

Acknowledgement of Country

'I would like to begin by acknowledging the multiple Traditional Owners of the lands that host the South Australian electricity grid.'

I would also like to pay my respects to Elders past and present and acknowledge that these are living cultures by paying respect to emerging leaders.'



Welcome



Housekeeping

Diverse group of stakeholders, keen to hear all voices

Hybrid session

- F2F and online attendees
- Questions in chat function (including Parking Bay)
- Raise hand if want to speak ()
- Cameras on preferable (particularly when asking a question)
- Session will be recorded

Parking Bay

- Add questions on Post It Notes throughout the session
- Questions/ comments in chat function

Follow up

- Offline chats welcome (SAPN staff)
- Workshop series scheduled

Overview of the day

8.45 - 9.00am

ARRIVAL & COFFEE

9.00 - 9.10am

Welcome and Introduction

- Welcome & Introductions
- Overview of the session

9.10 - 9.30am

Background and Context

- Engagement overview and interdependencies
- The Role of IT at SA Power Networks
- The SA Power Networks Digital Journey
- AER IT Expenditure Categories

9.30 - 10:00am

What We've Heard & Scenario 3: New Value

- Broad and wide engagement outcomes
- Reminder of Focussed Conversation Workshops
- Scenario 3: Review Focused Conversation Scenarios which have material IT Impact

10.00 - 10.15am

MORNING TEA BREAK

10:15 - 11:15am

Other Scenarios

- Scenario 2: Maintain Existing Services
- Scenario 1: Basic

11.15 - 11.30am

Summary, Next Steps and Questions

11.30am

CLOSE

Purpose: today's Focussed Conversation

The key objectives of the **focussed conversations engagement** is to:

- Review other focussed conversation outcomes that have material IT Impacts
- Discuss Cyber Security Uplift options
- Inform about IT bill impacts
- **Outcomes of today's workshop:**
 - Recap about how AER assesses IT Expenditure
 - The CAB are informed about the composition of the IT expenditure proposal
 - Capture any concerns, contentious issues or key discussion to inform the People's Panel
 - Make a recommendation to the People's Panel on the Cyber Security Uplift

**Please note that due to the sensitive nature of the Cyber Security information to be shared during this session, the recording of this session will not be made public on the Talking Power website. A reduced subset of slides will be shared for the same reason.*

Workshop Invitees:

- **Dr. Jessie Byrne** – Chair, Community Advisory Board
 - **Kelvin Trimper, AM** – Deputy Chair, Community Advisory Board
 - **Andrew Stock** – Customer Advocate, Community Advisory Board
 - **Michael Leane** – Customer Representative, Community Advisory Board
 - **Davis Veremu** – Multicultural Representative, Community Advisory Board
 - **Doug Strain** – Customer Representative, Community Advisory Board
 - **Georgie Morris** – Customer Advocate, Community Advisory Board
 - **Chris Marsden** – Reset Committee, Community Advisory Board
 - **Jordan Smith** – Business representative, Community Advisory Board
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- **Mark Henley** – AER CCP30
 - **Mike Swanson** – AER CCP30
 - **Slavko Jovanoski** – AER

SA Power Networks staff presenting and listening:

- **Chris Ford** – Executive General Manager – Innovation & Technology
- **Matthew Pritchard** – Head of IT Strategy – Innovation & Technology
- **Nathan Morelli** – Head of Cyber Security & IT Resilience – Innovation & Technology
- **Dan Popping** – Head of Stakeholder Engagement
- **Peter Chapman** – Digital Technologies Manager
- **Rob Riddell** – IT Reset Project Manager
- **Liz Renton** – Business Analysis & Readiness Capability Manager
- **Huy Le** – Business Analyst
- **Scott Badnall** – Business Analyst
- **Alex Lewis** – Reset Engagement Manager
- **Kylie Lush** – Reset Project Officer

Engagement



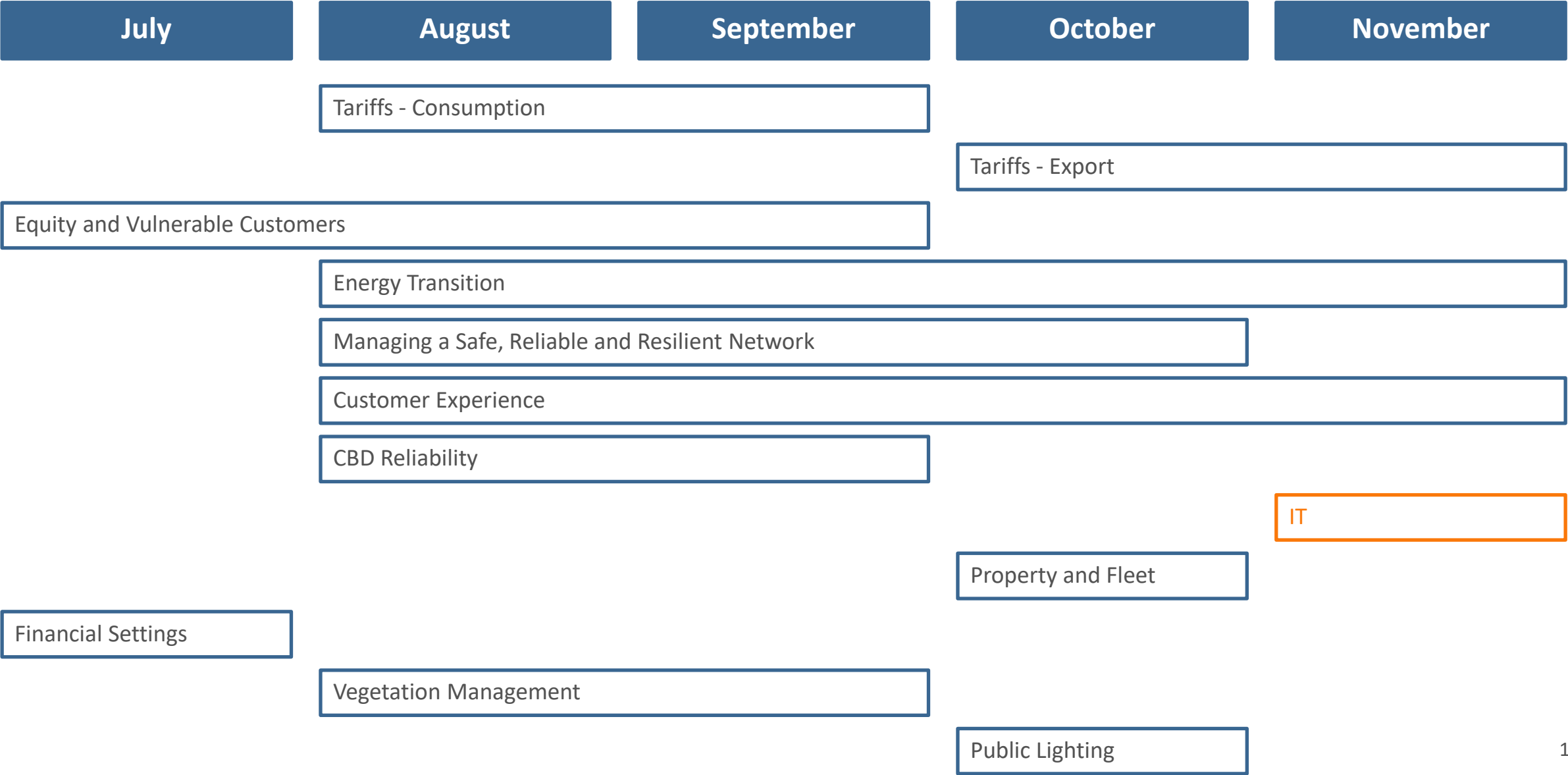
The Price Reset process

As a monopoly service provider, our prices are approved by an independent regulator

In building our **Regulatory Proposal** we engage deeply with customers and the community



Focussed Conversations timeframe



Background, Strategy & Performance



Building the next-generation digital utility

Digital Capability	Impact
Trusted data driving decisions	A step-change in insight and data-driven decision making Enabling a safe, reliable network and sustainable business
Digitally-enabled work practices	Using technology to simplify, standardise and automate our end-to-end business processes Providing good customer outcomes whilst keeping operating costs down
People-focused technology	Easy-to-use technology that enables safe and efficient work and great user experiences Supporting a high-performing workforce and engaged customers
Enabling the future energy platform	Enriching the foundational capabilities of the distribution system operator Driving the digital transformation of energy services
Growth through innovation and insight	Digital and data capabilities that drive growth and business innovation Maximise the growth and innovation opportunities

Efficient and reliable core systems

The diagram illustrates a central server (represented by a blue square) connected to multiple endpoints (represented by blue circles). The connections are shown as lines radiating from the central server to the endpoints, indicating a distributed system architecture.

Secure, resilient systems and data

People skilled to succeed in the digital world

An evolved IT operating model

IT enables the business

Primary means to adapt to change while maintaining cost effective energy services.

- Seamless pivot to hybrid working during the pandemic
- Energy Transition
- Flexible Exports

Finds ways to make better decisions and operate more effectively and efficiently.

- Network risk cost modelling
- Data insights and decision making
- Automation of repetitive or time-consuming processes

Contributes to the reliability and resilience of the network.

- Cyber Security
- Outage Management
- Feeder Automation

Protects customer and business data.

