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# Ann Shaw Rungie Tariffs Deep Dive Workshop report

2020-2025  
Regulatory Proposal  
March 2018



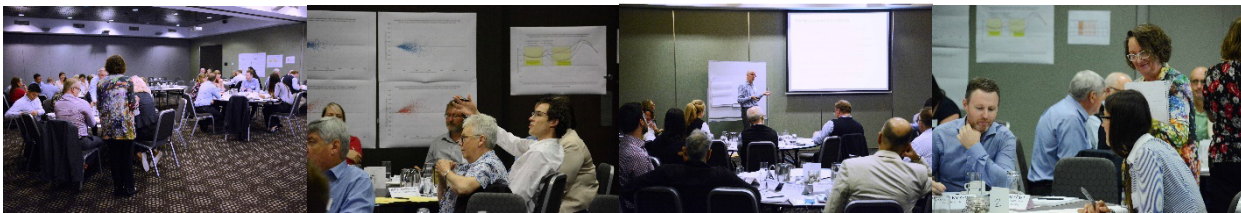


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# *Tariff Structure Statement Deep Dive Workshop*

*19 March 2018*

## *Summary Report*



July 2018

17-018

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## 1. Executive Summary

As part of the comprehensive, phased customer engagement program that is informing the development of its draft 2020-25 Regulatory Proposal, SA Power Networks (SAPN) held a series of 'deep dive' workshops to explore some of the key components of the Regulatory Proposal. The deep dive workshops are in the third phase of the SAPN Customer Engagement Program. SA Power Networks will lodge the 2020-25 Tariff Structure Statement (TSS) with the Australian Energy Regulator (AER), together with its Regulatory Proposal in January 2019. That TSS document will outline the tariffs and pricing structures SAPN will implement over the 2020-2025 period.

The deep dive workshops facilitated by Ann Shaw Rungie covered the following topics:

- Levels of Service
- Tariff Structure Statement
- Capex Part 1
- Capex Part 2
- Opex

The workshops shared and discussed detailed information about SAPN's preliminary plans with its consumer representatives and customers. They were designed to enable SA Power Networks to consider the feedback and views of consumer representatives while continuing to develop its Draft Plan, and refine and respond accordingly.

This report summarises the Tariff Structure Statement Deep Dive Workshop held on 19 March 2018. All members of SA Power Networks' Customer Consultative Panel (CCP) and Reference Groups (RG) were invited to attend the Tariff deep dive workshop, along with retailers, the AER and Consumer Challenge Panel (CCP14) representatives.

A total of 24 people attended from these groups; and 14 SAPN staff attended, as speakers, expert advisers and table facilitators.

The objectives for this workshop were to deliver a deep dive that would:

- build understanding of the context, the current challenges and SA Power Networks' obligations in the tariff setting process;
- explore allocation preferences for residential and business customers; and to
- gather feedback and explore customer impacts of the tariff proposals for residential, small business and large business customers.

### Tariff Structure Statement

The Tariff Structure Statement applies to residential, small business and large business customers. In the tariff workshop, stakeholders considered four main topics:

- Tariff allocations
- Residential tariffs
- Small business tariffs
- Large business tariffs

## Tariff allocations

Following presentations on proposed allocations, participants considered the following question, *How fair are the proposed changes between residential and business allocations?*

Almost 78% of participants were uncertain about whether the proposed changes between residential and business allocations were fair, with 17% saying they were unfair and only 5% considering them to be fair.

Most concern was expressed about impacts on vulnerable customers and the complexity of the proposed tariffs. The complexity meant that not only did workshop participants indicate that they needed more time to consider and discuss the proposed tariffs, but they felt that very few customers would be able to understand the tariff options or have the knowledge or ability to make choices.

## Residential tariffs

Four residential tariffs were considered and are described in the report:

- Current residential tariff (usage) - Type 6 Meters
- Proposed residential tariff – Time of Use
- Proposed residential tariff – Lifestyle
- Proposed residential tariff – Critical Peak Pricing

Participants felt that the proposed tariffs were complex, particularly the Critical Peak Pricing and Lifestyle tariffs. Complex tariffs will be difficult to implement without more education for customers and the aim should be for simpler tariffs. It was not clear who should be responsible for customer education. It was suggested that customers should be provided with 12 months of their usage data, supported by training, so that they can understand their energy usage, prior to implementing new tariffs.

## Small business tariffs

Three small business tariffs were considered and are described in the report:

- Proposed business tariff – Time of Use
- Current business tariff (usage) - Type 6 Meter
- Proposed business tariff – Average Demand

The key issues identified for the small business sector were the need for tariffs to be simple and easy to understand. There was strong recognition of the need for education to drive change and discussion of who should be responsible for providing this. It was felt there is a need for a transition period, noting that in Victoria there was a transition period of five years for customers above 5MWh.

## Large low voltage business tariff

Discussion on this proposed tariff centred on the need to clarify the CBD boundaries and whether the proposed tariff would create a cross subsidy. There was interest in how embedded networks in CBD can be treated. It was considered that large business has the most capacity to respond, but there was concern about complexity of the proposed tariff, given that it is only two years since actual demand was introduced. It was suggested that reducing costs for regions could mean that state-wide costs may need to be removed.

## 2. Background

SA Power Networks (SAPN) operates a distribution network that stretches across South Australia, comprising thousands of kilometres of powerline and hundreds of substations.

Every five years SA Power Networks submits plans which outline its expenditure to the Australia Energy Regulator (AER) for assessment. The AER determines SAPN's revenue allowance under the National Electricity Rules to make its determination.

As part of the comprehensive, phased customer engagement program that is informing the development of its 2020-25 Regulatory Proposal, SAPN held a series of 'deep dive' workshops to explore some of the key components making up the Regulatory Proposal. These workshops are in the third phase of the SAPN Customer Engagement Program, shown in Appendix 1.

In November 2017, Ann Shaw Rungie was appointed by SAPN as an independent facilitator to assist with the design and development of the agendas for the deep dive workshops, to facilitate the workshops and to provide an independent report of proceedings.

The deep dive workshops shared and discussed detailed information about SAPN's preliminary plans with consumer representatives and customers. The workshops were designed to enable SAPN to consider the feedback and views of consumer representatives as input to its draft plans, to refine them and to respond accordingly.

All members of SAPN's Customer Consultative Panel (CCP) and Reference Groups (RG) were invited to attend the Tariff Structure Statement (TSS) Deep Dive Workshop, along with retailers, Australian Energy Regulator (AER) and Consumer Challenge Panel (CCP14) representatives.

