Terms of Reference – Innovation Advisory Group

August 2026

Purpose of our Consultative Group Model

Background

SA Power Networks provides an essential service to South Australians as the primary electricity distributor in the state.

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'.*

SA Power Networks' consultative group model (illustrated below) seeks to regularly engage with a broad and representative cross-section of electricity users and representative stakeholders. It facilitates regular scheduled engagement opportunities to ensure customer and stakeholder perspectives are considered in our ongoing business decision-making.

A high-level strategic Community Advisory Forum considers customer outcomes aligned with SA Power Networks' Strategic Plan and is supported by more focussed strategic advisory and working groups that consider the delivery of more specific services for customers.

Our consultative group model is supplemented by other engagement activity as required to ensure engagement is fit-for-purpose for different stakeholders and issues.

Innovation Advisory Group

The structure includes a dedicated Innovation Advisory Group (IAG) to provide structured customer and industry insights to inform Innovation Fund projects.

The Innovation Fund is a relatively new additional funding source for innovation activities, complementing existing funding sources such as the Demand Management Innovation Allowance (DMIA) and external grants. Innovation projects at SA Power Networks are funded by a combination of funding sources, and those covered by the Innovation Fund are a subset of the broader innovation

program, established under the regulatory framework and with guidance from the Australian Energy Regulator (AER) on eligible initiatives (refer to Innovation Fund Business Case addendum).

The Innovation Advisory Group scope is to:

- provide customer-centric and industry-based input to help shape the direction of Innovation Fund Projects, ensuring a strong focus on delivering customer benefits.
- be informed of and provide input on the progress and delivery of Innovation Fund projects.
- provide feedback on knowledge sharing plans and lessons learned.
- support transparent and auditable assessment and governance of Innovation Fund Projects, with advisory input designed to inform alignment with relevant requirements and expectations.

The IAG is an advisory body and does not make decisions or approvals on behalf of SA Power Networks.

Guiding principles for innovation

SA Power Networks' Innovation Framework spans across three core portfolios – Asset Management & Operations, Customer and Future Networks – reflecting priorities such as reliability and resilience, customer experience and enabling clean energy.

The Australian Energy Regulator (AER)'s innovation fund assessment principles (Figure 1) are applied by SA Power Networks to guide assessment of Innovation Fund projects, supporting consistent governance and decision-making (Figure 2).

AER's Innovation Fund Assessment Criteria

1. **Customer-centric**, focused on delivering benefits and outcomes for *all* customers
2. **Truly innovative** and adapted or aligned to SA context
3. **Efficient delivery of projects within the regulatory allowance granted for the fund**, with unspent funds returned
4. **Projects cannot duplicate funding by the DMIAM** and will seek to leverage external sources where appropriate
5. **Projects are appropriately sized** for trial/pilot and include success criteria and pathways for business as usual (**BAU**)
6. **Collaboration and knowledge sharing** to maximise customer benefits and impact of investment

