



Supporting  
document 0.7

# MDC Planning and Directions Workshop Report

2020-2025  
Regulatory Proposal  
October 2017





# SETTING DIRECTIONS

Report  
Planning Workshop and Directions Workshops  
(July-August 2017)

elements of  
SA Power Networks' Regulatory Reset Engagement Approach

Prepared by



for



October 2017

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## Executive Summary

This report serves as a record of the initial Planning Workshop held on 11 July 2017 and the subsequent Directions Workshops held at various locations around South Australia during August 2017.

These workshops formed part of a broader, phased, engagement program designed to involve customers in the early stages of the development of the SA Power Networks' (SAPN) Regulatory Proposal for 2020-25. The Directions Workshops took place as part of *Phase 2* of this process. The themes explored in the workshops were determined by initial customer research and stakeholder discussions that took place in *Phase 1*. The findings of the Directions Workshops will then inform future engagement in the later stages of this customer engagement program as set out in the *Draft 2020-2025 Regulatory Reset Engagement Approach*.

The over-arching purpose of the Directions Workshops was to:

*“Use innovative engagement methods in delivering a series of workshops with residential and business customers and stakeholders, to:*

- *deliberate on specific engagement themes*
- *understand customer and stakeholder preferences and priorities”<sup>1</sup>*

To this end an initial Planning Workshop involving key stakeholders, and seven regional and stakeholder workshops, were conducted to set directions for subsequent engagement activities.

The Planning Workshop was attended by Customer Consultative Panel (CCP) and Reference Group (RG) members. In keeping with the event objectives, a number of changes were made to both the engagement approach generally, and workshop content specifically, as a result of the advice provided.

The Directions Workshops that followed were attended by a total of 134 people – 54% residential and 46% business/government customers<sup>2</sup>.

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<sup>1</sup> Draft 2020-25 Regulatory Reset Engagement Approach

<sup>2</sup> Residential customers refers to householder customers, who were individuals drawn from the community and invited to participate in the workshops. Business/government customers refers to non-residential customers and includes local government, consumer group representatives, renewable energy advocates and industry stakeholders.

The workshops were held in Renmark, Port Augusta, Mount Gambier, Port Lincoln, Adelaide and Adelaide Hills, plus, at the end of the series, a seventh held in Adelaide again involving the CCP and RG members who participated in the initial Planning Workshop of 11 July 2017.

Each Directions Workshop involved a number of orientation and capacity building elements, including setting clear expectations of participation, building an inclusive culture and expanding the knowledge of attendees to ensure they could fully participate in the engagement process. This was then followed by specific activities to glean advice or direction from participating customers on the three priority themes of the engagement process: *Network price*, *Network reliability and resilience* and *Network of the future*.

The orientation and capacity building elements encompassed:

- Asking participants how they would know they were being listened to and how they would make sure everybody had a chance to contribute;
- Providing an introduction to SAPN, the broader network, customer bills, the regulatory framework for the industry and the engagement process overall; and
- Creating specific time and space for questions to be generated by participants and answered by relevant, senior SAPN staff. No questions were “off limits”. SAPN’s team<sup>3</sup> included executive and expert staff to ensure customer input was heard at the highest level.

For each of the priority themes this meant:

- **Network price** – Providing information about pricing structures and components, then asking people to discuss the concept of an indicative base case and a number of different scenarios, as well as their thoughts and expectations in relation to SAPN and how it should manage network price. Details of the relationship between SAPN expenditures on indicative improvement programs and likely network retail bill inputs were explored.
- **Network reliability and resilience** – Briefing participants and then asking them to explore key questions around the topics being considered: *Acceptable level of reliability for all customers*; *Restoring power when outages occur*; *Accurate and timely outage information*; *Payments if reliability standards aren’t met* (ie Guaranteed Service Level Scheme - GSL); *Regional and poorly served customers*; and *Managing bushfire risk* (Adelaide Hills, Mount Gambier and Port Lincoln and CCP & RG workshops only).
- **Network of the Future** – After presenting some of the future possibilities relating to the uptake of new technologies, participants were asked: Should SA Power Networks support the uptake of the described new technologies and, if investment is required, who should pay?
- **Informed advice** – At the end of the day people were asked for their informed advice about how SAPN should set its priorities, which included ranking the three key themes, or suggesting others.

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<sup>3</sup> Rob Stobbe (CEO), Wayne Lissner (Acting General Manager, Corporate Strategy), Sue-Ann Charlton (General Manager, Customer Engagement), Joe Caruso (Major Customer Manager), James Bennett (Manager, Regulation), Dannielle Kurbatfinski (Reset Expenditure Team Leader), Jessica Vonthethoff (Stakeholder Engagement Lead), Lisa Ibro (Project Coordinator), Mark Vincent (Manager, Network Strategy), Doug Schmidt (General Manager, Networks), Valli Morphet (Stakeholder Engagement) and a range of staff from various depots.

A set of headlines from customer deliberations has been developed for each specific engagement theme and these are presented below.

### Network price

**Price impacts are felt most powerfully by vulnerable residential customers and some business customers.**

- Customers are willing to pay for safety and reliability.
- Customers asked SAPN to try to achieve the lowest possible price while maintaining satisfactory service levels through efficiency and innovation.

### Network reliability and resilience

**Of the three themes this emerged as the highest priority for customers.**

- The greatest level of support for any increased investment was for ensuring *Acceptable levels of reliability for all*.
- Within this theme, customers indicated least support for investment in *Payments for when reliability standards are not met* (ie the Guaranteed Service Level Scheme).
- If price is to increase for greater reliability, customers wanted to be made aware of where the extra funds would be spent.
- Different sectors have different expectations and needs in terms of reliability of supply and customers are looking for a system that can accommodate this.
- The majority of customer votes supported example programs that would involve some increased investment in *Network reliability and resilience*.

### Network of the future

**Most customers supported moderate to high levels of investment in preparing the network for expanded uptake of solar photovoltaic (PV) generation and other new technologies.**

- Customers clearly indicated that renewables are essential, and appreciated that they are already impacting on the network. They believed SAPN's planning needed to reflect this.
- There is broad support for increased renewables (including solar PV) and storage.
- Customers preferred dynamic limits on solar exports, but only at times when the network is under stress, rather than restricting solar PV installation or widespread infrastructure upgrades.
- Customers understand that the rapidity of technological change may impact on price and reliability and felt that SAPN should be responding to these changes now.
- Environmental factors (climate, extreme weather events) are more important to customers now than they were in the past.

Customer **preferences and priorities** were invited at the end of each workshop after a day of informing and involving by SAPN; and questioning, discussing and deliberating by participants. The overall outcomes from the seven workshops are:

- When asked to provide their informed advice the largest number of all Directions Workshop participants chose **Network reliability and resilience** as their highest priority of the three themes (49%);
- The remaining first preferences were divided almost equally between **Network price** and **Network of the future**;
- **Network price** is paramount for those representing vulnerable residential customers and those representing business or government customers;
- Regional variations reflected customers experiences of existing and past localised network challenges, such as extended power outages (Port Lincoln and Adelaide Hills), irrigation industry price expectations (Riverland), bushfire management (Adelaide Hills), and closure of a power plant (Port Augusta);
- Residential customers were more likely to rank **Network reliability and resilience** over **Network price**;
- Business customers were more likely, but not exclusively, to prioritise **Network price** over other options. This was most true in Renmark.

At the end of each workshop customers completed an evaluation form. As a result, we know 92% of participants indicated they were satisfied or highly satisfied overall with the workshops, across all measures.

Not surprisingly, there are competing demands between customer priorities and preferences across the three priority themes SAPN took to customers in this part of their customer engagement program. There is significant goodwill to move into the next stages of engagement, including deep dive discussions where trade offs and possible solutions can be explored more comprehensively. Topics for these might include opportunities for efficiency gains, how customers can contribute to the thinking around this, how price impacts are felt differently by diverse customer groups and options for mitigating these for business, residential and vulnerable customers.

# 1. Background

## 1.1 Purpose of report

SA Power Networks (SAPN) commissioned Moira Deslandes Consulting (MDC) to facilitate a series of Directions Workshops as one part of its Reset Engagement Approach (Figure 1 below).

Every five years, the Australian Electricity Regulator (AER) determines the revenue allowance for SA Power Networks (SAPN) under the National Electricity Rule (NER) where SAPN submits its plans outlining its expenditure, which the AER then assesses before making its determination. The engagement processes being undertaken by SAPN are part of a comprehensive four phase plan for customer participation to ensure its plan for the next regulatory period (2020-2025) reflects what customers value and is in the long term interests of customers.

This report serves as a record of the Planning Workshop held on 11 July 2017 and the subsequent seven Directions Workshops held throughout August 2017. The workshops were key elements of *Phase 2: In Depth Engagement* of SA Power Networks' *Regulatory Reset Engagement Approach*.

## 1.2 Engagement purpose and process

SA Power Networks' *Regulatory Reset Engagement Approach* states that the goal of the process is to: *"Understand the expectations, views and priorities of our customers and stakeholders, to ensure our plans for the 2020-2025 Regulatory Control Period reasonably reflect what customers value."*

This is being managed through four distinct phases (see Figure 1). See Section 1.3 for process objectives and a Section 1.5 for associated performance measures.

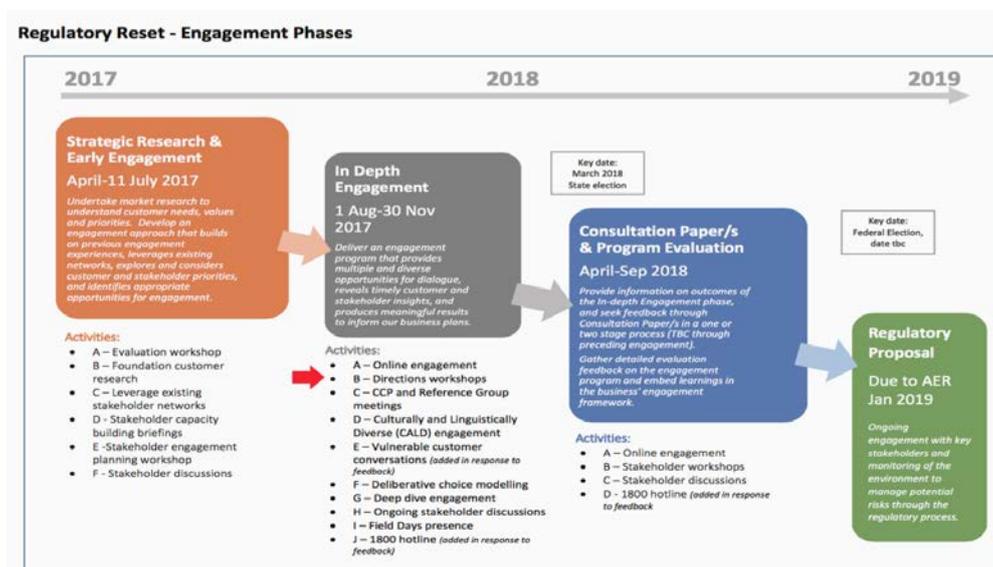


Figure 1: Regulatory Reset - Engagement Phases

### 1.3 *Regulatory Reset Engagement Approach Objectives*

The stated objectives are:

- Ensure customers and stakeholders are well equipped to actively participate in the engagement;
- Engage customers and stakeholders on issues that matter to them;
- Ensure 'no surprises' for both SAPN and its stakeholders throughout engagement process;
- Ensure that the concerns and views of SAPN's customers and stakeholders are considered in the prudent optimisation of its costs, services and prices; and
- Ensure SAPN's engagement meets all relevant engagement principles (SAPN, AER) and alignment with AA1000SES and International Association of Public Participation (IAP2).

### 1.4 *Directions Workshops as an element of the 2020-25 Regulatory Reset Engagement Approach*

The Directions Workshops were an important part of a broader phased, engagement program designed to involve customers in the early planning for SAPN's *Regulatory Proposal for 2020-25*. They took place as part of *Phase 2* of the customer engagement program. The themes explored were determined by initial customer research and stakeholder discussions. The findings of the Directions Workshops will then inform future engagement in both *Phase 2* and *Phase 3*.

### 1.5 *Measures*

SAPN has three measures for the success of the Directions Workshops:

- % Satisfaction with information clarity;
- % Satisfaction with engagement opportunities provided; and
- % Satisfaction that views were considered.

These are drawn from *2020-25 Reset Customer and Stakeholder Engagement Program KPIs* which holds performance measures against the broader engagement objectives and SAPN's engagement principles.

## 2. Workshop Outcomes - Directions for SAPN

### 2.1 Process

The over-arching purpose of the Directions Workshops was to:

*“Use innovative engagement methods in delivering a series of workshops with residential and business customers and stakeholders, to:*

- *deliberate on specific engagement themes*
- *understand customer and stakeholder preferences and priorities”*

To this end, an initial Planning Workshop, involving key stakeholders, and seven regional and stakeholder workshops, were conducted during July and August to set directions for subsequent engagement activities.

This Planning Workshop was attended by Customer Consultative Panel (CCP) and Reference Group (RG) members. In keeping with the event objectives a number of changes were made to both the engagement approach generally and workshop content specifically following the advice provided.

The Directions Workshops were attended by a total of 134 people – 54% residential and 46% business or government customers or their advocates.

The workshops were held in August 2017 in Renmark, Port Augusta, Mount Gambier, Port Lincoln, Adelaide and Adelaide Hills, plus, at the end of the series, a seventh was held in Adelaide again involving the CCP and RG who participated in the initial Planning Workshop on 11 July 2017. SAPN’s team<sup>3</sup> included executive and expert staff to ensure customer input was heard at the highest level.

### 2.2 Outcomes

The process for the Directions Workshops was designed to allow customers to start from a position of being well informed, then to have the opportunity to deliberate about the priority themes for the Regulatory Reset Engagement Process, before they indicated their own priorities.

#### **Directions Workshops Objective 1: Deliberation on specific engagement themes**

Deliberative methods were applied to support discussion, build knowledge, test preferences and arrive at a position where informed advice could be provided to SAPN.

A set of headlines from customer deliberations has been developed for each specific engagement theme and these are presented below:

### Network price

**Price impacts are felt most powerfully by vulnerable residential customers and some business customers.**

- Customers are willing to pay for safety and reliability.
- Customers asked SAPN to try to achieve the lowest possible price while maintaining satisfactory service levels through efficiency and innovation.

### Network reliability and resilience

**Of the three themes this emerged as the highest priority for customers.**

- The greatest level of support for any increased investment was for ensuring *Acceptable levels of reliability for all* with the other topics under discussion receiving slightly lower but similar levels, with one exception.
- Within this theme, customers indicated least support for investment in *Payments for when reliability standards are not met* (ie the Guaranteed Service Level Scheme).
- If price is to increase for greater reliability, customers wanted to be made aware of where the extra funds are being spent.
- Different sectors have different expectations and needs in terms of reliability of supply and customers are looking for a system that can accommodate this.
- The majority of customer votes supported example programs that would involve some increased investment in *Network reliability and resilience* (53%).

### Network of the future

**Most customers supported moderate to high levels of investment in preparing the network for expanded uptake of solar photovoltaic (PV) generation and other new technologies.**

- Customers clearly indicated that renewables are essential, and appreciated that they are already impacting on the network. They believed SAPN's planning needed to reflect this.
- There is broad support for increased renewables (including solar PV) and storage.
- Customers preferred dynamic limits on solar exports, but only at times when the network is under stress, rather than restrictions on solar PV installation or widespread infrastructure upgrades.
- Customers understand that the rapidity of technological change may impact on price and reliability and felt that SAPN should be responding to these changes now.
- Environmental factors (climate, extreme weather events) are more important to customers now than they were in the past.

## Directions Workshop Objective 2: Understand customer and stakeholder preferences and priorities

Customer **preferences and priorities** were invited at the end of the workshop after a day of informing and involving by SAPN; and questioning, discussing and deliberating by participants.

The table below shows the results from each of the Directions Workshops.

Ranking given	Renmark	Port Augusta	Mount Gambier	Port Lincoln	Adelaide	Adelaide Hills	CCP & Reference Groups
1	Price	Reliability	Reliability	Reliability	Reliability	Reliability	Price
2	Reliability	Future	Price	Price	Future	Future	Future
3	Future	Price	Future	Future	Price	Price	Reliability

The overall outcomes from the seven workshops combined are:

- When asked to provide their informed advice the largest number of all Directions Workshop participants chose **Network reliability and resilience** as their highest priority of the three themes (49%).
- The remaining first preferences were divided almost equally between **Network price** and **Network of the future**.
- **Network price** is paramount for those representing vulnerable residential customers and those representing business/government customers.
- Regional variations reflected customers experiences of existing and past localised network challenges, such as extended power outages (Port Lincoln and Adelaide Hills), irrigation industry price expectations (Riverland), bushfire management (Adelaide Hills), and closure of a power plant (Port Augusta).
- Residential customers were more likely to rank **Network reliability and resilience** over **Network price**.
- Business customers were more likely, but not exclusively, to prioritise **Network price** over other options. This was most true in Renmark.

A snapshot of the combined Directions Workshops statistics and outcomes is shown in the infographic on the following page.

# DIRECTION WORKSHOPS AUGUST 2017



134 CUSTOMERS ACROSS 7 WORKSHOPS



54% residential customers



46% business/government



OVER 200 QUESTIONS ANSWERED



Network Price  
Directions

Price impacts business & vulnerable customers

Willing to pay for safety & reliability

Consider efficiencies

*"Expect smart spending of money on OPEX & CAPEX."*



Network Reliability & Resilience  
Overall Directions

19% reduce investment

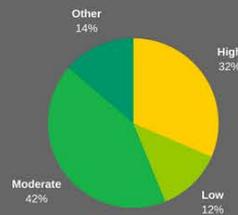
28% keep about the same

53% increase investment

Topic of most interest

Acceptable level of reliability for all customers

How should SA Power Networks support the uptake of new technologies?



*"Spend it once and spend it well"*



PRIORITIES

49% chose reliability

RELIABILITY  
NETWORK OF THE FUTURE  
PRICE



Average overall satisfaction with the workshops

*"Staff willing to listen and articulate answers."*

*"Lots of information on an understandable and clear level with many opportunities for contribution."*

### 3. Design approach

A range of factors were considered by SAPN and MDC when designing the initial Planning and Directions Workshops:

- the purpose and objectives of the customer engagement program (see section 1)
- AER principles - clear, accurate and timely communication, accessible and inclusive, transparent, measurable.
- International Association of Public Participation (IAP2) spectrum.
- SAPN's own *Principles of Engagement* (below).

SA Power Networks' Regulatory Reset Engagement Plan - Principles of Engagement	
Best Practice	Follow regulatory and good practice guidelines and show leadership in the industry in stakeholder engagement.
Inclusive	Be inclusive, inviting stakeholders' views, where appropriate, on the design of our engagement to promote accessibility.
Informing	Inform our stakeholders via open, clear, relevant and timely communication.
Transparency	Be transparent, clearly outlining what stakeholders can expect from us and how their feedback will be taken into account.
Listening	Listen to and seek to understand our stakeholders' views and concerns.
Responsive	Consider and respond to concerns, providing prompt and clear feedback.
Consistent	A proactive, coordinated and consistent approach to engagement across the business.
Targeted	Engage early and ensure engagement is prioritised and tailored to specific issues and projects.
Measurable	Measure the success of engagement and apply learnings in designing and developing future engagement.

Figure 2: SAPN Principles of Engagement

Using the IAP2 spectrum as a guide, SAPN determined to design the workshops for engagement at the **involve** level. There would also need to be parts of the sessions requiring information and consultation to ensure customers could be fully involved.

*“Involve means: to work directly with the public, in this case stakeholders and customers, to ensure public concerns and aspirations are consistently understood and considered. We will work with you to ensure your concerns and aspirations are directly reflected in the plans developed and provide feedback on how your input influenced our decisions.” (IAP2)<sup>4</sup>*

<sup>4</sup> See IAP2 [https://www.iap2.org.au/Tenant/C0000004/00000001/files/IAP2\\_Public\\_Participation\\_Spectrum.pdf](https://www.iap2.org.au/Tenant/C0000004/00000001/files/IAP2_Public_Participation_Spectrum.pdf)

SAPN's *Stakeholder Engagement Strategy 2016-2020* was a core reference document in preparation for the workshops.

The Directions Workshops reflected SAPN's *Principles of Engagement (Figure 2)*, with each workshop being slightly different as it built on the last one; ensuring continuous improvement in delivery of content; enabling customisation for specific locations and customer profiles; and built knowledge.

The brief to MDC was to support SAPN with design of the workshops and to facilitate and report back to SAPN the preferences and priorities (the directional advice) from participants in the workshops.

To further consider and embed advice from *Phase 1* and the initial Planning Workshop, the consulting team worked with senior SAPN staff around process and content. This culminated in an in-house workshop to test resources under development and determine inclusive participation methods for the Directions Workshops.

