Export Tariffs Deliberative Guide

2025-2030 Regulatory Proposal

SA Power Networks

Empowering South Australia

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

1. Purpose of this guide

This deliberative guide has been developed to provide the People's Panel with the information they require to make an informed decision as to whether and when export tariffs should be introduced in the 2025-30 period in South Australia.

The guide outlines three options for the Panel to deliberate on and includes the pros and cons for each option. These options were determined after a series of Focussed Conversations workshops with stakeholders in 2022 which explored the topic of export tariffs.

Export Customers are customers who feed energy into the network. Today, these are predominantly customers with rooftop solar systems and/or batteries and in the future will include customers with electric vehicles with 'Vehicle to Grid' (V2G) capability. Non Export Customers are customers who do not export energy into the network because they do not have solar, batteries or V2G vehicles.

2. How the guide was developed

A series of Focussed Conservations were held in 2022 on export tariffs. The stakeholders who participated had knowledge and experience in electricity tariffs and tariff structures.

The outcome of these workshops was the development of three transition options, and a recommended option for the People's Panel to consider.

Export tariffs

3. What are export tariffs?

The electricty network was originally designed to deliver electricity 'one-way' to our customers. Whilst the network has the ability to support the export of some renewable energy from households and businesses, in some areas of our network this capacity is already diminished due to the increase in export customers. In South Australia today, more than 1 in 3 residential customers have rooftop solar and approximately 30,000 homes have batteries. SA Power Networks needs to invest in the network in order to provide additional capacity for households and businesses to export energy into the grid.

An export tariff would work as follows: customers would be able to export a certain amount of energy each day to the grid free of charge (the 'basic export level'). Above that amount, a charge of around 1c/kWh would apply to energy exported to the grid between 10am - 4pm.

In 2021, the Australian Energy Market Commission made changes to the rules that clarify the requirements on electricity distribution networks like SA Power Networks to plan for future levels of exports and invest appropriately in network capacity to meet demand for export services.

The rule changes also allow for the cost of this network investment to be recovered via export tariffs charged to Export Customers (households and businesses) that export energy into the grid. SA Power Networks advocated for and supported the rule change.

Prior to the rule change, SA Power Networks did not have a regulatory obligation to support exports and the regulator had no clear basis to approve export enablement expenditure.

The "Energy Transition" Focussed Conversation that the Panel has been considering, is the result of the work done to identify the amount of investment that would be required to maintain a reasonable level of service for export customers. This is the expenditure that export tariffs is intended to recover.

Export tariffs have been designed to encourage customers to limit their export of energy from solar panels into the grid during the day by instead using the power in their home or business, or by storing it in batteries to use in the evening.

The export tariff seeks to recover the costs of upgrades to the network from those customers who directly benefit, rather than from all customers (Export and Non Export). It is these upgrades that allow energy to be exported into the grid.

4. The broader context

Any export tariff proposed by SA Power Networks will be bundled into an offer by the customer's retailer. Distribution network charges are only one component of the total retail bill. A retail bill comprises:

- Distribution charges
- Transmission charges
- Government and environment schemes costs
- Energy and retail costs
- Solar feed in tariff credits

We expect that retailers would factor an export tariff into the price they pay Export Customers for their exported energy. For example, if a retailer paid 5c/kWh for exported energy before the introduction of export tariffs, that may reduce to 4c/kWh after SA Power Networks' export tariff has been deducted (noting that SA Power Networks' export tariff would only apply to energy exported over and above the free daily allowance, between 10am - 4pm).

There is however, no obligation for the retailer to pass on export price signals as the retailer has their own operating considerations when developing a retail offer. The retailer will develop their own communications and education for customers to reflect their retail offering. As the distribution network service provider, SA Power Networks will be educating customers on the structure and application of its distribution export tariffs.

5. Customer groupings for the purpose of transition

Customers have been categorised into two Export groups:

- New Export Customers - those with solar or batteries commissioned after 1 July 2023.
- Existing Export Customers - those with solar or batteries commissioned before 1 July 2023.

