 2 Interview Option - Option of Submission
Conservation Council	- Observers - Stage 2 Interview Option - Option of Submission
Property Council	- Observers - Stage 2 Interview Option - Option of Submission
Energy & Water Ombudsman of SA (EWOSA)	- Observers - Stage 2 Interview Option - Option of Submission
Electranet	- Observers - Stage 2 Interview Option - Option of Submission
AER CCP30 – Consumer Challenge Panel	- Observers only
Department of Energy and Mining	- Observers - Stage 2 Interview Option - Stage 4 - Feedback on Panel's initial recommendations - Stage 5 - DEM perspective on Export tariffs to be included in discussion paper (unchanged) - Option of Submission
Australian Energy Regulator (AER)	- Observers only
SA Power Networks Board and Executive	- Observers - Stage 1 briefing of the Panel - Stage 4 - Feedback on Panel's initial recommendations

Community Advisory Board

- Observers
- Introductory words & Welcome on Day 1 Stage 1
- Stage 2 Interview Option
- Stage 4, feedback on panels initial recommendations

**Essential Services Commission of
South Australia (ESCoSA)**

- Observers
- Stage 2 Interview Option
- Stage 4 - Feedback on Panel's initial recommendations
- Stage 5 - ESCoSA perspective on Export tariffs to be included in discussion paper (unchanged)
- Option of Submission

Summarised Overview of Engagement of Important Groups

Important Group	How they will be involved
Vulnerable consumers	- Participants on the Panel – in line with advice / discussion with SACOSS/ Shelter SA - Expect that SACOSS's advice / submissions to the Panel will focus on need of vulnerable clients (refer to SACOSS role above) as will submissions by others - Potential interview – Stage 2 - Feedback on tariffs- for inclusion in discussion guide
Diverse business consumers - small, medium, large consumers	- Participants and or evidence givers – inline with advice / discussion with Business SA - Potential interview – Stage 2 - Expect that Business SA's advice / submissions to the Panel will provide strong advice regarding the needs of different business consumer - Feedback on tariffs- for inclusion in discussion guide

Project Plan

Date	Activity	Responsibility
July – August	Developing Strategy	democracyCo
August/ Sept	Details Product development and Early Facilitation Planning	democracyCo
July – Nov	Working with SA Power Networks to ensure Focussed Conversations product is appropriate	democracyCo
Mid-September	Final Feedback from CAB Reset Sub Committee	
Sept	Formal approval of Strategy	SA Power Networks
Sept	Start working with SACOSS (and others) re identification of financially vulnerable and recruitment there of Start working with Business SA re recruitment of business	democracyCo / SA Power Networks
17 October	Start Recruitment of community participants (random process) – send invites for registration of interest	democracyCo / SA Power Networks
1 November	Close Registration of Interest – and undertake Random stratification process	democracyCo
3 November	Facilitation Plan finalised and Briefing materials for participants developed	democracyCo
5 November	Set up Basecamp	democracyCo
26/27 November	Peoples Panel - First Deliberation Session	Event – democracyCo
Dec- Jan	Working with Focussed Conversations to get videos and templates complete	SA Power Networks (support from democracyCo)
Early Dec and Early Feb	Uploading materials / videos / reading material to Basecamp	democracyCo
10-12 February	Peoples Panel - 2nd Deliberative weekend - Evening of the 10 th – Casual Pizza re-entry evening - Full days on 11 th and 12 th	Event - democracyCo
	HOLD – for possible work by stakeholders and SA Power Networks	

17th Feb

Provide Peoples panel with Tariffs deliberative guide

democracyCo / SA Power Networks

4-5 March

People’s Panel – 3rd Deliberative weekend

Event - democracyCo

Demonstrating credibility and transparency of the process

This process needs to be credible, and this credibility needs to be obvious to anyone who is interested. Whilst democracyCo are drawing on best practice rigorous methodology to design and implement the People's Panel and associated stakeholder engagement - it is most important that this work is held up to critical analysis and this requires transparency of process.