- Cyber Security
- Regular patching, refreshes and updates



IT works with the field to enable our staff

Keeps them connected, even in remote locations.

- Mobile devices
- Vehicle Wi-Fi hubs
- Satellite access
- Customer updates (SMS/website)

Delivers them the work and guides them to the worksite.

- Outage management work
- Scheduled planned work
- GIS and mapping data
- Site access information

Keeps them safe.

- Asset and safety information
- Communications with other teams
- Risk/incident management systems
- Fire danger rating & weather info

Captures relevant information when the work is completed.

- Updated asset data
- Timesheet data
- Photos of assets



IT works to enable our customer staff to serve our customers

**Helps them share information
with our customers.**

- Website & social media
- SMS messaging notifications
- Outage Map
- Interactive voice response system
- Meter data

Captures customer issues.

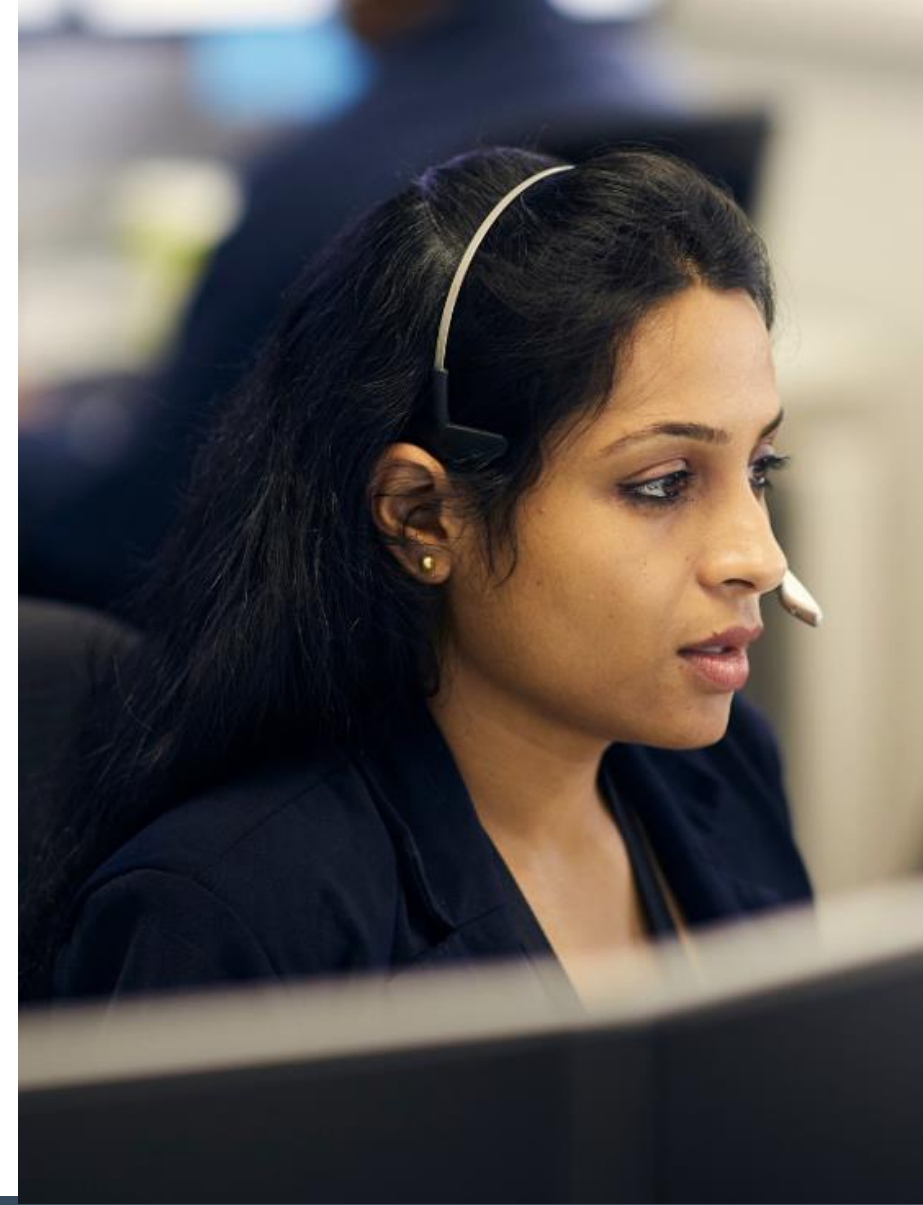
- StreetLight Out
- Outages / hazards
- Call centre support systems
- Complaints / claims

Captures customer requests.

- Enquires (meter reading / vegetation)
- Solar connection requests
- New connection requests
- Quoting

**Captures customer
information.**

- Customer data
- Consumption history
- Preference management



IT works to enable customers to participate in the Energy Transition

Helps customers to increase their solar exports.

- Flexible Exports for Solar PV
- Smartview portal: enables customers to self-monitor their usage, export and performance

Help customers to get their systems installed and approved more efficiently.

- Automation of retail solar/battery approval application processes
- Streamlined embedded generation application process
- Online EV charging station applications

Protecting the network while identifying opportunities for customers.

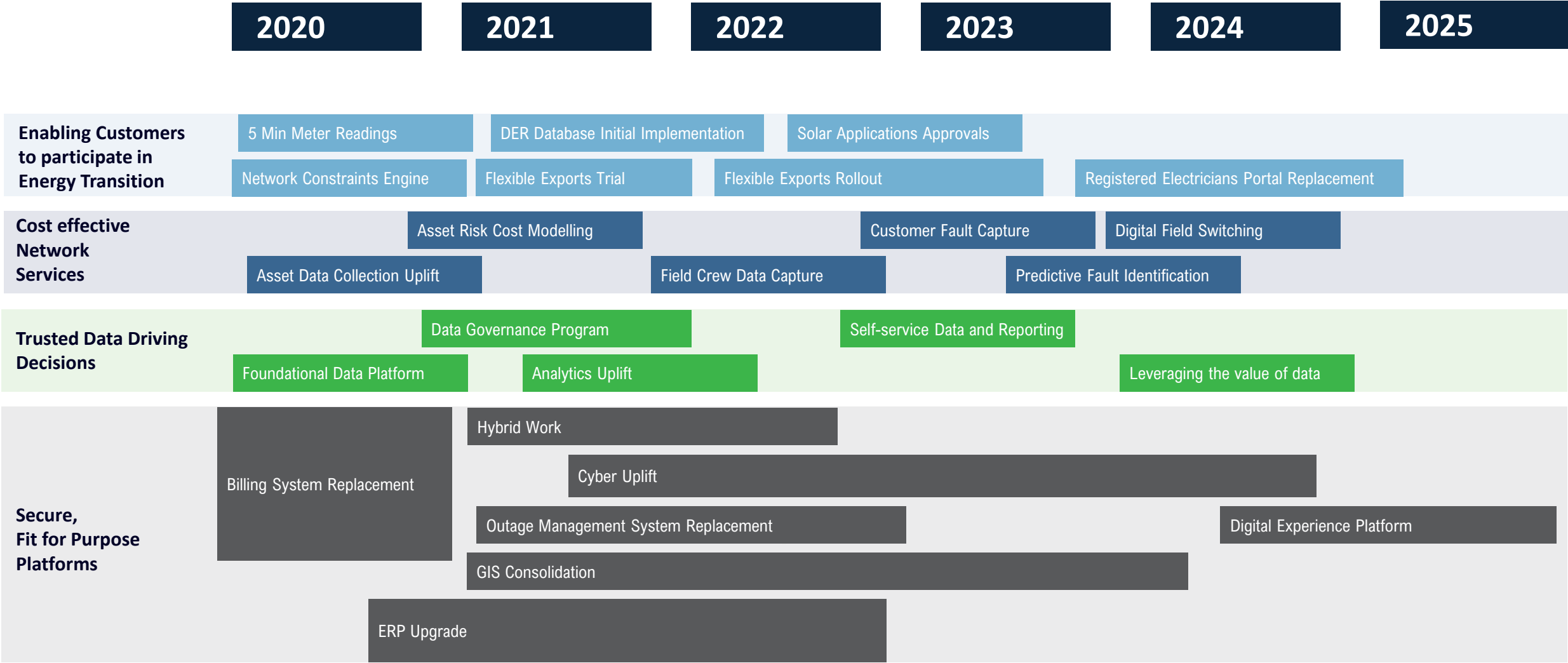
- Compliance monitoring of DER systems
- Constraints engine to protect the network and identify additional capacity
- Virtual Power Plant grid integration