The structure for the Directions Workshops was intentionally designed to allow people to ask the questions they arrived with; to ensure they were well informed so they could then deliberate on the three themes that had been generated through previous customer and stakeholder engagement; and to then provide directions through their priorities and preferences at the end of the process. The agenda reflects this process closely (see Appendix 2).

Local depot, management and executive staff were at each workshop to ensure responses to customer questions were immediate and that listening to their priorities and preferences was active and direct. Customised reports on local issues and experiences were also developed for each of the Directions Workshops.

The deliberations around the three main themes started with upfront briefings; then allowed people to consider scenarios and explore a diverse range of interconnecting considerations and issues; they then move to documented discussion, and then finally provided individual preferences. Formal prioritisation across the three themes only took place at the end of the session after all topics had been considered deeply.



Planning Workshop, Adelaide Crowne Plaza, 11 July 2017

## 4. Planning Workshop - Setting a course for engagement

### 4.1 Overview

Held on 11 July 2017, this workshop signalled the conclusion of *Phase 1: Strategic Research and Early Engagement* of SAPN's engagement program. This commenced in April 2017 and set the foundations for the future engagement program. This first phase involved discussions with established stakeholder groups, undertaking broad customer research to better understand current needs, values and priorities, and other planning activities to inform subsequent engagement themes and approaches.

This workshop was designed to discuss and test the approach for the next phase, *Phase 2: In depth Engagement*.

The stated objectives for the initial Planning Workshop (PW) were to:

- Discuss research outcomes with stakeholders;
- Consider stakeholder feedback in discussion of engagement themes; and
- Consider stakeholder feedback in engagement approach, outlined in the *Draft 2020-2025 Regulatory Reset Engagement Approach document*.

### 4.2 Roles and responsibilities

The role of SAPN was to provide engagement tools and resources, key presenters, venue and hospitality and recruit participants. MDC's role was to facilitate the workshop, to support participants to engage and make their contributions and to keep time. Both SAPN and MDC were responsible for ensuring the agenda and objectives were met. SAPN staff were scribes for the workshop.

Participants were provided with pre-reading including the results of the *Phase 1* market research. They were then invited to contribute and listen to others in the room. Diversity of thought, rather than consensus, was actively encouraged.

### 4.3 Methodology

This workshop was designed to ensure stakeholder concerns and aspirations for the Reset Engagement process were canvassed, addressed and calibrated to meet expectations further into the engagement process.

The already well established mechanisms of reference groups and a consultative panel were activated for this workshop. SAPN extended an invitation to the Customer Consultative Panel and the Arborist, Business, Community and Renewables Reference Groups. In addition, an invitation was extended to the Essential Services Commission of SA (ESCoSA) and to the Australian Energy Regulator (AER) to attend as observers. This attracted over 40 participants, six of whom were regulators.

### 4.4 Discuss research outcomes with stakeholders

Prior to attendance, and on the day, participants were provided with the following inputs:

- Square Holes' *Preliminary Top Line Customer Research Report*;
- CCP and Reference Group survey results;
- *Draft 2020-25 Regulatory Reset Engagement Approach* document; and
- Workshop agenda.

These documents were also presented at the workshop.

### 4.5 Engagement themes

The following high level engagement themes were identified through the market research conducted during *Phase 1* of the customer engagement program: *Network reliability and resilience*, *Network Pricing*, *The Network of the future* and *Customer experience*. Feedback was then sought during the workshop as to the facets of each topic that should be explored further within the Directions Workshops. A 'what's missing' topic was also provided.

Advice for SA Power Networks was generated by people selecting two of the four topics they wanted to contribute to with a total of 114 comments or questions on post-it notes collected across all topics. Distribution of comments is shown in the chart below (Figure 3). By this measure, the highest amount of interest was in *Network of the future* and the lowest was *Network reliability and resilience*. In terms of other measures, the numbers of people visiting the workshop topic stations indicated *Customer experience* was the area of least interest.

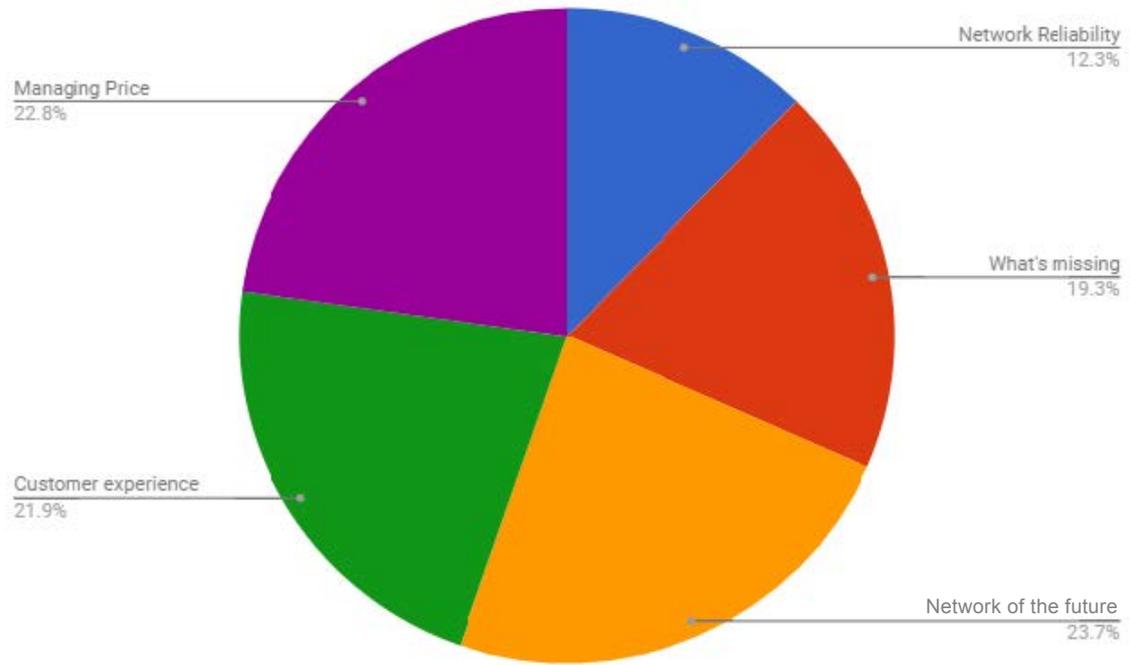


Figure 3: Question topics raised during the Planning Workshop

The next table is a summary of the advice provided during the initial Planning Workshop about what content might need to be developed for the Directions Workshops and the broader engagement program; and shows how the advice was reflected in the content developed for the Directions Workshops.

Themes	Content recommendations from Planning Workshop	Content SAPN developed for Directions Workshops
<p><b>Network reliability and resilience</b></p>	<ul style="list-style-type: none"> <li>▪ Outages (incl load shedding) - impacting on many customers in differing ways that are not acceptable.</li> <li>▪ People need to know more about how SAPN is responding to outages and community based solutions need to be a response option.</li> <li>▪ Cost considerations need to be taken seriously while making sure there are improvements for those in areas of poor reliability.</li> <li>▪ Communications/technology challenges and changes need to be considered.</li> <li>▪ Important to provide information about how reliability has tracked in different parts of the State.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Customised outage maps, local depot staff attendance.</li> <li>▪ Graphs on reliability over time and outage causes.</li> <li>▪ The six sub-themes to be explored:               <ul style="list-style-type: none"> <li>▪ Acceptable level of reliability for all customers</li> <li>▪ Restoring power when outages occur</li> <li>▪ Accurate and timely outage information</li> <li>▪ Payments if reliability standards aren't met</li> <li>▪ Regional and poorly served customers</li> <li>▪ Managing bushfire risk</li> </ul> </li> <li>▪ Example programs presented - SCADA</li> <li>▪ monitoring, hardening of the network, insulator replacement and alternative power supplies.</li> <li>▪ Questions explored.</li> </ul>
<p><b>Network pricing</b></p>	<ul style="list-style-type: none"> <li>▪ Price implications of the future network both in terms of increased demand and more customers generating and storing energy.</li> <li>▪ Connection between costs and differing investment models; including the impact of microgrids and the role of developers.</li> <li>▪ Price/Service trade-offs (for different customer segments).</li> <li>▪ Finding ways to drive efficiencies.</li> <li>▪ Benchmarking SAPN.</li> <li>▪ "Nice to haves" eg undergrounding, aesthetic tree lopping may not be affordable.</li> <li>▪ Needs to be affordable and packaged appropriately for vulnerable customers, small business, large business and families.</li> <li>▪ Energy needs to be treated as an essential service with schemes like hardship tariffs or retail caps in place.</li> <li>▪ Customer education/understanding.</li> <li>▪ Retailer influencing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Presentation of a range of scenarios to demonstrate price/service trade-offs, and including risk dimensions.</li> <li>▪ Efficiency information included in workshop presentation.</li> <li>▪ Network price process tailored to different customer segments.</li> <li>▪ Capital and operating expenditure impacts on bills.</li> <li>▪ Questions explored.</li> </ul>

<p><b>Network of the future</b></p>	<ul style="list-style-type: none"> <li>▪ Embedded generation and microgrids.</li> <li>▪ Community energy.</li> <li>▪ Customer/business/regulation working together for future design of the market, energy generation, problem-solving and experimentation.</li> <li>▪ Impact of a disaggregated system on residual customers.</li> <li>▪ Emerging technologies including exploration of geothermal, smart inverters, solar, new building materials.</li> <li>▪ Learning from other places (eg ENA/CSIRO Future Network Roadmap, New York REV).</li> <li>▪ Possible decommissioning where better options exist.</li> <li>▪ Demand management.</li> <li>▪ Environmental management.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inclusion of microgrid presentation in CCP &amp; RG Directions Workshop.</li> <li>▪ Presentation of Future Network DVD.</li> <li>▪ Technology impacts included in workshop presentation and case study.</li> <li>▪ Demand management included in scenarios presented.</li> <li>▪ Dedicated time for customer questions to be explored.</li> <li>▪ Reference to ENA/CSIRO Roadmap.</li> </ul>
<p><b>Customer Experience</b></p> <p><i>NB - a number of these themes in customer experience are included in the other topics</i></p>	<ul style="list-style-type: none"> <li>▪ Communication – including personalised communications.</li> <li>▪ Explainer around brand, role, responsibilities of SAPN, standardised billing.</li> <li>▪ Native vegetation management.</li> <li>▪ Service standards and compensation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Explored as a sub-theme for <i>Network reliability and resilience</i> discussion.</li> <li>▪ Included Guaranteed Service Level Scheme as an option in <i>Network reliability an resilience</i> discussions in Directions Workshops.</li> <li>▪ Provided detailed information about SAPN's roles and responsibilities, including SAPN component of customer bills.</li> <li>▪ Inclusion of local depot staff in Directions Workshops.</li> </ul>
<p><b>What's Missing?</b></p>	<ul style="list-style-type: none"> <li>▪ Collaboration and partnership as an approach (including retailers).</li> <li>▪ Customer involvement in future developments (eg modelling, pilots, culture change, renewable energy sector, business model).</li> <li>▪ Employment opportunities in SAPN.</li> <li>▪ Localised environmental context.</li> <li>▪ Engagement processes to include and capture minority/marginalised voices.</li> <li>▪ Alternative options for power.</li> <li>▪ Environmental impacts including climate change.</li> <li>▪ Regional options.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Clarity of what is in and out of scope in reset engagement program.</li> <li>▪ Ongoing CCP and RG discussions.</li> <li>▪ Inclusion of vulnerable customer conversations in engagement process.</li> <li>▪ Specific topics addressed through workshop presentations.</li> </ul>

Woven through all the themes were elements of customer education, communication, information and growing customer understanding of the inter-relationships between all of the themes.

The workshop confirmed the key themes met participant expectations. This was demonstrated in the workshop evaluations with 92% of participants indicating they were satisfied, or very satisfied with the topics covered by the workshop. This was the highest level of satisfaction of any of the measures on the evaluation form (see 4.8).



*Theme 1: Price, Planning Workshop, Adelaide Crowne Plaza, 11 July 2017*

## 4.6 Draft engagement plan

Participants were invited to provide feedback on the proposed activities within the engagement process through a traffic light rating of what was a must have activity (green), what was an acceptable activity (orange) and what was not necessary (red). Further qualitative feedback was also received. The outcomes of the process are summarised below.

What was heard	SAPN's response
<p>Proposed online engagement training attracted noticeably less support than any other plan - receiving 24% of total red dots and 25% of amber. Concerns were raised that this activity might be a waste of resources.</p>	<ul style="list-style-type: none"> <li>▪ Online Engagement Training removed from engagement program.</li> <li>▪ In its place a dedicated 1800 phone hotline number provided for the project duration.</li> <li>▪ Hotline provides opportunity for customers to ask questions and submit engagement feedback via the phone.</li> </ul>
<p>Proposed <a href="#">Talking Power</a> online engagement attracted some 'heat' - receiving 20% of total red dots and 14.3% of amber. Also raised, were concerns about privacy of people's personal details when using the <a href="#">Talking Power</a> website. Concerns were also raised that an online engagement platform wasn't accessible for all members of the community – the vulnerable, non-English speaking, regional, or elderly, for example.</p>	<ul style="list-style-type: none"> <li>▪ Bang the Table Pty Ltd hosts <a href="#">Talking Power</a> on behalf of SA Power Networks.</li> <li>▪ Their use of personal information is regulated by the National Privacy Principles under the Privacy Act 1988 <a href="http://www.privacy.org.au">http://www.privacy.org.au</a></li> <li>▪ Participants' details are held confidentially.</li> <li>▪ Participants create a 'screen name' on registration with the site, to keep email addresses private from fellow <a href="#">Talking Power</a> participants.</li> <li>▪ The dedicated 1800 phone number provides an opportunity for all members of our community, regardless of internet access or literacy, to provide feedback.</li> </ul>
<p>Qualitative feedback highlighted a need for vulnerable customer views to be given due consideration within the engagement process.</p>	<ul style="list-style-type: none"> <li>▪ An additional engagement activity 'Vulnerable Customer Conversations' included in the <i>In depth engagement</i> phase of the engagement program.</li> </ul>
<p>Adelaide Hills customers not represented in Directions Workshops.</p>	<ul style="list-style-type: none"> <li>▪ An additional Directions Workshop to be added to the engagement program, for customers and stakeholders from the Mount Lofty Ranges region (extending from Yankalilla through to the Barossa).</li> </ul>

<p>Separate residential and business workshops should be held.</p>	<ul style="list-style-type: none"> <li>▪ We believe it is important that stakeholders have an opportunity to consider a diversity of fellow stakeholder views.</li> <li>▪ Directions Workshops will continue to feature a mix of residential and business stakeholders.</li> <li>▪ The exception to this approach is the dedicated tariff workshops, which will likely be run as separate business and residential sessions due to the specific nature of discussions.</li> </ul>
<p>Questions were received as to whether the new <a href="#">Talking Power</a> online engagement tool supports functionality comparable to a Facebook 'group' – with participants able to start forum threads, upload documents within forum discussions etc.</p>	<ul style="list-style-type: none"> <li>▪ <a href="#">Talking Power</a> supports online discussion forums, however does not support sophisticated functionality comparable to Facebook groups.</li> <li>▪ Discussion forums will be available on <a href="#">Talking Power</a> during the engagement program.</li> <li>▪ Reference Group Members are invited to encourage their existing groups/constituencies to sign up to the <a href="#">Talking Power</a> site and join in with online discussions.</li> <li>▪ Reference Group Members are invited to host online discussions within their existing groups/constituencies and then submit this information to SA Power Networks through <a href="#">Talking Power</a> or via email.</li> </ul>
<p>Concerns were raised around the Field Days component of the program.</p>	<ul style="list-style-type: none"> <li>▪ SA Power Networks' has an existing presence at the Field Days.</li> </ul>
<p>Be efficient and mindful of the costs of the engagement program.</p>	<ul style="list-style-type: none"> <li>▪ Online Engagement Training to be removed from engagement program.</li> <li>▪ Engagement processes and activities to be efficient and mindful of cost.</li> </ul>
<p>Ensure that survey/forum questions are free from bias.</p>	<ul style="list-style-type: none"> <li>▪ A third party to be engaged (possibly a local University) to review and advise on any research/ survey questions and forum topics prior to field work being undertaken.</li> </ul>
<p>Ensure regional areas have access to online engagement.</p>	<ul style="list-style-type: none"> <li>▪ Promotional campaign to be developed which targets regional areas.</li> <li>▪ Online engagement tool integrating mobile phone functionality.</li> <li>▪ Online engagement will be supported by the 1800 phone number.</li> </ul>

<p>Concerns that the deliberative engagement activity creates a bias toward people who have time to participate.</p>	<ul style="list-style-type: none"> <li>▪ The same applies for all engagement activities.</li> <li>▪ The breadth of activities on offer through the engagement program is designed to manage some of this inherent bias through the provision of multiple and diverse engagement opportunities.</li> <li>▪ <a href="#">Talking Power</a> online engagement website will be accessible for the duration of the engagement program, 24 hours a day, for anyone to provide their feedback.</li> </ul>
<p>Concerns that deep dive engagement feedback results would not be shared.</p>	<ul style="list-style-type: none"> <li>▪ All consultation feedback will be made available on <a href="#">Talking Power</a> website.</li> </ul>
<p>Not enough direct <b>customers</b> represented in metro Directions Workshops/engagement program.</p>	<ul style="list-style-type: none"> <li>▪ The Energy Advisory Panel (workshops scheduled for 17 and 19 August) is comprised of direct residential and business electricity <b>customers</b>, not customer <b>representatives</b>.</li> </ul>
<p>Summary 'tweets' provided by table groups at the conclusion of the workshop:</p> <ul style="list-style-type: none"> <li>▪ <i>"Keep listening, keep telling us what you're hearing."</i></li> <li>▪ <i>"Direct conversations with shareholders. Ask the right people the right questions."</i></li> <li>▪ <i>"It takes time to build <b>expertise</b> to contribute to this engagement process to make it true engagement. And time is money."</i></li> <li>▪ <i>"Too much talking, not enough listening."</i></li> <li>▪ <i>"A powered conversation is worth more than a tweet."</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ An additional engagement activity 'Vulnerable Customer Conversations' to be included in the <i>In depth engagement</i> phase of the engagement program.</li> <li>▪ Integrate 'capacity building' into Directions Workshops and other engagement activities, to ensure customers are equipped to understand and engage with the complex regulatory system.</li> <li>▪ Resource efficient processes to be made a priority.</li> <li>▪ A third party to be engaged (possibly a local University – tbc) to review survey questions and forum topics.</li> <li>▪ More time for free conversation and collaborative group work to be built into future workshop/ meeting agendas.</li> <li>▪ Dedicated table hosts to facilitate and scribe, time on the agenda for discussion, listening and personal reflection.</li> </ul>

## 4.7 Feedback to participants

In the Planning Workshop, inputs provided by participants were visible to all and were summarised by the facilitator at the end. Senior staff, including Rob Stobbe, CEO, were present throughout the session. The CEO, in his closing remarks, reflected on what he had heard from participants.

MDC was advised that participants were provided with feedback on the changes to be made in the overall *Regulatory Reset Engagement Approach* via the CCP and RGs and the [Talking Power](#) website and e-newsletter.

## 4.8 Feedback from participants

A selection of participants was invited to provide direct feedback to the facilitators through a few short questions, as this example shows. Their advice also contributed to the design and content for the Directions Workshops.

**Q: To what extent did you feel you had an opportunity to engage in the process?**

*A: In terms of the process, this time it has significantly improved. It is really heartening to hear them [SAPN] talk about improving the last process because the last process left a lot to be desired. To date, some of the research they've done in terms of engaging the panel and the like, has culminated to today. The only thing I wish is that we would have had more time to flesh things out, especially since it has taken me a long time to travel to the workshop. I would allow more time for discussion and listening. I would also add facilitators around the table so everyone is engaged and stays on track. With those two small differences, it would really make the day immeasurably more successful. Planning Workshop participant*

By way of example, this particular feedback resulted in the Directions Workshops having dedicated table hosts to facilitate and scribe, plus delineated time on the agenda for discussion, listening and personal reflection.

