



SA Power Networks

Stand-Alone Power Systems (SAPS) Customer Engagement Requirements



Document Control

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1.0	01/08/2022	Initial publication

Disclaimer

This document describes the process SA Power Networks will undertake in relation to customer and stakeholder engagement before initiating any distributor-led SAPS installation.

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1 Introduction

1.1 Background

In February 2022, the Australian Energy Market Commission (AEMC) published new rules (following revision of the Australian Energy Regulator (AER)'s ring-fencing guidelines in November 2021) allowing distributors, such as SA Power Networks, to provide Stand-Alone Power Systems (SAPS) to existing customers where it is more economically feasible than continuing to be connected to the national grid. The rules refer to these systems as 'distributor-led SAPS'.

According to the AER, SAPS are "a system that generates and distributes electricity but is not physically connected to the main electricity grid." SAPS typically include one or more renewable power generation units, a battery, and back-up generation. The new rules now allow distributors to provide distributor-led SAPS to existing network-connected customers as an alternative to remaining physically connected to the distribution network. Ownership and ongoing maintenance of SAPS can work two ways; SA Power Networks could contract a SAPS service from a third party operator and pay an ongoing fee to operate and maintain, or purchase, own and operate the SAPS itself. The best model for each potential SAPS would be tested and defined as part of project development, with an aim of securing the most efficient outcome for customers.

In South Australia, SA Power Networks is reviewing where it may be economically feasible to deploy distributor-led SAPS. This may include distributor-led SAPS for "worst served" customers or communities, usually on the edge of the grid and who experience poor reliability, and/or where existing distribution infrastructure is reaching its end of life, is costly to maintain, and replacement of the existing power line is not economically feasible. Where a distributor-led SAPS is installed for a customer(s), the existing relationships between customer, retailer and distributor will remain. Customers will still be free to choose their retailer and will continue to receive electricity bills from their retailer.

As part of the AEMC rule change, and prior to deploying a distributor-led SAPS, distributors must publish certain documentation, including a SAPS-specific customer engagement document by 1 August 2022. This document has been developed to meet that requirement.

SA Power Networks does not currently have any active distributor-led SAPS in place. However, to understand customer experience with, and performance of, different SAPS systems, demand management trials began in 2017 by partnering with two rural customers who elected to be supplied by their own SAPS. Outcomes from these trials continue to be monitored.

Currently, one existing site has been identified on the network (in a remote tourist location off the South Australian coastline) which may be suitable for deploying a distributor-led SAPS in future.

Customers and stakeholders have indicated strong support for SA Power Networks to continue to investigate SAPS as an option to improve service outcomes for worst-served customers in the future, particularly customers on the West Coast and Upper North regions. Additionally, SAPS will also be explored in SA Power Networks' Regulatory Reset 2025-30 engagement with customers, stakeholders and the broader community.

This customer engagement plan is intended for use by SA Power Networks project teams (with support of the Stakeholder Engagement team as required) and outlines the process SA Power Networks will undertake in relation to customer and stakeholder engagement before initiating any distributor-led SAPS installation. It is based on SA Power Networks' existing Stakeholder Engagement Strategy and Project Engagement Plan framework, and was developed through consultation with the AER, electricity distributors with experience in SAPS in New South Wales and Queensland, SA Power Networks' Customer Advisory Board Remote and Regional sub-committee, and other key stakeholders.

1.2 Purpose

This document outlines key considerations when developing an engagement plan to support implementation of SAPS in South Australia. This document will support SA Power Networks to undertake best practice engagement to enable delivery of SAPS projects valued and supported by customers and stakeholders.

SA Power Networks is committed to meeting the SAPS customer engagement objectives defined in the National Electricity Rules as:

- Providing relevant and timely information about distributor-led SAPS projects and SAPS customer engagement strategies and processes; and
- Engaging in timely and effective communications and other engagement with affected network users and landowners during the planning, development, construction and commissioning of a distributor-led SAPS.

