Minutes

Reset Advisory Group

Meeting 2

Meeting Details

Organiser	Alex Lewis
Date	Tuesday 21 May 2025
Time	9.30pm – 12.30pm
Location	172 Richmond Rd, Marleston

Members

Chris Marsden, Chair
Matt Curnow (RAG Rep on CAF)
Adam Davidson (Deputy - RAG)
Georgie Morris
Mike Leane
Wendy Starr
Pawan Verma
Jason Huang
Cathi Buttfield

SA Power Networks (SAPN)
Jessica Morris, Chief Customer & Strategy Officer
Alex Lewis, Reset Engagement Manager
Kylie Lush, Minute Secretary
Richard Sibly, Head of Regulation
Megan Grey, Head of Communications & Engagement

Guests/Presenters
Helen White, SA Power Networks
Mark Vincent, Asset Management & Ops COO SAPN
Liam Mallamo, Industry Development Lead, SAPN

1. **Recurring Ordinary Items**

1.1. Welcome and acknowledgement of country
Adam as Acting/ Deputy Chair welcomed everyone to the meeting and acknowledged the traditional owners of the land.

1.2. Present & Apologies – Apologies from Pawan Verma, Jessica Morris, Wendy Starr, Chris Marsden, Cathi Buttfield were noted.

1.3. Previous minutes & Actions - Minutes from the previous meeting were circulated to members and accepted as an accurate representation of the meeting.

2. **Implication of the low-voltage Network Visibility Phase 3 Report**

Liam provided an overview of the Low Voltage Network Visibility Program which aims to improve third-party access to network data, including consumers, community groups, developers and retailers.

The Energy Security Board (ESB) has been driving this initiative, with a focus on transparency and efficient data use.

Key Recommendations from the AER

- Rule Changes: Mandate networks to collect, use and publish data transparently. Energy Consumers Australia has already lodged a rule change proposal, the 'Integrated Distribution System Planning

rule change' to enforce this. The group asked if SAPN had a position on the proposed rule change? SAPN is supportive but it was noted that the plan covers a lot and would need to replace the DAPR.

- Performance Metrics: Publish transparent network performance metrics to incentivise DNSP's to improve efficiency, particularly for export services.
  Discussion on the challenges of calculating export performance due to limited smart meter data. Current smart meter penetration is approximately 40%, with mandatory rollout to all customers by 2030. Georgie asked the difference between solar and non-solar smart meters – 71% of solar customers have smart meters.
- Incentive Schemes: Explore financial incentives for DNSPs to improve export services and network utilisation.
  The AER has introduced an optional Export Service Incentive Scheme, but SA Power Networks is cautious about opting in due to data limitations.
- Innovation: Encourage DNSPs to innovate in data collection, usage, and sharing.

Challenges with Data and Smart Meters

- Limited access to smart meter data due to ownership by third parties and associated costs.
- By July 2026, networks will have free access to smart meter data, significantly improving visibility.
- Current reporting relies heavily on modelling and estimates, which will be replaced with real data as smart meter penetration increases.
- The group highlighted the importance of data to assist in decision-making.

Network Utilisation and Future Planning

- The AER is considering whether DNSPs should be incentivised to improve network utilisation, including both import and export capacity.
- Georgie queried why networks needed to be incentivised to deliver good customer outcomes. Mark provided an overview of the rationale behind incentive schemes and noted there were some well-designed and less well-designed schemes.
- Current utilisation metrics are static and do not account for dynamic factors like solar exports or behind-the-meter consumption.

SA Power Networks highlighted the need for granular data to measure and report on utilisation effectively.

Innovation Fund Projects

- SAPN has proposed two key projects under the Innovation Fund:
  - **Local Flexibility Marketplace:** A platform to publish network constraints and allow third parties to provide solutions.
  - **Shared Market Flexibility:** Leveraging flexible export systems to reduce the cost and complexity of running virtual power plants (VPPs).
- An Innovation Advisory Group has been established, and this group will play a role in providing customer input and informing project prioritisation for the fund.

EV Charging and Flexible Demand

- The group discussed the potential for EV charging and other flexible demand solutions to improve network utilisation.
- The importance of customer flexibility was emphasised to avoid costly network upgrades.

Matt commented that as a solar provider, each year they need to pay for network planning and studies that are quite costly. The group discussed if this information is being used effectively and whether the

information informs broader planning.
Liam noted that all this data will eventually be available and automated over the next 5 years.

3. **Reset Regulatory Proposal Update**

3.1 Final Determination Update – Richard provided an update on SA Power Networks final regulatory determination. The AER released its final decision for the 2025-2030 regulatory period at the end of April. SA Power Networks revised proposal was $5.168 million, with the AER approving a slightly higher $5.180 million due to external factors such as lower inflation and higher weighted average cost of capital forecasts.

SA Power Networks communicated the final determination outcomes through internal communications, Advisory Groups, and externally through the Talking Power Newsletter.
No media release was required due to no significant media interest.