#### Level of satisfaction against meeting objectives

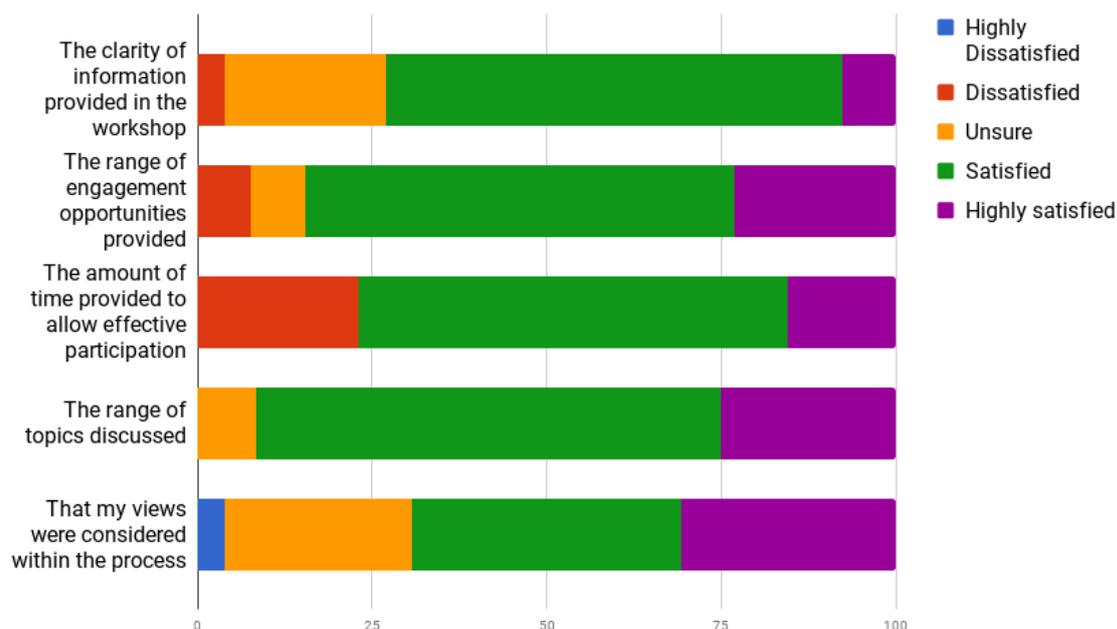


Figure 4: Planning Workshop satisfaction in meeting objectives

In response to the evaluation feedback each of the Directions Workshops included:

- Co-creating a set of group norms for participation in each of the workshops;
- Customers setting out how they would know they had been listened to at the beginning of each workshop;
- Facilitators briefing SAPN staff on active listening;
- Having early in the agenda of the Direction Workshops several opportunities where participants could ask questions and have their questions publicly responded to by SAPN staff, and no topics were off limits; and
- Careful investment in providing clear information (through infographics, pictures and charts) at the beginning of the Directions Workshops.

## 5. Directions Workshops

### 5.1 Overview

Seven Direction Workshops (DW) were held in August 2017 and were designed to:

*“Use innovative engagement methods in delivering a series of workshops with residential and business customers and stakeholders, to:*

- *deliberate on specific engagement themes*
- *understand customer and stakeholder preferences and priorities”*

The day long process provided an opportunity to educate customers and stakeholders before they provided direction.

The workshops were held in the following locations:

Date	Location	Number of Participants
3/8/2017	Renmark	20: 8 residents, 12 business/government
4/8/2017	Port Augusta	16: 8 residents, 8 business/government
8/8/2017	Mount Gambier	13: 7 residents, 6 business/government
11/8/2017	Port Lincoln	23: 8 residents, 15 business/government
19/8/2017	Adelaide	21: all residential customers
24/8/2017	Adelaide Hills	16: 9 residents, 7 business/government
31/8/2017	Adelaide - Customer Consultative Panel and Reference Groups	25: 8 vulnerable customer, 9 business customer, 4 renewable industry, 4 residential customer representatives

Eighty percent (80%) of those who attended the seventh workshop, which was for the Customer Consultative Panel (CCP) and Reference Groups (RG) also attended the Planning Workshop in July. This workshop had the additional objective of updating participants on results from the Directions Workshops. The updating took the form of headline infographics, a verbal update from the facilitators and two workshop participants (Adelaide Hills and Adelaide residential) and a video documenting the Port Augusta process.

A summary from each workshop can be found in Section 6.

As the facilitator said on more than one occasion *“these are Directions Workshops, not decision workshops”*. This guiding advice was designed to remind all participants that consensus was not necessary, but rather it was important to hear a range of views and understand where attention should be directed for the next stages of the engagement process.

Prior to the first Directions Workshop being held a pilot workshop took place with SAPN executive and senior management staff at which, prepared content and processes were tested with the consulting team, resulting in further refinement of workshop design, inputs and delivery.

## 5.2 Roles and Responsibilities

The role of SAPN was to provide input, key presenters, venue and hospitality and to recruit participants. MDC's role was to facilitate the workshop, to support participants to engage and make their contributions, and to keep time. Both SAPN and MDC were responsible for ensuring the agenda and objectives were met. SAPN staff were scribes for the workshops.

## 5.3 Methodology

A target number of 20 people was set for each of the Directions Workshops. SAPN managed the recruitment process.

Ten residential customers were recruited by a market research company, to reasonably represent the demographic breakdown of the regional population. These residents were offered a stipend for their participation.

The remaining participants were selected to represent key local business customers, regional industries, Local Government Mayors and CEOs, regional development authorities, Chambers of Commerce and prominent local community organisations. Early conversations were had with regional Depot Staff, and with the Major Customer Manager, who provided recommendations of local business customers and key regional employers. Further research was undertaken on the local industries.

SA Power Networks' engagement staff approached stakeholders via email and phone, inviting participation. Availability of stakeholders varied, with some business customers finding it difficult to fund a staff member for the full day workshop. A diverse mix of 10 businesses, advocacy groups, local groups/associations and Government representatives was achieved for each workshop.

As with the Planning Workshop, SAPN used IAP2's spectrum to determine the level of engagement objectives for this process and decided on "involve".

Participants were engaged in plenary, small group and individual reflection activities. They received brief information before the event about SAPN's role in the power industry and the purpose of the workshop. During the event they were exposed to information provided on paper as part of a toolkit, video, wall charts, answers to questions, formal and informal conversation, asking and answering questions and personal review of resources. The processes enabled participants to work alone, in peer groups and in self-selected groups.

Data collection mechanisms were via scribes in small groups, raising hands and non-binary voting selections, video recordings, worksheets and feedback in small groups and plenary sessions.

A mixture of qualitative and quantitative data was collected and therefore both are reflected in the results.



*Network reliability and resilience station: Restoring power when outages occur.  
Directions Workshop Port Lincoln August 2017*

## 5.4 Workshop structure

Participants understood that the objectives of the workshop were to:

- Provide an opportunity for SA Power Networks to **listen** to customer views on topics that are important to them, and ensure that customers and stakeholders feel **listened to**;
- Seek feedback on **customer priorities and preferences** in response to SA Power Networks early thinking; and
- Provide an opportunity to **educate** customers and stakeholders.

Each Directions Workshop involved a number of orientation and capacity building elements, including setting clear expectations of participation, building an inclusive culture and expanding the knowledge of customers to ensure they could fully participate in the engagement process. This was then followed by specific activities to glean advice or direction from participating customers on the three priority themes for the engagement process.

The orientation and capacity building elements encompassed:

- Asking participants how they would know they were being listened to and how they would make sure everybody had a chance to contribute;

- Providing an introduction to SAPN and the network, customer electricity bills, the regulatory framework and the engagement process overall; and
- Creating specific time and space for questions to be generated by participants and answered by relevant SAPN staff. No questions were “off limits”.

For each of the themes this meant:

- **Network price** – Providing information about pricing structures and components, then asking people to discuss the concept of an indicative base case and a number of different scenarios, as well as their thoughts and expectations in relation to SAPN and how it should manage network price. Details of the relationship between SAPN expenditures on indicative improvement programs and likely network retail bill inputs were explored.
- **Network reliability and resilience** – Briefing participants and then asking them to explore key questions around the topics being posited: *Acceptable level of reliability for all customers; Restoring power when outages occur; Accurate and timely outage information; Payments if reliability standards aren't met* (ie Guaranteed Service Level Scheme - GSL); *Regional and poorly served customers*; and *Managing bushfire risk* (Adelaide Hills, Mount Gambier and Port Lincoln and CCP & RGs workshops only).
- **Network of the Future** – After presenting some of the future possibilities relating to the uptake of new technologies participants were asked: Should SA Power Networks' support the uptake of the described new technologies and, if investment is required, who should pay?
- **Informed advice** – At the end of the day people were asked for their informed advice about how SAPN should set its priorities, by indicating their ranking of the three key themes or suggesting others.

## 5.5 Answering questions and building capacity

At each workshop (apart from the CCP and RGs workshop on 31 August 2017) all participants were provided with a comprehensive orientation to SAPN, the electricity network, the breakdown of customer bills, and the regulatory reset process and were given several opportunities to ask questions. The answers to the questions were provided by SAPN executive staff at the workshop. No question went unanswered.

This part of the agenda was designed to enable all burning questions to be asked, and to continue to build the knowledge and capacity of customers, as well as demonstrate openness and transparency on the part of SAPN. It also served to build trust and confidence in the process.

The level of sophistication of the questions posed, demonstrated the high level of energy literacy in South Australia at this point in history. Issues such as the Statewide Blackout (28 September 2016), the pending Tesla battery farm near Jamestown, the pending solar-thermal plant in Port Augusta and the high level of public discourse around electricity prices, including public policy in national and local

media such as COAG and retailers being summoned to Canberra by the Prime Minister, all contributed to this.

Two hundred and two (202) questions were asked across all workshops and every question collected was answered, either immediately or by the end of the workshop.

The word cloud analysis of these questions (see individual Directions Workshops reports, Section 6) points to the gaps in participant knowledge and SAPN staff filled those gaps by answering the questions. SAPN staff formed a panel to answer questions and questions were directed to the staff member best equipped to answer the question. This also helped among participants to connect with individual staff members in breaks if they wanted additional information.



*SAPN Panel answering questions, Directions Workshop Renmark August 2017*

## 5.6 Network price

### 5.6.1 Process

During this part of the workshop SAPN provided participants with information about the key elements making up SAPN's five year regulatory revenue proposal, referred to as "building blocks." (See Figure 5).

SAPN provided information about the composition of, and process for determining, network prices, and the differences between capital expenditure (Capex) and operating expenditure (Opex) impacts. Then participants were asked to discuss and deliberate on the concept of an indicative, preliminary base case and a number of different scenarios that were designed to give participants a basic understanding of how different (potential) service increases or reductions may impact on customer bills. They then divided into groups, segmented by how familiar these concepts were to them, to allow comfortable and balanced participation amongst peers. Participants also had the option of contributing on individual worksheets. Many choose to take up this opportunity.

*"SAPN shouldn't add further price pressure." CCP & RGs Workshop participant*

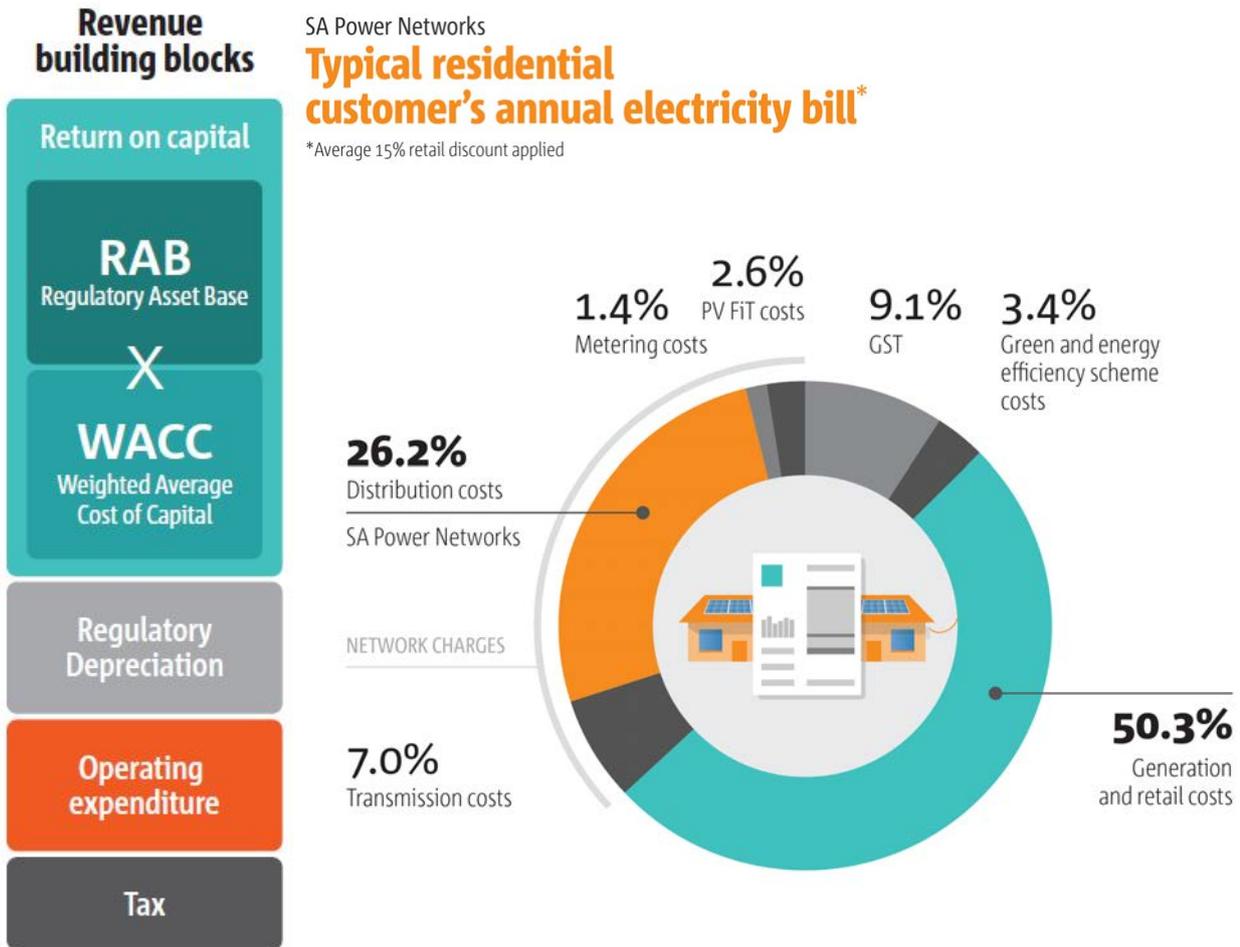


Figure 5: Building blocks and a typical residential bill, Network price presentation



Building capacity of participants: Wayne Lissner (A/General Manager, Corporate Strategy) presenting on components of the electricity bill, Directions Workshop Port Augusta, 4 August, 2017

An indicative base case and three scenarios were offered to participants to enable discussion and advice to be formed.

The case	The scenarios for discussion	Approximate bill impacts
<b>Indicative base case</b>	Limited enhancements to current business as usual (BAU)	No more than CPI
<b>Scenario 1 – moderate Capex reduction</b>	Approximates current BAU, with no service or capability enhancements, and consequently assumes no changes in external environment	\$6 annual reduction in average residential bill (0.26% of the total bill)
<b>Scenario 2 – extreme Capex reduction</b>	Major reduction in existing network sustainability, no service or capability enhancements, less capability maintenance, escalating risks	\$24 annual reduction in average residential bill (1.1% of the total bill)
<b>Scenario 3 – moderate Opex change</b>	Indicative Opex increase or decrease to demonstrate price impacts	\$10 annual increase or reduction in average residential bill (+/- 0.5% of the total bill)

## 5.6.2 Directions

**Price impacts are felt most powerfully by vulnerable residential customers and some business customers.**

- Customers are willing to pay for safety and reliability.
- Customers asked SAPN to try to achieve the lowest possible price while maintaining satisfactory service levels, through efficiency and innovation.

## 5.6.3 Analysis

All discussions demonstrated an understanding of the trade-off between service and price.

There was a diversity of views between residential and business customers, with residential customers generally being more tolerant of price increases if reliability could be improved. However, vulnerable residential customer advocates indicated their constituency had no capacity to accommodate any increase in price. Regions most impacted by outages placed a higher emphasis on reliability than price. The CCP and RG members placed a higher emphasis on price over reliability, as was also the case among participants in Renmark. There was a higher degree of specificity and detail in responses at the Directions Workshop with CCP and RG members.

The assumptions underlying the scenarios for discussion, and their framing, were challenged by a small number of participants, who asked for further transparency about these in the next stages of the engagement process. This points to one of the challenges faced delivering clear information for engagement purposes, in this case in relation to price implications for different customer segments, and the differing needs of customers with higher levels of understanding from the outset.

A number of individuals also wanted to see a scenario with no change in price or a decreased price option with efficiency gains as the means to achieving this. Other participants wanted to see a scenario that offered an increase in services and associated price.

The differences between customer groups (business/residential, regional/urban, region v. region) and their expectations and sensitivities in relation to price were evident in the Directions Workshops. The planned deep dive sessions for some of these customer groups may explore these further.

In some locations, participants were asked whether they had any other thoughts or expectations of SAPN in relation to *Network price*. Their comments, reproduced below, indicate the diversity of views in the topic.

*“Higher reliability and lower costs.” **Renmark participant***

*“To do their best to supply reliable & affordable power to the state by maintaining the infrastructure to the most reliable level possible at a reasonable price.” **Port Augusta participant***

*“One on one advice. How to be more efficient. Also future proofing.” **CCP & RG participant***

*“To provide my business with reliable power at CPI increase.” **Port Lincoln participant***

*“Reliability - prompt action - good communication. Don't say power will be restored in an hour if you have no idea if that is the case.” **Adelaide Hills participant***

*“Although I would love to see lower prices, it is useless if the network is compromised by spending not used in the enhancing of the network.” **Mount Gambier participant***

*“If you screw down price too much then reliability suffers.” **Port Lincoln participant***

*“Safety is priority - especially bushfire safety in Hills.” **Adelaide Hills participant***

*“I expect that given we have the most expensive power prices in the world I expect reliability and, if I am not getting it and the root cause ... if not SA Power Networks, then who is responsible and who are they accountable to? How can we get a better outcome?” **CCP and RG participant***

*“We want a guarantee that increased prices will result in network improvements.”*

**Mount Gambier participant**

## 5.7 Network reliability and resilience

### 5.7.1 Process

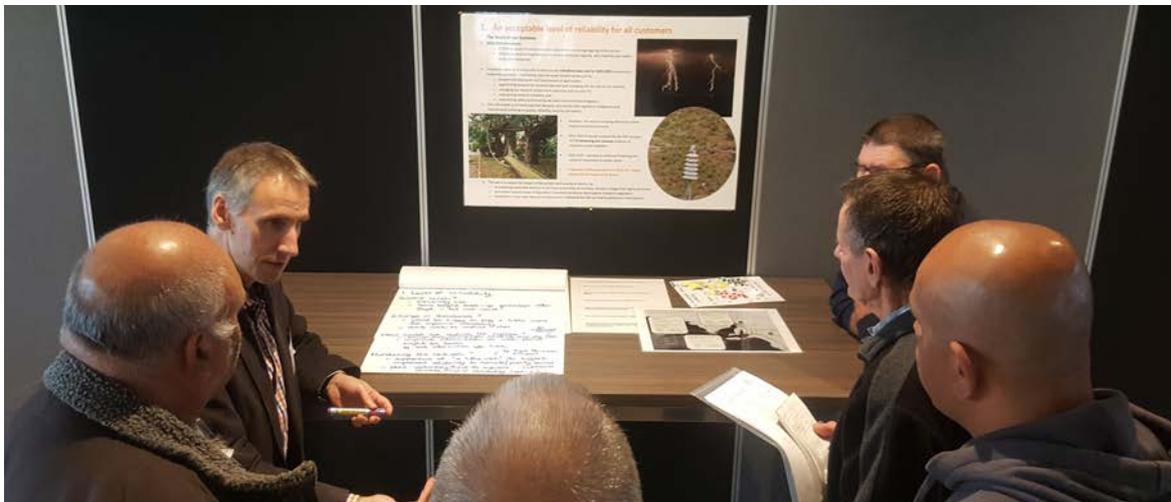
For this section of the workshop all participants were provided with a general overview of what was meant by reliability and resilience. This was supported by posters of State-based maps and graphs with network and outage information, as well as localised information for each workshop region. A choice of topics *Acceptable level of reliability for all customers*, *Restoring power when outages occur*, *Accurate and timely outage information*, *Payments if reliability standards aren't met*, *Regional and poorly served customers* and *Managing bushfire risk* was offered to participants to provide advice and feedback to SAPN. All participants went to the *Acceptable level of reliability* station, and also chose two others to visit, using a “rotation station” methodology across three 15-20 minute rounds.

At each station an SAPN staff member provided a short presentation, which was supported by a poster and images, and then participants were asked to respond to a set of questions. Similar themes emerged at a number of stations. At the end of all rounds participants were invited to use a traffic light rating scale to indicate their preferences and priorities across all topics voting to increase investment, keep the investment steady, or reduce investment, as they saw fit.