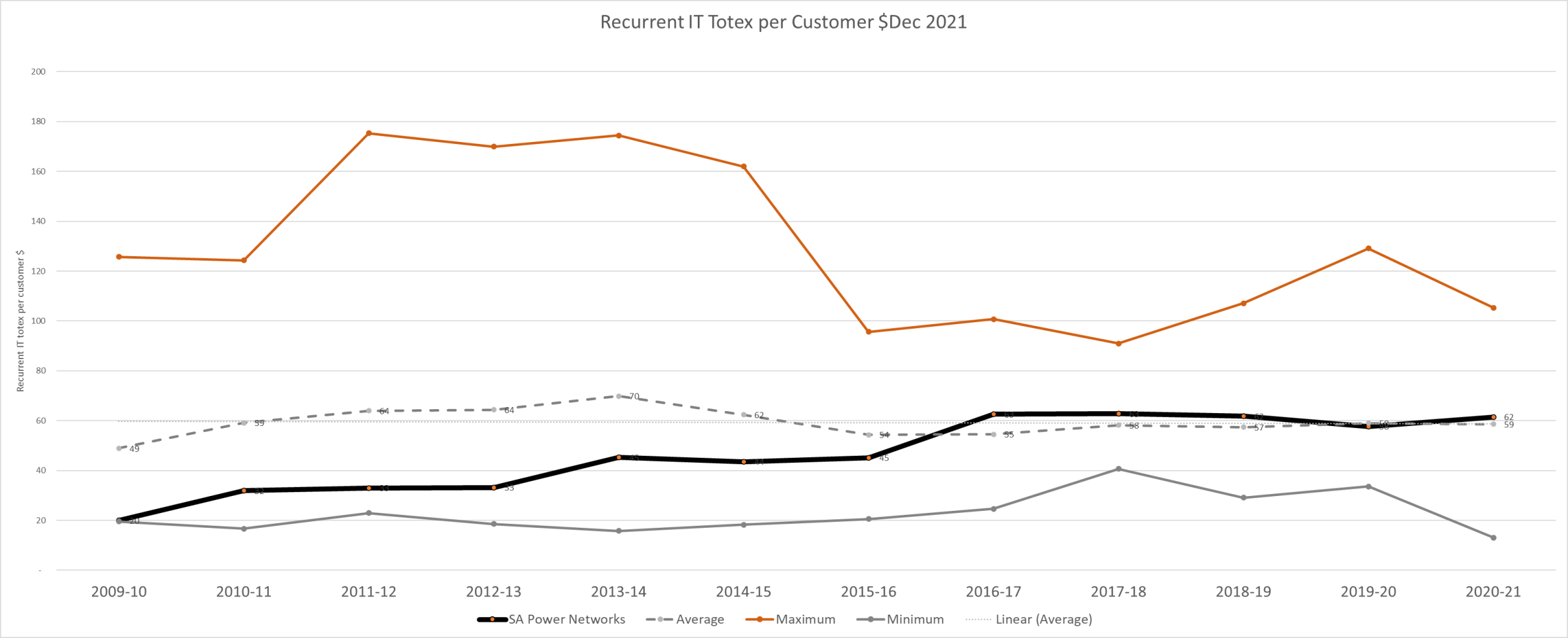
IT Investment Outcomes and Examples

	Scale Expand capability due to growth.	Smart Meter Rollout; Flexible Tariff Rollout; Customer Energy Resources.
	Adapt Address significant changing external circumstances.	Pandemic Pivot; Energy Transition.
	Evolve Ensure capability keeps pace with ongoing change and optimise the existing investments.	Technology Upgrades; Move to Cloud; Improve Network Asset Decision Making.
	Secure and Comply Ensure systems are compliant, secured and resilient.	Cyber Security; National Markets Data Compliance.
	Operate Enable business as usual operations.	Outage Management; Field Operations.

Our Digital Journey



AER Benchmark – IT Recurrent Totex by DNSP Customer



AER Expenditure Categories and IT Scenarios



Scenario Alignment with AER ICT Expenditure Evaluation Categories

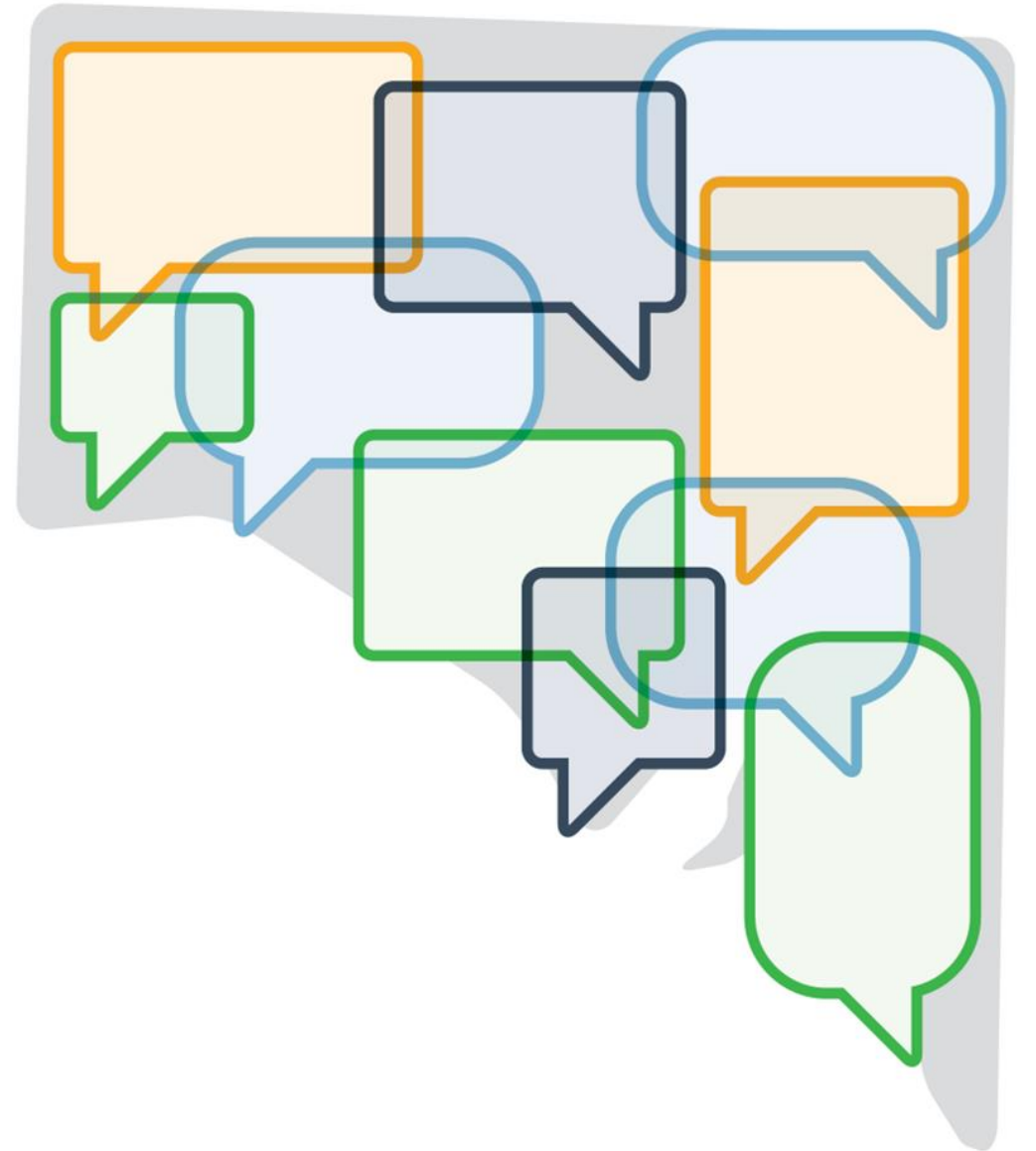
	Scenario 1: Basic	Scenario 2: Maintain	Scenario 3: New Value
	Recurrent	Non - Recurrent	
AER ICT Categories	Expenditure that is related to maintaining existing services, function, capability and/or benefits and occurs at least once in 5 years	Any ICT expenditure that is not ‘recurrent’, i.e. • Once-off changes • Periodic expenditure occurring on a cycle longer than 5 years (e.g. 7-year cycles)	
AER ICT Sub-categories		Maintain existing services Maintain existing services, functionalities, capability and/or market benefits. Mainly large upgrades & replacements	Compliance (inc. cyber security) Comply with new or altered regulatory obligations or requirements
			New or expanded capability New or expanded ICT capability, functions and services

Scenario Alignment with AER ICT Expenditure Categories

	Scenario 1: Basic	Scenario 2: Maintain		Scenario 3: New Value
	Recurrent	Non - Recurrent		
Costing Approach	Bottom up unit costs (e.g. no. of PCs x cost of a PC.)	Individual program and /or project costs based on estimated activity, timelines, materials and services, supported by supplier quotes and comparisons with other companies		
Evaluation Approach	IT Benchmarking – to confirm costs are prudent & efficient	Maintain existing services Assess optimal time to replace/upgrade based on risk	Compliance (inc. Cyber Security) Most efficient cost to implement	New or expanded capability Benefit driven

Any questions or clarifications?

- *Questions, concerns or feedback?*



What We Have Heard

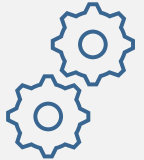


Outcomes from broad and diverse engagement

Nearly 200 comments were received from participants.
The IT themed comments and ideas included:



Increased Investment in **Cyber Security**.



Increased use of **Automation for Efficiency** and resilience.



Increased use of **Digital Tools for Customers**.



Increased use of **Data to Drive Automation and Efficiency**.



Adaption / Evolution of Technology from other industries (e.g. Uber real-time driver map locations).