The workshops facilitated by Ann Shaw-Rungie covered topics and dates are listed below:

- |                              |                  |
|------------------------------|------------------|
| • Levels of Service          | 21 November 2017 |
| • Tariff Structure Statement | 19 March 2018    |
| • Capex Part 1               | 6 April 2018     |
| • Capex Part 2               | 12 April 2018    |
| • Opex                       | 3 May 2018       |

This report summarises the Tariff Structure Statement (TSS) Deep Dive Workshop held on 19 March 2018.

### 2.1 Acronyms

A list of acronyms used in this report is included in Appendix 2.

### 3. Engagement process

SA Power Networks' Tariff Structure Statement (TSS) engagement process is outlined below. Before attending this workshop, all participants had had the opportunity for discussions about the TSS in Reference Group meetings. This Tariff Structure Statement deep dive workshop was the fourth stage in this process, as shown in Figure 1 below.



**Figure 1: SA Power Networks' Tariff Structure Statement engagement process**

#### 3.1 Objectives for this workshop

The objectives for this workshop were to

- build understanding of the context, the current challenges and SA Power Networks' obligations in the tariff setting process
- explore allocation preferences for residential and business customers
- gather feedback and explore customer impacts of the tariff proposals for residential, small business and large business customers.

In the tariff workshop, stakeholders considered four main topics, as follows:

- Tariff allocations
- Residential tariffs
- Small business tariffs
- Large business tariffs.

Each session was outlined by the independent facilitator who introduced the SA Power Networks' Manager Regulation to provide the expert technical background on each topic as the basis for discussion. This was followed by facilitated table discussion at six tables.

All participants had supporting material, including pre-reading documentation and worksheets with guiding questions for discussion. SA Power Networks' table facilitators recorded discussion and each table reported back to the room after discussion on each

topic. Worksheets were completed by participants during the session or returned later to SA Power Networks (SAPN).

Summary data from both the recorded discussions and from the completed worksheets is included in each section of this report. Complete data sets are held by SAPN for more detailed review, as required.

### **Expectations**

Before the technical presentations, participants were asked to consider their preliminary expectations for this workshop on a scale of 7 to 1, where 7 is a high expectation and 1 is low. The reason for discussing expectations is that expectations tend to influence behaviours and inputs, which in turn influence outcomes.

More than 64% of people rated their expectations between 5 and 7 (higher) and one person identified expectations as 1 (low) because this was an initial 'deep dive' workshop and expectations were for a lot of detail and discussion time. Participants then discussed their expectations again at the end of the workshop (see page 18).

## **3.2 SAPN Customer Consultative Panel and Reference Groups**

SA Power Networks (SAPN) has a consultative framework which consists of a Customer Consultative Panel and four reference groups. All Customer Consultative Panel and Reference Group members were invited to attend the deep dive workshops.

The Customer Consultative Panel and Reference Group framework include the following:

- Customer Consultative Panel (comprising a representative from each of the reference groups below, plus other consumer representatives)
- Renewables Reference Group
- Community Reference Group
- Business Reference Group
- Arborist Reference Group

Appendix 3 details the organisations which make up the membership of each of the Reference Groups.

## **3.3 Who was in the room?**

A total of 24 people attended from SAPN's reference groups, retailers, the Australian Energy Regulator, and Consumer Challenge Panel (CCP14) members. Fourteen SAPN staff also attended, as speakers and expert advisers, including five table facilitators.

Attendance at the workshop is listed in Appendix 4.

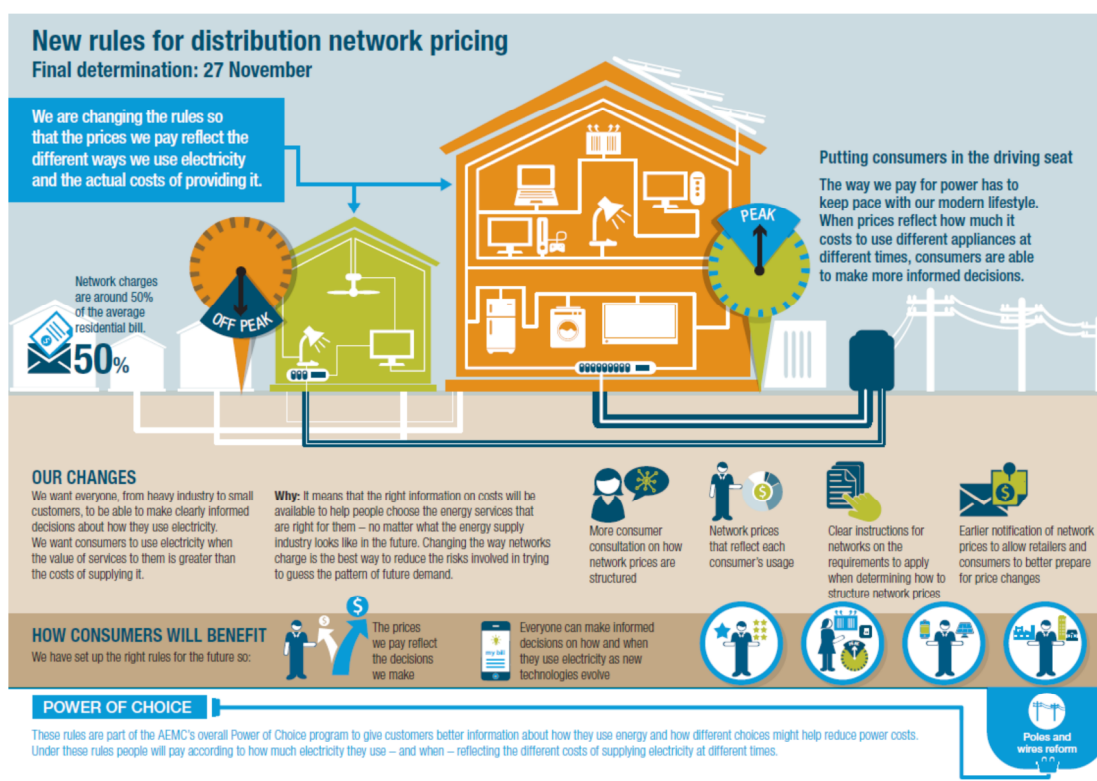


## 4. Why a Tariff Structure Statement?

In 2016 SA Power Networks (SAPN) lodged its first Tariff Structure Statement for the period 2017-2020.

