

SA Power Networks People's Panel

Final Report – Balancing Service & Price

“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?”



March 2023

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Facilitator Note About this Report

During the last hour of deliberation on the 5th March 2023, subgroups of the People's Panel drafted sections of this report based on the decisions made by the entire Panel and reflecting on their notes from discussions throughout the process.

Following completion of the Panels' last day, democracyCo has done the following to finalise this report:

- Included the vote outcomes (numbers) for each of the recommendations
- Formatted the document for layout consistency
- Proof-read the document and made grammatical edits.
- Inserted notes regarding the Panel's reflections on why they did or didn't support a recommendation (where these had been missed by the Panel drafters due to time pressure)
- Filled in references to figures that were left blank (that the Panel wanted us to fill in for them)

In making these changes DemocracyCo has sought to ensure that the document has remained in the 'words of the Panel members'.

The full strategy document which outlines the process used for this Panel can be found at ... www.talkingpower.com.au

Preamble

This People's Panel (the Panel) was convened to provide a considered opinion on SA Power Network's 2025-2030 proposed service offerings. This report forms part of a SA Power Networks consultative approach which is due to conclude with a decision from the Australian Energy Regulator regarding approved pricing and offers.

The key deliberative activity of the panel was considering the following question:

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?

The Panel reviewed the recommendations of previous SA Power Networks Focused Conversations. During the deliberation there was the option to accept, reject or modify the outcomes of the focused conversations.

Of the 27 recommended initiatives from the 10 Focussed Conversations the Panel reached consensus on 25 and was unable to reach a consensus view on 2. For the purposes of the report, we considered a consensus to be a supermajority of 80% members supporting the recommendation. Even in the case where consensus was reached, the dissenting opinions still had value and were considered.

We strongly recommend SA Power Networks present this report verbatim to the Australian Energy Regulator (the Regulator) as part of their submission. We would further recommend that The Regulator give significant consideration to the views of the Panel, as the representatives of SA Power Networks' customers.

In developing these recommendations, the Panel met as part of 6 sessions from late November 2022 until March 2003 for a total of 45 hours of deliberation. In addition, the Panel members invested significant time out of session consulting with peers, reviewing data, reading reports, and conducting formal interviews with key stakeholders (the list of Stakeholders interviewed can be found at Attachment A).

About the Panel members

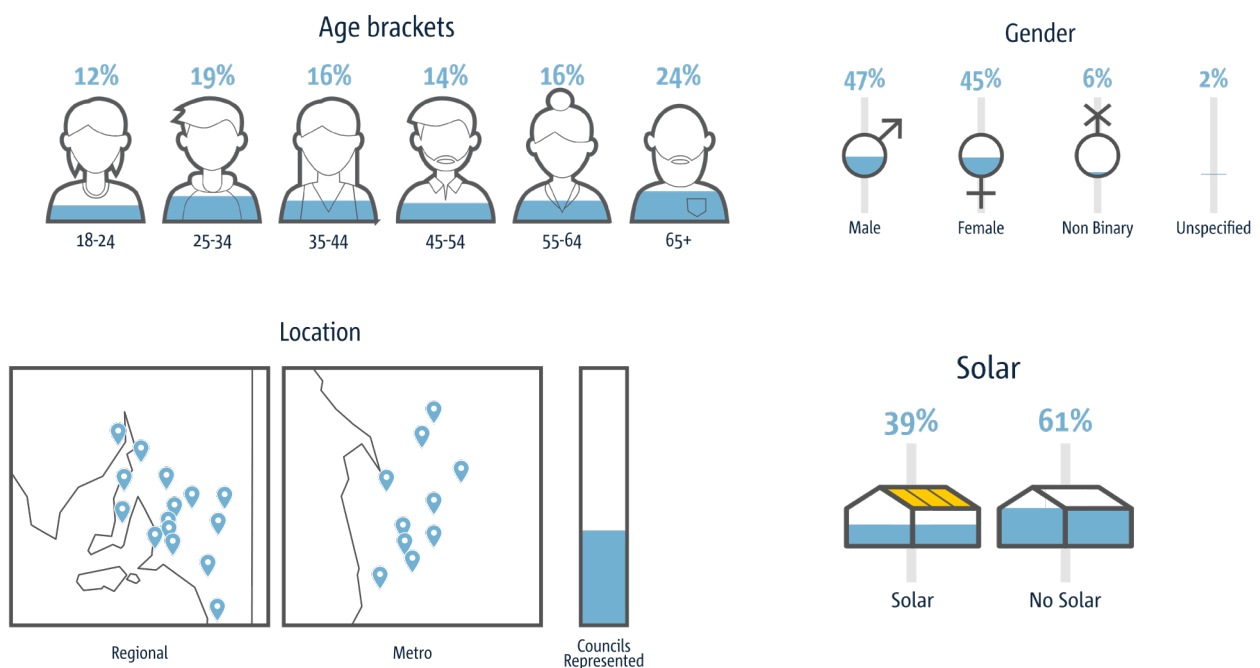
The panel selection process was designed to represent a diverse set of community. Participation in the panel was voluntary and selected from an initial pool of 350 people on a statistically informed basis.