IT Impacts from other Focussed Conversation Workshops

Workshops	IT Impact
Energy Transition	H
Managing Network Condition – Reliability and Bushfire Safety	H
Managing Network Condition – Resilience	M
Managing Network Condition – Security of Supply	L
Customer Experience – Customer Service Measures	L
Customer Experience – Energy Advisory	H
Customer Experience – Personalised On-Demand Services	H
Customer Experience – Connections Policy	L
CBD Reliability	L
Property and Fleet	L
Public Lighting	L
Equity and Vulnerable Customers	L
Finance	L

Scenario Alignment with AER ICT Expenditure Categories

	Scenario 1: Basic	Scenario 2: Maintain	Scenario 3: New Value
	Recurrent	Non - Recurrent	
AER ICT Categories	Expenditure that is related to maintaining existing services, function, capability and/or benefits and occurs at least once in 5 years	Any ICT expenditure that is not ‘recurrent’, i.e. • Once-off changes • Periodic expenditure occurring on a cycle longer than 5 years (e.g. 7-year cycles)	
AER ICT Sub-categories		Maintain existing services Maintain existing services, functionalities, capability and/or market benefits	Compliance (inc. cyber security) Comply with new or altered regulatory obligations or requirements
			New or expanded capability New or expanded ICT capability, functions and services

Customer Workshops: Personal & On-demand Services

Scenario 3: Digital customer experience uplift

Outcome		Scenario 3
Accessible 	Digital and contact centre services that are accessible to all	
Improved experience 	Simpler, faster, more intuitive digital experience with SA Power Networks across a broader range of online services	
Save time 	Interactions (request, enquiry, work order, complaint, etc.) assessed and resolved as efficiently and quickly as possible with regular updates of progress	
Be informed 	Access to information to allow more informed decisions relating to energy services and more regular updates/notification regarding your services	
Always available in your channel of choice 	Interact with SA Power Networks 24/7 via more digital channels e.g. webchat and mobile application	



Channel choice



Self Service



Personalisation



Escalation

Customer Workshops: Energy Advisory

Scenario 3: Mix of online services and advisors



Electricity education



Electric Vehicles



Bill and tariff advice



Advice on carbon reduction



Electrification and the Smart Home/Business

including solar and battery advice



Partnering with community organisations

Outcomes for customers



Savings off electricity bills



Trusted advice for residential and business customers



Remove complexity in decision-making



Support customers to make investment decisions in their long term interests

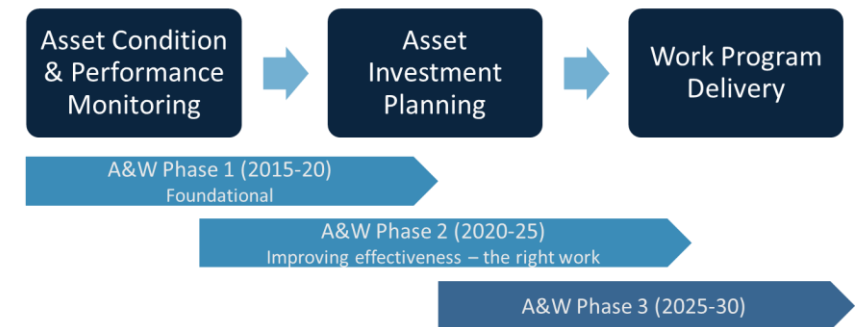


Save customers time in searching for information from various sources

Adding personalised services for 25% of customers who visit the Energy Advisory Online Services and wish to talk to someone to help them with their Electricity questions.

Managing Network Condition Workshops – Reliability & Bushfire Safety

- **Enabling the Repex Uplift**
 - Maintaining reliability and safety of the network requiring increased replacement as network deteriorates.
- **Assets & Work Phase 3:**
 - Improving Efficiency – delivering the right work at lower unit costs.
 - Indicative cost is in line with current period expenditure (\$35m over 5-years).
 - Program will only be proposed if long-term benefits outweigh costs.



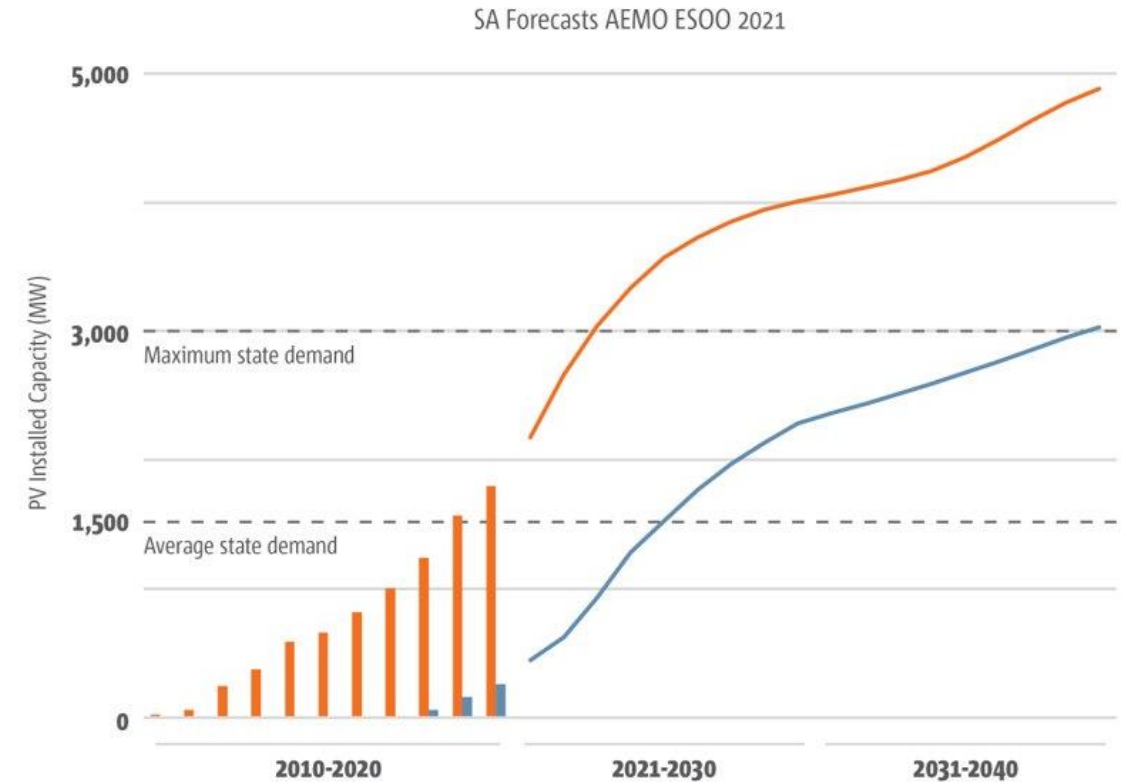
Enabling the Energy Transition

- **Enabling Clean Energy - DER Integration**

- Increasing export capacity
- Flexible exports scaling
- New connections options
- Compliance program
- Future market services

- **Maintaining a reliable network**

- Increased network visibility
- Purchasing smart meter voltage data



Scenario 3: New Value: Draft Forecast Expenditure & Bill Impact

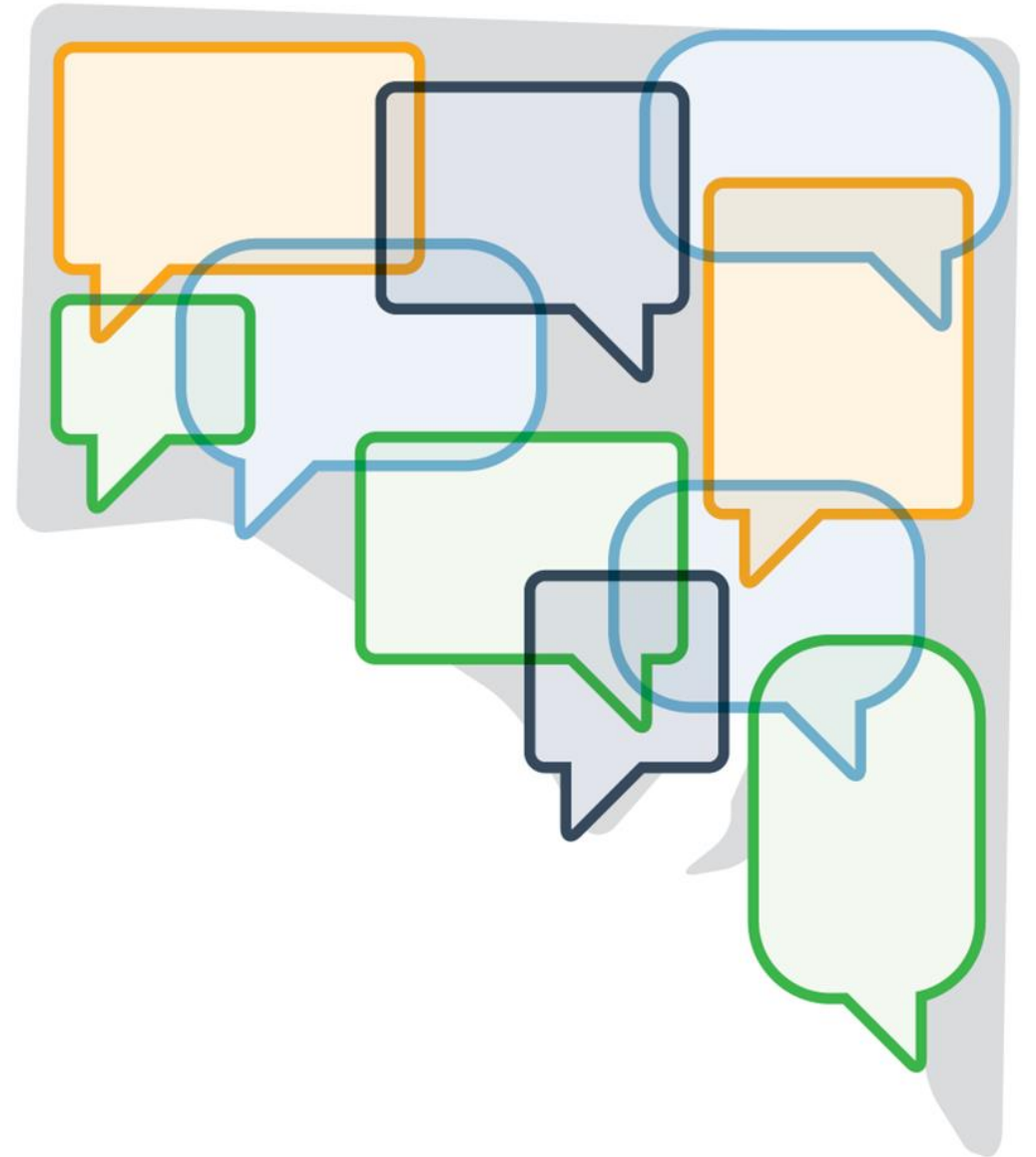
		2025 - 30		
	Draft Expenditure Forecast	Residential Bill Impact	Business Bill Impact	Notes
Scenario 3: New Value (IT Costs Only)				
Personalised & On Demand Services	\$17.5m	\$4.30	\$33.45	Recommendations complete
Energy Advisory	\$4.9m	\$1.20	\$9.40	Recommendations complete
Reliability & Bushfire Safety (Repex, A & W)	\$37.0m	\$9.10	\$70.90	Awaiting recommendations
Energy Transition	\$16.3m	\$4.00	\$31.15	Awaiting recommendations
Other	\$5.5m	\$1.35	\$10.35	Ongoing assessment of benefits
Total	\$81.1m	\$19.95	\$155.25	
Total Distribution Bill		\$505 - \$590	\$3,980 - \$4,650	