### 4.1 Rules for distribution network pricing

On 27 November 2014, the Australian Energy Market Commission (AEMC) made a rule which requires distribution network businesses to set prices that reflect the efficient cost of providing services to individual customers (see Figure 2). The Tariff Structure Statement is a component of these rules. It shapes the transition to new cost reflective pricing.



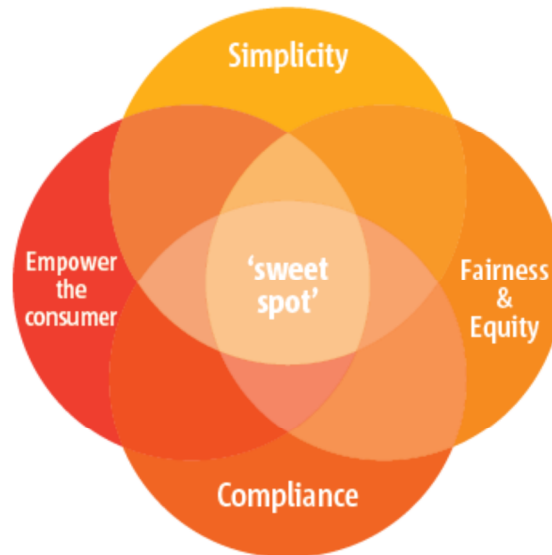
**Figure 2: Rules for distribution network pricing**

These rules are part of the AEMC's Power of Choice program to give customers better information about how they use energy and how different choices might help reduce power costs. Under these rules people will pay according to how much electricity they use, and when; reflecting the different costs of supplying electricity at different times. SAPN will lodge the 2020-25 Tariff Structure Statement with its Regulatory Proposal in January 2019.

The AEMC infographic above was included in the background presentation material at the workshop.

## 4.2 Customer impact principles

SA Power Networks (SAPN) ran a deliberative process with a representative customer group, as part of the Tariff Structure Statement engagement in 2015-16, to develop a series of principles to guide decision making around future tariff structures. These are shown in Figure 3 below.



**Figure 3: Customer Impact Principles**

### **Principle 1: Empower the consumer**

People should be able to see, understand and manage their own behaviour. Understanding, through the provision of information, is central to making the system work.

### **Principle 2: Fairness and equity**

Fairness requires the system to recognise the diversity of consumers and that some households and some businesses are particularly vulnerable to sudden changes. Education, sufficient lead-in times and the provision of complementary measures are seen as having key roles.

### **Principle 3: Simplicity (to inform decision making)**

Tariffs have to be understandable if people are going to respond to them. To be understandable, tariffs need to be simple and transparent.

The customer group agreed that there is potential for conflicts between these three principles, but that there is a 'sweet spot' represented by the middle of the diagram where all four principles overlap and this can provide guidance when making decisions. Compliance is the underlying principle which holds these three principles together.

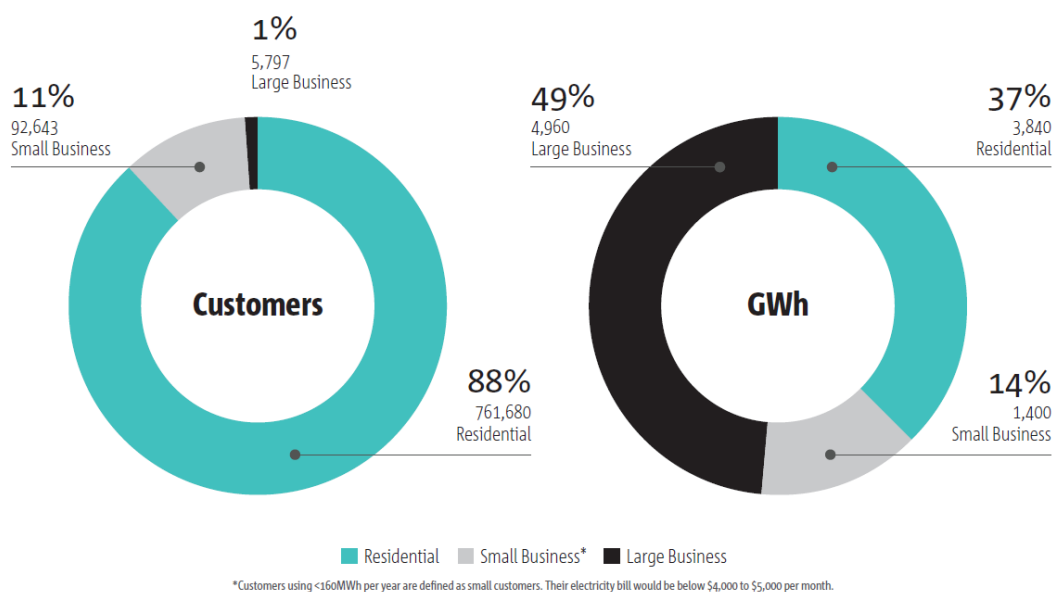
Later in the year, SAPN proposes to evaluate the draft 2020-25 tariff proposals against these underlying principles.

## 5. Tariff discussions

### 5.1 Tariff Structure Statement – Customer types and consumption

The Tariff Structure Statement (TSS) applies to residential, small business and large business customers. Figure 4 below was presented to workshop participants to provide context for the tariff discussions.

It shows the type of customer by number and by the proportion of power they use. Residential customers make up 88% of all customers, and use 37% of the total power. On the other hand, large businesses make up 1% of customers and consume 49% of energy.



**Figure 4: Who does the Tariff Structure Statement apply to?**

Discussions on each of the four tariff topics follow:

- Tariff allocations
- Residential tariffs
- Small business tariffs
- Large business tariffs

Summary data from both the table discussions and from the completed worksheets is included in each section of this report.