Several criteria were used to ensure the panel was representative of SA Power Networks customers. These factors included, but are not limited to, the following parameters:

- Age
- Gender identity
- Home ownership
- Solar ownership
- Location
- Electric Vehicle ownership
- Business ownership
- Experience of vulnerability

The composition of the panel when compared to the SA Power Networks customer population is detailed in FIG 1.

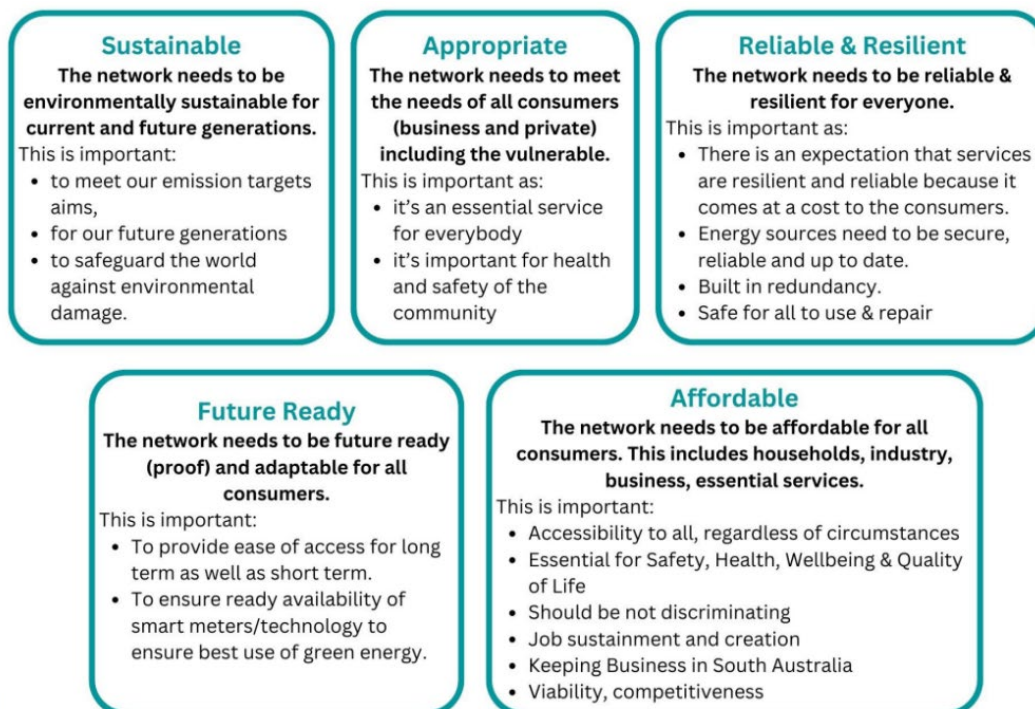
Figure 1 Infographics about the Panel



Our Assessment Criteria

We used the following general principles to assess expenditure proposals from Focussed Conversations and to determine the best balance of service and price.

- **Sustainable:** The network needs to be environmentally sustainable for current and future generations
- **Appropriate:** The network needs to meet the business needs of all customers (business and households) including the vulnerable
- **Reliable and Resilient:** The network needs to be reliable and resilient for everyone.
- **Future Ready:** The network needs to be future ready (future proof) and adaptable for all consumers.
- **Affordable:** The network needs to be affordable for all consumers. This includes households, industry, business, essential services.



What should be included in SA Power Networks' Regulatory Proposal for 2025-2030

This section summarises the investment options from the Focussed Conversations and the Panel's position on what should be included in SA Power Networks Regulatory proposal and why.

Recommendations Summary

Between November 2022 and March 2023, the People's Panel met to consolidate their reading, research and interviews during a deliberative process that considered the expenditure recommendations of 10 Focused Conversations put forward by SA Power Networks. This expenditure totalled \$1 billion over the 2025-30 period.