2 SAPS – Key Engagement Considerations

While each group of customers and stakeholders will have needs specific to their own location and project, the following key factors should be considered to ensure engagement is approached appropriately;

- Distributor-led SAPS engagement may require **more time** than other projects, including multiple engagements with stakeholders to understand and address localised/specific issues and gain support for implementation. Depending on the scale, location and local context of proposed distributor-led SAPS, a minimum of six months is likely to be required to complete well-planned, effective stakeholder engagement (and could extend beyond this timeframe depending on the project’s complexities). This is due to:
 - SAPS being a new technology with little precedent in South Australia, which means they will be a relatively new concept to stakeholders and communities
 - Access to electricity is essential for quality of life, and stakeholders may have strong concerns about not being directly connected to the grid (even if they have been poorly serviced in the past)
 - Concerns around ongoing reliability, maintenance and eventual replacement of SAPS are to be expected
 - Some stakeholders’ views may be tarnished by previous negative energy-related experiences (even if unrelated to SA Power Networks).
- Stakeholders should be offered **multiple ways to engage** on potential SAPS projects, tailored to suit the community and customers. This could include in-person meetings in the local community (supported by local SA Power Networks’ staff where possible); site visits to proposed SAPS sites; articles and advertisements in local media; phone calls, direct mail or email to affected customers. While online/virtual meetings are often convenient, they are recommended to be used only once relationships are well-established with stakeholders and if in-person is not possible.
- **Stakeholder identification and analysis** is critical, both from an internal and external stakeholder perspective. This will ensure the right people are ‘at the table’ to have effective, meaningful discussions that support customers and communities to understand the SAPS project planned for their area. A stakeholder identification and assessment should be undertaken with a trusted local stakeholder (eg. local SA Power Networks staff) to determine project-affected stakeholders; these could include (but are not limited to) people **geographically connected** to the project (customers/users of the infrastructure, landowners), people **impacted/effected** (businesses such as tourism operators who may use the land on which the SAPS would be located), and those **interested** in the project (local government, broader community, local media etc).
- At the very minimum, unless there is an urgent and unforeseen network issue, before deploying any distributor-led SAPS the AEMC requires SA Power Networks to “give notice” to:

- each person currently connected to the distribution network for which a distributor-led SAPS supply is being considered;
 - each landowner for land where premises currently supplied through a distribution network connection for which a distributor-led SAPS supply is being considered; and
 - the public in the area that a distributor-led SAPS supply is being considered.
- This notice will:
 - provide reasonably detailed information about the distributor-led SAPS proposal and the SAPS performance and supply standards that would apply;
 - specify a reasonable period to comment on the proposal and explain how comments may be submitted; and
 - refer to this SAPS customer engagement document.
 - The **language** used in SAPS engagement is also important and should be sympathetic to the potential concerns outlined above. Communications should be in non-technical (where appropriate), ‘plain English’.
 - Similarly, it is also important that communication is **accessible** for people from backgrounds other than English-speaking, with hearing or visual impairments, disabilities, or challenges such as poor phone or internet coverage in remote or regional locations.

3 SAPS Customer and Stakeholder Engagement Plan

Project teams (with the support of SA Power Networks’ Stakeholder Engagement team if required) should use this template to develop an Engagement Plan specific to the proposed SAPS installation.