### 5.2 Tariff allocations

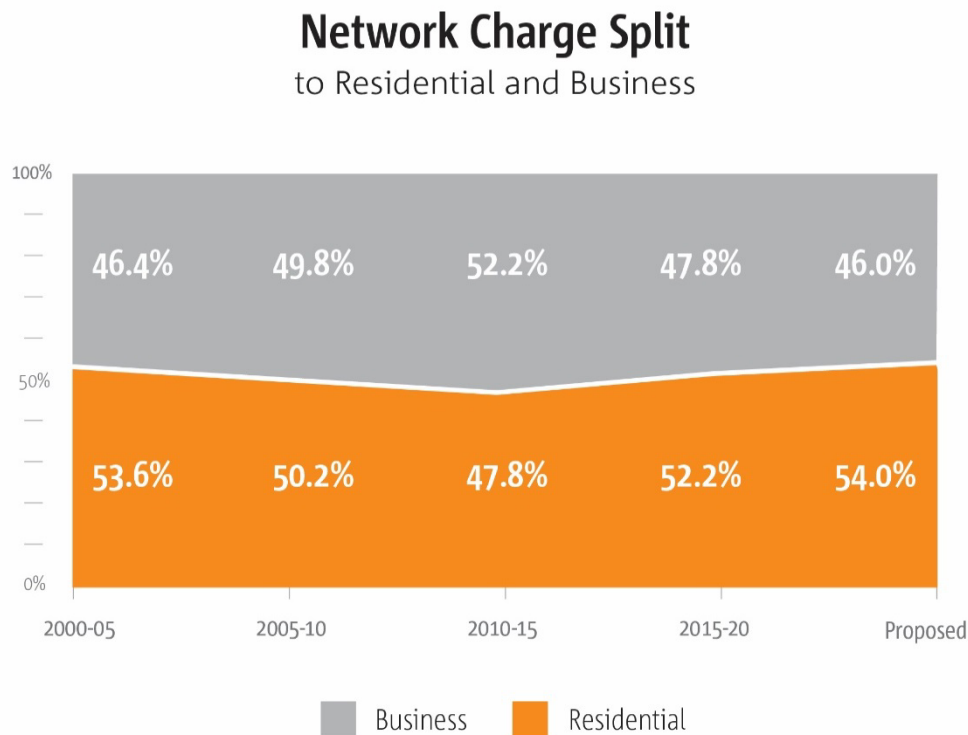
There are a range of pricing principles, rules and codes that apply to the development of tariffs. Tariffs are complex and are difficult for customers to understand. However, pricing principles require that the tariff structure must be reasonably capable of being understood. This workshop provided customers and stakeholders with detailed background information on pricing principles and a summary of proposed allocation changes.

### 5.2.1 Summary of proposed 2020-25 allocation changes

In summary the proposed 2020-25 allocation changes are:

- Moving \$28 million in 'customer service' charges to customer allocation only, meaning an additional \$10.7 million for residential customers
- Moving \$10 million for the Guaranteed Service Level (GSL) scheme to customer allocation only, meaning an additional \$3.8 million for residential customers
- Redistribution of costs against Low Voltage lines to become two-thirds based on customer numbers and one-third based on usage. This is a one-third increase to customer allocation, meaning an additional \$7.1 million for residential customers.

Figure 5 below shows the changes in the network charge split between residential and business over previous regulatory periods and the proposed 2020-25 regulatory period.



**Figure 5: Network charge split between residential and business**

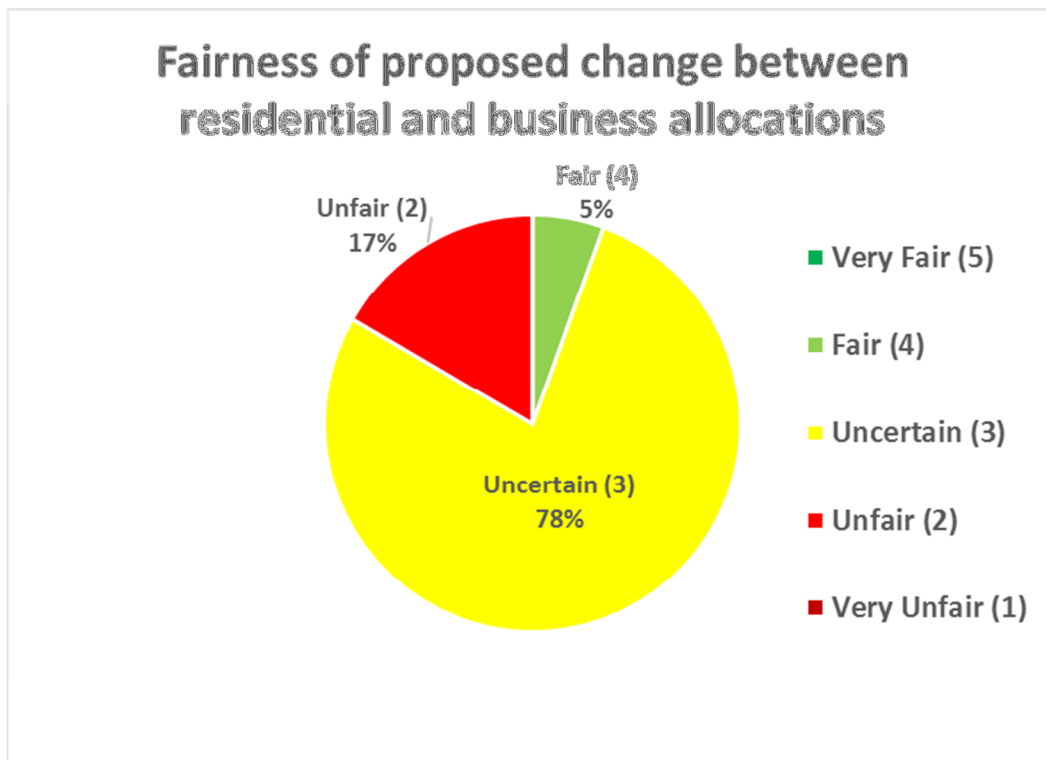
#### How fair are the proposed changes?

Following the allocations presentations, participants worked at their tables and discussed their views on the allocation tariffs and suggested any improvements or alternate options.

They were asked to consider the following question, *How fair are the proposed changes between residential and business allocations?* They were then asked to rate their views on a scale of 5 to 1, where 5 is a very fair, 3 is uncertain and 1 is very unfair, and discuss why.



Most participants, 78%, were uncertain about whether the proposed changes between residential and business allocations were fair, with 17% saying they were unfair and only 5% considering them to be fair, as shown in Figure 6 below.



**Figure 6: Fairness of proposed allocations changes between residential and business**

Two key themes emerged from the discussions on tariff allocation and the discussion below has been ordered under these themes. They were:

1. Fairness and impacts on vulnerable customers
2. Complexity of proposed tariffs – more time needed to consider

**1. Fairness and impacts on vulnerable customers**

- Generally, not perceived as fair (on the scale)
- Tariffs were considered unfair as the impact is on older persons/pensioners that are least able to afford it
- Allocations unfair - moving to fixed costs removes any ability to reduce costs, not empowering customers if they can't understand complex tariffs
- Concern that customers will not be able to participate if tariffs are too complex

**2. Complexity of proposed tariffs – more time needed to consider**

- Too much complex material, too many topics, a tough ask with not enough time to consider and reflect on the central issues and discuss the different options
- The more detailed material was presented fairly quickly and on slides that were difficult to read.

