

# Agenda and Overview

## Tariffs: Enabling the Energy Transition (Residential & Business)

**Venue:** Rydges Adelaide, 1 South Terrace  
14 September 2022, 9.30am – 1pm

### Agenda

| Time              | Item                                                                                                                                                                                       |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9.15-9.30am       | <b>Arrival and Coffee</b>                                                                                                                                                                  |
| 9.30-9.45am       | <b>Welcome and Introductions</b> <ul style="list-style-type: none"> <li>Welcome and Acknowledgement of Country</li> <li>Recap: Workshop 1 &amp; 2</li> <li>Overview: Workshop 3</li> </ul> |
| 9.45am – 10.05am  | <b>Scene Setting: Enabling the Energy Transition</b>                                                                                                                                       |
| 10.05am – 10.35am | <b>INVOLVE- Residential</b> <ul style="list-style-type: none"> <li>Electrify Tariff</li> </ul>                                                                                             |
| 10.35am – 10.45am | <b>Break</b>                                                                                                                                                                               |
| 10.45am – 11.15am | <b>INVOLVE – Residential</b> <ul style="list-style-type: none"> <li>Diversify Tariff</li> </ul>                                                                                            |
| 11.15am – 12.50pm | <b>INVOLVE – Business</b> <ul style="list-style-type: none"> <li>EV Charging Stations   Small Business Time of Use Demand</li> <li>Flexible Tariffs</li> <li>Generation Tariffs</li> </ul> |
| 12.50 – 1pm       | <b>Wrap up</b> <ul style="list-style-type: none"> <li>Final questions, comments?</li> <li>Next steps, close</li> </ul>                                                                     |
| 1pm               | <b>Lunch (optional)</b>                                                                                                                                                                    |

## Focussed Conversation Overview

This Focussed Conversation (workshop) is the third in the Tariffs stream in Reset 2025-30 engagement, focussing on ***Tariffs: Enabling the Energy Transition (Residential and Business)***.

Invitees include key stakeholders and customer representatives from SA Power Networks' existing Tariff Working Group, Solar Industry Reference Group, Community Advisory Board (CAB) and CAB Reset Sub-Committee, along with observers from the Australian Energy Regulator (AER) and AER Consumer Challenge Panel (CCP30).

## Purpose

The purpose of Workshop 3 is for participants to:

- Understand what the Energy Transition means for SA Power Networks, stakeholders and customers
- Understand and discuss the merits of an opt-in residential network tariff which supports the electrified energy future
- Understand and discuss the merits of incentivising flexibility for both residential and business stakeholders and customers
- Understand Small Business Time of Use Demand tariff structure and the implications for EV Charging Stations
- Understand and discuss the merits of generation tariffs when connecting at the Sub Station and Sub Transmission parts of the distribution network.

Feedback from Workshop 3 will be used to finalise proposed tariff offerings which support the energy transition for discussion and endorsement at Workshop 4, and will inform the final report for the deliberative People's Panel later this year.

## Background: The Energy Transition

As South Australia's electricity distribution network operator, SA Power Networks has a key role to play in supporting and enabling the energy transition that is already well underway. South Australia leads the nation with the highest uptake of rooftop solar per capita, and more than 63% of the State's energy needs were met by renewables by 2021.

The way we plan, build and operate the network is changing as the grid evolves into an increasingly distributed, two-way energy system. We are developing innovative solutions to help manage our network, enable more solar, and facilitate new energy services, while also making sure we continue to provide a safe, reliable and affordable network to act as a solid foundation for the new energy future.

As we move to an electrified future, the challenge for SA Power Networks is maximising the existing network (avoiding augmentation) while supporting our customers' changing energy needs and ultimately enabling mutually beneficial outcomes for both.



## This Focussed Conversation

### Electrify and Diversify

We know that electrification of people's homes will only increase into (and beyond) the 2025-30 regulatory period. A key driver of this will be the take-up of Electric Vehicles (EVs), which is expected to significantly grow in-line with the Australian government's target of 50% of new vehicles to be electric by 2050, along with other home features including heat pumps, energy storage (batteries) and 'smart' electric appliances.

In the current regulatory period (2020-25), we have two tariff trials underway which have been developed to help us better understand our customers and how we can support them and our network in the new energy future:

- **Electrify** is a tariff for people who have above-average energy consumption and flexible (e.g. charging can be programmed to specific times) appliances which would allow them to optimise their usage outside peak demand periods. Electrify is structured to provide more opportunities to access lower cost electricity outside of the distribution network's peak period. The tariff includes 20 hours of the day at cheaper pricing, with a peak of four hours (5pm – 9pm).
- **Diversify** incentivises customers with an EV – via a daily rebate – to allow SA Power Networks to orchestrate the charging of their EV (through a smart charger) and occasionally limit it on rare occasions when the distribution network has limited capacity. This enables SA Power Networks to diversify the EV charging load across the distribution network.

Workshop 3 participants will be asked to consider:

- Do you agree that we should keep the existing Electrify and Diversify tariffs into the 2025-30 period?
- Are there better options to support a pathway of electrification which addresses customer and stakeholders' needs whilst balancing the needs of the future distribution network?
- Is there anything else you need to make a decision on these tariffs at Workshop 4?

### EV Charging Stations: Small Business Time of Use Demand

As the uptake of EVs continues, it is important that we can manage this load in its entirety on our distribution network. We know there will be a number of businesses wanting to install EV charging stations across South Australia, which can be anywhere between 500 and 750 kVA demand on the distribution network. Whilst these charging stations have high demand requirements it is expected that they will have relatively low usage until EV penetration increases and more vehicles require public charging facilities.



## Flexible Tariffs

We are focussed on maximising the utilisation of the existing distribution network by incentivising Large Business customers to be flexible in their consumption behaviour. Large Businesses who can be flexible with their demands could access a 50% reduction in their network tariff for the demand which is nominated as flexible. Flexible demand means that the demand is not guaranteed however there this risk is rewarded through a tariff discount.

Currently there are flexible demand tariff trials underway in 2022-23 to inform our thinking for the Tariff Structure Statement.

Workshop 3 participants will be asked to consider:

- Do you think the tariff structure is appropriate to encourage flexibility and therefore increase utilisation of the distribution network?
- Is there anything else you need to make a decision on these tariffs at Workshop 4?

## Generation Tariffs

In the current regulatory period (2020-25), SA Power Networks has two tariffs available for Large Business generation customers at Low Voltage and High Voltage. With the advent of new technologies such as large grid scale batteries, there is a need for new tariffs in the Substation and Sub-transmission tariff classes levels to reflect a generation offering at all voltage steps in the Large Business tariff classes.

At Workshop 3, participants will be asked to consider:

- Do you agree that we should have Substation and Sub-transmission tariffs in the 2025-30 regulatory period?
- Is there anything else you need to make a decision on these tariffs at Workshop 4?

## Next Steps

Following Workshop 3, we will complete analysis and respond to feedback/questions to bring back to Workshop 4 (28 September, 9.30am – 1pm) for participants to discuss and endorse.

***Tariffs: Enabling the Energy Transition – Export Tariffs*** engagement sessions will be scheduled for October-November 2022 (dates to be confirmed).