The following table provides a summary overview of Final Recommendations of each of the Focused Conversations:

Focussed Conversation Topic	People's Panel Final Position
Equity and Vulnerable Customers	The Panel did not support all the initiatives proposed by this Focussed Conversation. The Panel's position on the initiatives was as follows – - Knock before you Disconnect program - Supported. - Community Energy Fund - Not Supported - Vulnerable Customer Assistance Program – Supported if it is half funded by SA Power Network profits. Although there was a majority approval for the initiative, The Panel did not reach a consensus position regarding the Claims and Damages process.
Energy Transition	Support Focussed Conversation Recommendation
Reliability and Bushfire safety (+ Assets and Works)	Support Focussed Conversation Recommendation
Network Resilience	Support Focussed Conversation Recommendation
Security of Supply (capacity)	Support Focussed Conversation Recommendation
CBD Reliability	Support Focussed Conversation Recommendation
IT Cyber Security	Don't support Focussed Conversation Recommendation – the Panel instead recommended investment in line with Option 3 (new value).
Property	Support Focussed Conversation Recommendation
Vegetation Management	The Panel did not support all the initiatives proposed by this Focussed Conversation. The Panel's position on the initiatives was as follows: Sapling Removal Program– Supported Woody weeds Removal Program – Supported Undergrounding in high-risk bushfire areas – Not Supported
Customer Experience and Interactions	The Panel did not support all the initiatives proposed by this Focussed Conversation. The Panel's position on the initiatives was as follows: Energy Advisory Service – Not Supported Regarding the “Personalised and on demand services”, the Panel did not reach a consensus position on this recommendation.

Focussed Conversation Recommendations – the detail.

1. Equity & Vulnerable Customers

The following recommendations were made to the Panel from the Focussed Conversation on Equity and Vulnerable Customers:

1. Recommended Service Outcome/ Investment Option

Based on our consultations with Focussed Conversation attendees, SA Power Networks recommends investment in the following programs to continue to facilitate the transition to renewable energy in South Australia in the 2025-30 regulatory period.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
Solar as a service	-	-	-
Community energy fund	\$1.2 Million	\$0.70	\$5.50
Vulnerable customer assistance program	\$0.5 Million	\$0.30	\$2.50
Knock before you disconnect	\$0.5 Million	\$0.30	\$2.30
Claims and damages process	\$2.5 Million	\$1.50	\$11.90
TOTAL cost per annum	\$4.7 Million	\$2.80	\$22.20
TOTAL cost 2025-30	\$23 Million		

The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Final Recommendation – Equity & Vulnerable Customers

The People's Panel recommend that SA Power Networks includes the *"Knock before you disconnect"* program in its Regulatory proposal to the AER. **(33 supported, 0 did not support)**

The People's Panel are also happy to support the *Vulnerable Customer Assistance Program*, provided it is funded 50/50 by SA Power Networks profits. **(31 supported, 3 didn't support)**

The People's Panel do not support the inclusion of the *Community Energy Fund* in the Regulatory proposal. **(30 did not support, 4 supported)**

Although there was a majority approval, **consensus was not** reached for the *Claims and Damages* process. The People's Panel do not have a position on this recommendation. **(25 supported the FC recommendation, 8 didn't support).**

Why is this expenditure important?

The *Vulnerable Customer Assistance Program* expenditure is important because it provides assistance to the most vulnerable members of South Australia's community.

The *Knock Before you Disconnect* expenditure is important because it provides access for vulnerable customers to access government or charity resources prior to any disconnection.

In terms of the *Claims and Damages process* – we provide the following summary of arguments made by Panel members both for and against SA Power Networks investment in this program.

Arguments against the Claims and Damages Process	Arguments for the Claims and Damages Process
- It is not the business of SA Power Networks to provide an 'insurance' model for appliances. It would be better for insurance companies to expand their policies to include such items. - Some people found it unfair for everyone to pay this 'mandatory insurance' cost, particularly vulnerable customers.	- This will help people who have suddenly been pushed into vulnerability by a large, unexpected cost of replacing appliances.

Noting the People's Panel did not support the Claims & Damages Program (funded by customers), it does encourage SA Power Networks to strongly advocate for this program to be run by Government.

We have not supported the *Community Energy Fund* because the proposal was not specific about where the money will be used which makes it difficult to support. In addition, work is already occurring regarding the installation of community batteries.

Critical Evidence

A trial of the small grants program has been undertaken with United Care Wesley Bowden which has proven successful. The vans have been used interstate and the feedback from that has also been positive.