- People needed further information on the basis for the changes and the charges
- It would be beneficial to retailers and customers if the tariff reform could harmonise with other states - simpler for cross-state retailers to implement and lower cost to customers.

## 5.3 Residential tariffs

### 5.3.1 Overview of options presented

Four residential tariffs were outlined for discussion.

- Current residential tariff (usage) - Type 6 Meters
- Proposed residential tariff – Time of Use (ToU)
- Proposed residential tariff – Lifestyle
- Proposed residential tariff – Critical Peak Pricing (CPP)

Following a presentation on the proposed residential tariffs, stakeholders and customers discussed their views on the four residential tariff types and suggested improvements or alternate options. An overview of feedback from the room is below, followed by comment on each tariff type.

#### ***Feedback about residential tariffs***

As in the allocations discussion, strong themes emerged showing concern about complexity of the proposed tariffs and the lack of time in the workshop to understand the details and respond, as well as concern about customers finding the tariff options too complex.

1. Lack of understanding is a huge barrier to take up of alternative tariffs, as is lack of access to usage data
  - What is the incentive for people to change their meter, since tariff will not change without new meter
  - Mandate meters having capacity to send live data to an app
2. Complexity for retailers
  - Customer impacts could cause anxiety
  - Educating customers, helping them understand tariff parameters
  - Retailers charge the customer. Proactively replacing meters is a huge cost to retailers
3. Critical Peak Pricing and Lifestyle tariffs not clear – more information is required
  - Very complicated and difficult to implement quickly
  - The simpler – the better
  - If solar trough is the key objective – focus on Time of Use pricing, no need to look at alternatives
4. Time of Use is simplest
  - Decouple meter change and tariff issue. Give customers 12 months of their data following interval meter installation before moving to new tariff

### 5.3.2 Current residential tariff (usage) - Type 6 Meters

- Maintain flat rate for simplicity and ease for customers to understand
- Curious that seasonal charges for summer not included
- Many people are very suspicious of the move to interval/smart meters and will retain old meters for as long as possible.
- An option for Type 6 meters is to reprogram meter

### 5.3.3 Proposed residential tariff – Time of Use

- Large groups of people won't be able to understand the tariff structure
- How can people go onto this tariff with no data on their use?
- Need a data-gathering period before/during change enabling customers to have 12 months of data, perhaps introduce smart meters and tariff on different dates
- Retailers are having difficult conversations - explaining everything to customers is the challenge
- Is there a real, practical difference between Time of Use and demand tariffs in terms of how people will behave under each?

### 5.3.4 Proposed residential tariff – Lifestyle

- This is VERY complicated – how many residential consumers will be able to get across this? Negotiation between SAPN and small customers also very problematic.
- Main problem SA Power Networks wants to solve is “solar trough”. This tariff adds complexity to tariffs and doesn't really deal with the solar trough more effectively
- People don't want smart meters – consumer resistance – fear of large bills
- People who take this up would have to be supremely interested in using their power optimally and would need to understand the system extremely well.
- Education needed first, need to be able to give advice on how people can benefit
- How will the agreed peak demand be reset when customers move houses or retailers?

### 5.3.5 Proposed residential tariff – Critical Peak Pricing

- CPP is too complex for average customers
- How will customers be communicated about critical peak events?
- Needs to be simple enough for average customer to understand to drive change.
- The complexity is in the relationship between retailer, customer and distributor – a change in circumstances can ‘break’ the communication chain
- The problem to be solved for SA Power Networks is utilising “solar trough” so Critical Peak Pricing unnecessary.
- People need 12 months to see how they use energy – information can then be used to empower customers. Need this to address behavior change.
- There needs to be a regulation that retailers don't put a mark up on SAPN costs.
- What guarantees do you have that the retailers will pass on charges?
- How will SAPN achieve outcomes if the retailers aren't regulated?
- Who is responsible for explaining detailed information for people?



## 5.4 Small business tariffs

### 5.4.1 Overview of options presented

Following the small business tariffs presentation, in which three different business tariff options were introduced, participants discussed their views on the different tariff types. The three business tariffs presented were:

- Proposed business tariff – Time of Use (ToU)
- Current business tariff (usage) - Type 6 Meter
- Proposed business tariff – Average Demand

Table facilitators recorded discussion and worksheets were provided to guide the conversation and also allow for individual recording of issues. A summary of key points raised about these tariffs is below and specific points on each tariff type are listed on the following pages. Again, the complexity of the tariffs was a strong focus of all the feedback.

#### ***Feedback from the room about business tariffs***

1. More complex for customers and retailers
  - The more usage segments introduced the more complex.
  - Need transition period of at least 12 months – need access to data
2. Need consistent tariffs / incentives between small business and residential
  - Different pricing for certain segments of network (e.g. industrial parks)
  - Demand rather than usage?
  - Clarify what is the desired outcome
3. Tariffs are complex and difficult to understand – consistent language is required
  - Not enough incentive in tariffs to drive the right behavior
  - Simplicity is key
4. Education key for businesses to understand
  - Usage not the only factor

#### ***General feedback about business tariffs***

- The first objective should be to make it easy for the customer – the retailer should advise when to change.
- Education is required for both residential and business customers; this is critical and could be run jointly or separately by the retailer or the network
- New tariffs are too complex - small business is not like large business and does not have resources to understand the complexity of tariffs
- Business demand tariffs signalled in arrears, so there is limited ability to change behaviours – this is why dynamic tariffs are better.
- In Victoria there is a transition period of 5 years for customers above 5MWh.
- Why are business customers being charged volume rather than demand?
- In business monitoring devices are necessary. App/SMS would have to come from retailer.

#### 5.4.2 Proposed business tariff – Time of Use

Comments related to workday versus non-workday peaks; suggestions that the proposed time period is too long; and questions about what is an appropriate consumption threshold for small business customers. The feedback below is taken from the worksheets provided during the workshop.

In section: *Proposed tariff parameters*

- Option 2 provides lower rate during solar trough but for non-workdays, which may not benefit many SME customers but adding two more time periods on network charge which makes the tariff more complex for customers.
- Option 2 and Peak Usage... 0701-2100 work days is too wide an interval.
- Regarding Peak Usage... 0701-2100 work days – Option 1 is good for most office type businesses that don't work weekends.