Figure 1: AER Innovation Fund Assessment Criteria

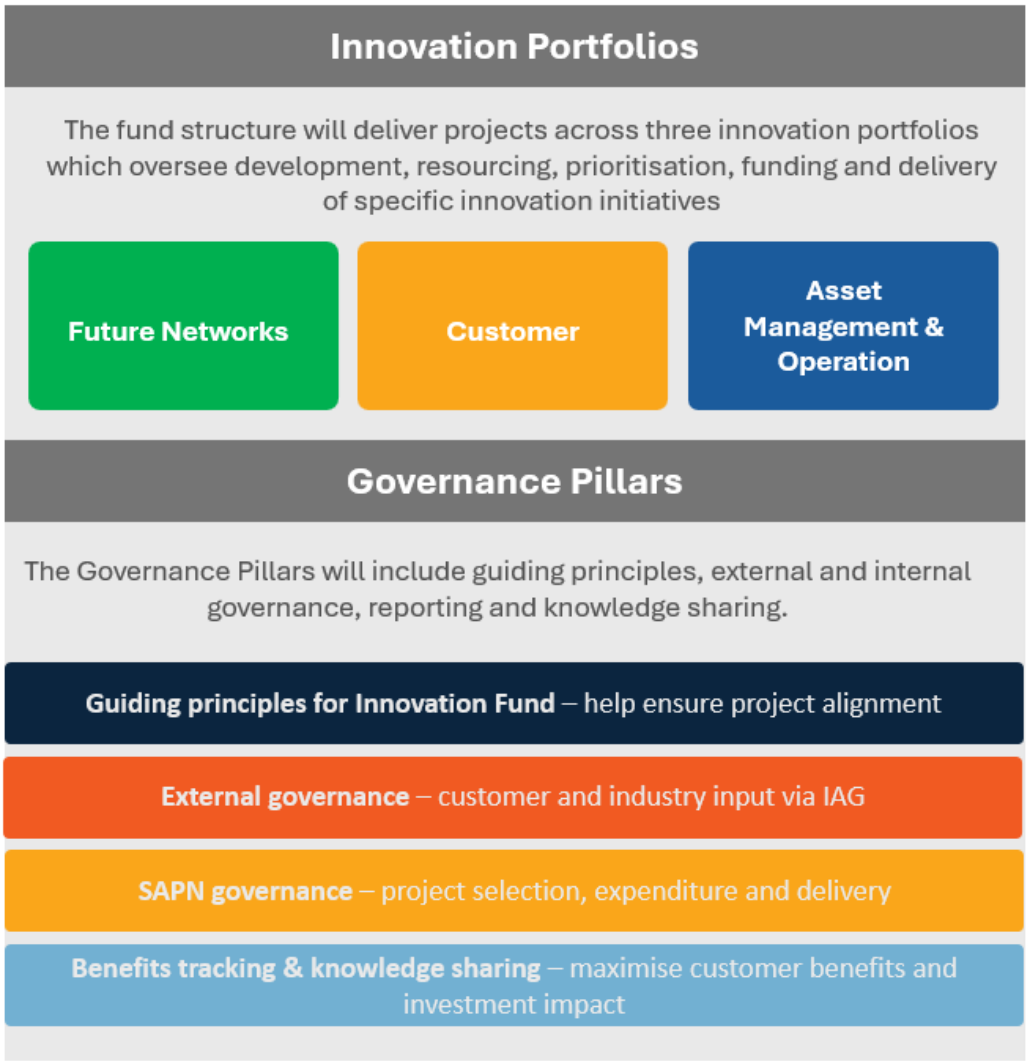


Figure 2: Innovation Fund Structure

Engagement principles

The Advisory Group will focus on:

- customer impact – with a focus on outcomes for end users and where customers have an ability to influence outcomes.
- equity and inclusion – recognising diverse needs and circumstances.
- accessibility – ensuring information is understandable and usable.
- meaningful engagement – to actively provide input into decision making, not just reviewing.
- transparency – clear sight of how input is gathered/used.
- alignment with the Australian Energy Regulator's customer engagement expectations as outlined in their Better Resets Handbook[1].

To support this, SA Power Networks will:

- provide timely, relevant, and accessible information.

[1] https://www.aer.gov.au/industry/registers/resources/guidelines/better-resets-handbook-towards-consumer-centric-network-proposals

- engage with the Advisory Group on the topics that matter to them, ensuring their time is used meaningfully and focused on issues important to customers.
- clearly articulate constraints, trade-offs and regulatory requirements.
- demonstrate how stakeholder input has influenced decisions (you said, we did).
- provide administrative and secretariat support.

Governance and operations

The Community Advisory Forum (CAF) is our high-level strategic consultative group providing oversight on customer outcomes aligned with SA Power Networks' Strategic Plan. The Forum is the key interface between SA Power Networks and the advisory and working groups.

The four strategic advisory groups report into the CAF, with each of the Chairs sitting on the Forum.

Membership

The Innovation Advisory Group will comprise a small, targeted group of members selected to provide high-quality, practical and relevant input into Innovation Fund projects. Membership will typically be limited to approximately 6-8 members to enable focused and effective discussion.

Members will be appointed based on their expertise, experience and ability to contribute constructively to the Innovation Advisory Group's objectives, rather than to achieve broad sector representation.