We use these definitions in one of the options for transition to export tariffs.

6. Options for transition to export tariffs

The Panel are being asked to make a recommendation on which of the following options should be recommended to implement export tariffs:

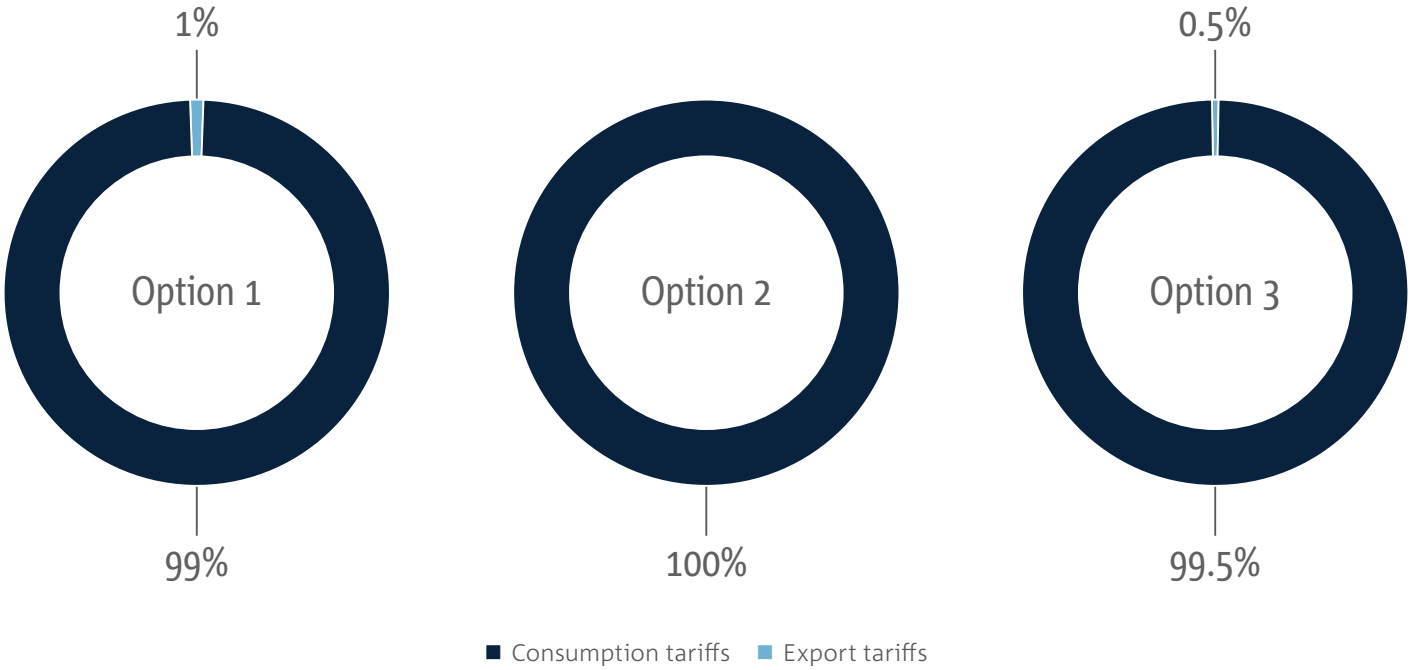
Option 1 — All Export Customers (New and Existing) assigned to export tariffs from July 2025

Option 2 — No export tariffs introduced until July 2030

Option 3 — All new Export Customers assigned to export tariffs from July 2025 and all existing Export Customers assigned from July 2030

Option 1 has been recommended by the Focused Conversations stakeholders as the preferred transition pathway as it was considered to be the most equitable option and would allow for clear, simple communications to all customers. Panel members also have the opportunity to modify one of these options. Focussed Conversation participants considered that export tariffs would ultimately need to be introduced, but could potentially be delayed until 2030.