Participant discussion questions*: Network Reliability & Resilience	
<p><b>1. An acceptable level of reliability for all customers</b> (<i>compulsory at all workshops</i>)</p> <ul style="list-style-type: none"> <li>▪ What is an acceptable outage length? Frequency?</li> <li>▪ What should SAPN do to deliver the reliability you expect?</li> <li>▪ Should reliability standards be lower? Higher? The same?</li> <li>▪ What do you think about the proposed Hardening the Network Program? What else could we be doing?</li> <li>▪ Any advice on how we should approach this?</li> <li>▪ What could SAPN do to minimise the impact of outages on different sectors, eg major industry, business, vulnerable customers?</li> </ul>	<p><b>2. Restoring power when outages occur</b></p> <ul style="list-style-type: none"> <li>▪ What do you expect from SAPN in responding to outages?</li> <li>▪ How could SA Power Networks' improve service to customers affected by outages?</li> <li>▪ What do you think about the proposed programs (network monitoring/alternative power supplies)?</li> <li>▪ What else could we be doing?</li> <li>▪ Do you have a preference for one program over the other?</li> <li>▪ How should we approach these programs?</li> </ul>
<p><b>3. Accurate and timely outage information</b></p> <ul style="list-style-type: none"> <li>▪ What information would you like to receive when there is an unplanned outage? How do you want to receive this information?</li> <li>▪ How often would you like to receive updates?</li> </ul>	<p><b>4. Payments if reliability standards aren't met</b> (<i>NB: This was the least popular station overall</i>)</p> <ul style="list-style-type: none"> <li>▪ What do customers see as the benefits of the Reliability Guaranteed Service Level (GSL) Scheme?</li> </ul>

<ul style="list-style-type: none"> <li>▪ Are you aware of the need to report unplanned power outages to SAPN? (Y/N)</li> <li>▪ Should SAPN install automatic detection equipment to improve our knowledge of interruptions to the network and therefore the information we could provide customers?</li> <li>▪ How can SAPN provide information that customers can rely on to make decisions during unplanned outages?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bearing in mind that the cost of the scheme is shared by all customers, what do residential, business, vulnerable customers think it should look like?</li> <li>▪ Should residential and business customers be treated the same?</li> </ul>
<p><b>5. Poorly served customers</b></p> <ul style="list-style-type: none"> <li>▪ How should SAPN approach the reliability issue of regional and poorly served customers?</li> <li>▪ Do you support improvements in reliability standards in regional areas, to bring them more into alignment with urban areas? (1-10 scale).</li> <li>▪ Which of the following is more important to you: improving supply to poorly served customers or regional improvements in general?</li> <li>▪ Given that all customers pay for investment, is some additional investment justified to improve reliability standards for poorly served customers? Any concerns?</li> </ul>	<p><b>6. Managing bushfire risk</b> (NB: This was an additional station in Mount Gambier, Port Lincoln, Adelaide Hills and CCP &amp; RGs workshops)</p> <ul style="list-style-type: none"> <li>▪ What do you think of SA Power Networks' approach to managing the risk of our assets starting bushfires?</li> <li>▪ Do you support the proposed initiatives? (1-10 scale).</li> <li>▪ Which of the following is more important to you: minimising the risks of fire starts or reducing the number of customers affected on catastrophic fire danger days?</li> <li>▪ What else could SA Power Networks' be doing?</li> </ul>

**\*Note:** The questions relating to “proposed initiatives” refer to initiatives presented on posters at stations.



*Mark Vincent (Manager, Network Strategy) speaking with participants at the Acceptable level of reliability station at Port Augusta, 4 August 2017*

## 5.7.2 Directions

Using aggregated data from each of the workshops the following chart (Figure 6) shows the traffic light voting method, and indicates customer preferences across all workshops.

Across all of the stations 53% of responses favoured increasing investment, 28% of votes went to keeping investment at the same level and 19% voted for a reduction overall. The highest rated topic was *Acceptable levels of reliability for all*.

Generally, participants supported increased investment in all the topics being explored during this part of the workshop with the exception of *Payments when reliability standards are not met*. There were almost equal levels of support for increased investment across *Acceptable levels of reliability for all* (12%), *Regional and poorly served customers* (11%), *Accurate and timely outage Information* (11%) and *Restoring power when outages occur* (11%). This compared to only 2% of votes supporting an increased investment in *Payments when reliability standards are not met*.

The topic most favoured for a reduction in investment was *Payments if reliability standards are not met (ie GSL payments)*. A total of 7% wanted investment in *Payments* reduced and 6% wanted the investment in *Payments* to stay the same.

The only other topic of note where people indicated they wanted to see reductions in investment *Acceptable levels of reliability for all* (7%). This is based on very strong feedback from the CCP and RG and Mount Gambier workshops that there should be a reduction in investment here. Everywhere else reducing investment for *Reliability* received very low levels of support at between 0 and 3% of the votes cast at each workshop.

It should be noted that *Managing bushfire risk* was only discussed at four workshops in regions where that were bushfire prone and at the CCP and RG session, so this topic could not receive equal levels of support to other discussion stations. A breakdown of each of these stations per workshop appears in Section 6.

	Acceptable level of reliability		Restoring power when outages occur		Accurate and timely information		Payments when standards aren't met		Regional and poorly served customers		Managing bushfire risk	
Invest more	51%	12%	65%	11%	61%	11%	16%	2%	70%	11%	58%	6%
Don't change	19%	5%	31%	5%	33%	6%	40%	6%	19%	3%	26%	3%
Invest less	30%	7%	4%	1%	6%	1%	44%	7%	11%	2%	16%	2%
<b>Overall % of votes</b>		24%		16%		18%		16%		16%		10%

Figure 6: Voting by level of investment preference (left) and overall proportion of vote (right). Shading indicates the largest percentage.

### 5.7.3 Acceptable level of reliability for all customers

This was the only compulsory station, or topic that all participants were asked to visit. It had the highest support for an increase in investment. Conversely, the CCP & RG workshop in Adelaide and the Directions Workshop in Mount Gambier gave this topic their highest ranking for reduced investment.

The key themes for this topic were:

- There is a cost associated with reliability and a willingness to pay for greater reliability;
- Customers supported continual improvements in the quality of communications about an outage;
- Customers wanted localised contingency plans developed (eg at householder level with generators);
- Customers asked SAPN to prioritise what gets restored first (eg business over residential, medical needs etc) and communicate those priorities; and
- Customers wanted to understand the standards for reliability and for those standards to be visible.

*"No appetite for reduced reliability at reduced cost." Mount Gambier participant*

*"Perhaps those wanting higher reliability could pay more for customised service."*

**Port Augusta participant**

*"How much additional reliability do you get for the additional investment?"*

**CCP and RGs participant**

Throughout the workshops there were some practical ideas shared:

*“Planning community outage nights, ‘Earth Hour’, could be done in towns to help people save \$.”*

***Port Lincoln participant***

*“Idea: Voluntary funds to improve remote/rural reliability (opt-in).”* ***Port Augusta participant***

*“Smart homes take the conversation away from “on” or “off” and move it towards what can I do with small amounts of electricity?”* ***CCP and RGs participant***

### **What is acceptable outage length and frequency?**

A range of issues were raised in response to this question however no clear guidance was given in answer to this question.

Concerns were expressed about different groups in the community being impacted differently by length/frequency of outages:

- Irrigators face issues if an outage is lengthy;
- Wineries and food outlets are impacted by fluctuating power levels;
- Those with medical needs such as those with CPAP machines (Continuous Positive Airway Pressure) are impacted both by length and fluctuations;
- Farmers are impacted when electric fences, milking equipment and electric pumps to supply water for stock are down; and
- Those in bushfire prone areas needed access to power for water pumping and communications, and some towns were left without water due to power outages.

As a result, participants at several sites commented on the need to ensure standards in regional areas were lifted. One suggested consideration be given to lifting the reliability standard to the same as that in urban areas. Several people also spoke about the possibility of explicitly setting priorities for restoration so that people have a sense of how this will be managed. It was also noted that more people now had generators following the 2016 major outage. The time of day the outage occurred and the duration of the outage were identified as making a difference as to how great its impact was.

### **What should SAPN do to deliver the reliability you expect?**

The range of suggestions included:

- Additional crews to ensure faster response to outages;
- Improved priority structure for restorations to take into account a range of needs including business, health, essential service access, economic situation of customers;
- Generator backups for the higher priority areas in the event of a lengthy outage;
- Funding for households to connect their own generators; and
- Educate the public on reporting outages.

### Should reliability standards be lower, higher or the same?

There was widespread support for the proposition that standards should not be lowered. More participants spoke about the need to improve the standards for business and regional areas. Some participants wanted to see reliability improved, but did not necessarily wish to pay more for this to occur.

### What do you think about the proposed Hardening the Network Program? What else could we be doing?

A preparedness to spend a little more for a hardening of the network in priority areas was expressed in the majority of the workshops. A small number of participants suggested those requiring higher reliability should pay more for it to occur. In Port Augusta, another participant suggested an opt-in payment program for sectors/customers seeking a hardening program for their local network.

At several workshops customers expressed that additional spending on hardening of the network should be tempered against the need for accountability to customers on any associated increases in costs.

*“Supportive of “a little more” to support improved reliability to remote/poorly serviced customers.”*

*Port Augusta participant*

*“OK as long as genuinely going to improvements & can demonstrate that.”*

*Mount Gambier participant*

### Any advice on how we should approach this?

Suggestions for how hardening of the network could be achieved included:

- Undergrounding of powerlines;
- Upgrade stobie poles where undergrounding isn't possible; and
- Storm proofing to reduce the impact of lightning strikes.

### What could SAPN do to minimise the impact of outages on different sectors, eg major industry, business, vulnerable customers?

Better prioritisation was suggested to determine which areas/customers should have priority when it comes to restoring outages and hardening the network.

Other suggestions included:

- Improve communications on what services are available and provide more accurate restoration times;
- Give high priority to restoring or providing alternative power to ensure communication systems remain available; and
- Look at having temporary generators available to restore towns or sectors that were identified as having a higher priority.



*Jessica Vonthethoff (Stakeholder Engagement Lead) at the Mount Gambier Directions Workshop 8 August 2017*

#### 5.7.4 Restoring power when outages occur

The main issues for people joining this station were:

- Improving communication, particularly when the outages are planned;
- A recent increase in outages both in terms of length and frequency;
- The impact on vulnerable customers, especially those with health needs requiring electricity; and
- The priority (or lack of priority) for business customers.

*“Keep up-to-date with IT systems so we have network monitoring.” Port Augusta participant*

*“If you can get a bit better service then you are happy to pay a bit more.”*

*Renmark participant*

#### What do you expect from SAPN in responding to outages?

There were no clear negative comments about SAPN’s response to outages. In fact, at two locations there was positive feedback on the work undertaken by SAPN to carry out restorations.

Communication with customers on outage restoration times was identified in every workshop as important. This included ensuring power to communication hubs was restored as a priority.

There was general support to continue and improve communications across a range of media in particular use of SMS and radio.

*“SAPN does well to restore, respond in storm conditions.” Port Augusta participant*

*“Pretty good service & response in SE.” Mount Gambier participant*

### How could SA Power Networks improve service to customers affected by outages?

A common thread in all workshops, was summed up well by a comment made by a Port Lincoln participant.

*“The sooner it's back on, the better.”*

Service improvements suggested:

- A preference for SCADA reclosers over generators;
- Improved communications from customers through better processes to capture information from the public about why an outage might be occurring eg branch over line;
- Improved communications to customers about likely restoration time (at several workshops it was expressed that customers didn't need to know what had caused the outage);
- Review of restoration priorities to prioritise areas of greater economic value, eg business hubs, agricultural areas, industry and emergency critical infrastructure needs;
- A fleet of generators for remote areas to help respond better to outages;
- More regular testing of the network;
- Proper fixing or replacement of assets rather than patching of assets when outages occur;
- Education about safety risks when outages occur, eg powerlines down;
- Address the fact that solar can't power homes in times of outages; and
- More crews to respond in extreme weather events.

### What do you think about the proposed programs (network monitoring/alternative power supplies)? What else could we be doing?

The majority of workshops identified increased or better network monitoring as a priority for SAPN. A preference was expressed for SCADA reclosers over temporary generators. However, there was support for generators in times of lengthy outages. Suggestions made to station generators in the more remote regional areas so they can be activated without delay.

### Do you have a preference for one program over the other?

During all workshops the only preferences expressed were SCADA reclosers over generators (support in Adelaide Hills, Adelaide, Port Augusta, Port Lincoln and Mount Gambier workshops). Generators were supported in all workshops, as temporary power supply options during prolonged outages.

### How should we approach these programs?

In several workshops customers urged SAPN to move with care towards alternative energy options to ensure that these changes did not come at the expense of maintenance of the existing network. Participants placed emphasis on the need for a priority restoration protocol to be established so that areas of greatest need received priority to access improved reliability.

At Port Lincoln one participant suggested: *“What about SAPN providing funding for households to connect their own generators < \$1000 - the generator could plug into switchboard?”*

### 5.7.5 Accurate and timely outage information

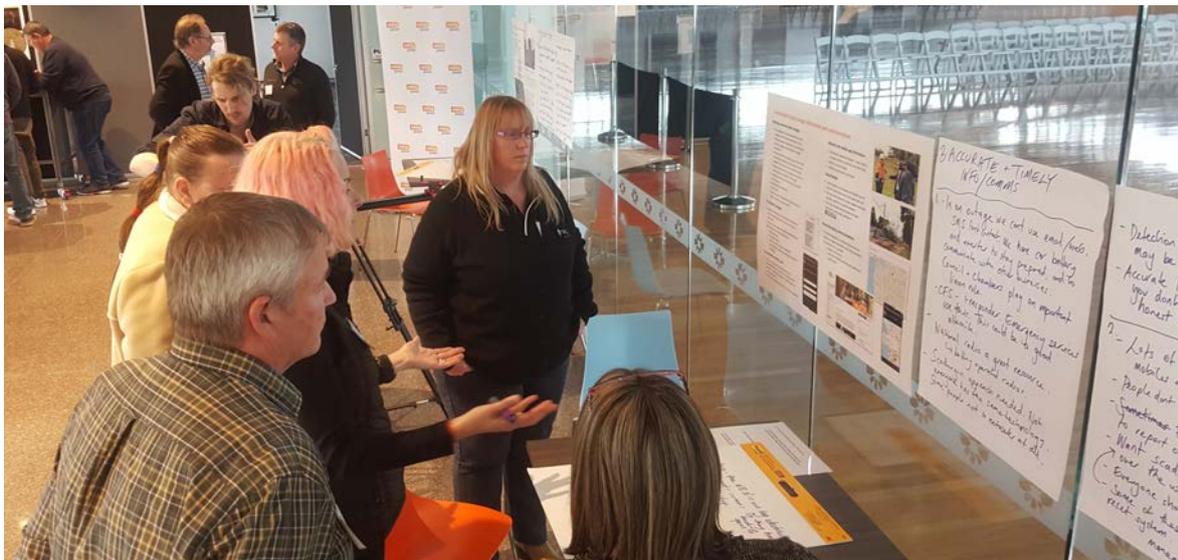
Recurring themes for this topic were:

- Increased use of technology as a means to deliver personalised communication to customers;
- Use of broad spectrum communications (eg radio announcements, website, social media);
- Promotion of SAPN website and app to customers;
- Inclusion of other existing platforms and apps (eg RU OK network, Alert SA);
- Educating people to plan and utilise available resources; and
- Regularly reporting on outage progress with updates.

*“We support elderly neighbours in an outage as they are 90 and we have two generators.”*

**Port Augusta participant**

*“Accuracy is key re: info. Estimated restoration time. No lies! [The] Cause. Who delivers message - regional reps?”* **Adelaide Hills participant**



Valli Morphett (Stakeholder Engagement) Port Augusta, 4 August 2017

#### **What information would you like to receive when there is an unplanned outage? How do you want to receive this information?**

A strong emphasis in all workshops was on the need for accurate information about the area affected and estimated restoration time. The reason for the outage was not considered to be of as much importance.

The following quote from a participant sums up the thread that permeated all workshops:

*“Accurate information is important. If you don’t know or are unsure then be honest about it and say so.”* **Port Augusta participant**

Feedback from each workshop indicated that the best form of communication varied. Individuals did not all have the same access to the same communication options.

*“Scattergun approach needed. Not everyone has the same technology. Some people not in networks at all.” Port Augusta participant*

Preferences were expressed for the following forms of communication:

- SMS (seen as the priority for customers in each of the Directions Workshops as phones can be charged in car);
- National radio (because radio can operate on batteries);
- Website and social media; and
- Alert SA.

Other suggested communications options included:

- IVR (interactive voice response);
- Commercial and community radio stations; and
- CFS i-responder.

### **How often would you like to receive updates?**

Preferences for the frequency of the information varied from every 30 minutes in times of lengthy outages (Mount Gambier and Adelaide Hills), to one hour (Port Lincoln), to “only if something changes” at the Adelaide City workshop.

### **Are you aware of the need to report unplanned power outages to SAPN? (Y/N)**

The majority of workshop participants were aware of the need to report unplanned power outages to SAPN, but participants at several workshops suggested better education of the public was needed to encourage people to accurately report outages. Another suggestion was made that SAPN could offer a service so customers can take photos of faults on the network and send them to SAPN when reporting outages.

### **Should SAPN install automatic detection equipment to improve our knowledge of interruptions to the network and therefore the information we could provide customers?**

There was support for monitoring equipment expressed by participants in Port Augusta, Port Lincoln and Adelaide City, but not in the Adelaide Hills. Some workshop participants in the supporting areas added an addendum that it would depend on a cost/benefit analysis or that such equipment should be rolled out on a priority basis. One person in Mount Gambier suggested a program of smart meters for businesses.

## How can SAPN provide information that customers can rely on to make decisions during unplanned outages?

The following are some suggestions made:

- Educating people to report correct information about unplanned outages was identified in a number of the workshops as a means to ensure quality information is provided to the public;
- Options for detection devices to be installed on the network to feed into communication systems;
- Customers could sign up for an SMS service for themselves or on behalf of a vulnerable customer;
- Separate systems for business and residential customers to report/receive information on outages;
- Tap into emergency service alert systems; and
- One participant at Mount Gambier advised: *“When field guys get diverted, call centre needs to be updated.”*

A range of very specific pieces of advice were offered to SAPN by workshop participants in relation to accurate and timely outage information. Comments primarily related to specific experiences as a customer (eg a vulnerable customer with health needs), or a business customer with specific industry needs (eg dairy farmer, hotel). SAPN has this data.

### 5.7.6 Payments if reliability standards aren't met

This was the least popular station measured by attendance in each workshop. Primarily, the participant input was about the differences in need between residential and business customers, and how the current approach may need to shift away from equality to equity. Overall, participants indicated this was the lowest priority area for investment.

In all but one of the workshops, participants raised the question of whether the \$9 million spent on reliability payments annually could be better spent on improving reliability or purchasing generators, for example, to serve communities when outages occurred.



*Lisa Ibro (Project Coordinator) talks payments at the Port Lincoln Directions Workshop, 11 August 2017*

Here is a sample of the comments around the common themes:

*“Where more power is used, more benefit should be received eg clothes/food shops.”*

**Port Lincoln participant**

*“Not all customers should receive the same. Needs basis.”* **Adelaide participant**

*“Impact on business is far greater - should be recognised.”* **Adelaide Hills participant**

*“Rental & vulnerable customers are impacted more by outages and should be considered more.”*

**CCP & RG participant**

*“Vulnerable customers are so much more affected. Cover too late for these types of customers.”*

**CCP & RG participant**

### **What do customers see as the benefits of the Reliability Guaranteed Service Level (GSL) Scheme?**

Several participants said customers saw it as a compensation scheme, when it was really an acknowledgement that a service had not been delivered. It is seen as offsetting for inconvenience and losses such as spoiled food.

*“Didn’t deliver, so taking the product back.” - Adelaide participant*

### **Bearing in mind that the cost of the scheme is shared by all customers, what do residential, business, vulnerable customers think it should look like?**

There seemed to be a thread in all workshops that the scheme needed to be improved for vulnerable and remote customers. Vulnerable customers needed to have access to funds earlier to access services or products that were not available due to the power outage, eg health needs, food, alternative heating/lighting.

More automation of the scheme was also suggested, such as automatic payment to concession customers via electronic funds transfer. One participant representing vulnerable customers suggested the payments could be distributed through community welfare organisations on a needs basis. The fairness of the scheme was questioned in a number of the workshops.

*“There is no one size fits all for customer types. The scheme is one size fits no one.”*

**Mount Gambier participant**

*“Don't like it - we all pay. Waste of money. Paid by everyone.”* **Renmark participant**

### Should residential and business customers be treated the same?

The workshop participants were divided on whether or not businesses should be able to access the scheme. It was raised in several workshops that businesses can insure against the losses associated with a power outage. This was also countered by those, largely from the business sector, who responded by saying that business pays more for power and should be entitled to more.

#### 5.7.7 Regional and poorly served customers

This topic received the most support for increased investment after *Acceptable levels of reliability for all*. The key themes on this topic were:

- The need for a cost benefit analysis to guide decision-making and set priorities;
- The need to be able to respond to regional specific issues (eg Port Lincoln, Ceduna);
- The importance of considering industry specific impacts (eg farming, fisheries, tourism) and value to State economy; and
- An expectation SAPN should explore opportunities created with new technologies (eg microgrids, batteries) and potential for incentives and partnerships.