We are seeking individuals with a strong understanding of the energy sector and demonstrated experience in one or more of the following areas:

- Consumer Energy Resources (CER) – including integration, technologies, markets or system impacts
- Customer and community perspectives – including customer advocacy, engagement or experience, with particular value placed on understanding and representing the needs of vulnerable customers
- Strategic asset management and operations – with a focus on system-level planning, delivery and operational outcomes
- Innovation – including experience in developing, trialling or implementing new technologies, approaches or business models

The IAG will typically include:

- up to two members with deep expertise in CER.
- up to two members representing customer or community perspectives, including experience in vulnerable customer advocacy or insights.
- up to two members with experience in asset management and operations.

Desirably, members would bring some or all of:

- the ability to provide insights that are both strategic and practically implementable
- experience applying or assessing innovation in real-world contexts (e.g. technology deployment, policy development, or program delivery)
- an understanding of the broader regulatory, market and operational environment in which SA Power Networks operates

- current knowledge of developments at the forefront of their field, including emerging technologies, policy directions, research or industry practices, and the ability to translate these into practical implications for SA Power Networks
- the ability to consider impacts across diverse customer groups, including vulnerable customers.

While members may come from a range of sectors, appointments are based on individual expertise and the ability to contribute to the Innovation Advisory Group's objectives. Broader sector perspectives will continue to be captured through other engagement mechanisms within SA Power Networks' consultative framework.

Reporting to SA Power Networks Leadership

Regular reporting to SA Power Networks Executive Leadership Team (ELT) will be undertaken by the CAF Chair to ensure the customer voice is heard at the most senior level of the business and to build and strengthen effective relationships.

The CAF Chair will report quarterly to SA Power Networks Executive Leadership Team (ELT) to ensure the customer voice is heard at the most senior level of the business and to build and strengthen effective relationships. In addition, the Chair will meet with the CEO quarterly to share insights from the CAF and discuss relevant and strategic issues.

Advice, Inputs and Actions

The Innovation Advisory Group is an advisory body and does not make decisions on behalf of SA Power Networks, nor does it approve, endorse or direct outcomes. Its role is to provide structured input, insights and advice to inform SA Power Networks' innovation fund projects.

IAG input will typically be sought through briefing materials and structured questions. Members are expected to provide considered input based on their expertise and perspectives.

SA Power Networks will consider the Advisory Group input and, where appropriate, provide feedback on "what SA Power Networks did" in response, to support transparency and ongoing engagement.

The IAG may identify actions for follow-up, clarification or further consideration as part of its discussions. These will be recorded and tracked; however, they do not constitute decisions or approvals and are not binding on SA Power Networks.

As part of SA Power Networks' broader consultative group governance framework, insights from the IAG will be reflected in internal reporting processes, as appropriate.

Responsibilities

<u>Role of the Chair</u>

The key role of the Chair is to:

- represent the Advisory Group on the Community Advisory Forum.
- facilitate inclusive, balanced, respectful and productive discussion.
- ensure consumer perspectives remain a central focus.
- assist in agenda setting and the review of appropriate information/presenters.
- build constructive positions amongst different points of view where appropriate.
- maintain independence and credibility of the group.
- Support members to engage effectively (including less technical participants).

- identify emerging trends, insights and recommendations for SA Power Networks.
- act as a key liaison with SA Power Networks Executive and Senior Leadership Team.

The Chair should have comprehensive industry knowledge/experience and a collaborative mindset, committed to ensuring that customers have a voice in the energy sector. The Chair will be instrumental in steering discussions in a collaborative manner, facilitating stakeholder engagement, and prioritising consumer insights for consideration in our strategic planning and service delivery.

Additional renumeration for the Chair will be paid to acknowledge the additional role requirements. This fee will be negotiated with SA Power Networks.

Role of individual members

Advisory Group members are required to:

- fairly and accurately represent the needs and perspectives of customers and stakeholders.
- bring insights from professional or lived experience and / or customer representation.
- consider the needs of diverse customer groups, including vulnerable customers.
- actively participate in meetings – if meetings are regularly not attended (min. of 50% per annum), SA Power Networks and/or the Chair can terminate members terms for non-attendance.
- prepare for meetings, including reading meeting papers, other pre-reading, and review of meeting minutes.
- openly share experience, information and contribute to problem solving.
- have the ability to regularly connect with customer groups and stakeholders to understand and accurately represent current and changing sentiment.
- feedback information from meetings to representative groups, the community and other stakeholders.
- work collaboratively, respectfully and in alignment with the engagement principles outlined in the Terms of Reference.