Demonstrating best practice engagement

This process has been developed in line with IAP2 best practice engagement and OECD guidelines for deliberative democratic practice.⁶ The OECD Principles are as follows -

OECD Deliberative Principle	Included in this strategy?
The task should be clearly defined as a question that is linked to a public problem.	✓
The commissioning authority should publicly commit to responding to or acting on recommendations in a timely manner and should monitor and regularly report on the progress of their implementation.	✓
Transparency - Anyone should be able to easily find the following information about the process: its purpose, design, methodology, recruitment details, experts, recommendations, the authority's response, and implementation follow-up.	✓
Better public communication should increase opportunities for public learning and encourage greater participation.	Part of feed in process to the Panel

⁶ OECD, "*Innovative Citizen Participation and New Democratic Institutions: Catching the Deliberative Wave*" <https://www.oecd-ilibrary.org/sites/339306da-en/index.html?itemId=/content/publication/339306da-en>

Participants should be a microcosm of the general public; this can be achieved through random sampling from which a representative selection is made to ensure the group matches the community's demographic profile.



Efforts should be made to ensure inclusiveness, such as through remuneration, covering expenses, and/or providing/paying for childcare or eldercare.



Participants should have access to a wide range of accurate, relevant, and accessible evidence and expertise, and have the ability to request additional information.



Process enables the group to find common ground; providing opportunities for people to listen to each other weigh and consider multiple perspectives and every participant having an opportunity to speak, a mix of formats, and skilled facilitation.



High-quality processes that result in informed recommendations, participants should meet for at least four full days in person.



Should be run by an arm's length co-ordinators.



Respect for participants' privacy to protect them from unwanted attention and preserve their independence.



Evaluated against these principles to ensure learning, help improve future practice, and understand impact.



Transparency measures

Transparency measures have been built into the process, as follows -

1. Observer process - the whole process will be open for observers and observers will be supported in understanding the process
2. Extensive involvement of key stakeholders - both during the design and delivery of the People's Panel
3. As per the Commitment -
 - a. SA Power Networks publishes the People's Panel's report unchanged and as quickly as possible after the completion of the Peoples Panel
 - b. SA Power Networks responds publicly to the People's Panel report / recommendations as soon as practicable, and that this response is also made public. If relevant, SA Power Networks should continue to keep participants informed.
 - c. SA Power Networks provides the People's Panel's report unchanged and in full to the SA Power Networks Board and the Australian Energy Regulator

In addition to the above, we also recommend the following-

1. This strategy is published online and is provided to all relevant stakeholders and the Panel members.
2. Agendas and facilitation materials are published online.
3. All the following documents and materials are published online and unchanged -
 - a. Documents or content provided to and or considered by the Peoples Panel – including the work of the Focussed Conversations
 - b. Produced by the Peoples Panel or
 - c. Produced by stakeholders are published online unchanged.
4. DemocracyCo conduct a survey of participants about their experience and provide to SA Power Networks so that they can publish results of this survey.

We anticipate that the above will require the creation of a dedicated web space – www.talkingpower.com.au will be used to enable this information to be easily found and accessed.

Understanding the Participant experience

DemocracyCo has a standard suite of questions/ survey that we ask participants in our deliberative processes (as relevant).

We will use this standardised survey to find to collect information about participants expectations of the process and then their experience.

We will work with SA Power Networks to ensure that the survey is sufficient to collect all the information they require for their evaluation (and for the purpose of their regulatory authorities).

This data will be provided to SA Power Networks.

Attachment A

Engagement Strategy Summary - leading up to the People's Panel

The following provides an overview of the engagement process leading up to the Peoples Panel.

Stakeholder launch event (Feb 2022)

- Present our engagement approach
- Seek input into our proposed themes and Focussed Conversation topics
- Outputs will inform our detailed engagement plan
- Finalise the four themes

Broad and diverse Engagement (April – June 2022) on the four themes

- Regional visits/workshops (Mt Gambier, Riverland, Port Lincoln, Whyalla, Adelaide x 2, Adelaide Hills)
- Targeted workshops (Youth, Indigenous, CALD x 2, Hearing impaired)
- Online engagement via 'Talking Power' website
- Feedback and inputs help inform and support engagement for 'Focussed Conversation'

Focussed Conversations (June – October 2022) on priority topics

- Level and depth of engagement will vary for each topic
- Engage on scenarios, options, trade-offs, and directions – with intent to narrow down
- CAB and associated WG/RG to focus on identified priority topics
- Each 'Focussed Conversation' will conclude with a 'report/document' to be presented to the People's Panel

In addition to the above, SA Power Networks involve the community in their day-to-day work through the Community Advisory Board and their various SA Power Networks Consultative Groups/ Committees. This is summarised in the diagram below.

Consultative Groups