In section: *What makes this tariff unique?*

- Why? Non-workday peaks don't exist, should be off-peak.

In section: *Desired behaviour change*

- 9:30-21:30 is too long a time period to promote shifting. So confused - absence of commercial load suggests no peaks on non-work days

In section: *Who would use this tariff?*

- 40MWh is a low threshold. Why not 160MWh, to be consistent?

#### 5.4.3 Current business tariff (usage) – Type 6 Meter

Feedback was mainly questions relating to meter change-overs and who would pay for and read the meter.

In section: *Who would use this tariff?*

- Q, so does other meter just remain on premises? And who reads that one (SA Power Networks?) – are SAPN covered by Supply Charge to read this?

In section: *Proposed trigger*

- This could be a trigger to change to an Interval Meter, if people could then see the benefits of the Time of Use option (up to Retailers) or customer to request change of meter if they personally could see the benefit. Question arises – who would pay for the new meter?

#### 5.4.4 Proposed business tariff – Average Demand

Participants commented on the complexity of this tariff making it a barrier for both customers and retailers; that there is a need to engage with businesses around the potential impact on hospitality industry; and there is also the need for a transition period to take up this tariff.

In section: *Proposed tariff parameters*

- Option 2 and 3 are challenging for retailers to provide estimated customer annual bills.
- SMEs are more like residential customers. Complex tariffs will be perceived as a hurdle for SMEs to manage the energy cost and consumption.
- Should allow transition period for customers to take up this tariff e.g. customers who opt-in for this tariff can pay a small amount for demand in the first four years before being fully cost-reflective.
- Hard for advocates to comment on this. Too complex. Altogether a lot of complexity.

In section: *Any other comments?*

- I presume that both large and small business customers have staff to look into whole power supply issues and business advice to draw on.
- Business Reference Group would be best placed to decide on actual choices here, but as an onlooker, the Options outlined here are clear, highly detailed and extremely well presented.
- Charging a new peak price on the Business Tariff for non-work days is likely to impact hospitality businesses in particular, and those less able to realistically shift load.

## 5.5 Large business tariffs

Following the presentation, participants discussed their views about large business tariffs. Note that while there were SA Power Networks' Business Reference Group members present, there were no representatives of large business present at this workshop.

Participants commented on the need for clarity about the CBD boundaries and how the implications may affect the ability of large customers to respond to new tariffs.

### 5.5.1 Large Low Voltage business tariff – Average Demand

In section: *Proposed tariff parameters*

- Option 3 is too complex, however since it is an individual tariff, can be done.

In section: *Any other comments*

- Large business has most capacity to respond but adding complexity not a great idea. Customers will need advisors to understand and be able to make choices.
- Clarity needed over CBD boundaries and whether the CBD tariff would create a cross subsidy. Is there is capacity to bring in residential solar to solve trough issues?
- Cross subsidies between CBD and rest of state should be clear, to identify winners and losers.
- Big buildings don't have control of use a lot of the time, what is the ability of large CBD customers to respond? How can embedded networks in CBD be treated?
- Want to see better options for regions, because of high cost – may need to get rid of state-wide costs.
- Support for smoothing over 4-hour period instead of 30 minutes.



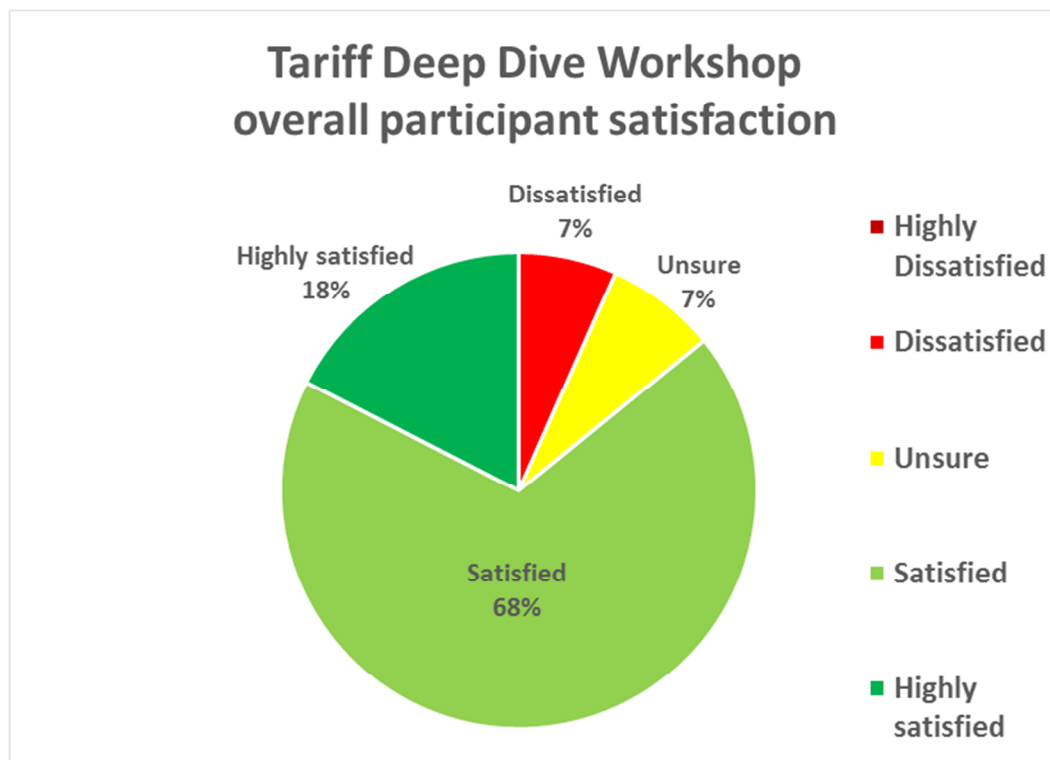
## 6. Evaluation

At the end of workshops SA Power Networks (SAPN) routinely asks workshop participants to evaluate their experience, including clarity of information provided, time allowed for effective participation, the range of topics discussed and the level of satisfaction with how their views were considered. The responses are combined to provide an overall satisfaction rating.

People appreciated the diverse participation by industry stakeholders and the mix of people at each table. They considered that SA Power Networks' table facilitators were fair and frank at summarising stakeholders' views. It was considered that SAPN are clearly taking the issue of tariffs seriously and taking on a range of consumer and stakeholder views.

The detail of the preparation from SAPN was also evident, however, "it does need some time for the rest of us to absorb it and provide considered responses". It was suggested that this workshop could have been held over two days to allow people to absorb the material. Many slides were considered too complex to read and too many tariff topics were covered, meaning it was often difficult to provide input.