While SA Power Networks welcomes a diversity of views and robust discussion, members will not represent SA Power Networks, will not defame SA Power Networks, nor make public negative comments.

Role of SA Power Networks

SA Power Networks will:

- provide clear, accessible information.
- present trade-offs and customer impacts on topics identified by SA Power Networks.
- actively use Advisory Group input for consideration in decision-making, as appropriate.
- demonstrate how input is used and/or has been considered in decision-making and outcomes.
- provide secretariat support to the Advisory Group:
    - provision of agendas and meeting papers one week prior to each meeting
    - distribution of minutes for approval one week after each meeting
    - work with the Chair to set agendas, develop meeting topics and review minutes
- appoint an external chair to conduct and oversee meetings.
- outline the level of influence and engagement being sought for each agenda item to ensure members understand what level of feedback is being sought.

SA Power Networks employees and subject matter experts will be invited to attend meetings to present topics and proposals, to discuss issues and obtain customer / stakeholder feedback as required.

Term

Membership to the Advisory Group is for a two-year term, with members being eligible to sit for an additional two-year term (2+2) to align with SA Power Networks regulatory cycle (final Regulatory Proposal 2030-35 in December 2029).

The new term of the Advisory Group will commence in June/ July 2026 and will be reviewed in June/ July 2028.

Membership may be reviewed periodically to ensure diversity and relevance is effective and representative.

Meetings

The Advisory Group will meet as follows:

- four (quarterly) 2-3-hour meetings in metropolitan Adelaide per annum – schedule to be developed and in person/ online preference to be discussed and agreed by group[2].
- additional meetings on special topics may be required, as well as other correspondence between meetings.

An Induction Workshop and a range of onboarding activities will be offered for all members.

Remuneration/Honorarium

SA Power Networks acknowledges the time and expertise of members of the participating on the Advisory Group.

A sitting fee of $400 per IAG meeting applies for meeting attendance for eligible members. The honorarium will be paid half yearly, based on attendance.

Members not eligible for receiving an honorarium include:

- State/ Local Government representatives who are attending to represent their organisation.
- Others assessed on an as needs basis (e.g. representatives who are paid to attend meetings as part of their paid employment role).

Individual members may also elect to have their honorarium paid to a charity via SA Power Networks/Enerven Employee Foundation.

Maintaining confidentiality and conflict of interest

From time to time, members may be provided with information that is of a confidential nature. This information is not for personal use or general circulation in the broader community.

Members must be prepared to maintain full confidentiality unless SA Power Networks approves the release of material for community information and/or comment, or otherwise. SA Power Networks may withhold or limit sensitive information where required to manage confidentiality, regulatory obligations or commercial risk, without limiting the Innovation Advisory Group's advisory function.

[2] Note that it is anticipated that only 2 meetings will be held in 2026 given the timing of appointment.

To ensure transparency, minutes from all meetings are available on our Talking Power website.

Participation in this process may result in individuals being provided with information that could provide a commercial or intellectual benefit to the individual or stakeholder groups they represent. Similarly, individuals may be provided with information that provides a benefit to the individual or stakeholder group. In all cases the individual must declare a conflict of interest and remove themselves from the meeting during discussion of that issue.

Innovation Advisory Group - Advisory input framework

Purpose of Advisory Input Framework

The framework ensures the Innovation Advisory Group provides structured, timely and transparent input into SA Power Networks' innovation lifecycle, supporting robust decision-making and alignment with organisational strategy, customer needs and regulatory expectations.

This framework is designed to ensure that advisory input is sought at points where it can meaningfully inform SA Power Networks' thinking, without transferring decision-making responsibility.