Proportion of revenue recovered from tariffs in 2025-30



Option 1

1 July 2025 – All Export Customers (New and Existing) are assigned to an export tariff at the beginning of the 2025-30 period.

Indicative annual charges	Export Customers	Non Export Customers
Residential	$10.20 p.a. average	-
Business	$38.40 p.a. average	-

Pros
Export Customers benefit from additional investment in the network to alleviate congestion. Export Customers pay for this via the export tariff. Non Export Customers would not pay an additional charge because they are not accessing the network to export energy. Compared to Option 2 and 3, this contributes to a more equitable outcome between Export and Non Export Customers because Non Export Customers are not paying for increased network export capacity that they do not use.
Export Customers are assigned to an export tariff which reflects the cost of exporting energy at particular periods of the day. Cost reflective pricing enables Export Customers to understand the cost to the network of exporting energy at particular periods of the day. This gives Export Customers an incentive to use the network efficiently, e.g. by maximising in-house use at times when the network is congested, and this helps to reduce the need for further investment in future and keep costs down for all over the long term.
All Export Customers being assigned to an export tariff at the same time enables simple, concise messaging and removes ambiguity. Stakeholders and customers frequently express that they find the electricity industry overly complex and difficult to navigate. Having one date that applies to all Export Customers regardless of when they installed their solar of batteries eliminates multiple decision points. Retailers and solar installers can deliver a clear message to customers and it avoids distorting the market for solar by encouraging a rush to install systems before a certain date.
Solar installers will know that all new Export Customers will pay an export tariff.

Cons
Export Customers do not like tariff changes being imposed upon them.
Some Export Customers feel it is appropriate for the cost of enabling more export capacity to be shared across all customers given the broader environmental benefits their solar systems provide.
Does not recognise that some Export Customers invested in solar panels and batteries before knowing about this additional cost. Existing Export Customers invested under a different regulatory framework and so the impact of export tariffs, both positives and negatives were not a factor in decision making at the time of purchase.

Option 2

1 July 2030 – No export tariffs introduced in the 2025-30 period. All Export Customers assigned to an export tariff at the beginning of the next period 2030-35.

Indicative annual charges	Export Customers	Non Export Customers
Residential	-	$3 p.a. average
Business	-	0.5% p.a. average distribution charges*

*Business customers can vary widely in consumption. A 20MWh p.a. customer such as a retail shop would pay an additional $10 p.a. A 100MWh p.a. customer such as a primary school would pay an additional $50 p.a.

Pros
Reduces bill impact for Export Customers in 2025-30 compared to Option 1.
All Export Customers being assigned to an export tariff at the same time enables simple, concise messaging and removes ambiguity. Stakeholders and customers frequently express that they find the electricity industry overly complex and difficult to navigate. Having one date that applies to all Export Customers regardless of when they installed their solar of batteries eliminates multiple decision points. Retailers and solar installers can deliver a clear message to customers and it avoids distorting the market for solar by encouraging a rush to install systems before a certain date.
All customers, Export and Non Export, pay for the environmental benefits of increased renewable energy in the network, helping to reduce carbon emissions.
Solar installers will know that all new Export Customers will not pay an export tariff in 2025-30.

Cons
Delaying the transition to export tariffs until 2030-35 requires all customers, Export and Non Export pay for the network investment to alleviate congestion and enable more export however only Export Customers will directly benefit. Non Export Customers are subsiding Export Customers.
Export Customers are not assigned to an export tariff which reflects the cost of exporting energy at a time of the day until 2030-35. This is not a cost reflective outcome.
Export Customers will not receive a price signal in 2025-30 to enable them to understand the cost to the network of exporting energy at particular periods of the day. The customer has no incentive to change their behaviour which will lead to increased congestion in the network. SA Power Networks would have to invest more money into the network in 2030-35 to alleviate the congestion.
Export tariff transition would be discussed again as part of the 2030-35 stakeholder engagement process that takes place for the next period. The Panel can not impose a binding outcome on the 2030-35 period.