Representations made by SACOSS provided insight into the hardships vulnerable customers face. There is difficulty identifying vulnerable customers prior to facing disconnection.

700 people a year are expected to be affected. Insurance companies often don't cover these faults.

Our thoughts on Implementation

For the *Vulnerable Customer Assistance Program*, the Panel felt as this is a non-core part of SA Power Networks business (charity), that SA Power Networks should provide 50% of the funding in this reset period to establish the projects suitability/efficacy. Our support for this initiative was contingent on it being 50% funded by SA Power Networks profits.

The Panel encourages SA Power Networks to advocate for the implementation of a Claims and Damages Program to be funded by the South Australian Government.

2. Energy Transition

1. Recommended Service Outcome/ Investment Option

Based on our consultations with Focussed Conversation attendees, SA Power Networks recommends investment in the following programs to continue to facilitate the transition to renewable energy in South Australia in the 2025-30 regulatory period.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
<i>Enabling distributed energy – export capacity – 95% service level (export customers only).¹ Out of scope</i>	<i>\$20.90 million</i>	<i>\$14.30</i>	<i>\$54.00</i>
In scope for deliberation	\$14.70 million	\$10.20	\$38.40
Encouraging flexible loads	\$2.80 million	\$1.20	\$9.60
Transitioning our vehicle fleet to electric vehicles (EVs)	-\$1.1 million	-\$0.70	-\$5.90
TOTAL cost per annum (in scope for deliberation)	\$16.4 million	\$3.90²	\$31.00²
TOTAL cost 2025-30	\$113 million³		

1. Under recent changes to the National Electricity Rules, we expect to recover the cost of adding new export capacity through export tariffs. This means the cost of our first program is recovered only from customers who export energy to the network, e.g. solar customers. There is no bill impact from this expenditure for customers who do not export energy to the network (e.g. customers without their own solar).

2. Note that total cost per annum bill impacts will not align to the sum of the initiatives due to the Enabling distributed energy costs shown only over export customers.

3. Note that total cost 2025-30 will not equal Total cost per annum due to Enabling distributed energy program costs.

The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Final Recommendation – Energy Transition

The People's Panel recommend that SA Power Networks includes in its Regulatory proposal to the AER investment in *Energy Transitions* in line with the recommendations made by the Focussed Conversation (as above).

(33 supported the above, 1 didn't support)

Why is this expenditure important?

This is important because it allows greater capacity in the network for future proofing. More solar results in greener electricity consumption and encourages transition to greener energy. Flexible loads allow us to be smarter with our use, not requiring any extra expenditure on network capacity.

We support this Focussed Conversation recommendation because -

- Continuing to enable solar users to export excess electricity for green future.
- It is important to sustainability and reliability of the SA Power Networks network.

- It will future proof the network in an affordable way
- Makes the network smarter to use through efficiency and flexibility.
- So the most vulnerable in our community are able to get the benefit of new technologies
- Allow future developments and policy. To not lock out new, improved technologies, which would lead to higher costs in the future.
- To get the planning right before further impacts of climate change, which is also a SA state objective to transition as fast as possible to renewables.
- Increasing demands of solar update and electric vehicles
- Increased capacity for higher electricity import from rooftop solar exports
- Encouraging flexible load to reduce the cost of electricity.

Critical Evidence

In arriving at this decision, we learnt / heard that the expansion of the system is required as SA Power Networks stated that further solar feeding back into the grid will exceed grid capacity.

And that as additional solar generators were added to the network, this would cause difficulties for stability of supply, which could result in power outages if not addressed. It would also result in domestic solar generators being curtailed, which is a waste.

Key Point

It should be noted that a large part of our discussion on this topic was about Export Tariffs, and this recommendation only relates to the increase in solar capacity of the grid.

Our views on Export tariffs is the subject of another report.



3. Reliability and Bushfire Safety (& Assets and Works)

1. Recommended Service Outcome/ Investment Option

The workshop participants are recommending to the People's Panel that SA Power Networks should invest to enable service provision in Scenario 2, Maintain with several additional New Value options.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
<i>Scenario 2: Maintain Reliability and Bushfire Safety. Out of scope</i>	<i>\$185 Million</i>	<i>\$32.20</i>	<i>\$252.20</i>
In scope for deliberation	\$41 Million	\$7.60	\$59.60
Bushfire Replacement Expenditure	\$7.5 Million	\$1.10	\$8.80
Regional Reliability Improvement	\$3.3 Million	\$0.50	\$4.00
Worst Served Customers Reliability Improvement	\$3.2 Million	\$0.50	\$4.00
Public Safety Power Shutoff	\$0.8 Million	\$0.20	\$1.80
TOTAL cost per annum (In scope for deliberation)	\$55.8 Million	\$9.90	\$78.20
TOTAL cost 2025-30	\$999 Million		