The numbers supplied are forecasts and will be updated due to stakeholder input and external market influences over time.

Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Any questions or clarifications?

- *Questions, concerns or feedback about IT Expenditure related to the New Value arising from Focussed Conversations Workshops?*



Maintain: Maintaining Existing Services and New Compliance



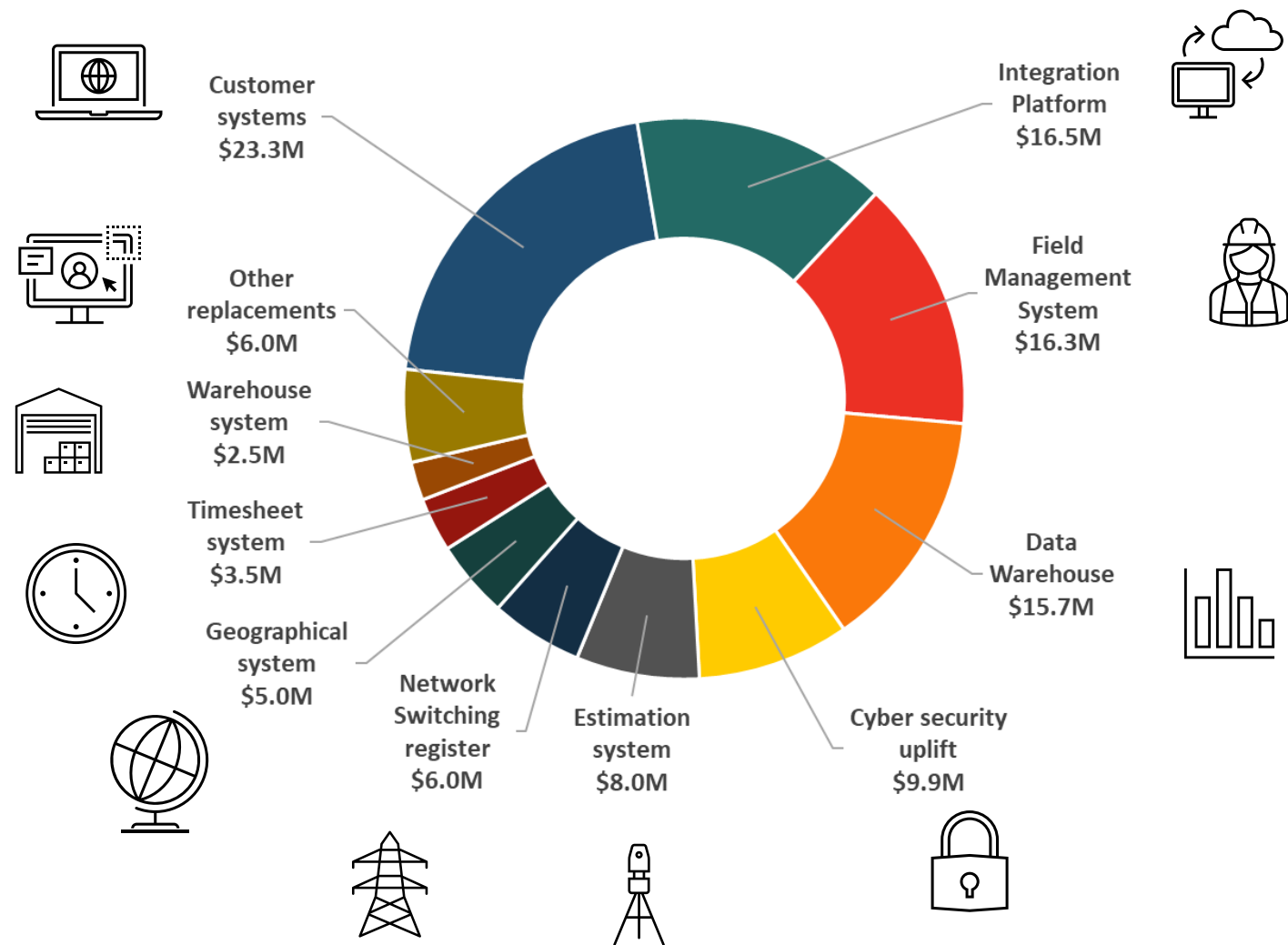
Scenario Alignment with AER ICT Expenditure Categories

	Scenario 1: Basic	Scenario 2: Maintain	Scenario 3: New Value
	Recurrent	Non - Recurrent	
AER ICT Categories	Expenditure that is related to maintaining existing services, function, capability and/or benefits and occurs at least once in 5 years	Any ICT expenditure that is not 'recurrent', i.e. • Once-off changes • Periodic expenditure occurring on a cycle longer than 5 years (e.g. 7-year cycles)	
AER ICT Sub-categories		Maintain existing services Maintain existing services, functionalities, capability and/or market benefits	Compliance (inc. cyber security) Comply with new or altered regulatory obligations or requirements New or expanded capability New or expanded ICT capability, functions and services

Outcomes from Scenario 2: Maintain

	Scale Expand capability due to growth.	
	Adapt Address significant changing external circumstances.	
	Evolve Ensure capability keeps pace with ongoing change and optimise the existing investments.	Uplift the technologies that enable customer interactions to ensure they remain contemporary and remain at pace with technology change.
	Secure and Comply Ensure systems are compliant, secured and resilient.	Replace systems that can't be patched to maintain risk profile and ensure our systems are secure
	Operate Enable business as usual operations.	Replace systems out of vendor support to avoid risks and costs of unreliable, insecure systems and significant unplanned failures.

Activities in Scenario 2: Maintain – Large replacements, upgrades & new compliance