Option 3

All new Export Customers from 1 July 2025 and all existing Export Customers from 1 July 2030.

Indicative annual charges	New Export Customer	Existing Export Customer	Non Export Customer
Residential	$10.20 p.a. average + $2 p.a. average	$2 p.a. average	$2 p.a. average
Business	$38.40 p.a. average + 0.33% p.a. average distribution charges*	0.33% p.a. average distribution charges*	0.33% p.a. average distribution charges*

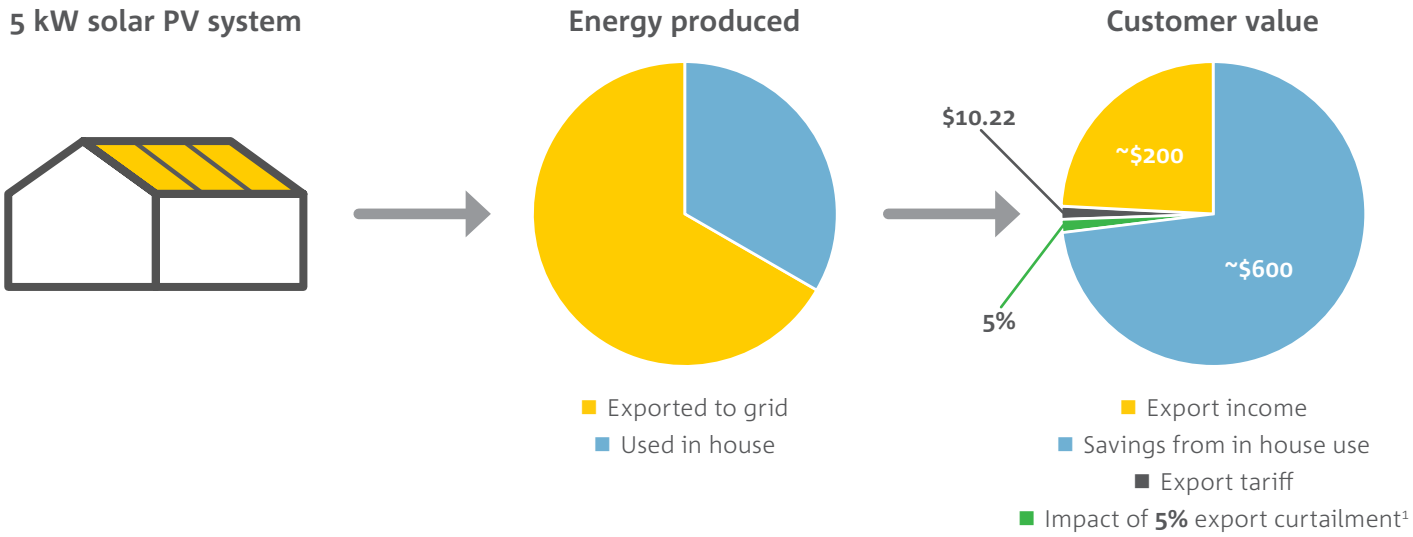
*Business customers can vary widely in consumption. A 20MWh p.a. customer such as a retail shop would pay an additional $7 p.a. A 100MWh p.a. customer such as a primary school would pay an additional $33 p.a.

Pros
All new Export Customers are assigned to an export tariff which reflects the cost of exporting energy at particular periods of the day. Cost reflective pricing enables Export Customers to understand the cost to the network of exporting energy at particular periods of the day. This gives Export Customers an incentive to use the network efficiently, e.g. by maximising in-house use at times when the network is congested, and this helps to reduce the need for further investment in future and keep costs down for all over the long term.
Transitioning all new Export Customers on 1 July 2025 reduces the level of cross subsidisation between Export and Non Export Customers compared to Option 2. All New Export Customers will contribute to the network investment to alleviate congestion and enable increased export.
Recognises that Existing Export Customers invested under a different regulatory framework and so the impact of export tariffs, both positives and negatives were not a factor in decision making at the time of purchase.
Solar installers will know that all new Export Customers will pay an export tariff.