*“Customers in remote areas understand (often) why their reliability is less than good - [it's a] customer choice.”* **Renmark participant**

*“More investment is justified, within reason. The cost benefit analysis should factor in wider community or economic benefits as well.”* **Port Augusta participant**

*“Note business and value creation in regional areas may underpin a stronger case for reliability improvement.”* **Adelaide participant**

### How should SAPN approach the reliability issue of regional and poorly served customers?

Participants in each workshop raised the issue of the cost-benefit analysis needing to be considered when approaching increased reliability for regional and poorly served customers.

*“Interest in regional reliability, but not at any cost.”* **Adelaide Hills participant**

*“More investment is justified, within reason. The CBA should factor in wider community or economic benefits as well.”* **Port Augusta participant**



Wayne Lissner (Acting General Manager, Corporate Strategy) with customers at the Adelaide Hills Directions Workshop on 24 August, 2017

In several workshops the economic benefit to the community generally, and the presence of business and industry, were raised as being factors when determining priority for reliability upgrades in regional areas.

A suggestion was also made that where significant commercial operations were to be undertaken, private enterprise could contribute to the reliability upgrades.

*“What about industrial customer investments eg Arrium? Can help.” Adelaide participant*

**Do you support improvements in reliability standards in regional areas, to bring them more into alignment with urban areas? (1-10 scale, where 1 was no support and 10 was the highest level of support).**

Views on this issue varied across the workshops. Renmark (4), Port Augusta (7), Mount Gambier (1, 4, 7), City (yes - no scale given), Port Lincoln (10), Adelaide Hills (7-10), Adelaide (1)

*“Regional improvement can support state economic value - exports.” Port Lincoln participant*

*“Economic impacts should/could be valued more in cost benefit analysis.” Adelaide Hills participant*

*“Adopt a staged, prioritised, methodical approach.” Port Lincoln participant*

**Which of the following is more important to you: improving supply to poorly served customers or regional improvements in general?**

There appeared to be equal support for improving reliability to poorly served customers and regions. Only one workshop indicated poorly served customers should have a higher priority (Renmark). Port Lincoln participants suggested raising reliability in regional areas would aid those considered poorly served.

*“Isolated customers could be served by other technologies.” Mount Gambier participant*

### **Given that all customers pay for investment, is some additional investment justified to improve reliability standards for poorly served customers? Any concerns?**

At several workshops participants expressed the view that improving standards in poorly served customers may lead to savings elsewhere.

*“Wouldn't you save money by fixing poorly served areas?” **Renmark participant***

Standalone power stations were raised in several workshops as being favoured for poorly served customers.

*“Coordination of services for poorly served customers/areas is important (eg in major event circumstances) and extend to emergency organisations.” **Port Augusta participant***

#### **5.7.8 Managing bushfire risk**

This was an additional station in bushfire risk areas: Port Lincoln, Mount Gambier and the Adelaide Hills, as well as in the CPP & RGs workshops.

The key themes emerging from the discussion of this topic were:

- The need for further customer education;
- There was general support for turning off supply on days with high risk of bushfires;
- People want to see continuous maintenance and continuous improvements in communication; and
- That SAPN is working closely with partners in emergency response management and communications (eg local and state governments, CFS).

*“I support minimising risk by turning off power. Consequences can be worse if fires start.”*

***Mount Gambier participant***

*“Highest concern - we may make things worse by turning off power. Can't use pumps.”*

***Adelaide Hills participant***

*“SAPN attend large incident control centres with agencies. Good processes.” **CCP & RGs participant***



*Peter Le leads the group discussion on Managing bushfire risk at Port Lincoln, 11 August 2017.*

### **What do you think of SA Power Networks' approach to managing the risk of our assets starting bushfires?**

Support was expressed in all four workshops for SAPN's current approach with an acknowledgement that reducing the risk of SAPN's assets starting bushfires was the priority.

*"Current approach is quite good - well managed."* **Mount Gambier participant**

### **Do you support the proposed initiatives? (1-10 scale).**

Support was expressed for the proposed initiatives with scores ranging from 7.5 to 10.

### **Which of the following is more important to you: minimising the risks of fire starts or reducing the number of customers affected on catastrophic fire danger days?**

In all three workshops customers gave priority to minimising the risks of fire starts. Some participants added that customers needed to be warned if their power was to be cut.

One participant in the Adelaide Hills warned that turning the power off could make the situation worse for some people.

## What else could SA Power Networks' be doing?

Suggestions included:

- Using drones and automated weather stations as part of bushfire management;
- Informing customers of the disconnections due to fire danger via SMS;
- Working more closely with emergency services;
- Working with NBN to ensure backup for communication nodes;
- Greater vegetation clearances;
- More undergrounding of powerlines in high risk areas; and
- Improving education for the public.

*“Too much constraint on vegetation clearance. Regulations should allow for greater clearances.”*

**Mount Gambier participant**

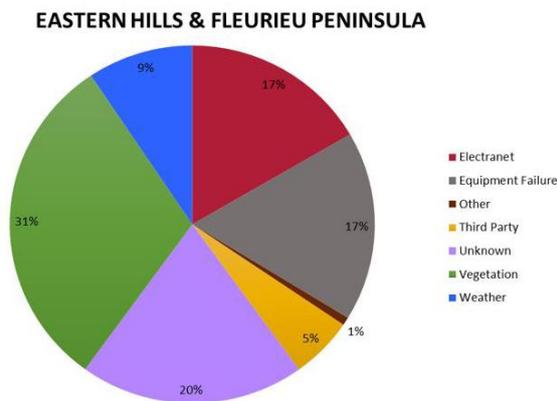


Figure 7: An example of a customised chart from the Adelaide Hills workshop showing power Interruption causes.

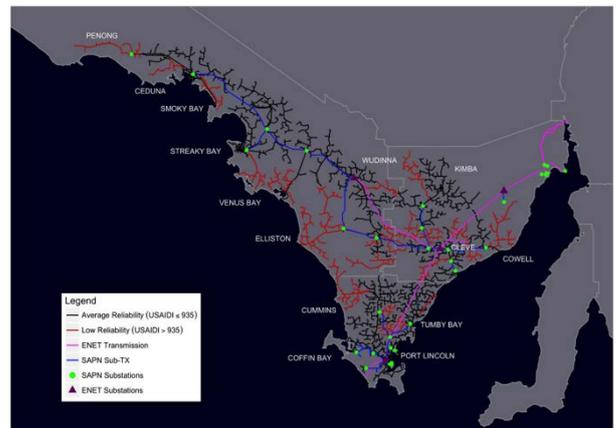


Figure 8: This customised chart shows Eyre Peninsula 1 July 2011 to 30 June 2016: 30 feeders classified as 'Low Reliability'- part of a range of location specific materials prepared for each workshop.



*Mark Vincent (Manager, Network Strategy) introducing Network of the future at the Renmark Directions Workshop Renmark 3 August 2017*

## 5.8 Network of the future

### 5.8.1 Process

For this section of the workshop, participants were introduced to the topic with a [short video](#). This was followed by a 20 minute presentation on customer driven factors, such as the take up of solar PV panels by households and businesses and the impacts of a large scale shift to battery storage and/or electric vehicles, that are driving the *Network of the future*.

Participants were asked two overarching questions:

1. **Should SA Power Networks support the uptake of these new technologies? How?**
2. **If additional investment is required, who should pay?**

In the CCP and RGs session on 31 August 2017 additional questions were asked given a number of attendees either representing or with an interest in renewable and alternative energy industries.

3. **Should SA Power Networks offer microgrid type solutions to communities seeking higher reliability? Under what circumstances? Who should pay?**
4. **Do you have a view on the growth of private microgrids? Is there any action SA Power Networks or regulators could or should be taking?**
5. **How could or should SA Power Networks support 'community energy' schemes? Why? Should community energy schemes contribute to urban/rural cross subsidies?**

Input was provided through group discussion and through the submission of optional worksheets for individual contributions.

The findings from this session of the workshop for each question posed to participants follows. Participants were in peer groups (business, resident and for the CCP and RG this was further segmented) for this session.

## 5.8.2 Directions

### 1. Should SA Power Networks support the uptake of these new technologies? How?

Group discussions explored many topics under the *Network of the future* theme. In response to the question how much to invest participants were given the following options:

- Highest cost: upgrading the network so customers can export as much solar as they want, whenever they want;
- Lowest cost: leaving the network as-is and capping how much solar energy customers can export;
- Moderate cost: dynamically limiting customers' exports so they are capped only at times the network is under stress; or
- Other ideas?

The largest group of participants (42.5%) supported moderate levels of investment, followed by 31.5% who supported high levels of investment. The only Directions Workshop where the majority of people supported a high level of investment was in Adelaide (residential customers).

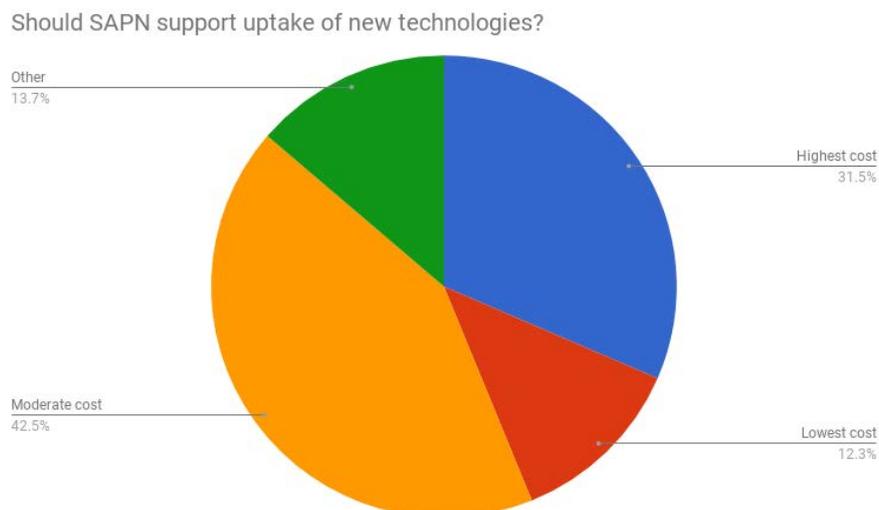


Figure 9: Participant views on investment levels for Network of the future.

Many customers clearly indicated that renewables are essential, and are already impacting on the network due to customer take up. They believed SAPN's planning and action needed to reflect that what is often perceived as the future, is actually rapidly unfolding now.

The options canvassed included generators, other green energy sources, batteries, microgrids and community subsidies for those generating energy. There is broad support for microgrids, increased solar and other new technologies. The options considered were generally reflecting other sources of generation that might contribute to the energy market, rather than different ways of organising the network, and some customers were interested in further exploration of this.

The majority agreed the cost of the network of the future should be shared across all customers.

*"This is two sided. Distributed energy resources give benefits to networks as well as imposing costs.*

*Imports/exports can be managed with a number of mechanisms, including pricing as well as dynamically limiting exports when necessary. Work with customers to optimally integrate DER and rebuild the network over time (upgrades, repairs, replacements, augmentation as necessary) to improve handling of bilateral energy flows."* **CCP and RG participant.**

*"Yes to investing in new technologies. No to limiting to these three. Would love to see a greater mix with batteries, other renewable energy sources and linked into green industries."*

**Adelaide Hills participant**

## **2. If additional investment is required, who should pay?**

Participants were given the following options when answering the questions above:

- All customers?
- All solar customers?
- New solar customers?
- Residential only?
- Business only?

The majority, when asked who should pay for any costs associated with the network of the future, indicated all customers (56%). The next closest response was that all solar customers should pay (24%). Emerging topics raised by a few participants were around different pricing mechanisms for people putting into the grid, export limits, and microgrid contributions to the network. This is a potential area for a deep dive topic. A majority also supported ensuring equity in the future network.

*“Only those with \$ can afford it. It's too "exclusive" a system.” Adelaide participant*

*“Managing the risk of and implications/costs for stranded customers who may well be vulnerable customers. Clarify the longer term costs on grid/independent users.” CCP and RG participant*

*“If additional investment is required then the exporters should pay, not the consumers in general.”*

*Renmark participant*

Below are the additional questions posed to the CCP and RG on 31 August.

### **3. Should SA Power Networks' offer microgrid type solutions to communities seeking higher reliability? Under what circumstances? Who should pay?**

The short answer was 'yes', SAPN should offer microgrids. Diversity of customer views were around under what conditions it should do this and who should pay. Many thought communities should pay, some thought this should be shared between the communities and SAPN, some thought SAPN should pay as it would benefit, and others thought governments should subsidise.

*“Yes. We should be working toward least cost solutions and ultimately these could be microgrids. All private sector (private individuals and community) investment should be recognised with ambitions that everyone is rewarded for the investment. Private = investment pays off, SAPN and broader community = investment was lower than it would have been.” CCP and RG participant*

### **4. Do you have a view on the growth of private microgrids? Is there any action SA Power Networks' or regulators could or should be taking?**

Customers were generally supportive of private microgrids on the understanding that regulations would be in place and consumer protections also established and monitored.

*“National regulations are necessary to protect customers. SAPN can develop a business for installing and designing embedded networks. SAPN should encourage connection of micro grids to SAPN grid with commercial arrangements for import/export tariffs. The net outcome is a reduction of Capex and Opex for SAPN.” CCP and RG – Adelaide participant*

## 5. How could or should SA Power Networks support 'community energy' schemes and why? Should community energy schemes contribute to urban/rural cross subsidies?

Most people thought SAPN had a role. Suggestions about this included: advising these schemes, manager of assets, technicians, offering peppercorn leases and prioritising regions for action.

*"We need to step back and consider the greater issue of generation." Adelaide participant*

*"SA Power Networks' should identify locations where decentralised energy generation and batteries can be beneficial. SAPN could support solar gardens and break down the postage stamp pricing perverse incentive. Why? Access and equal opportunity for all. SAPN can play a key role in operating community assets and minimising community risk." CCP and RG participant*

*"Need cost/benefit analysis and essentially government policy and regulations need to be developed.*

*Consumers must be clear about the options/costs for them." CCP and RG participant*

### 5.9. Informed advice

#### 5.9.1 Process

At the end of each workshop all participants were provided an opportunity to individually reflect on the information they had received and the discussions around the three themes. They were then asked to rank them or include others.

The level of engagement chosen by SAPN for the workshops was **involve** which means SAPN undertook to work directly with customers and stakeholders throughout the process to ensure their concerns and aspirations are consistently understood and considered. Participants were reminded their informed advice was to support SAPN in considering the directions of both future engagement and the development of their next regulatory proposal.

#### 5.9.2 Priorities

Ranking given	Remark	Port Augusta	Mount Gambier	Port Lincoln	Adelaide	Adelaide Hills	CCP & Reference Groups
1	Price	Reliability	Reliability	Reliability	Reliability	Reliability	Price
2	Reliability	Future	Price	Price	Future	Future	Future
3	Future	Price	Future	Future	Price	Price	Reliability

The above table shows the priorities from each workshop. After aggregating the data (where all participants had an equal weighting), the order of priority was:

1. Network reliability and resilience
2. Network of the future
3. Network price

A small number of participants indicated other areas they would want to see prioritised including addressing the role of retailers in price increases, and the impacts of the rapidity of technological change, such as the uptake of solar and other renewables. These additional priorities might be considered under *Future of the network* discussions in the next phase of engagement.

Moving forward into the remainder of this phase of engagement, a deep dive session that examines alternative future network scenarios is advised.

### 5.9.3 Reasons for priorities

When the raw data is aggregated from all the individual participants in the workshops (see Figure 10), the results show that *Network reliability and resilience* was ranked first preference by half of the participating customers. *Network price* and *Network of the future* were almost equally balanced as first choices for about a quarter of the participants each, which indicates the trade-offs here may be an area of examination in the deep dive workshops and future phases of engagement. *Network of the future* came in as a clear second preference for 42% of participants and *Network price* received the largest number of third preferences (47%).

The key reasons participants gave for ranking *Network reliability and resilience* at number one can be summarised as:

- Reliability underpins price and future network;
- Electricity is an essential service;
- For business it is central to risk management and confidence; and
- Protecting assets, maintenance and upgrades to secure supply, needs to be a priority, especially in regions.

The key reasons participants gave for why they prioritised *Network price* at number one were:

- Energy prices are too high;
- SAPN needs to focus on efficiencies;
- Vulnerable customers can't afford to pay any more; and
- Focusing on the lowest possible price while maintaining appropriate service levels will drive efficiency and support innovation.

## Ranking aggregated

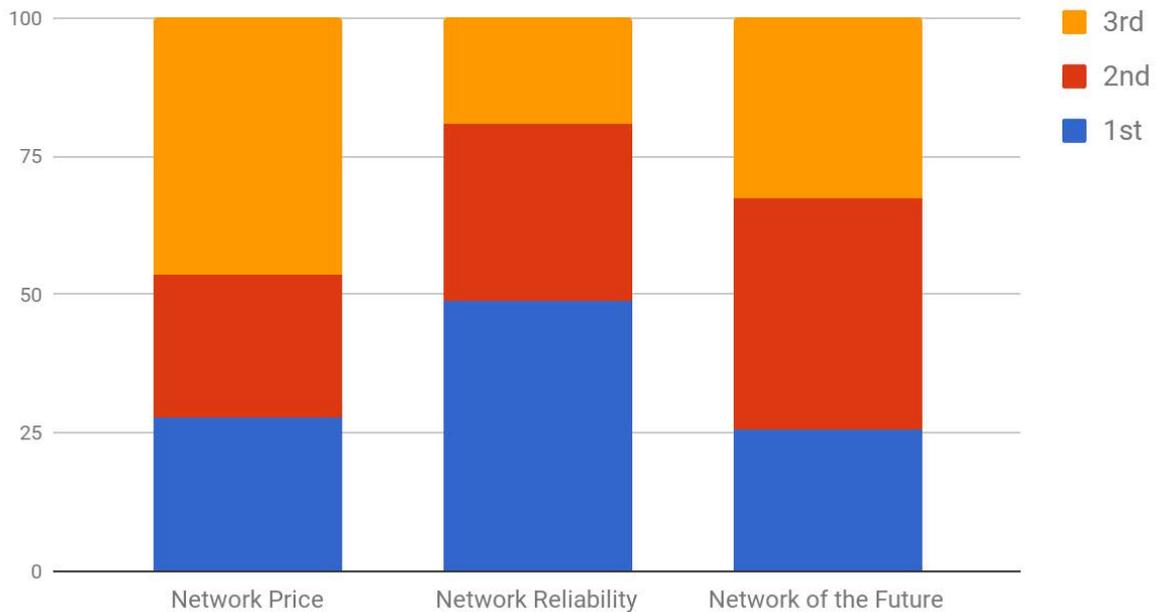


Figure 10: Overall ranking of results aggregated

The following were the main reasons of those who prioritised *Network of the future* at number one:

- Rapidity of change in technology;
- Environmental factors (climate, extreme weather events);
- Potential for reduction in price and increase in reliability; and
- Renewables are seen as essential and are already impacting on the network.

The speed of change due to the increase of new technologies in the network, and changes in customer behaviour and expectations, have impacts on reliability and price. This was well understood by participants and the push-pull factors for the network of the future are advised as areas of consideration in a future deep dive session.

A message expressed by a few participants was for SAPN to examine new ways of working, not just new technologies. These include partnerships, a role for SAPN to lead, and deeper customer engagement in design and decision-making across the network.

One person expressed deep concerns that the paradigm being applied by SAPN does not fully factor opportunities to transition to future technology nor the potential role of the community to be involved in the overall design of the future in a rapidly changing technological context.

In keeping with the level of engagement as involve, SAPN will need to explain, further into the engagement process, how customer aspirations and concerns as expressed in their ranking choices, were considered in the development of their final submission.

#### 5.9.4 Beyond top priority

A small number of participants (less than 10%) also identified other priorities outside of *Network price*, *Network reliability and resilience* and *Network of the future* offered.

These included:

- Communication;
- Vegetation management;
- Maintenance;
- Renewables and other energy sources (eg biomass);
- Culture of SAPN; and
- Customer engagement in design and decision-making.

Communication, vegetation management and maintenance were all discussed in the *Network reliability and resilience* session of the Directions Workshops. Renewable and other energy sources were explored in the *Network of the future* sessions.

## **6. Individual Directions Workshops**

The headlines from each Directions Workshop are provided in an “at a glance” infographic. An early version of the infographics was provided to participants at the CCP and RGs Directions Workshop on 31 August 2017 and served as a feedback mechanism to them from each of the other Directions Workshops.

On the following pages are detailed overviews of each of the seven Directions Workshops.

## 6.1 Renmark

The Renmark workshop was attended by 8 residential customers and 12 business/government customers. Irrigators were the most strongly represented industry sector.