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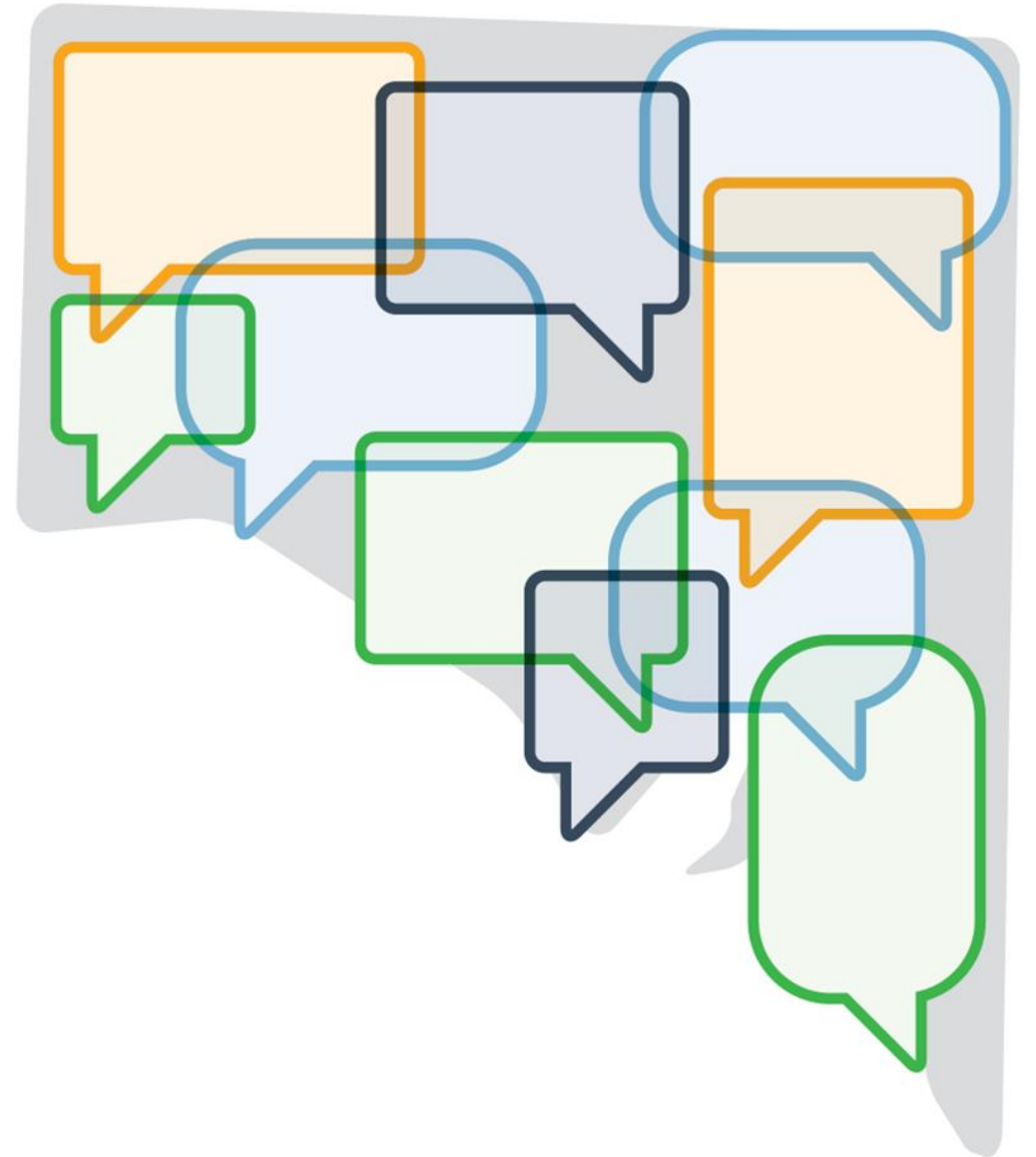
Scenario 2: Maintain - 2025-30 Draft Costs and Bill impacts to average annual bills

	2025-30 Draft Forecast	Residential	Business
Scenario 2: Maintain	\$112.6m	\$22.55	\$176.25
Total distribution bill		\$505 - \$590	\$3,980 - \$4,650

The numbers supplied are forecasts and will be updated due to stakeholder input and external market influences over time.
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Any questions or clarifications?

- *Questions, concerns or feedback about Maintain Existing Services (Non-Recurrent)?*



Basic: Maintain Existing Services Base Spend / BAU Recurrent



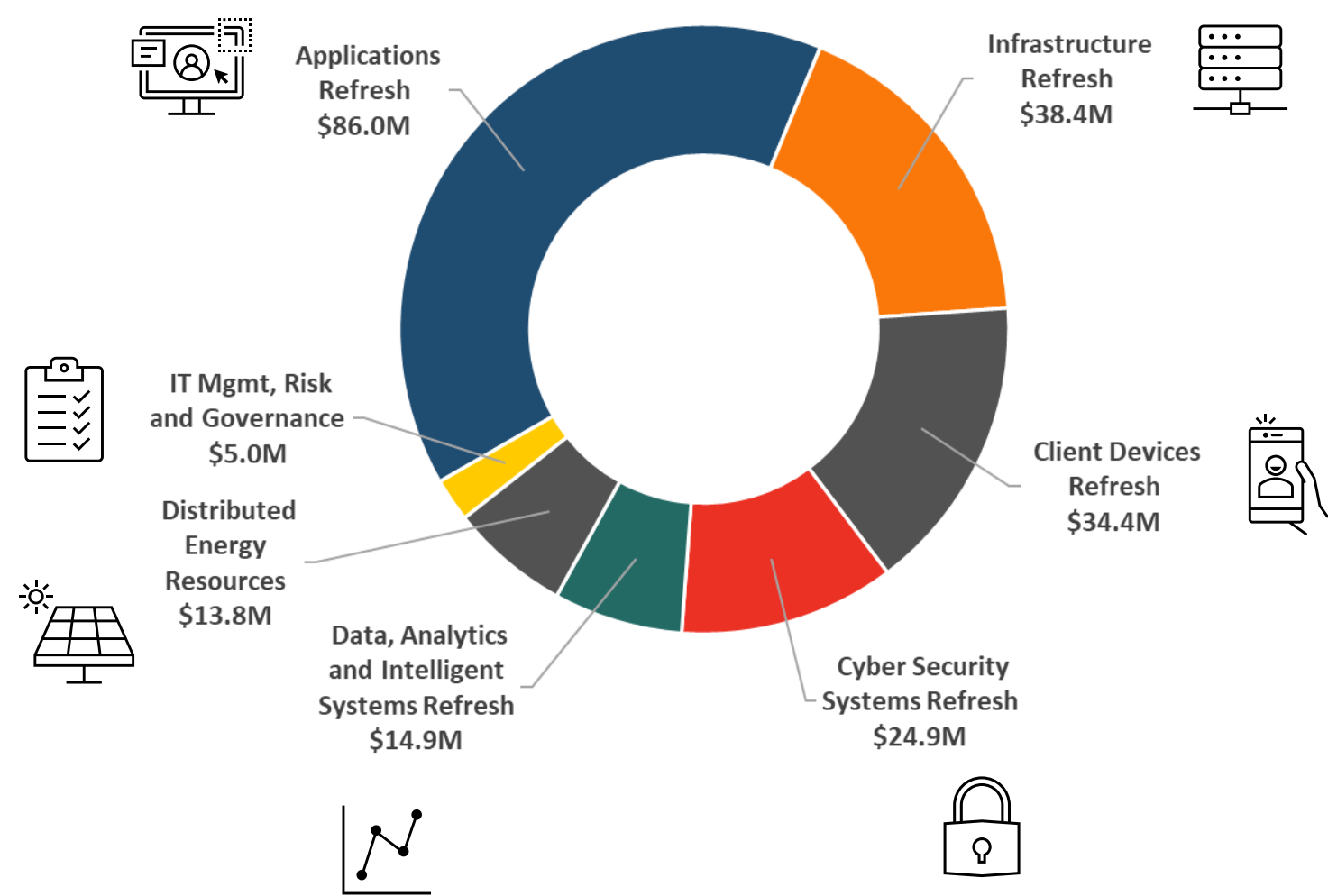
Scenario Alignment with AER ICT Expenditure Categories

		Scenario 2: Maintain		Scenario 3: New Value
		Non - Recurrent		
AER ICT Categories	Recurrent	Any ICT expenditure that is not 'recurrent', i.e. - Once-off changes - Periodic expenditure occurring on a cycle longer than 5 years (e.g. 7-year cycles)		
AER ICT Sub-categories		Maintain existing services	Compliance (inc. cyber security)	New or expanded capability
		Maintain existing services, functionalities, capability and/or market benefits	Comply with new or altered regulatory obligations or requirements	New or expanded ICT capability, functions and services

Outcomes from Basic – Maintain Existing Services (Recurrent)

	Scale Expand capability due to growth.	
	Adapt Address significant changing external circumstances.	
	Evolve Ensure capability keeps pace with ongoing change and optimise the existing investments.	Perform minor enhancements to keep systems fit for purpose ensuring staff can continue to effectively service our Network and Customers.
	Secure and Comply Ensure systems are compliant, secured and resilient.	Regularly patch systems to maintain risk profile and legislative compliance. Maintain Cyber Security capability.
	Operate Enable business as usual operations.	‘Sweat’ systems & devices to extend their operational life while avoiding risks, costs and customer impact from unplanned failures.