The overall satisfaction rating is shown in Figure 7 below, where 86% of participants were satisfied or highly satisfied.



**Figure 7: Overall satisfaction rating Tariff Deep Dive Workshop**

### **Expectations**

Expectations were discussed at the beginning of this workshop (see page 5), when outlining the engagement process. This then enabled a discussion at the end of the workshop about evaluation and whether expectations had been met or exceeded, and participants considered that their expectations had been exceeded.

## 7. Reflections

Deep Dive workshops by their nature need to present a range of complex and detailed material to workshop participants. To enable effective participation, people need to have the opportunity to develop their 'energy literacy', and they need to feel that they are being heard. Ideally this means one third presentation time and two-thirds discussion time in workshops.

The SAPN stakeholder engagement team adopted this as a principle and consciously and effectively worked at improving the ratio by reducing time for presentations and increasing discussion times over the course of the subsequent deep dive workshops.

SAPN has made a significant investment in building the knowledge base of its Reference Group members so that they can participate in a reasonably intense engagement process as part of the 2020-25 Regulatory Reset Proposal. Nevertheless, because of the complex nature of the material and the detail to be discussed, it was still difficult for participants to absorb and discuss the information in the time available in the tariffs workshop.

There was, however, by observation, a great deal of good will in the room and this was also evidenced by the high overall satisfaction rating participants expressed through the evaluation process.

The key issues that emerged were related to complexity of the tariff structures presented with complex presentation material and worksheets, too many topics and the lack of time to consider and be able to provide meaningful input.

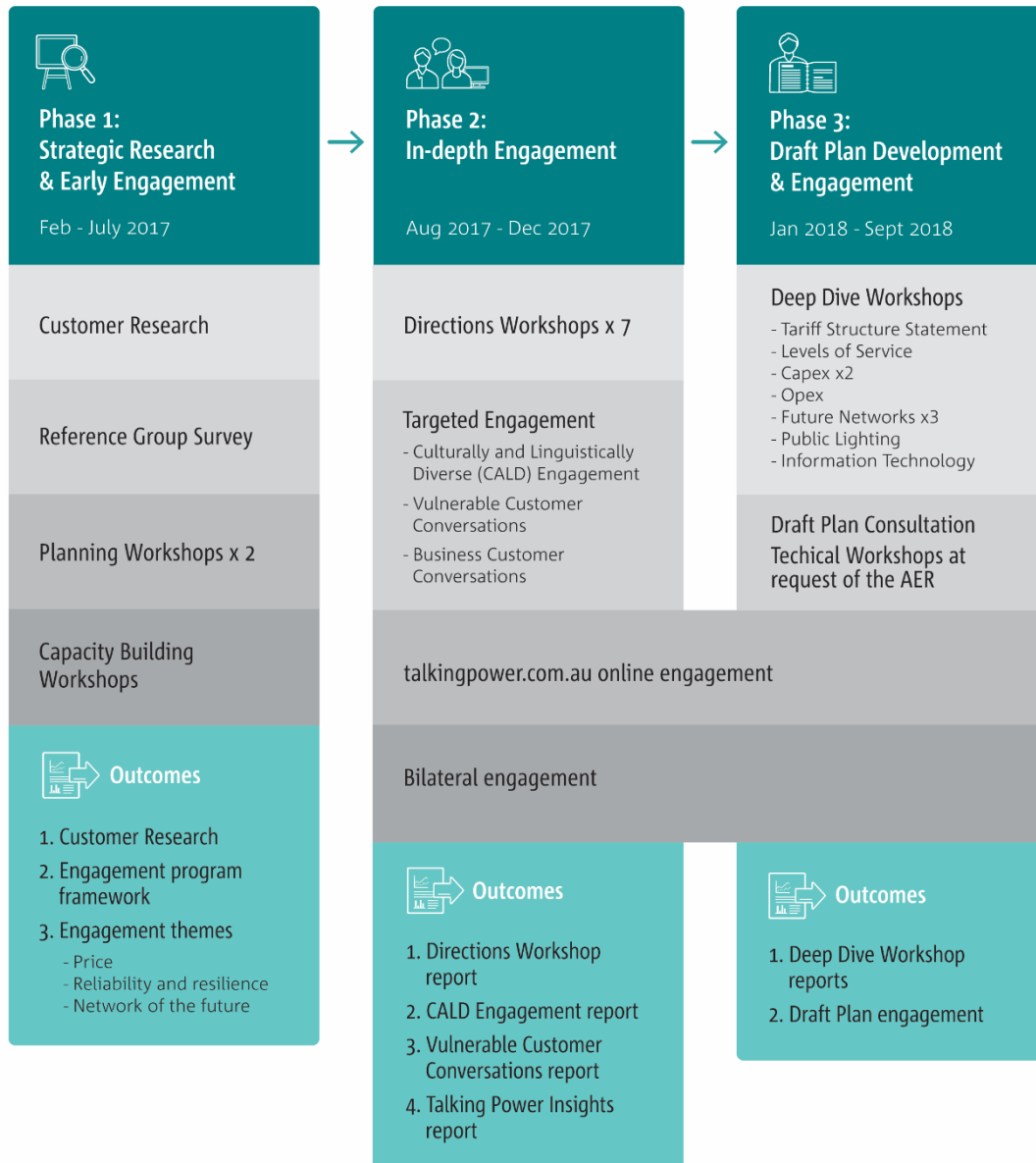
Some participants thought that the order of the deep dives was not optimal. The tariff workshop would have been better held after the capex and opex workshops to enable clearer understanding of key costs and how they might be charged through the Tariff Structure Statement.

In designing workshop processes and discussion questions for workshops it is important to consider not only what is being asked of participants (reasonably matching their degree of 'energy literacy' with the subject material) but also what kinds of answers might emerge and how the data generated will be taken on board and absorbed. It may be possible to align these processes further so that data generation and aggregation is more intuitive.