Cons
Export Customers do not like tariff changes being imposed upon them.
Export and Non Export Customers will incur increased network charges during 2025-30 due to the delayed transition of Existing Export Customers, despite only Export Customers directly benefiting.
All Existing Export Customers will not receive a price signal in 2025-30 to enable them to understand the cost to the network of exporting energy at particular periods of the day. The customer has no incentive to change their behaviour which will lead to increased congestion in the network. SA Power Networks would have to invest more money into the network in 2030-35 to alleviate the congestion.
A partially cost reflective outcome will increase the network charges for all customers regardless of whether they are benefiting from the investment.
Categorising Export Customers into New and Existing as well as having two implementation dates, adds complexity. Retailers typically do not prefer these sorts of billing arrangements as every new type of tariff offering is costly to implement.
Export tariff transition would be discussed again as part of the 2030-35 stakeholder engagement process that takes place for the next period. The Panel can not impose a binding outcome on the 2030-35 period.

7. Case studies – how export tariffs will impact on different customers

Typical Residential Export Customer



Average Daily Outcome – kWh	Customer 1 • Small solar system (4kW) • At home during the day	Customer 2 • Average solar system (5kW) • Typical in house use	Customer 3 • 6.2kW solar system • Low in house use	Customer 4 • Large solar system (10kW) • Swimming pool
In house use	6.1	6	4.5	13.0
Free export 10am – 4pm	6.1	8.1	9.0	9.0
Free export outside of 10am – 4pm	1.4	2.6	6.1	6.7
Export 10am – 4pm above the free threshold subject to export tariff	1.2	2.8	8.4	11.9
Total energy produced kWh/day	**14.8**	**19.2**	**28.0**	**40.6**
Export 10am-4pm above the free threshold subject to export tariff @1c/kWh inc GST	$0.012	$0.028	$0.084	$0.119
Export tariff charge per year	**$4.38**	**$10.22**	**$30.66**	**$43.44**

1) Reduced export limits may apply in congested areas for up to 5% of the time.

8. Focussed Conversation Recommendation

The stakeholders (Appendix B) who participated in the export tariff Focussed Conversations recommended **Option 1** as the preferred option for transition.

Option 1 – Implementation of export tariffs at the start of the 2025-30 period was selected as the preferred transition pathway. This option allows for a more equitable outcome for Non Export Customers, that is, Non Export Customers are not paying for increased network export capacity when they do not export. Option 1 was also considered to support a clear and concise message to be communicated to all customers.

Focussed Conversation participants strongly recommended that SA Power Networks invest in customer awareness and education so that Export Customers impacted have the knowledge to make informed decisions.

SA Power Networks recognises that whatever option is selected by the Panel to transition to export tariffs, customer awareness and education are critical to successful implementation.

Appendix A. Export tariff structures

SA Power Networks has developed proposed export tariff structures for Residential, Small and Medium Business Export Customers, outlined below. The tariffs available depend on the type of meter a customer has at their home or business.

The tariff structures are indicative but not final and subject to approval by the Australian Energy Regulator via the Tariff Structure Statement process.

Accumulation meter – Meter records total energy data only, it does not record what time of day the energy is used or exported. This type of meter is read manually by a person going to the location of the meter approximately every 90 days (some business premises may be read monthly). The majority of meters prior to 2017 are accumulation.