The local issues affecting this community in the run up to the engagement process included: irrigators had been hit by a water bond scheme, SAPN's demand tariff, and the increasing cost of pumping water directly impacting on the opportunity for food industry development and viability.

Renmark's deliberation on the specific engagement themes had a strong emphasis on the impact on local industry.

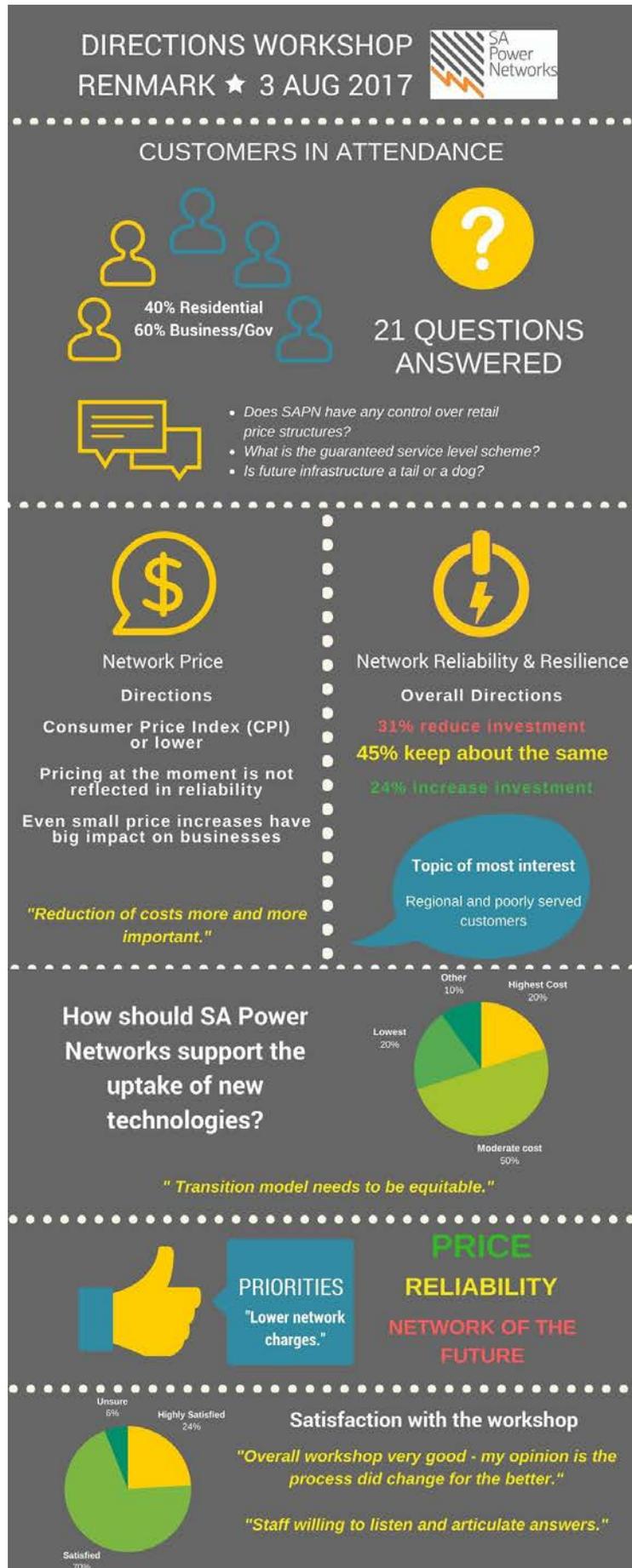
The workshop started with some levels of scepticism amongst a number of business participants about whether they would be listened to. This waned over the day, as acknowledged as a closing remark by one participant.

Their priorities and preferences pivoted on price.

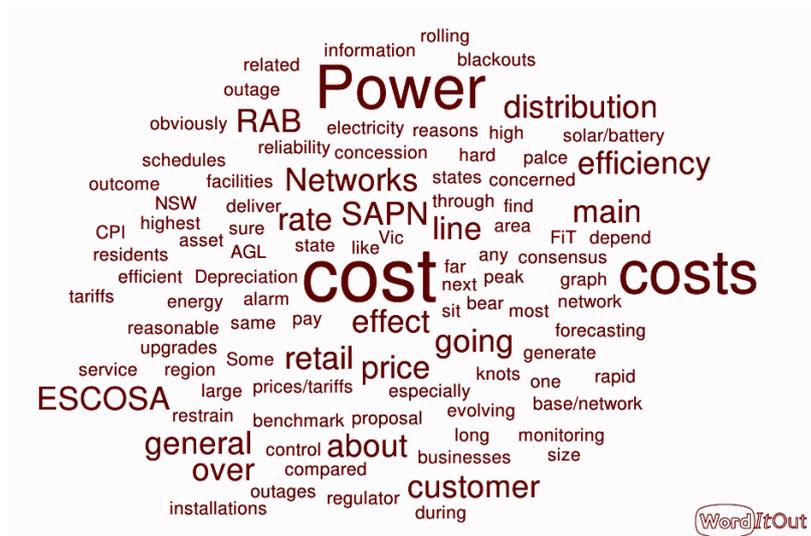
*"If money was no option [I] would like equipment that detected outage and cause, and estimated recovery time accurately."*

*"Need confidence that there is value in what's being spent - ie business case."*

*"Generally solar customers should pay as they receive benefit. Costs must be kept down to keep incentives for solar viable."*



The questions this group generated for SAPN centred around price as this word cloud snapshot analysis demonstrates. A total of 21 questions were generated in the Q&A session.



### Network price

*"SAPN needs to keep costs down for customer and investment in the state. SAPN to lobby to control generation/retail costs."*

Both business and residential customers had more questions than directions in this session. It was the first workshop, so this may have played a role. Other factors clearly at play were that people were uncomfortable about any price increase but understood there could be implications for services without this; and that amongst some of the business customers there was a high level of technical literacy on the subject and they wanted more information about the scenarios being presented.

### Network reliability and resilience

In response to the overarching question of whether to increase, decrease or leave investment at current levels, the largest proportion of participants preferred to hold levels as they are; and the smallest group wanted to see an increase. Consistent with all other workshops, the topic with the most support for increasing investment was *Regional and poorly served customers*. However, even more votes were cast for reducing investment in this area. There was also a clear message to reduce investment in *Payments if reliability standards are not met*.

### Network of the future

There was real diversity of opinion about how SAPN should respond to this theme. About 50% of participants were leaning towards moderate investment by SAPN in the Network of the future. A majority of participants also thought only solar customers should pay for any costs association with the future network capabilities. Setting of export limits was also seen as a viable option.

### Informed advice

When asked to rank the three themes in order of importance, *Network price* was the priority, followed by *Network reliability and resilience*, with *Network of the future* being their last preference.

*"At the end of the day - how will the bill go down?"*

Residential customers placed a higher emphasis on reliability than the business/government cohort.



*Directions Workshop Renmark, 3 August 2017*

## 6.2 Port Augusta

This workshop was attended by 16 participants - eight residential customers and eight business/government customers.

The issues live in this community at the time of the engagement included: the impacts on employment and the local economy from the power plant closure; a new solar farm going onto Bungala Aboriginal Corporation lands (and associated local workforce development); recent announcement of Arrium Steel buyout, Sundrop Farm's success, growing cuttlefish tourism and the number of applications for solar farm developments.

This workshop had the highest satisfaction rating of all the Directions Workshops.

In this workshop participants were encouraged to brainstorm as many questions as they could for SAPN staff and were reminded no question was off limits or too naive to ask.

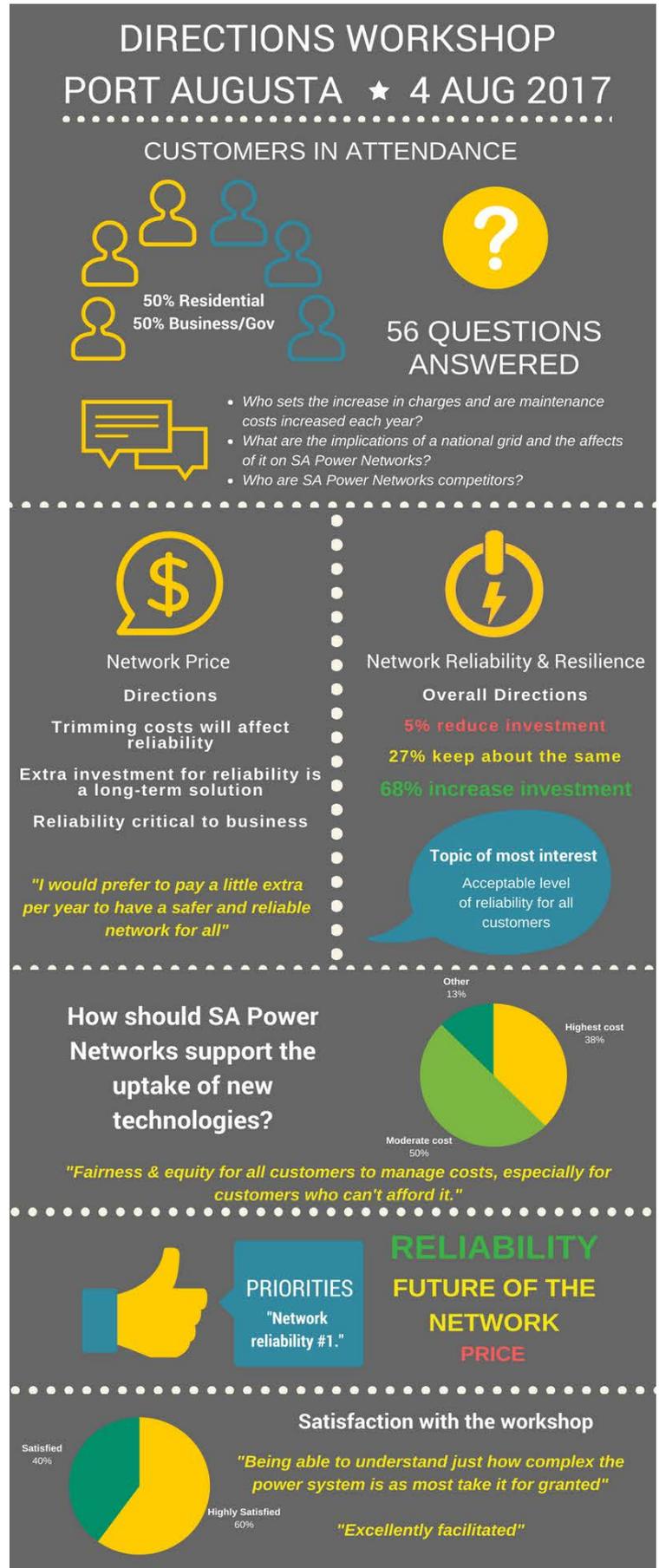
In the Port Augusta workshop there was a mood of optimism and understanding of the changing sources of power and the ways in which customers and the market will adjust.

There was little difference between business and residential customers in their levels of concern around reliability.

There was generally a high literacy on the future of power generation which reflected the local context.

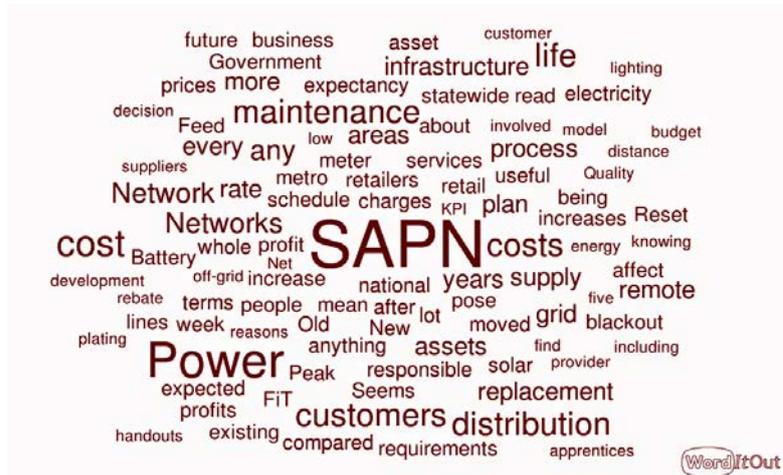
The capacity of the existing assets to meet the future needs was a theme for many of the discussions.

*"Would be happy to pay a little more for improved reliability."*



Questions about assets, maintenance and a leaning towards future security were featured.

A total of 56 questions were generated in the Q&A session.



### Network price

In the *Network price* discussion, most customers expressed comfort with small increases in cost to them in the interests of improving reliability.

Some of the expectations they had in return included:

- less power outages, linked to infrastructure hardening to minimising extreme weather impacts;
- appropriate use of advancing technology to enhance supply and pinpoint trouble spots;
- doing more for areas like Port Lincoln that have suffered through quite long outages;
- supply reliable and affordable power to the State by maintaining the infrastructure to the most reliable level possible at a reasonable price; and
- a well prepared SAPN emergency response team that could be quickly activated in the course of natural disasters to reduce outage times in remote areas.

A number of comments were about how people were trying to find ways of ensuring reliability locally.

*“ I am thinking about buying a generator now”*

### Network reliability and resilience

The overall advice from customers was to increase investment. Across the five themes explored all were supported by the majority for increased investment, with the exception of *Payments if reliability standards aren't met*, where the broad view was to leave this as is.

The topic of greatest attention, and where increased investment was the top priority, was *Restoring power when outages occur*. About a quarter of the workshop participants indicated they had access to generators. They offered a number of ideas to build local capacity including establishing a voluntary fund to improve remote/rural reliability on an opt-in basis and prioritising SCADA monitoring over generation so that trends can be spotted to help with future planning.

*“Don't want to see reliability compromised more.”*

### Network of the future

Most customers supported moderate to high levels of investment in the network of the future. Both individually and in groups the majority felt if increased investment is required all customers should pay. Customers were fairly equally balanced about how to manage some of the implications of this either by upgrading the network to support an unlimited amount of solar, or limiting solar PV exports at sometime.

People also mentioned the importance of making sure lower income households weren't disadvantaged through the process.



*Network of the future station: Doug Schmidt (General Manager, Network Management, SAPN) engages with participants during the Directions Workshop Port Augusta on 4 August 2017.*

### Informed advice

Participants prioritised *Network resilience and reliability*, over *Network of the future* and *Network price* in that order.

### 6.3 Mount Gambier

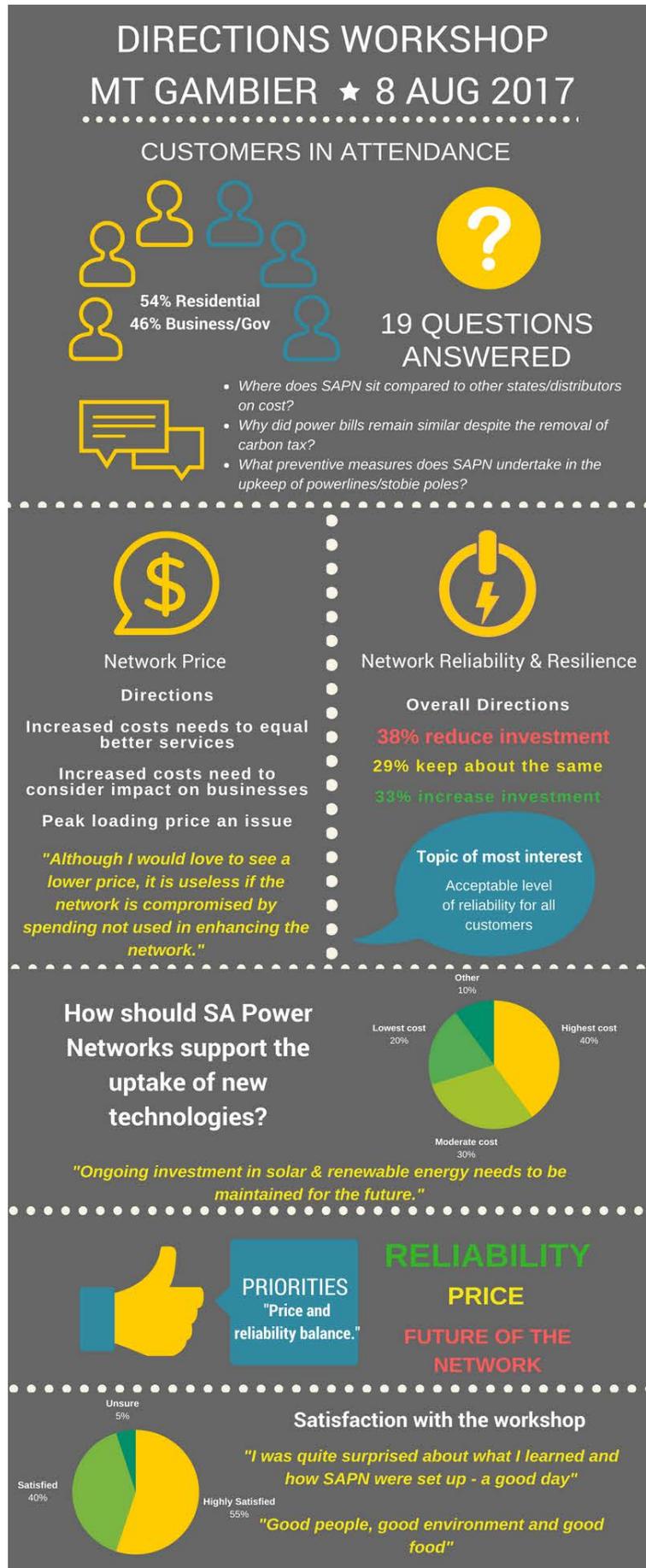
Thirteen (13) participants took part in the Mount Gambier workshop - seven residential customers and six business/government.

Going into the workshop, SAPN was already aware of business dissatisfaction with new augmentation costs and that the issue of extended outages was less relevant here than in other regional areas.

*"We have a small population and a large area. This is not going to change. Need to address this [network price] now!"*

*"We want a guarantee that increased prices will result in improvements."*

*"This should be paramount. That is what this is all about, having reliable energy."*







Directions Workshop Mount Gambier, 8 August 2017

### Network of the future

This group leaned towards moderate to high levels of investment paid for by all customers. One of the key themes coming from this group was the importance of careful transition management and the support for business in this process.

People also spoke about the possibilities of solar farms and micro-grids.

### Informed advice

In Mount Gambier, people prioritised *Network reliability and resilience*, over *Network price* and *Future of the network* in that order; despite feedback in an earlier session about a notable segment of customers preferring a reduction in investment in this area.

## 6.4 Port Lincoln

Eight residential and 15 business/government customers attended the workshop in Port Lincoln, including the CEO of the City of Port Lincoln council and the local State Member for Flinders, Peter Treloar.

This is the region most affected by extended outages.

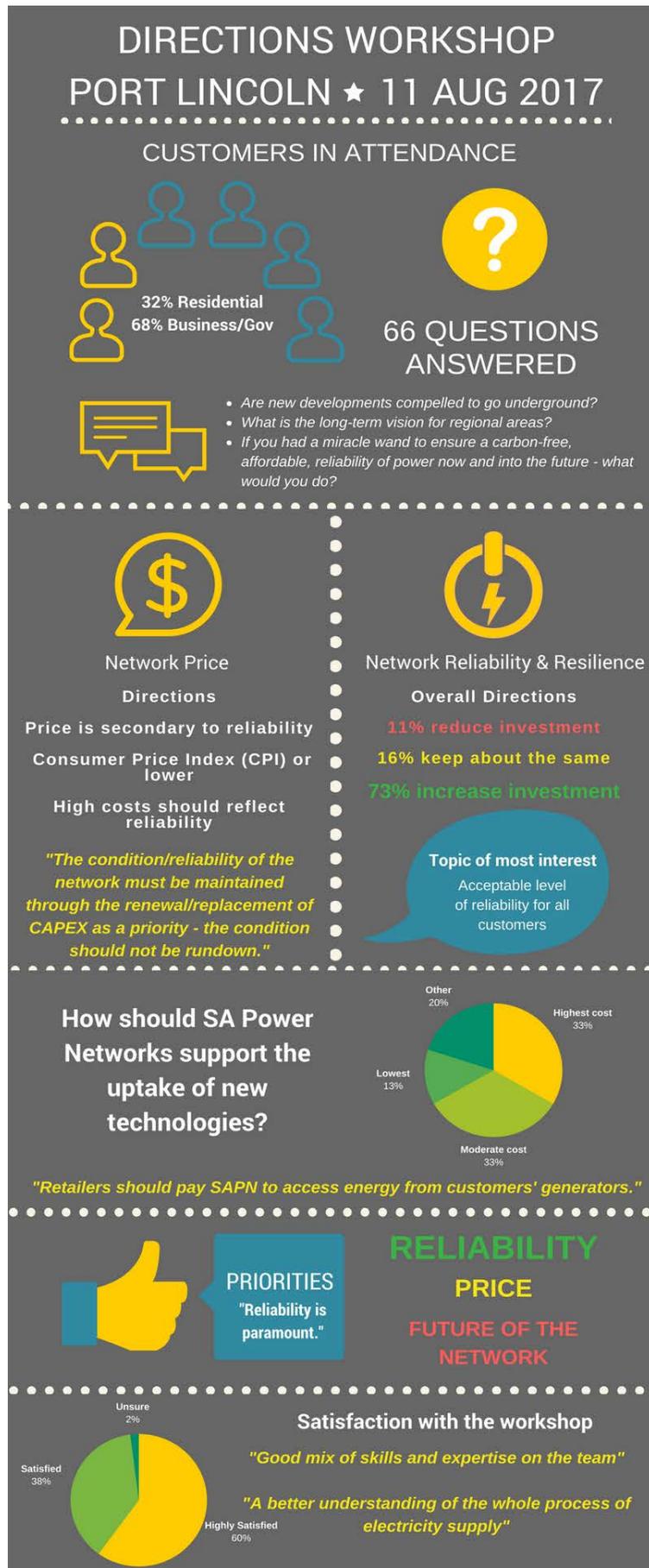
In the last year there has been a five-day and a three-day outage. These have resulted in significant losses to fishing and oyster industries.