Activities in Scenario 1: Basic



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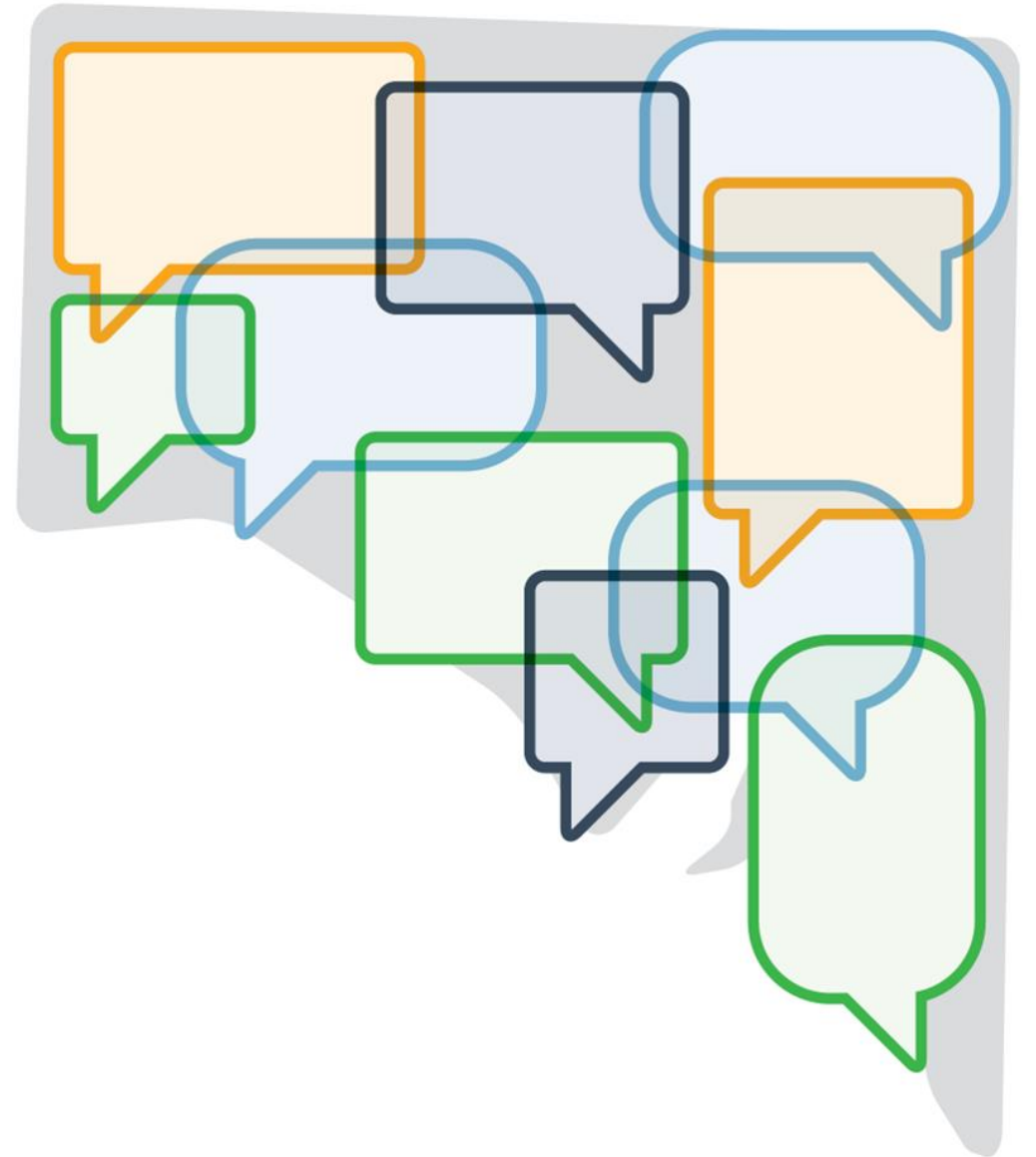
Scenario 1: Basic - 2025-30 Draft Costs and Bill impacts to average annual bills

	2025-30 Draft Forecast	Residential	Business
Scenario 1: Basic	\$217.3m	\$34.30	\$269.05
Total distribution bill		\$505 - \$590	\$3,980 - \$4,650

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Any questions or clarifications?

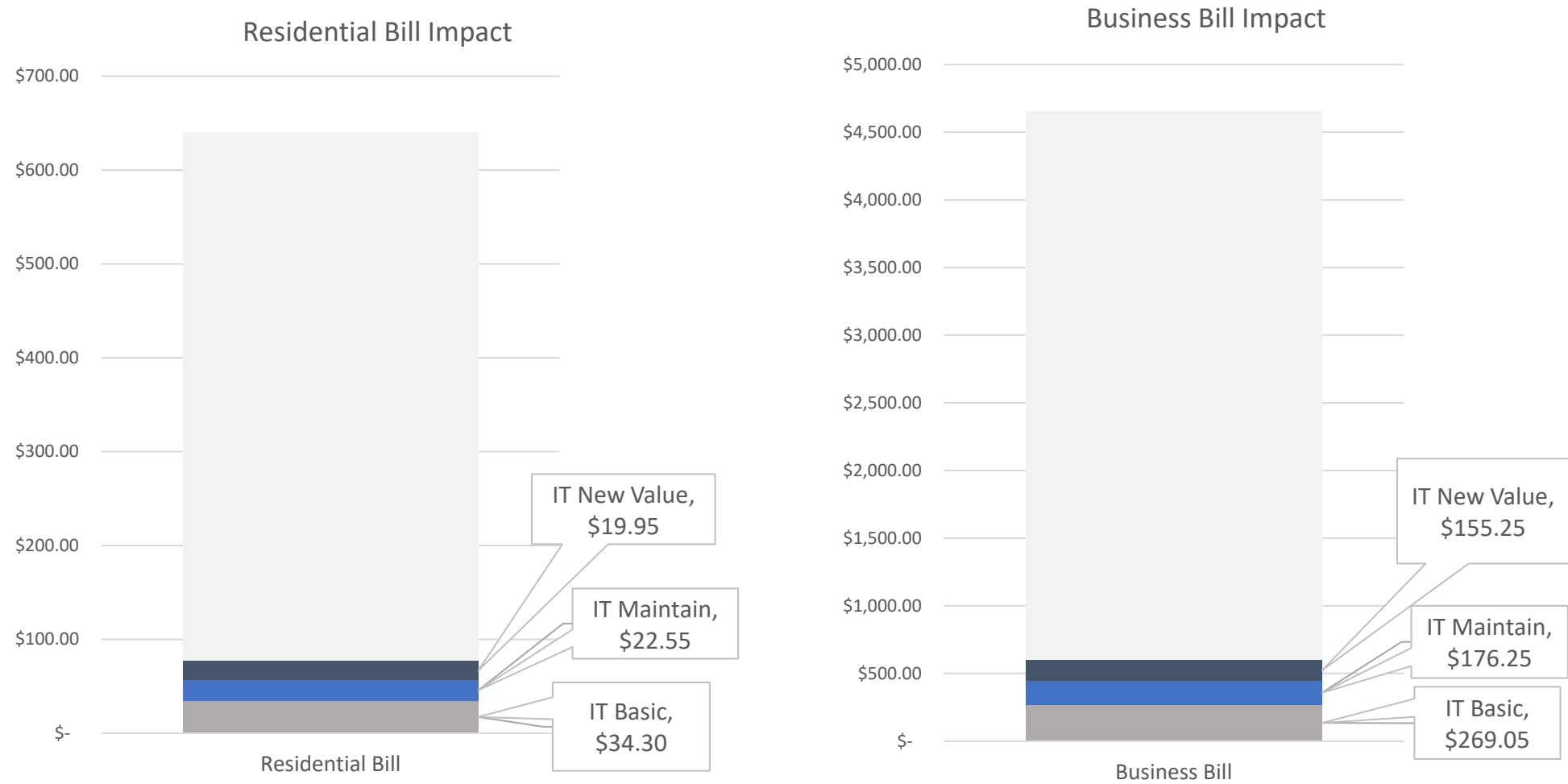
- *Questions, concerns or feedback about Basic – Recurrent IT Expenditure?*



Summary



IT Bill Impact: All Scenarios



The numbers supplied are forecasts and will be updated due to stakeholder input and external market influences over time.
Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Initial Cost Modelling of IT Scenarios - IT Capex + New Opex (\$m 2022)

Scenario	2020-25 Allowance	2025-30 Initial Draft
Scenario 1: Basic	\$177.8	\$217.3
Scenario 2: Maintain	\$92.6	\$112.6
Scenario 3: New Value	\$69.2	\$81.1
Total	\$339.6	\$411.0

The numbers supplied are forecasts and will be updated due to stakeholder input and external market influences over time.

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Outcomes for customers for the different IT expenditure scenarios

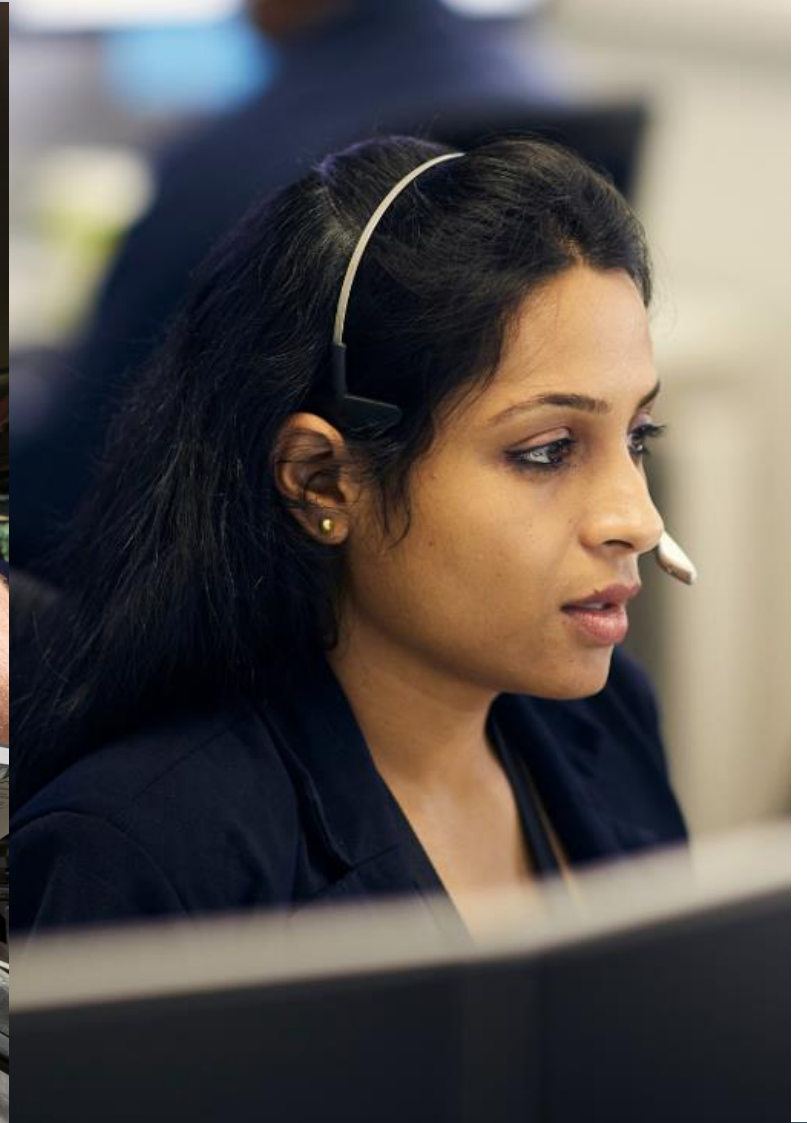
Outcome		Scenario 1	Scenario 2	Scenario 3
Customer Services				
	Maintain existing levels of customer services			
Cyber Security				
	Respond to the evolving cyber security risk			
Network Transition				
	Respond to emerging electricity network changes			
Customer Enablement				
	Facilitate more customer participation in the electricity transition			
Efficient Services				
	Improve the efficiency of our services			