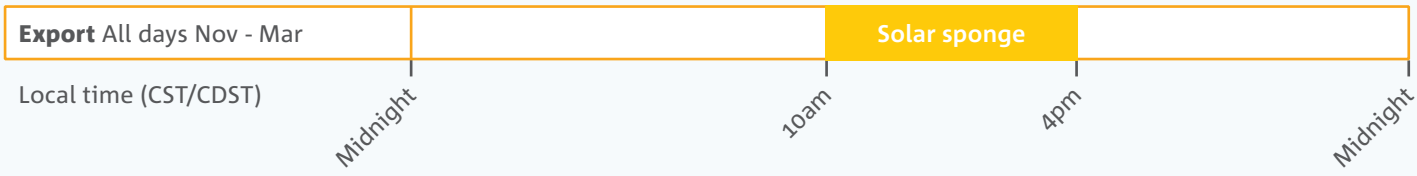
Interval or 'smart' meter – Meter records how much energy is used or exported every 30 minutes so the time of use during any day that energy is consumed or exported is known. The meter is read remotely with the energy data being sent each day to the retailer. All new and replacement meters installed post 2017 must be an interval meter. Currently, around 30% of meters in South Australia are interval and over time, all accumulation meters will be replaced by interval meters.

The export (and consumption) tariff structures vary depending on the customer and meter type. A tariff structure that has time windows can not be applied to a customer with an accumulation meter, because the meter can not tell the time or date when the energy is used.

Residential – Interval Meter

- Basic Export Limit: 9kWh – Free/day 10am – 4pm
- Export Customers can export up to 9kWh per day between 10am – 4pm free of charge. If exports between 10am – 4pm are less than 9kWh, the remainder of the free allowance rolls over to the next day, within a single billing period. A typical billing period of 30 days would include 270kWh of free export for customers between 10am – 4pm.
- Variable export charges: c/kWh 10am – 4pm
- Exports over 270kWh per 30 days between 10am – 4pm will be charged based on the amount of energy exported into the network.
- Export at all other times is free.

RE | Residential Export Interval Meter



Residential – Accumulation Meter

- Basic Export Limit: 11kWh – Free/day
- Export Customers can export, the equivalent of up to 11kWh per day free of charge. A typical billing period of 90 days would include 990kWh of free export.
- Variable export charges: c/kWh
- Export which is above the free threshold (990kWh per 90 days) is subject to an export charge based on the amount of energy exported into the network.
- The tariff structure and pricing is different from interval meter tariffs because the accumulation meter data is unable to determine at what time of day the export is occurring. The structure has been designed to ensure that regardless of what meter type an Export Customer has (accumulation or interval), on average the customer outcome will be the same.

RE | Residential Export Accumulation Meter

Residential Electrify – Interval Meter

- Basic Export Limit: 9kWh – Free/day 10am – 4pm
- Export Customers can export up to 9kWh per day between 10am – 4pm free of charge. If exports between 10am – 4pm are less than 9kWh, the remainder of the free allowance rolls over to the next day, within a single billing period. A typical billing period of 30 days would include 270kWh of free export between 10am – 4pm.
- Variable export charges: c/kWh 10am – 4pm
- Exports over 270kWh per 30 days between 10am-4pm will be charged based on the amount of energy exported into the network.
- Export at all other times is free
- Variable export credits: c/kWh 5pm – 9pm November – March.
- If customers can export into the network during these times they will be rewarded with a credit.

Export credits will be part of a tariff trial commencing in 2023-24. SA Power Networks will review the outcomes of the trial to determine how an export tariff credit is incorporated into export tariff structures for 2025-30.

RE | Residential Export Electrify Interval Meter

Small and Medium Business – Interval Meter

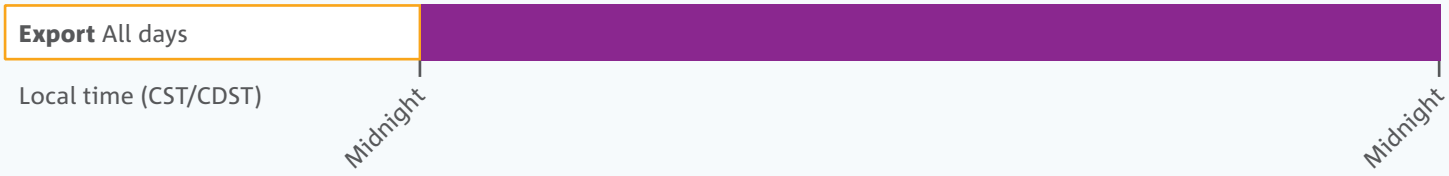
- Basic Export Limit: 9kWh – Free/day 10am – 4pm
- Export Customers can export up to 9kWh per Work Day (WD) and Non Work Day (NWD) between 10am – 4pm free of charge. If exports between 10am – 4pm are less than 9kWh, the remainder of the free allowance rolls over to the next day, within a single billing period. The roll over can only occur between a WD and another WD, a WD cannot roll over to a NWD. A typical billing period of 30 days would on average include 198kWh WD and 72kWh NWD of free export between 10am – 4pm.
- Variable export charges: c/kWh 10am – 4pm
- Export which is above the free threshold between 10am – 4pm (198kWh on WD and 72kWh on NWD) is subject to an export charge based on the amount of energy exported into the network.
- Export at all other times is free.