A new mine is proposed.

*"User pays. Those putting power into the system should pay by reducing price paid."*

*"With power supply (as with anything) convenience/service comes at a cost."*

*"Resilience spending needs to increase to further the potential of the state."*







*Residential table of peers deliberating on Network price at the Directions Workshop at Port Lincoln.*

## 6.5 Adelaide

This Saturday workshop attracted 21 residential customers.

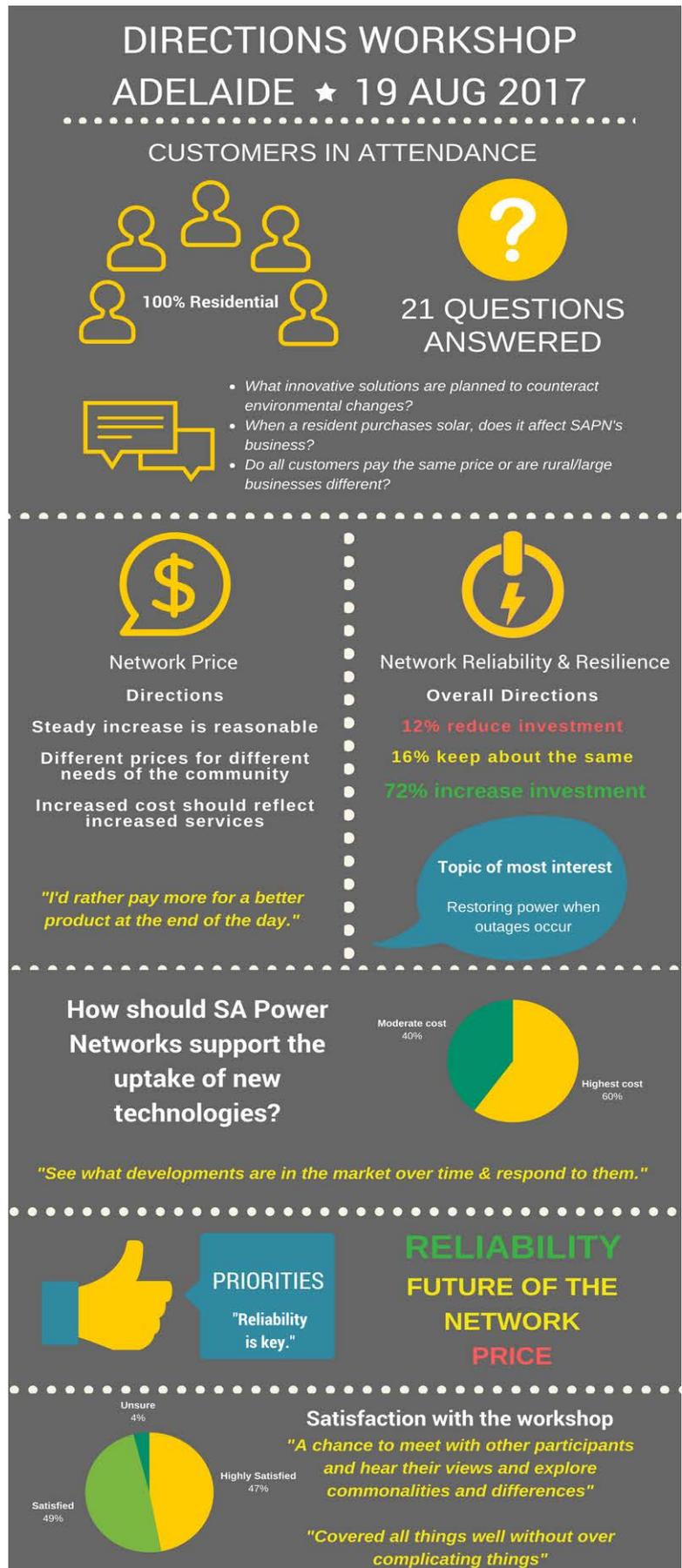
It was the only workshop held with 100% residential customers and the only one held on a weekend.

All participants were asked to provide one question each for the Q&A session.

*"Should be supporting the move to green energy."*

*"All customers should pay."*

*"I believe it is important to prepare for future - innovation and improvement should be priority in light of deteriorating infrastructure."*







*Residential customers in discussion during the Adelaide Directions Workshop.*

### **Network reliability and resilience**

Seventy five percent (75%) of this group's votes were for increasing investment. Despite being a city location, the highest area of support was for *Restoring power when outages occur*. All other areas had high levels of support for increased investment with the exception of *Payments when reliability standards are not met*.

*"In a perfect world regional and urban standards should be the same."*

### **Network of the future**

Customers were evenly divided between moderate to high levels of investment with a preference for all customers paying for any required increases.

An alternative approach to funding this was proposed:

*"Retailers that want to invest in "virtual power plants" and generate. Potential sharing out costs in limited partnerships between local councils/businesses/coops to upgrade limited area transformers to permit high level feed in of power to network."*

### **Informed advice**

*Network reliability and resilience* was the top priority and *Network price* lowest.

## 6.6 Adelaide Hills

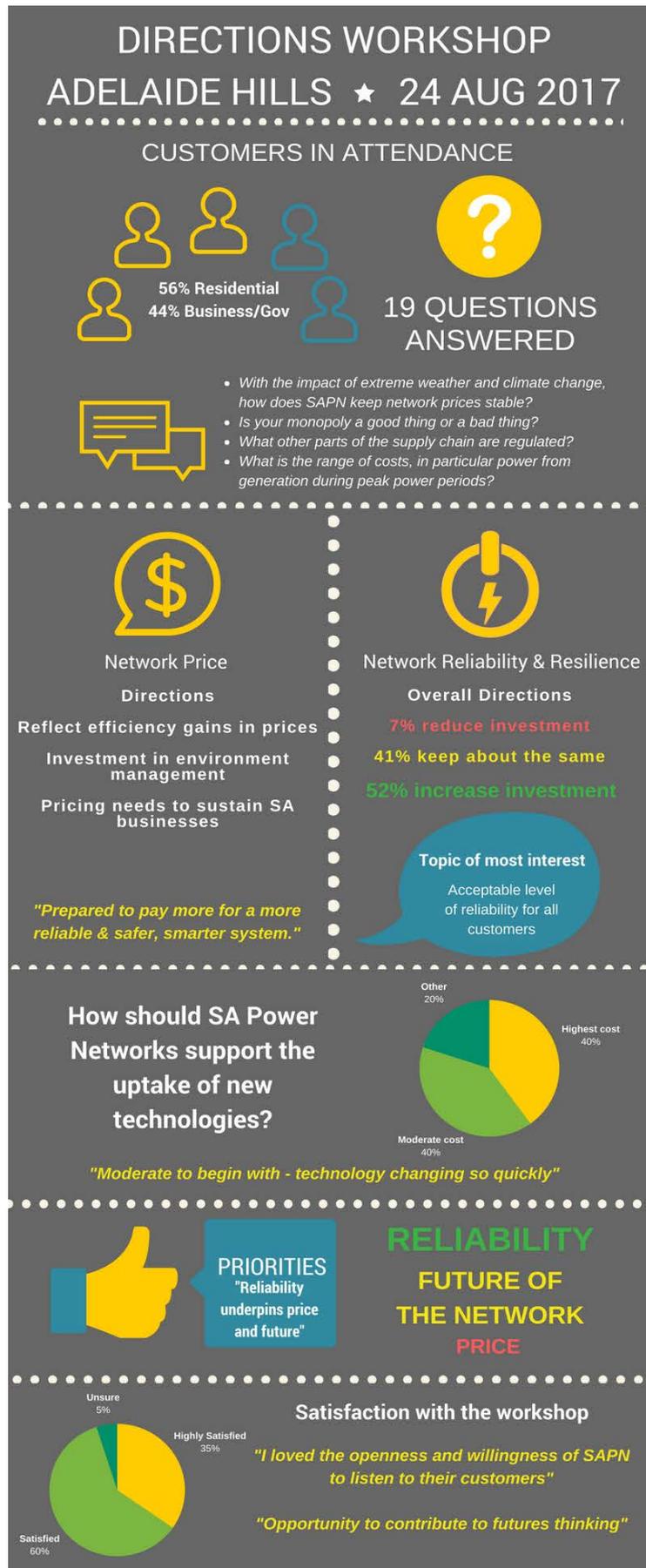
There were 16 participants in this workshop - nine residential customers and seven from government/business. The live issues for this community in the run up to the engagement process included: bush fire risk, vegetation management and recent periods of extended power outages.

Participants were encouraged to provide one question for the Q&A session.

Two staff from KPMG reviewing the customer engagement process also joined this workshop.

*"Safety is priority - especially bushfire safety in the Hills."*

*"This is a statewide issue. Business produce less power than they use. Domestic [generation] can produce more power than they use... the power from domestic should be used in businesses."*





### Network reliability and resilience

Half of the votes indicated a leaning towards increased spending here. When broken down further, the priority areas were *Restoring power* and *Accurate and timely information*. Pricing to support environmental management came through as a strong theme in comments.

### Network of the future

This group was split between moderate and high levels of investment on the *Network of the future* with a preference for all customers paying.

Amongst some participants there was a feeling that the current insecurity of the network is forcing people off grid or to install renewables to ensure supply.

Some also spoke about the importance of off grid communities as an option.

### Informed advice

*Network price* was not as important as *Reliability and resilience*, the *Future of the network* to these customers.

Investment in the future of the network was cautioned due to the rapidity of technological change.

*“Should have more crews to respond to more severe events - climate change is undeniable.”*

## 6.7 CCP & RGs Members

### Directions Workshop

Participants in this workshop did not do the orientation capacity building elements of the Directions Workshop as they were understood to be already well informed about SAPN thanks to the role they currently play as advisors.

The group at this event included advocates from the renewable sector, key industry groups, and the welfare sector and residential representatives.

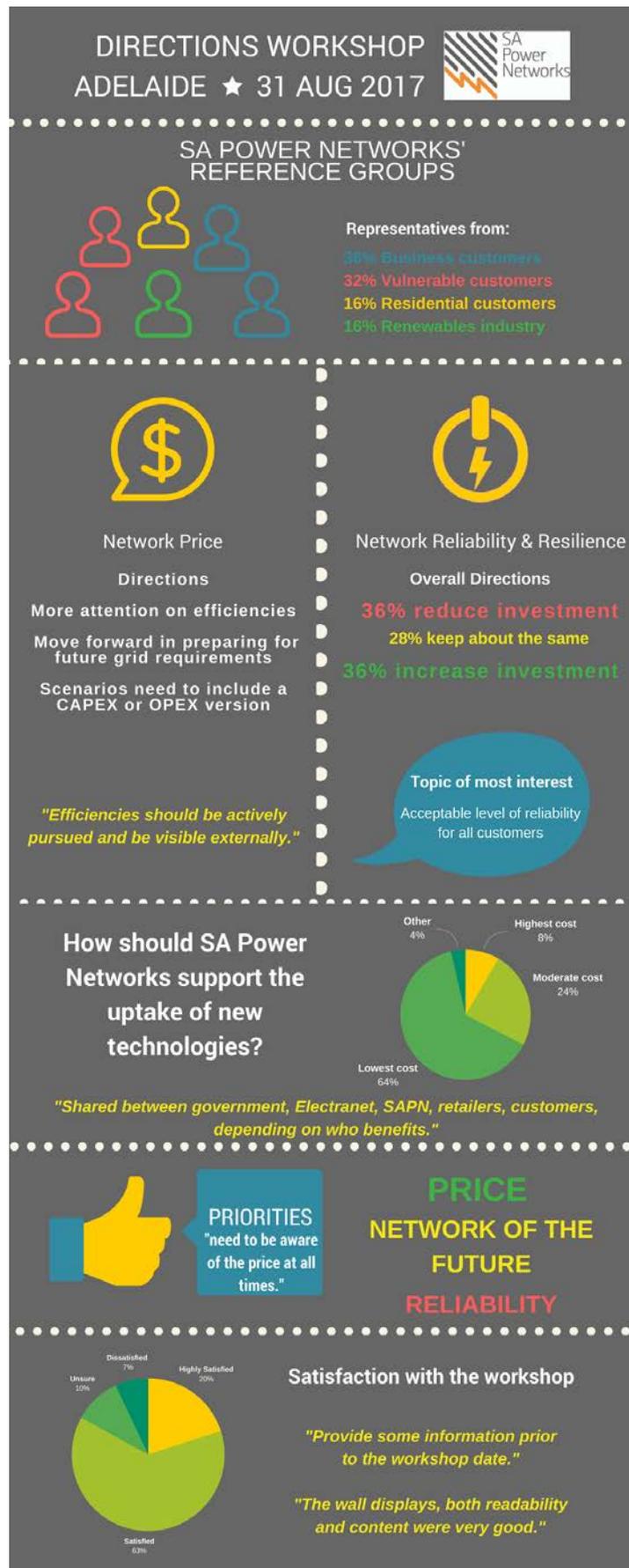
Therefore this infographic does not have the number of questions asked as a metric.

Staff from State and Federal regulators also attended as observers as did new members of the AER Consumer Challenge Panel.

*"Many customers' income [is] fixed or reducing. Expect SAPN to keep lowest cost possible."*

*"My thoughts are that if capital works are reduced it will increase costs in the long run. It should be business as usual."*

*"Many ... pensioners, [on] fixed incomes, mean they cannot pay higher prices."*





CCP & RG Members Directions Workshop Adelaide 2017

### Network price

This group more than any other wrestled with the fundamental assumptions underpinning this engagement exercise. In terms of their preferences in relation to the indicative scenarios presented for discussion, they were split fairly evenly between scenarios: 'indicative base case' and 'a moderate Capex reduction'.

A greater proportion of the group either wanted to raise questions about the assumptions or to offer alternative viewpoints on how this discussion could be progressed. These provide important directions for planned deep dives later in the process.

The themes accompanying this advice were the importance of equity in the system and the inability for vulnerable customers and some businesses to absorb any price increases. Mention was also made of certain industry sectors having very low tolerance for outages. A number of participants pointed to the importance of SAPN actively seeking efficiencies that could then resource some of the needs for investment. A number of people felt very strongly that changes already underway, thanks to new forms of distributed energy resources and distribution models that could have radical impacts on the network, weren't being factored in comprehensively.

*"[There is ] too much assumption of linear progression not paradigm change. Fundamental business model: what does it look like when you sell 40% less electricity?"*

*"Start preparing for future" ...[the] future will be here in 2025."*

The role they wanted SAPN to play included advice and support around protection of vulnerable customers, strengthening customer resilience, future proofing, enabling access to emerging technology, access to own solar during outages, disaster planning and an effective tariff system (with communication and education to customers).

*“Fair & balanced critical peak tariff option. Non-demand tariff options for small customers. Cost allocations to individual customers not based on capacity or demand. These parameters define the network costs of the future by shaping consumer demand.”*

Some of the concerns they had about the process were that business impacts weren't clearly built into the scenarios; that it was a supply side set of scenarios without demand side changes built in; that efficiencies might not impact on bills; that some of the risks may not have been correctly stated, some of the assumptions were not explicit enough and, as mentioned before, the radical technological shifts currently underway weren't being taken into account adequately.

*“People are suffering under cost. Innovation may be expensive or cost-saving. Savings must be available to business and other vulnerable customers.”*

### **Network reliability and resilience**

There was no clear direction from this group about whether to increase or decrease investment. Where they were most clear was in seeking a reduction in investment in *Acceptable levels of reliability for all* which received 18% of votes and provides a very different viewpoint from all other workshops, apart from Mount Gambier. There was modest support for increased investment in *Accurate and timely information* and about 20% of the votes related to *Managing bushfire risk*. However, these were evenly distributed across all three investment options.

There was some concern expressed that keeping investment steady may be sending a message to SA Power Networks that this supports an increase to the equivalent of CPI. This may be an area for further examination in a deep dive session.

### **Network of the future**

This group mostly preferred moderate levels of investment. This was the only group where those people choosing lower levels of investment outweighed higher levels of investment.

A little over a third thought all customers should pay, a third thought other sources should be looked to (government, retailers, ElectraNet) and a group a little less than a third thought all solar customers should carry the cost if extra investment were required.

This group also considered microgrids and community energy schemes. When asked should SA Power Networks offer these in the individual advice 13 out of 14 people said 'yes'. People had many different ideas about how these should be funded: by whoever will benefit most, depending on whether it involved retrofitting or new community infrastructure, and depending on whether it is a poorly served community. *"The growth of PV [solar] and batteries coupled with the diversity factor will lead to little impact on the grid capacity in absorbing local generation. In addition, microgrids and edge of grid augmentation will reduce the size and Capex of the infrastructure and lead to savings in Opex."*

On the issue of private microgrids people spoke about the importance of getting regulations in place, particularly as these related to customer and environmental protections. SA Power Networks has possible roles to play providing advice and fee for service technical support.

*"SAPN should encourage connection of microgrids to SAPN grid with commercial arrangements for import/export tariffs. The net outcome is a reduction of Capex and Opex for SAPN."*

*"AER [needs] to offer proper incentives/penalties to SAPN."*

This group was asked about why and how SAPN could or should support 'community energy' (CE) schemes.

Most people thought SAPN should support community energy schemes and that they might do this by:

- Transferring data IP and in specific regional/remote locations providing peppercorn leases for residential network infrastructure;
- Having a dedicated team to support and advise on CE projects; and
- Using cost reflective tariffs and letting the market flow.

*"SA Power Networks should identify locations where decentralised energy generation and batteries can be beneficial. SAPN could support solar gardens and break down the postage stamp pricing perverse incentive. Why? [because] access and equal opportunity for all. SAPN can play a key role in operating community assets and minimising community risk."*

### **Informed advice**

This group prioritised *Network price* over *Network of the future* and *Network reliability and resilience*, in that order.

There was a call for SAPN to provide more detail in price scenarios and more clearly include efficiency improvement impacts. There was an emphasis on not increasing investment and seeking all means available to SAPN to reduce investment and therefore reduce price.

## 6.8 Overall summary

This infographic is a simple summary of the overall picture from all the workshops. All contributors were weighted equally.

By way of reminder, the distribution of participants across the workshops is depicted in the pie chart (See Figure 18).

A total of 134 people participated in the workshops, 71 residential customers and 65 business, government or industry stakeholders.