In Summary

- Significant increase in reliance on IT
- IT is the primary means to adapt and change while maintaining cost effective energy services.
- IT is enabling the business to find ways for our customers to be part of the energy transition.
- Benchmarking shows IT benchmarks well against other utilities.
- Proven track record of delivery.
- Cyber security is increasingly critical to network resilience, and the protection of customer and business data.

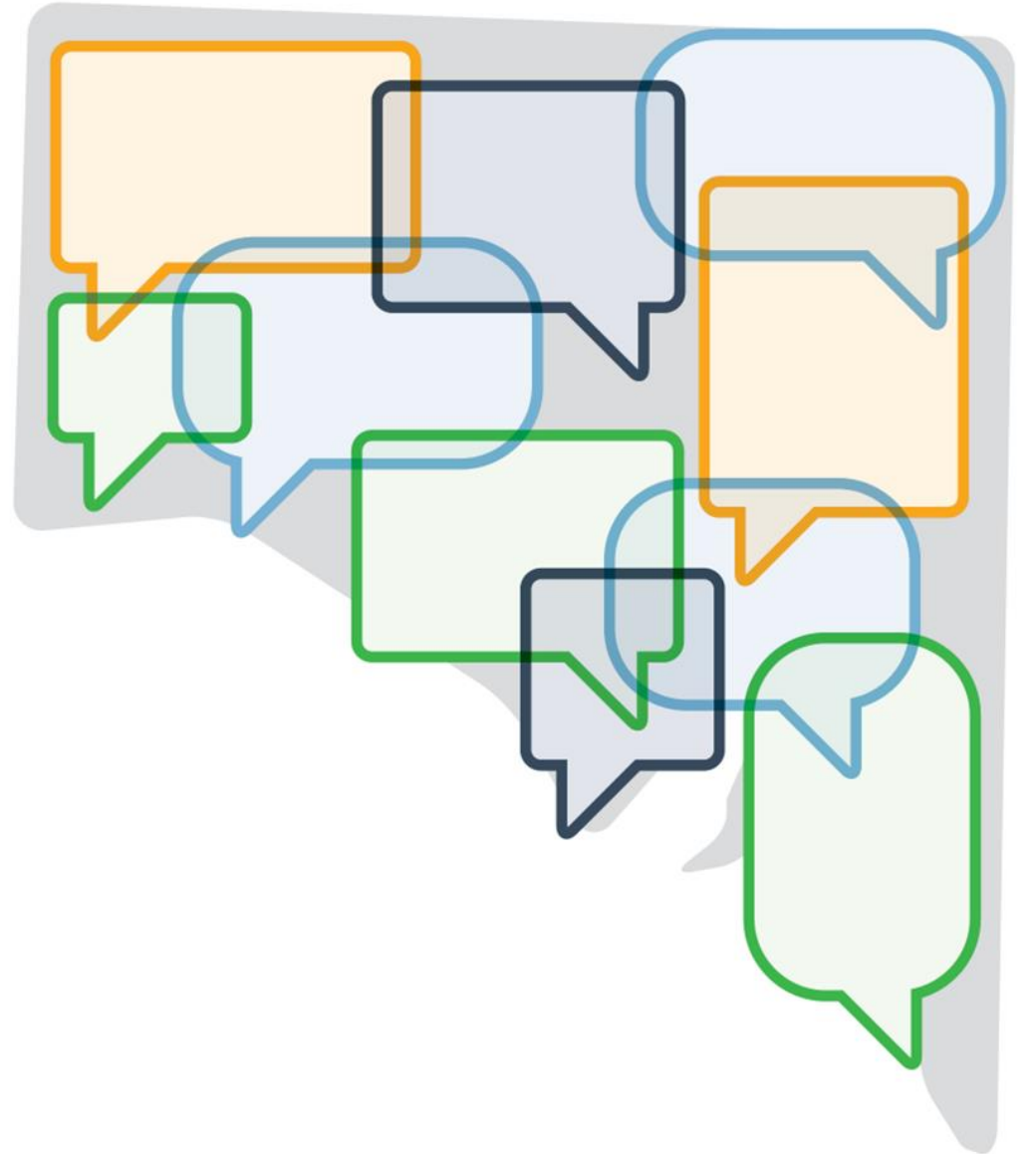


Thank You!



Any questions or clarifications?

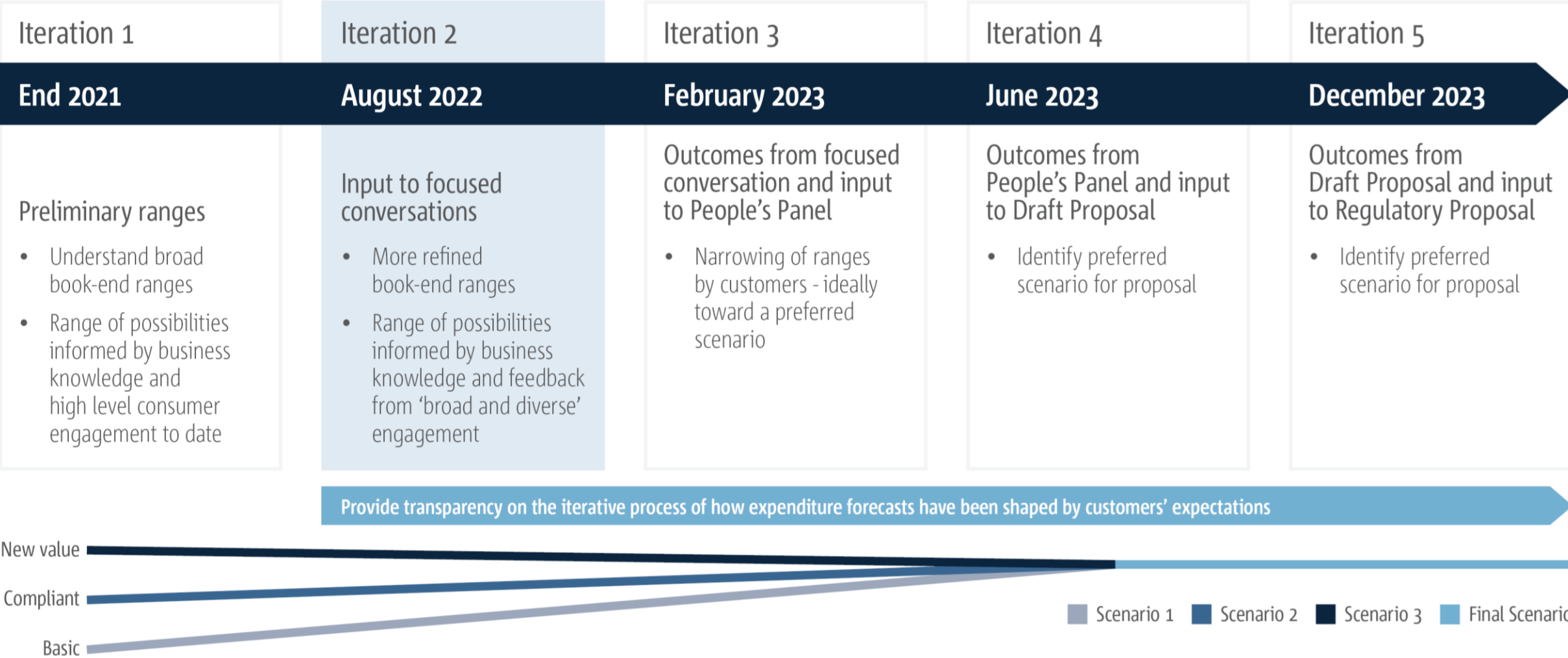
- *Questions, concerns or feedback?*



Questions & Next Steps



Forecasting service outcomes and expenditure for 2025-30



Any questions or clarifications?





Empowering South Australia