The role of the Reset Advisory Group will be to help co-design the engagement process for the next Reset 2030-2035.

Discussion:

- Richard highlighted the challenge of balancing funding cuts with commitments to customers, particularly for reliability and asset replacement programs.
- Noted the need to decide whether to prioritise automation (to reduce the impact of failures) or asset replacement.
- A question was raised about the implications of the AER's decision on growth forecasts.
- Clarified that revenue is fixed, and any growth in demand would not result in increased revenue for SAPN but could reduce customer prices.
- Reflected on the potential impact of increased battery uptake (Labor's battery scheme) and flexible demand on peak demand growth.
- Highlighted the importance of efficient investment in assets to manage demand and support vulnerable customers.

3.2 COO reflections on the Regulatory Determination – Mark

Mark shared his reflections on the AER's final regulatory determination, acknowledging the significant time and effort invested by the Reset Advisory Group and other advisory groups throughout the process. Focus has now shifted to the implementation of the proposal, considering what SA Power Networks will deliver over the next five years and the service outcomes to be targeted in collaboration with customers.
Georgie questioned actual spend in this period and noted that SAPN has received considerable funds to invest on the network over 2025-30. Mark expressed concerns about the current trajectory of spending, particularly in relation to augex and escalation of material and labour costs. CBD reliability and underlaying reliability are also areas of concern.
He raised the question of whether adjustments, such as scaling back recruitment, may be necessary to ensure the organisation remains within its capital budget constraints.

4. **Innovation Advisory Group Update**

Alex provided an update on the newly established Innovation Advisory Group (IAG), highlighting that the group's first meeting is scheduled for 26 May. The committee members were finalised following the conclusion of the Expression of Interest (EOI) process in March 2025. Alex also shared that the Innovation Fund secured $20 million in funding in the Final Determination. Adam Davidson and Chris Marsden will represent the RAG.

Each advisory group will have a dedicated Innovation Manager attending advisory group meetings as required. This will allow advisory groups to contribute initiatives and ideas, fostering collaboration and discussion at the IAG. Add as an agenda item for the next RAG meeting.

5. Sales Trends Update & Outcomes for Pricing 2025-26

Helen noted the feedback on customer impact analysis is being addressed and will be delivered at the August meeting.

Pricing for 2025-26 has been lodged with the regulator, with approval expected by the end of this week. The Default Market Offer (DMO), which sets benchmark prices for the total retail stack is anticipated to be released next week also.

- A warm summer with 26 days over 35 degrees (compared to 14 days in 2023-24) has driven higher consumption, helping achieve a zero-under-recovery position.
- Weather-adjusted data shows a return to normal consumption patterns after abnormally low usage in 2023-24.
- Business consumption is less weather-sensitive and is trending back to pre-COVID levels, reflecting a positive trajectory for the state.
- Export charges will be implemented from 1 July 2025, with a 1 cent/kWh charge above the free export threshold for internal meter customers.
- The Tariff Structure Statement for 2025-30 has been approved with minor tweaks. Implementation will focus on export tariffs, flexible tariffs and customer communications.
- A dedicated webpage with FAQs and an explainer video on export tariffs has been developed by SAPN, whilst retailers have not been very forthcoming in their communication plans.

Discussion:

Clarifications were provided on metering costs, wholesale cost increases, and the impact of export tariffs. Helen's team is monitoring customer feedback and retailer responses to ensure effective communication and implementation.

55% of customers now have an interval meter. Of that cohort, another 55% of those have solar or battery. 71% have a smart meter.

6. Post Implementation Review – SAPN led and Customer led

Alex discussed the SA Power Networks led and customer led post implementation review. The focus for the customer led review was to examine what is an efficient and effective level of engagement for regulatory resets. The proposal was to identify similar or overlapping issues with consumer engagement processes in SA, Queensland, and NSW.

The idea was to use SA Power Networks as a case study and provide significant feedback for a review. There was no commitment from the AER to review better resets Handbook.

Initial engagement with ECA in March was positive, but they later declined to support the review. It was noted this outcome was disappointing and the group still supported a customer led review.

The group discussed potential options moving forward, including running workshops with other jurisdictions, or having another jurisdiction lodge an application. In addition, as part of the SAPN led review a few stakeholder interviews will be undertaken which will provide the opportunity for feedback.

Chris/Alex to discuss further and look at options to progress.

7. Other Business & Roundtable

CAF Update – Alex noted the presentation at CAF from the Customer Programs team on upgrading the website and aligning the strategic plan with customer outcomes.

Aligning the strategic plan with the Reset Advisory Group agenda items was also noted.

Actions Arising		Status
Customer led PIR and options	Alex	In progress
Invite James/ Michelle to next meeting to provide overview of the Innovation Framework IAG	Kylie	In progress

Meeting closed at 12.18pm

Next meeting 20 August, Online