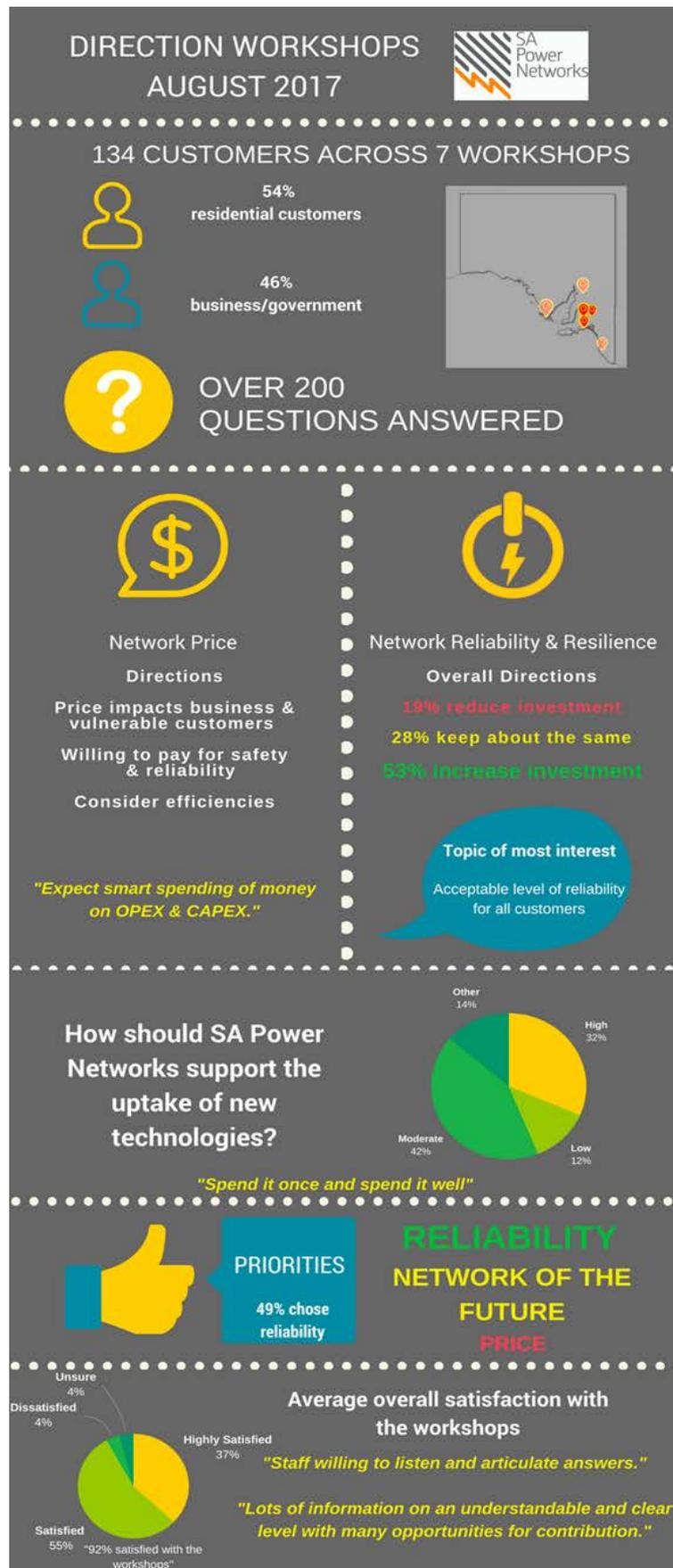
Eighty percent (80%) of all participants completed their workshop session.

Aggregating the raw data of all scores (Figure 19 next page) from all workshops, indicates a direction to reduce *Payments if reliability standards are not met*.

The next area indicating a reduction in spend is in acceptable levels of reliability. This is counter to the preference for reliability as an overall objective by the majority of participants and to the preference of over 50% to increase investment in this area.

A conclusion to draw is reliability and resilience with all its factors includes a range of diverse priorities reflecting location and customer type.

Generally speaking, residential customers favoured more attention to reliability than price. Business advice varied considerably depending on industry sector. Some were more sensitive to price than outages and for others outages were the biggest issue.



The chart below shows the distribution of customers regionally. All contributions were weighted equally.

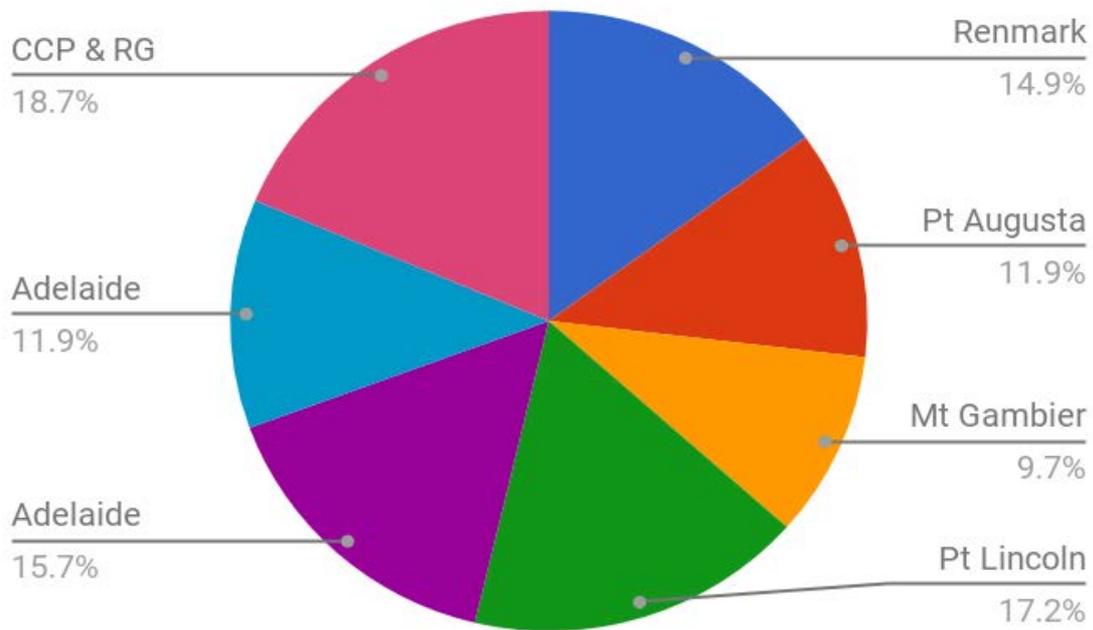


Figure 10: Distribution of participants in Directions Workshops overall.

## 7. Advice for next stages of engagement

### 7.1 Advice from Planning Workshop

Further actions being taken by SAPN from the initial Planning Workshop, to be included in the engagement process beyond the Directions Workshops include:

- Questions to customers to be reviewed by University of South Australia's Institute for Choice to ensure no bias;
- Adding an engagement activity - Vulnerable Customer Conversations - to be included in the *In depth engagement* phase of the engagement program;
- Including CCP and RG members in ongoing engagement and accessing their forums as part of the engagement process; and
- Offering a 1800 phone hotline to augment online engagement, and support those with written or digital literacy or internet connectivity issues.

### 7.2 Advice from Directions Workshops

As discussed previously, the results from the Directions Workshops indicate the following as areas for possible deep dives and ongoing communication with customers as the engagement program continues. These are areas where the trade-offs between the variables are made visible (eg costed), explained or justified where there is and isn't scope in the Opex or Capex budgets. These are also the topics where there is a range of views for SAPN to factor in.

Topics for further investigation in deep dives or in other elements of the engagement program by SAPN may include:

#### *Network Price*

- More transparency around assumptions in the 'building blocks' that make up the SAPN pricing (both Opex and Capex);
- Develop further scenarios that are either side of a "business as usual" case, including some of the issues listed below;
- Possible ways network pricing can reflect new technologies and the changing nature of the distribution network;
- Equity pricing mechanisms for people exporting into the grid, export limits, managing dispatch of energy during certain periods, microgrid contributors to the network;
- Price impact differentials between business, residential customers and vulnerable customers and options to mitigate them;
- Network tariffs for different customer segments;
- Factoring in that some equipment will eventually become redundant, won't need to be replaced and this could have positive price implications;

- The scope for efficiencies off setting SAPN's expenditure;
- Trade offs between price and reliability within SAPN's sphere of influence;

*Network reliability and resilience (beyond price)*

- reliable and accurate communication including apps and other platforms;
- supporting community preparedness for power outages; and
- region specific responses to outages and clear priorities for restoration;

*Network of the future (beyond price)*

- community power options; and
- scenarios that go further in considering system disruption;

*Other*

- the role and mechanisms available to SAPN to contribute to public discourse about energy to influence keeping prices down; and
- customer engagement options in decision-making about energy options.

### **7.3 Advice from Customer Consultative Panel and Reference Group Members**

Advice that these participants gave in regard to the next phase of engagement was wide ranging. Some spoke about the ongoing importance of SA Power Networks' continuing to educate the public so that their advice can be well informed and authentic. Others felt that more information before engagement events could ensure people contribute at a higher level and more efficiently. Some called for a reconsideration of the scenarios presented with more emphasis on future grid impacts of a range of emerging trends and possibilities. Others mentioned that the scenarios could be presented in a way that makes more visible the range of different value propositions being offered in each of the scenarios. Other messages spoke about the goodwill in the room and the readiness to deep dive into the issues discussed. Some called for an expanded role of the reference groups in formulating future directions.

Many also felt it was important for SAPN to demonstrate that they have the highest efficiencies possible and to work with other business/agencies/community to maximise efficiency of the system as a whole.

*"We appreciate the hypothetical nature of some of the scenario inputs, we understand as businesses, we have to make these kind of decisions all the time – do you spend money and see the benefit in two or three years time or don't spend now ... make your decisions on what's the economic/social /environmental benefits ..."* (Network price session)

## 8. Evaluation

### 8.1 Satisfaction with Directions Workshops

Participants in each of the Directions Workshops were asked to rate their level of satisfaction against the following criteria:

- The clarity of information provided in the workshop;
- The range of engagement opportunities provided;
- The amount of time provided to allow effective participation in activities;
- The range of topic discussed; and
- That my views were considered within the process.

The chart below (Figure 20) provides overall rating and scores across each Directions Workshop as an overall score of satisfaction. The best overall indication of participants responses to the process is that 92% of participants indicated they were 'satisfied' or 'highly satisfied' overall with the workshops. For workshop facilitation specifically, all ratings were 'satisfied' or 'highly satisfied'. No participant in any workshop across any objective rated any component as 'highly dissatisfied'.

Breaking this down to each of the workshop objectives, the following chart shows an overwhelming experience by the majority of participants as being 'satisfied' or 'highly satisfied'. The objective with the lowest satisfaction rating was the amount of time provided to allow effective participation where 14.3% were either 'unsure' or 'dissatisfied' with this objective.

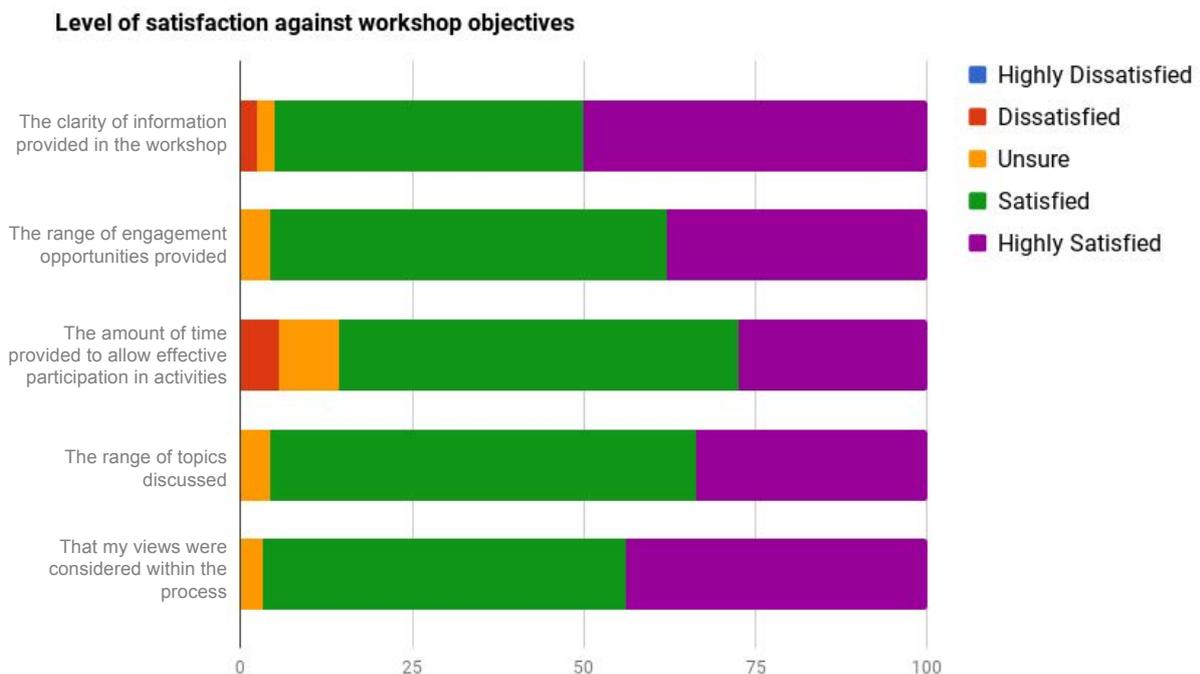


Figure 11: Satisfaction rating

Note the CCP and RG session (31 August 2017) had the least satisfied participants of all the Directions Workshops. While the rating was lower than other workshops, 83% of participants still rated being satisfied or highly satisfied and none were highly dissatisfied in any of the objectives. This group also closed their workshop with an assessment of how they felt about the engagement process as a whole.

On a scale between 1 (very dissatisfied) and 5 (very satisfied) CCP and RG participants gave the process to date a rating of between 3 and 5. Those from the renewable sector and other business tended towards the 3 while those from the residential and vulnerable customer sector tended towards the highest ranking. It should be noted that most of the renewable industry representatives were not at the Planning Workshop and acknowledged they were perhaps not best placed to know whether expectations had been met, given the Planning Workshop was the starting point for others in the room. As a consequence, a couple of the participants acknowledged this and "passed" on giving a score.

The overall attrition rate (see table below) was calculated by the number of people who arrived and the number of people who completed the workshop. Generally, people left workshops because of other commitments. Those receiving stipends were the least likely to leave as the Adelaide workshop demonstrates (100% received stipends all of whom stayed for the whole event).

Location	Attrition rate
Adelaide	0%
Mount Gambier	8%
Renmark	10%
Adelaide Hills	19%
Port Augusta	31%
CCP & RGs	32%
Port Lincoln	35%

Figure 12: Attrition rates at Directions Workshops

## 8.2 Planning and Directions Workshop with CCP and RGs

Eighty percent (80%) of the participants in the Planning Workshop also attended the Directions Workshop on 31 August 2017.

The satisfaction results for that Directions Workshop (Figure 11) show the highest level of satisfaction was with the objective that 'my views were considered', indicating a shift in the experience of being heard.

### 8.3 Closing Remarks

The cooperation of participants in the Directions Workshops was highly valued. Many participants in workshops reported to facilitators, and to SAPN staff, their willingness to participate in future engagement opportunities. There is an appetite expressed by the CCP and RG to move to the next stage of engagement and quickly to capitalise on the goodwill and momentum. To meet expectations and for continuous improvement purposes more time may be warranted for some pieces of the engagement processes.

The foundations are now set for deep dives and drilling down to detail in a number of key areas. The challenge and the opportunity is to involve customers more comprehensively in the weighing up of solutions and trade offs between competing priorities and preferences and the potential radical changes ahead for the future of the network.

MDC also encourages SA Power Networks to hold separate residential and non-residential customer engagements. The CCP and RGs hold views reflecting their enormous experience of their customers and technical industry knowledge. It may be worth considering offering an opportunity for the members of these groups to host their own engagements with their constituencies and bring those views collectively to a future phase in this engagement process. SA Power Networks may also want to consider developing a response to the expectation of many customers that the players within the electricity system are communicating and collaborating to bring prices down.

This report is supplemented with a companion volume curated by SA Power Networks, containing sample documents prepared for workshops including invitations, agenda, attendance records, participants information pack, wall charts, worksheets and photo release forms. An extensive [photo gallery](#) from the workshops and short videos are available at the [Talking Power](#) website. Raw data collected during the workshops remains the property of SA Power Networks and has been provided to SA Power Networks by MDC for records management.

*“Safety and reliability must underpin SAPN's continuing role. Taking advantage of, keeping up with and leading future development can only be to the benefit of customers.” Adelaide Hills participant*

#### **Report Status:**

This report is offered without prejudice. MDC was commissioned to inform and guide SAPN as part of the *Phase 2 - In depth engagement*. It is a record of the initial Planning Workshop and series of Directions Workshops in August 2017.

**Moira Deslandes October 2017**

## Appendix 1 - 2020-2025 Reset Engagement Planning Workshop Agenda



### 2020-2025 Reset Engagement Planning Workshop

#### AGENDA

11 July 2017  
9.30am to 12noon  
Grenfell Room, Ground floor  
Crowne Plaza, Hindmarsh Square, Adelaide

**Purpose:** Provide information about early customer research outcomes, and seek input and feedback from SA Power Networks' Reference and Customer Consultative Panel members on potential themes and approach for the 2020 - 2025 Price Reset Engagement Program.

This workshop will:

- Discuss research outcomes with stakeholders
- Consider stakeholder feedback in discussion of engagement themes
- Consider stakeholder feedback in engagement approach, outlined in the DRAFT 2020-25 Price Reset Engagement Approach document

**Stakeholders:** Customer Consultative Panel, Arborist Reference Group, Business Reference Group, Community Reference Group, and Renewables Reference Group members.

#### Presenters:

**SA Power Networks:**

Rob Stobbe, CEO  
Wayne Lissner, General Manager, Corporate Strategy  
Jessica Vonhethoff, Stakeholder Engagement Lead  
Valli Morphett, Stakeholder Engagement

**Square Holes:**

Jason Dunstone, Managing Director

**Essential Services Commission of South Australia (ESCoSA):**

Nathan Petrus, Director, Consumer Protection and Pricing

**Facilitators:** Moira Deslandes and Kate Simpson

**Support team:** Luke Deslandes and Melody Bendindang  
MDC: Facilitating Futures

**Level of engagement:** Involve

*Working at this level of engagement means: to work directly with the public, in this case stakeholders and customers, to ensure public concerns and aspirations are consistently understood and considered. We will work with you to ensure your concerns and aspirations are directly reflected in the plans developed and provide feedback on how your input influenced our decisions.*

## Agenda

9.15 - 9.30	<b>Registration</b> Coffee and tea on arrival
9.30	<b>Housekeeping</b> <b>Acknowledgement of country</b>
9.33 – 9.40	<b>Welcome and setting the scene:</b> SA Power Networks CEO, Rob Stobbe
9.40 – 9.50	<b>Plan for the session:</b> <ul style="list-style-type: none"> <li>Objectives for the session</li> <li>Agenda, resources for session and who is in the room</li> </ul> Facilitator: Moira Deslandes
9.50 – 10.30	<b>What SA Power Networks has heard so far:</b> <ul style="list-style-type: none"> <li>Engagement program context SA Power Networks: Wayne Lissner, General Manager, Corporate Strategy</li> <li>Customer Research results Square Holes: Jason Dunstone, Managing Director</li> <li>CCP and Reference Group survey results SA Power Networks: Jessica Vonhethoff, Stakeholder Engagement Lead</li> <li>ESCoSA approach to the Service Standard Framework review for 2020-25 ESCoSA: Nathan Petrus, Director, Consumer Protection and Pricing</li> </ul>
10:30 - 10:40	<b>What this means to SA Power Networks for the 2020-25 Reset Engagement Process?</b> <ul style="list-style-type: none"> <li>Themes identified</li> <li>Proposed engagement approach</li> <li>What we are consulting on and how you might choose to be involved?</li> </ul> SA Power Networks: Jessica Vonhethoff, Stakeholder Engagement Lead
10:40 - 11.15	<b>Testing the themes</b> <ul style="list-style-type: none"> <li>definition of the themes</li> <li>sub-themes</li> <li>what content is required for engagement</li> <li>what's missing</li> </ul> Facilitator: Moira Deslandes
11:15 - 11.45	<b>Shaping engagement processes</b> <ul style="list-style-type: none"> <li>what's strong and what needs to be strengthened?</li> <li>who will be included? Who is missing?</li> <li>how best to manage any issues that are out of scope</li> </ul> Facilitator: Moira Deslandes
11.45 - 11.50	<b>Talking Power website update</b> <ul style="list-style-type: none"> <li>SA Power Networks: Valli Morphett, Stakeholder Engagement</li> </ul>
11.50 - 11.55	<b>What happens next?</b>
12 noon	<b>Thanks and close</b>

## Appendix 2: Directions Workshop sample agenda



### Pt Lincoln Directions Workshop Agenda

Date: Friday 11 August  
 Time: 9.15am- 4.30pm  
 Location: Pt Lincoln Hotel

<b>Local Time</b>	<b>Time</b>	<b>Directions workshop item</b>	<b>Presenter/ Facilitator</b>	<b>Level of engagement</b>
9.15	15 mins	Arrival/registration Participation Pack Tea and coffee on arrival	SA Power Networks team	
9.30	15 mins	Welcome and Introductions Workshop objectives and who's listening Tools to support participation	MDC team	
9.45	75 mins	<b>Q&amp;A session 1</b> Introduction to SAPN, the network, and Eyre Peninsula's reliability performance Customer bills	SA Power Networks	Inform
11am	10 mins	<i>Break</i>		
11.10	45 mins	<b>Q&amp;A session 2</b> The regulatory framework Today's workshop	SA Power Networks	Inform
11.55	80 mins	<b>Network prices</b> Presentation and discussion	SA Power Networks	Involve
1.15	30 mins	<i>Lunch</i>		
1.45	75 mins	<b>Network reliability and resilience</b> Presentation and discussion	MDC and SA Power Networks	Involve
3pm	10 mins	<i>Break</i>		
3.10	60 mins	<b>Network of the future</b> Presentation and discussion	MDC and SA Power Networks	Involve
4.10	5 mins	<b>Review where we have been today</b>	MDC	
4.15	10 mins	<b>Your informed advice</b>	MDC	Consult
4.25	5 mins	Other ways to contribute into the future Next steps Evaluation	MDC and SA Power Networks	Inform
4.30		<i>Close</i>		