The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

1. Recommended Service Outcome/ Investment Option

The workshop participants are recommending to the People's Panel that SA Power Networks should invest to enable service provision in Scenario 3, New Value.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
Invest in IT to increase efficiency through improved asset management	\$8.90 Million	\$4.70	\$36.80
TOTAL cost per annum	\$8.90 Million	\$4.70	\$36.80
TOTAL cost 2025-30	\$44.5 Million		

The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Final Recommendation – Reliability and Bushfire Safety (& Assets and Works as an addendum)

The People's Panel recommend that SA Power Networks includes in its Regulatory proposal to the AER the investment in Reliability and Bushfire Safety (& Assets and Works) in line with the recommendations made by the Focussed Conversation Scenario 2 (Maintain).

(33 supported the above, 0 did not support)

Why is this expenditure important?

This is important because continuous electrical supply and inadequate bushfire prevention not only threatens SA Power Networks assets, it affects people's lives and well-being and can lead to life threatening situations. We are confident that the investment in Assets & Works is warranted at the level proposed as it improves SA Power Networks' ability to deliver the right services at the lowest cost.

Critical Evidence

In arriving at this decision, we learnt / heard that SA Power Networks works with all Councils and landholders to maintain their systems and equipment, it is important this is maintained for safety and cost reasons.

Implementation ideas

Underground wiring are expensive and carry their own risks with damage but are still being implemented in new suburbs. Retro fitting costs can be considered with customers, future forecasting cannot predict the effectiveness of the whole grid being underground. SA Power Networks has a vegetation guide that they use for new planting with Councils and landholders.

4. Network Resilience

1. Recommended Service Outcome/ Investment Option

The workshop participants are recommending to the People's Panel that SA Power Networks should invest to enable service provision to the level of Scenario 3, New Value.

The majority of stakeholders supported Scenario 3, New Value, as a prudent response to the community's concerns about network resilience which enables partnerships with other stakeholders.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
New mobile generators	\$2.7 Million	\$1.30	\$9.80
Co-fund community resilience projects	\$2.2 Million	\$1.00	\$7.90
TOTAL cost per annum	\$4.9 Million	\$2.30	\$17.70
TOTAL cost 2025-30	\$24.5 Million		

The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Final Recommendation – Network Resilience

The People's Panel recommend that SA Power Networks includes in its Regulatory proposal to the AER the investment in Network Resilience in line with the recommendations made by the Focussed Conversation Scenario 3 (New Value).

(29 supported the above, 3 did not support)

Why is this expenditure important?

This recommendation is important because it provides an alternative source of power for regional and remote customers, who are disproportionately at risk, as well as rapid response to customers in extreme circumstances, enabling essential services.

Critical Evidence

In arriving at this decision, we learnt / heard that SA Power Networks is looking to partner with government bodies, energy retailers and emergency services to fund community resilience projects like micro grids or community batteries.

Remote areas find themselves at more at risk because their energy comes through a single line, so having mobile generators can support them in the event of an outage.

Implementation Recommendations

In implementing this SA Power Networks should work with regional and remote communities and their representatives to decide on the best option for that area. We encourage SA Power

Networks to continue to explore greener options for mobile generators. In addition, we would like to see a mechanism to ensure transparency of the investment and accountability of the funding – so that we can have confidence where it has been spent and its impact.



5. Security of Supply (Capacity)

1. Recommended Service Outcome/ Investment Option

The workshop participants are recommending to the People's Panel that SA Power Networks should invest to enable service provision in Scenario 2, Maintain.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
Maintain long term security of supply to current standards.	\$41.2 million	\$6.90	\$54.00
Out of scope	\$36.8 Million	\$6.20	\$48.50
In scope for deliberation			
TOTAL cost per annum (In scope for deliberation)	\$36.8 Million	\$6.20	\$48.50
TOTAL cost 2025-30	\$206 Million		

The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Final Recommendation – Security of Supply

The People's Panel recommend that SA Power Networks includes in its Regulatory proposal to the AER the investment in Security of Supply (Capacity) in line with the recommendations made by the Focussed Conversation Scenario 2 (Maintain).

(31 supported the above, 1 did not support)

Why is this expenditure important?

This is important because our population continues to grow and the distribution of this population is changing. Securing supply is a really important service.

