

Minutes



SA Power Networks' Business Reference Group Meeting No. 8

Meeting Details

Organiser	Alex Lewis
Date	16 May 2018
Time	9.00am – 12.00pm
Location	Network Innovation Centre Richmond Road, Richmond

Attendance

Gavin McMahon	Central Irrigation Trust
Andrew McKenna	Business SA
Mark Gishen	South Australian Wine Industry Association Inc. (SAWIA)
Andrew Curtis	South Australian Dairy Association
John Chapman	Office of the Small Business Commissioner
Mark Grenning	CCP

Doug Schmidt (Chair)	GM Network Management, SAPN
Sue Charlton	GM Customer Relations, SAPN
Joe Caruso	Major Customer Manager
Alex Lewis	Stakeholder Engagement Lead, SAPN
James Bennett	Manager Regulation, SAPN
Jessica Vonthethoff	Manager Stakeholder Engagement, SAPN
Tonya Stevens	Reset Engagement
Teresa Giordano	Minute Secretary, SAPN
Frank Crisci	Manager Emergency Management

Apologies

Heather I'Anson	Primary Producers SA
James Moulds	Adelaide Airport
Pat Gerace	UDIA
Debbie Wielgosz	Department of State Development
Brian Attwood	Consumers SA
Peter Schwarz	Pharmacy Guild of SA

Business Arising

1. Welcome, Apologies and Introductions

D Schmidt welcomed members to the Business Reference Group meeting. Doug noted the apologies received.

2. Business arising from last meeting

Retailer discussions were arranged and as a result positive feedback was provided.

3. Around the table

Members were given provided an opportunity to raise any questions/comments and the following topics were raised:

- Gavin McMahon discussed of SA Power Networks Tariff structure's and expressed disappointment at the 7% increase which impacts large customer usage. Is there a possibility to lock large customers into a retailer deal??
- Andrew McKenna attended Capex workshops and reported a 10% decline in peak demand in 2020.
- New South Wales and Queensland RAB growth examples provided at workshop. Andrew McKenna has requested Victoria RAB growth numbers, being a better comparison to South Australia.
- IT Capex = \$263 million and \$20 million bushfire expenditure mean less fires in a bushfire risk area. Victorian program should be used to incentivise fire reduction across South Australia. Andrew McKenna questioned if this this incentive be rolled out across South Australia to improve bushfire mitigation?
- Risk metric will be covered in the technical Deep Dive workshop.
- At this time there are no proposals to significantly improve reliability, therefore Adelaide Hills and Eyre Peninsula areas are a concern.
- Andrew provided positive feedback on flying fox issue in South Australia which was presented in Deep Dive workshop.
- Gavin McMahon felt the ESCOSA survey was a challenging 'push' survey
- Andrew McKenna requested to be provided access to the ESCOSA survey
- John Chapman mentioned 6.7% of revenue in distribution tax allowance as part of the Federal Government enquiry. Details of the Federal Government's Tax inquiry to be provided.

Action:

- Victoria RAB growth numbers to be provided to Business Reference Group members for comparison.
- Joe Caruso to forward ESCOSA survey to Andrew McKenna to complete.
- Details of the Federal Governments Tax inquiry to be provided to Business Reference Group members.

4. Presentation: Regulatory Proposal 2020 – 2025 Engagement

Jess Vonthethoff presented on Regulatory proposal 2020 – 2025 engagement and a combination of notes and meeting notes were taken by the reset team.

- Capex = expenditure of money on SA Power Networks assets



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- Opex = maintaining and operation of all assets within the state
 - Gavin McMahon suggested that the IT workshop specifically addresses what the large IT Capex spend delivers? IT workshop will be held on 26 June 2018, which will incorporate both IT Capex and Opex.
 - Technical repex modelling – during draft plan engagement.
 - 17 April 2018 Public Lighting workshop was held with the participation of an AER representative.
 - Framework and approach documentation was submitted to the AER on 27 April 2018.
 - Gavin McMahon questioned the absorption of Labour costs above CPI – where do these costs get absorbed??
 - Andrew McKenna asked the following question, are labour figures State based??

Action:

- James Bennett to forward email on average business price increases

5. Presentation: 2018 / 2019 Annual Pricing Proposal – Business Outcomes

James Bennett presented on the above topic:

- The use of the same billing quantities from last year to this year
- Gavin McMahon queried if SA Power Networks should be offshoring certain business options to cut the costs for customers?
- 6 Large customers will be a part of a Riverland tariff trial participating in regional issues faced by customers and times off peak.
- The results will only be forecasted when the Renmark reaches high temperatures, for examples temperatures of 40 degrees and over.
- Results are independent of the retailer and customer will be briefed by SA Power Networks post trial, a reimbursement will be provided to each customer.
- The trial is being viewed as a positive by the customers in the Riverland.
- Andrew McKenna would like the cost vs. consumption to be reviewed
- Gavin McMahon reiterated cost larger customers continue to incur and mentioned that peak demand is what is driving higher pricing.

6. Load Shedding

Frank Crisci presented on Load Shedding including why it occurs, how it occurs, when does it come into practice and the National Electricity Rules around Load Shedding:

- Load Shedding is used because of interruption to generation supply and therefore requires restoration in a controlled manner.
- Power is to be restored to customers slowly otherwise if too much power is restored at one time, it can trip the entire electricity system.
- SA Power Networks has powers and duties around Load Shedding and is instructed by AEMO to disconnect power.
- The CFS are always consulted prior to any disconnection of power on high bushfire risk days.
- AEMO are responsible for the reliability stability and security of the State's electricity system.

Discussion & other Business

No other business was discussed.



Any other suggested topics to be sent to A Lewis, alexandra.lewis@sapowernetworks.com.au

The meeting closed at 12.00pm.

Next meeting: Wednesday 22 August 2018, 9.00am to 12pm, SA Power Networks – Boardroom

Action Items

Meeting –				
No.	Action Description	Responsibility	Due Date	Status
1	Terms of Reference to be updated and distributed.	A Lewis	May 2017	Complete
2	Seek representation from other organisations to sit on the Business Reference Group.	A Lewis	May 2017	Complete
3	Approach Pat Gerace, UDIA or Ian Horne, AHA to sit on the CCP.	D Schmidt	May 2017	Complete
4	KPIs to be updated to reflect discussion and distributed for comment.	J Vonthethoff	May 2017	Complete
5	Next meeting to be held at the Network Innovation Centre and organise a tour for interested members.	A Lewis	June 2017	Complete
6	Email tariff questions for consideration as part of tariff strategy.	A Lewis	Feb 2018	Complete
7	Retailer discussions	A Lewis	Sept 2018	Ongoing
8	JB to discuss with GMc on how the Ausnet variation for tariffs would work – TSS	J Bennett	Feb 2018	Complete
9	Victoria RAB growth numbers to be provided to Reference Group members for comparison		Aug 2018	Ongoing
10	JC to forward ESCOSA survey to Andrew McKenna	J Caruso	Aug 2018	Ongoing
11	Details of the Federal Governments Tax inquiry to be provided to Reference Group members	J Bennett	Aug 2018	Ongoing
12	JB to forward average business price increases	J Bennett	Aug 2018	Ongoing