SMBE | Small Medium Business Export Interval Meter

Small and Medium Business – Accumulation Meter

- Basic Export Limit: 11kWh – Free/day
- Export Customers can export the quivalent of up to 11kWh per day free of charge. A typical billing period of 90 days would include 990kWh of free export.
- Variable export charges: c/kWh
- Export which is above the free threshold (990kWh per 90 days) is subject to an export charge based on the amount of energy exported into the network.
- The tariff structure and pricing is different from interval meter tariffs because the accumulation meter data is unable to determine at what time of day the export is occurring. The structure has been designed to ensure that regardless of what meter type Export Customers has (accumulation or interval), on average the customer outcome will be the same.

SMBE | Small Medium Business Export Accumulation Meter



Appendix B. Export tariff workshop attendance

Name	Organisation	Group	5: Tariffs: Export Tariffs Intro	6: Export Tariffs: Residential and Business	7: Export Tariffs: Residential and Business cont.	8: Export Tariffs: Transition	9: Export Tariffs
Jordan Smith	Business SA	RESET, TWG, CAB	Yes	Yes	Yes	Yes	Yes
Greg McCarron	Central Irrigation Trust	TWG					Yes
Mark Gishen	Wine Industry of SA	TWG	Yes	Yes	Yes	Yes	Yes
Matt Curnow	Solar / Renewal Rep.	CAB, TWG	Yes	Yes	Yes	Yes	Yes
Mark Yates	Yates Electrical	CWG, TWG, MESC	Yes	Yes	Yes	Yes	Yes
Ross de Rango	Electric Vehicle Council	TWG		Yes		Yes	
Andrew Nance	The Energy Project	CWG, TWG, MESC				Yes	Yes
Andrew Schultz	DEM	CRG, TWG		Yes	Yes	Yes	Yes
Kelvin Trimper	Community Advisory Board	CAB, RESET			Yes	Yes	Yes
Heather Merran	Uniting Care Wesley Bowden	CRG, TWG	Yes	Yes	Yes	Yes	Yes
Helen Lines	Office Small Business Commissioner	TWG	Yes	Yes	Yes	Yes	Yes
Steven Zilm	EnergyPlex	SIRG	Yes	Yes		Yes	Yes
Chantha Lake	Sun Energy	SIRG	Yes	Yes	Yes		
Georgie Morris	SACOSS	CAB, CRG		Yes	Yes		Yes
Andrew Stock	Community Advisory Board	CAB	Yes	Yes	Yes	Yes	Yes
Chris Marsden	CAB reset Subcommittee	RESET	Yes	Yes	Yes	Yes	Yes
Jen Bradley	Disability/Regional advocate	CRG	Yes	Yes	Yes	Yes	Yes
Kenny Tran	AER		Yes	Yes		Yes	Yes
Sara Stark	AER			Yes			
Mark Henley	CCP30			Yes	Yes	Yes	Yes
Mike Swanson	CCP30			Yes			

MESC: Major Electrical Sub Comittee. SIRG: Solar Industry Reference Group. RESET: CAB Reset Sub Comittee.
TWG: Tariff Working Group. CAB: Community Advisory Board. CRG: Community Reference Group.

SA Power Networks

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