New and growing communities need to be able to access reliable power.

In addition, the way we use power continues to change with uptake of electronic devices (e.g. Electric vehicles, batteries, smart devices, etc), but we still need to secure supply of energy to our whole community, regardless of these changes.

Evidence

In arriving at this decision, we learnt / heard that this covers the funding of new transformers and sub-stations in growing areas (such as Aldinga, Gawler and Mt Barker) to provide reliable electricity.

6. CBD Reliability

1. Recommended Service Outcome/ Investment Option

The workshop participants are recommending to the People's Panel that SA Power Networks should invest to enable service provision in Scenario 2, Maintain.

All stakeholders strongly supported Scenario 2, Maintain, as the minimum level of investment for the 2025-30 period to achieve ESCOSA reliability targets and stop a further decline in reliability.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
<i>Scenario 2: Maintain. Out of scope</i>	<i>\$6.3 Million</i>	<i>\$1.00</i>	<i>\$7.80</i>
In scope for deliberation:			
11,000V cable replacement (~13%)	\$10.9 Million	\$1.70	\$13.50
Feeder automation and remote customer monitoring devices	\$5.8 Million	\$1.8	\$14.00
33,000V cable replacement	\$1.2 Million	\$0.20	\$1.4
TOTAL cost per annum (In scope for deliberation)	\$17.9 Million	\$3.70	\$28.90
TOTAL cost 2025-30	\$130 Million		

The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Final Recommendation – CBD Reliability

The People's Panel recommend that SA Power Networks includes in its Regulatory proposal to the AER the investment in CBD Reliability in line with the recommendations made by the Focussed Conversation Scenario 2 (Maintain).

(32 supported the above, 1 did not support)

Why is this expenditure important?

This is important because:

1. The CBD is vital as a business hub for the state, this would be critically impacted by poor reliability for power.
2. Critical and unique infrastructure is in the CBD, such as hospitals and headquarters.
3. The CBD is part of the life of many SA residents, there would be significant impacts to our lived experience without CBD reliability.

The assets are aging, which introduces additional operational risk of failure. Aging assets may introduce increased Work Health and Safety (WHS) risks during replacement and maintenance.

Evidence

In arriving at this decision, we learnt / heard from SACOSS. SACOSS asked us to consider whether we needed to spend this money - but we are convinced that we are (as per our above summary about the importance of this investment).

Option 3 was considered by the Panel but viewed as unnecessary expenditure.

Implementation ideas

Our ideas for how this could be implemented are...

- SA Power Networks should explore the opportunities to collaborate with other organisations (e.g. Telstra, NBN, SA Water, building developments) in order to reduce disruptions and reduce costs. As a next step SA Power Networks need to prepare a proposal to work with other partners to coordinate work.
- Any upgrades or modifications to the grid as part of this initiative should be designed to be future proof.

Noting that this is a forward estimate, SA Power Networks should be required to demonstrate that the budget has been genuinely spent (in line with this recommendation).



7. IT Cyber Security

1. Recommended Service Outcome/ Investment Option

Workshop participants are recommending to the People's Panel that SA Power Networks should invest to support Cyber Security capability Option 2 – Maintain.

The IT Focussed Conversation did not seek endorsement of the whole IT investment program. In addition to reviewing the cyber security capability requirement, it was to inform participants of the investment needed to maintain existing IT services, and to highlight the specific IT funding required to support/enable initiatives recommended from the other Focussed Conversation topics.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
Cyber Security: Maintain compliance	\$8.7 Million	\$5.30	\$41.60
TOTAL cost per annum	\$8.7 Million	\$5.30	\$41.60
TOTAL cost 2025-30	\$43.5 Million		

Option 3: New Value (Advanced)

- Stakeholders generally believed that SA Power Networks should not have a mandate to exceed expected legislative requirements (AESCSF SP3)
- While stakeholders were cognisant of the relatively modest increase in the cost of option 3 relative to option 2, they considered that the accumulation of these 'additional' costs were adding to a total investment level that would place too great a burden on customers.

Our Recommendation

The People's Panel does **not agree** with the recommendation made by the Focussed Conversation.

The People's Panel instead recommend that SA Power Networks includes in its Regulatory proposal to the AER the investment in IT / Cyber Security in line with Option 3 (New Value) explored by the Focussed Conversation.

(30 supported the above, 3 did not support)

Why is this expenditure important?

The consequences of inadequate spending on Cyber are catastrophic, and we are not willing to accept this risk as a community.