Scope of advisory input

The Innovation Advisory Group provides advice at defined advisory points across key stages of the innovation lifecycle, including:

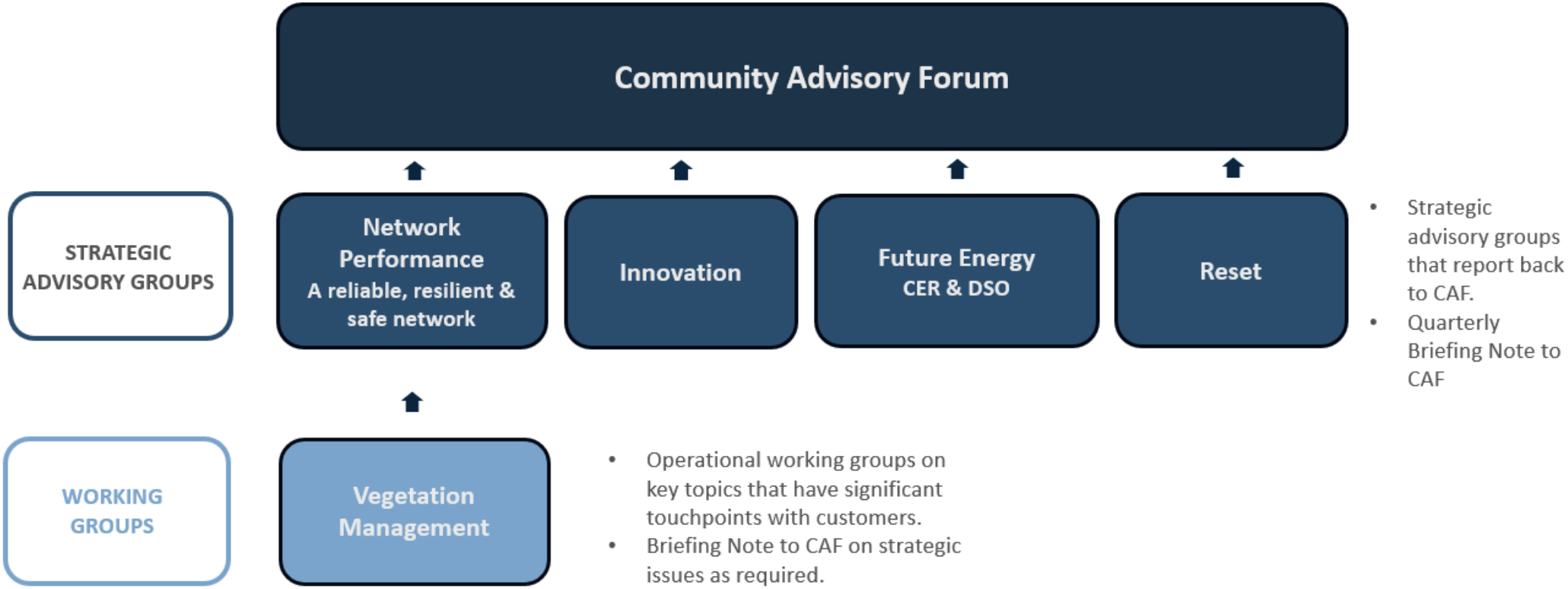
- Gate 1 – Problem relevance
- Gate 2 – Risks, impacts & outcomes
- Gate 3 – Outcomes & learnings

The nature and focus of advisory input at each stage is supported by structured pre-reading materials and guidance issued by SA Power Networks.

Advisory input mechanisms

1. Standing advisory points at each lifecycle stage (embedded into the innovation governance process).
2. Structured advice templates, issued with pre-reading papers to ensure clarity on required feedback.
3. Feeback captured in meeting minutes and logged in the Advice Register. Formal Advice Register maintained by SA Power Networks to track, respond to, and close out Innovation Advisory Group inputs.

Decision-making interface

- The Innovation Advisory Group operates strictly in an advisory capacity. It does not have decision-making or approval authority within SA Power Networks' governance framework.
- SA Power Networks must document, in the Advice Register, including: What SA Power Networks asked; what the Innovation Advisory Group said; and SA Power Networks' response, including rationale.
- Advisory inputs are provided on the basis that confidentiality and conflict of interest obligations are observed at all times.

Attachment: New consultative group model for structured engagement