## **Appendix 1: 2020-2025 Regulatory Reset Engagement Program**

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## 2020-25 Regulatory Reset Proposal Customer Engagement Program





## Appendix 2: Acronyms

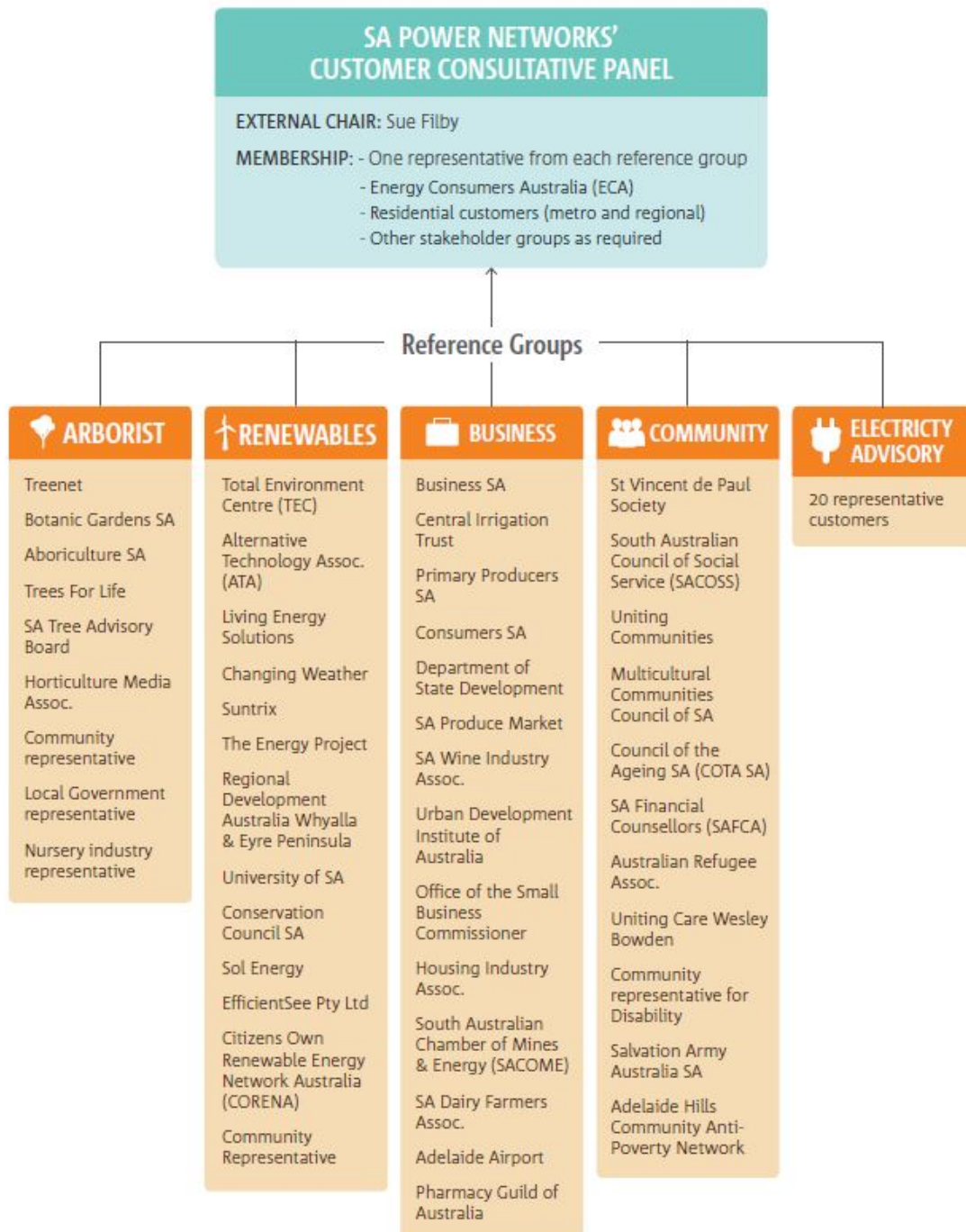
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## Acronyms

SAPN	SA Power Networks
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
CBD	Central Business District
CCP	SAPN's Customer Consultative Panel
CCP14	AER's Consumer Challenge Panel
CPP	Critical Peak Pricing
GSL	Guaranteed Service Level
GWh	Gigawatt Hours
RG	Reference Group
ToU	Time of Use
TSS	Tariff Structure Statement

## **Appendix 3: Customer Consultative Panel and Reference Groups**

## Customer Consultative Panel and Reference Groups



## Appendix 4: Attendance

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## Attendance

### Tariff Structure Statement Deep Dive Workshop 19 March 2018

Attendance		
Andrew McKenna	Business SA	Business Reference Group
Brian Attwood	Consumers SA	Business Reference Group
Debbie Wielgosz	Energy Division, Dept of Premier & Cabinet	Business Reference Group
Mark Gishen	SA Wine Industry Association Inc	Business Reference Group
Heather Merran	Uniting Care Wesley Bowden	Community Reference Group
Silvio Iadarola	Multicultural Communities Council of SA	Community Reference Group
Wendy Shirley	SA Financial Counsellors Association	Community Reference Group Customer Consultative Panel
Mark Henley	Uniting Communities	Customer Consultative Panel
Jenny Marwood	Customer representative	Customer Consultative Panel
Heather Smith	Changing weather	Renewables Reference Group Customer Consultative Panel
John Herbst	Solar advocate	Renewables Reference Group
Chris Marsden	Department of Premier and Cabinet	
Mark Byrne	Total Environment Centre	Renewables Reference Group
Matthew Curnow	Energy Standing Committee	Renewables Reference Group
Aleks Smits	AGL	
John Tran	AGL	
Alexey Vakhnin	Lumo	
Ben Barnes	Lumo	
Courtney Markham	Simply Energy	
Lam Phan	Simply Energy	
Quentin Roberts	EfficientSee Pty Ltd	
Louise Benjamin	CCP14	
Mike Swanston	CCP14	
Scott Sandles	AER	
Richard Sibly	Head of Regulation	SA Power Networks
Bruno Coelho	Regulatory Economist	SA Power Networks
Colin Grave	Revenue Services Manager	SA Power Networks
James Bennett	Manager Regulation	SA Power Networks
Jess Vonthethoff	Manager Stakeholder Engagement	SA Power Networks
Valli Morphet	Reset Engagement contractor	SA Power Networks
Sara Camarinha	Project Manager	SA Power Networks
Tessa King	Reset Engagement contractor	SA Power Networks
Tonya Stevens	Stakeholder Engagement Lead	SA Power Networks
Lisa Ibro	Future Networks Project Coordinator	SA Power Networks
Kylie Kerrigan	Sponsorship and Events Manager	SA Power Networks
Adam Neill	Retailer Relations Coordinator	SA Power Networks
Joe Caruso	Major Customer Manager	SA Power Networks
Kelly Bernhardt	Regulatory Analyst	SA Power Networks