This is important because the Panel felt that AESCSF SP3 was not as high a standard as that employed in Europe and the United States, therefore we are seeking a more comprehensive Cyber defence level.

The Panel noted the importance of cyber security in one of the most critical pieces of infrastructure in the state.

Inadequate spending on cyber security could be catastrophic, therefore a cautious approach has been taken.

The process for SA Power Networks seeking funding is relatively slow. If Cyber security is underinvested it may be too late to seek appropriate investment when it is later required.

Evidence

In arriving at this decision, we learnt / heard that AESCSF SP3 was recommended by the government for this critical infrastructure.

Based on expert opinion provided by SA Power Networks cyber staff, the Panel is unsure of whether the AESCSF 3.0 framework is sufficient to appropriately protect the infrastructure to the level that customers will expect.

It was noted that SA Power Networks use of smart technology allows for threat actors to enact greater control.



8. Property

1. Recommended Service Outcome/ Investment Option

Based on our consultations with Focussed Conversation attendees, SA Power Networks recommends investment in the following programs to continue to facilitate the transition to renewable energy in South Australia in the 2025-30 regulatory period.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
<i>Building renewal program and asset replacement. Out of scope</i>	<i>\$15.7 Million</i>	<i>\$3.10</i>	<i>\$24.80</i>
In scope for deliberation	\$1.5 Million	\$0.30	\$2.30
Transformer Workshop and Storage	\$5.4 Million	\$1.10	\$8.60
TOTAL cost per annum (In scope for deliberation)	\$6.9 Million	\$1.40	\$10.90
TOTAL cost 2025-30	\$113 Million		

The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Final Recommendation – Property

The People's Panel recommend that SA Power Networks includes in its Regulatory proposal to the AER the investment in Property in line with the programmatic recommendations made by the Focussed Conversation (as above). **(30 supported, 2 did not support)**

Why is this expenditure important?

This is important because it is a critical part of SA Power Network's service and maintaining property is essential. It is also important to keep work local because it reduces work time and provides employment. Having purpose-built facilities provides safer workspaces as well.

Evidence

In arriving at this decision, we learnt / heard that the Marlestone site will have unused portions sold off and essential services retained.

A transformer workshop and oil-filled equipment storage is currently not existent. Without these improvements SA Power Networks will not be meeting building code and safety compliance requirements.

Implementation

We think that existing SA Power Network properties should be reviewed for appropriate terms of use.

9. Vegetation management

1. Recommended Service Outcome/ Investment Option

Based on our consultations with Focussed Conversation attendees, SA Power Networks recommends investment in the following programs to continue to facilitate the transition to renewable energy in South Australia in the 2025-30 regulatory period.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
Undergrounding in High Bushfire Risk Area	\$16.2 Million	\$2.60	\$20.00
Sapling removal program	\$1 Million	\$0.60	\$4.80
Woody weed removal program	\$2 Million	\$1.20	\$9.50
TOTAL cost per annum	\$19.20 Million	\$4.40	\$34.30
TOTAL cost 2025-30	\$96 Million		

The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Final Recommendation – Vegetation Management

The People's Panel recommend that SA Power Networks includes in its Regulatory proposal to the AER the proposed investment in the removal of woody weeds and saplings in line with the recommendations made by the Focussed Conversation.

However, the Peoples Panel **do not support** the proposed investment in Undergrounding in high bushfire risk areas - as proposed by the Focussed Conversation.

(30 supported the above, 3 did not support)

Why is this expenditure important?

The Panel has considered vegetation management to be critically important for our environment. We want to ensure we have careful balance and management of vegetation. The Panel does not support wide-scale clearance.

If not done correctly this will have an impact on delivery of SA Power Networks services. However, this needs to be balanced against economic cost, and undergrounding in high bushfire risk areas did not represent good value for the investment.

Evidence

In arriving at this decision, we considered that the process for woody weed removal was supported by the SA government and SA councils. SA Power Network's ability to perform vegetation clearance has been improved following legislation changes in 2021. The Panel are confident that in the long run this is more cost effective, and the alternative is short sighted.

The Panel was presented with evidence that undergrounding costs were significant.

Further SA Power Networks recommended against the undergrounding in their response to the Focused Conversations, noting that it did not provide a good return on investment.

Implementation

Vegetation management must be considered holistically and SA Power Networks need to be discerning on what they remove. It would not be appropriate for SA Power Networks to take a “clear earth” policy with regard to vegetation.



10. Customer Experience and Interactions

1. Recommended Service Outcome/ Investment Option

Based on our consultations with Focussed Conversation attendees, SA Power Networks recommends investment in the following programs to continue to facilitate the transition to renewable energy in South Australia in the 2025-30 regulatory period.

Program	Program cost per annum	Residential bill impact (average \$ annual)	Business bill impact (average \$ annual)
Customer Service Measures and Incentives	-	-	-
Energy Advisory	\$4.8 Million	\$3.10	\$24.30
Personalised and on Demand Services	\$10.60 Million	\$7.60	\$59.80
Connections Policy, Procedure and Charges ¹	-	-	-
TOTAL cost per annum	\$15.4 Million	\$10.70	\$84.10
TOTAL cost 2025-30	\$77 Million		

1. Proposed policy change for a revised pricing methodology for connections works in the 2025-2030 period. The numbers supplied are forecasts and will be updated in response to stakeholder input and external market influences over time and are based on Budget Forecast Iteration #3. Our final numbers will be provided in our 2025-30 Regulatory Proposal to be lodged with the AER in January 2024.

Final Recommendation – Customer Experience & Interactions

The People's Panel do not support SA Power Networks including *the Energy Advisory Service*, in its Regulatory proposal to the AER. **(29 do not support, 5 support)**

Regarding the *Personalised and on demand services*, the People's Panel did not come to a consensus on this recommendation. **(24 supported the FC Recommendation, 9 did not support)**

Why we came to this conclusion?

Customer service matters, however, the investment also needs to be cost effective.

We were undecided on *Personalised and on demand services*. The arguments for and against investment in *Personalised and on demand services* were as follows -

Arguments against Personalised and on demand services	Arguments Personalised and on Demand Services
• We think a cheaper option could be achieved – SA Power Networks could spend less. • The proposed approach from the Focussed Conversation felt like it was ‘gold plating’ the service. • We need to reduce costs. • SA Power Networks is a monopoly provider – so does this make any difference? • Our direct relationship is with our energy retailer – so why do we need to improve the customer service aspects of SA Power Networks? • We are happy with the SMS system.	• Agreed with SA Power Networks argument that SA Power Networks needs to provide a level of service in line with that provided overseas and in line with other relevant businesses.

Evidence

We heard that the Panel’s direct experience is mainly with the retailers and this recommendation was more relevant to business and corporate customers to have ease of access.

Importantly, SMS notifications and current communication will not be impacted by this decision.

Implementation

We don’t have any specific ideas about how this recommendation can be implemented. They should just leave the system as it is, as it is currently functional.

The *Energy Advisory Service* should be provided by government, not be resolved by a private business.

Other matters of importance to us!

These matters of importance were identified by individuals on the Panel – they were not tested or rated by the Panel as a whole.

A small group of Panel members organised the issues identified by individuals into themes, and this is what is presented here.

The Peoples Panel identified Smart Meters as the most important issue not dealt with by the Focussed Conversations that Panel members felt SA Power Networks needs to address.

1. Smart Meters

The Panel members identified the following specific issues in relation to Smart Meters -

- Who gets them and when?
- How can the supply chain issues be resolved?
- Need for community education.

2. Advocacy

The next most important issue identified by Panel members relates to how SA Power Networks works with other third parties to advocate for a better customer experience and outcome. The Panel identified the following areas for SA Power Networks advocacy-

- ElectraNet (SA's Electricity Transmission Network Service Provider) – regarding reliability of supply from interstate.
- Retailers – regarding itemised billing (knowing costs will enable accountability and empower savings decisions by customers).
- The need for one body for customers to go to for good advice.
- Regional coalitions – to enable community ownership of assets / generation.
- State Government – government should match the claims and damages program and or underwrite the risk.

3. Tariffs and Solar Panels

- Feed in and export – members identified different views about export tariffs and roles and responsibilities for who should be responsible for system upgrades.
- Recycling solar panels – the need for a system to recycle.
- Impact on the grid.

4. Electric Vehicles

- There is a need for more charging stations to reduce the number of people charging at home at 6pm.
- Electric Vehicles will have an impact on the grid – we need to utilise them to improve efficiencies and savings.

5. Additional reflections from panellists

A few additional points were made by several members –

- *“The status quo we have been living with is no longer meeting the demands on the system. Upgrade across the board is needed to facilitate supply without that we will all be vulnerable to a lack of supply”.*
- *“Not all money to fund the future maintenance / upgrades / projects should be funded by the customer.”*
- *“Pride in the State of SA – keeping up and ahead with new developments and not leaving anyone behind. Promoting ourselves worldwide as continuing to develop and function effectively”.*