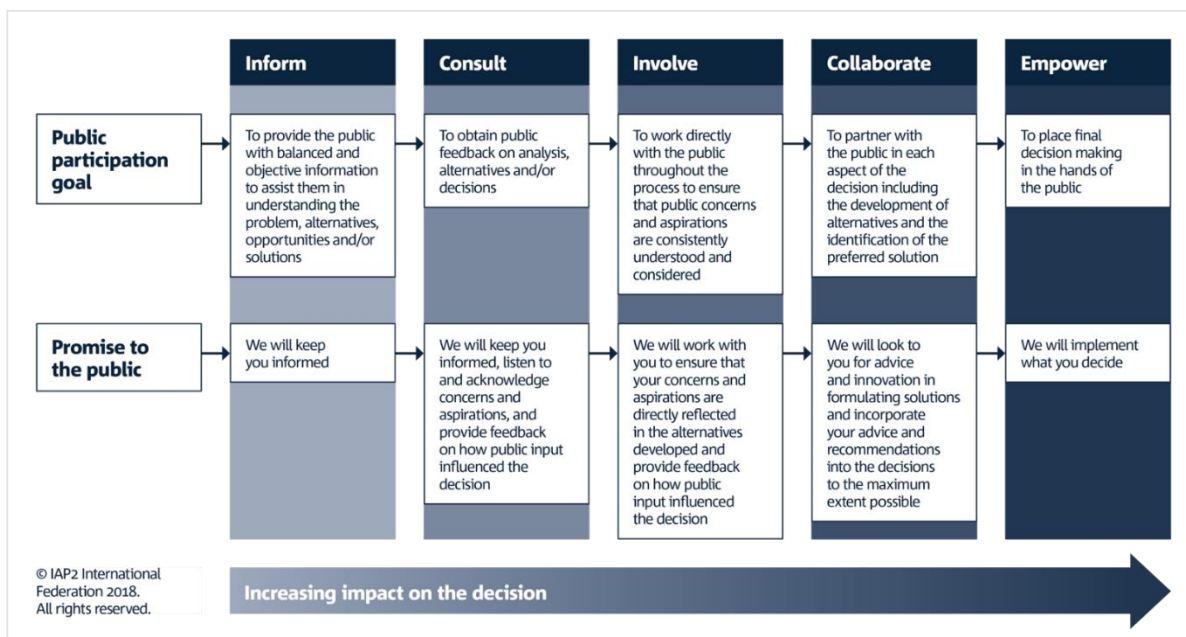
Project Name		Project Location											
Project Sponsor		Project Owner	Project Manager										
Engagement Timeframe	What are the key deadlines for engagement to be completed to support this project?												
Background	What is the background to this project?												
Project purpose	What is the purpose of this project – what is it aiming to achieve? <i>(note – this is different to the purpose of engagement)</i>												
Engagement purpose	What is the purpose of the engagement to support this engagement? What is the problem/opportunity or decision to be made? Why are we engaging?												
Engagement Principles	What are the key principles that will guide, structure and design engagement activities? Example/suggested principles are provided below which can be updated specific to the project.												
	<table border="1"> <thead> <tr> <th>Our Principles</th> <th>Our intention</th> </tr> </thead> <tbody> <tr> <td>Equitable, Inclusive and Diverse</td> <td>Our processes enable all customers/stakeholders to participate Participation is as easy as possible Participation barriers are identified and solutions implemented</td> </tr> <tr> <td>Open and transparent</td> <td>Openly sharing performance and decision-making information Outlining our process of decision making</td> </tr> <tr> <td>Engaging and collaborative</td> <td>Supporting and encouraging participants Refine engagement approach and activities based on feedback Measure success and improve</td> </tr> <tr> <td>Valued feedback</td> <td>Sharing what we have heard and how the feedback is used</td> </tr> </tbody> </table>			Our Principles	Our intention	Equitable, Inclusive and Diverse	Our processes enable all customers/stakeholders to participate Participation is as easy as possible Participation barriers are identified and solutions implemented	Open and transparent	Openly sharing performance and decision-making information Outlining our process of decision making	Engaging and collaborative	Supporting and encouraging participants Refine engagement approach and activities based on feedback Measure success and improve	Valued feedback	Sharing what we have heard and how the feedback is used
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Measures of success	What does successful engagement look like for this project and how will it be measured? Example/suggested principles are provided below which can be updated specific to the project.												
	<table border="1"> <thead> <tr> <th>Principle</th> <th>Measurement</th> <th>Tool</th> </tr> </thead> <tbody> <tr> <td>Customers/stakeholders support SAPS project</td> <td>Majority (>80%) of participants support project</td> <td>Project team engagement Evaluation questions provided to customers/stakeholders at conclusion of engagement</td> </tr> </tbody> </table>			Principle	Measurement	Tool	Customers/stakeholders support SAPS project	Majority (>80%) of participants support project	Project team engagement Evaluation questions provided to customers/stakeholders at conclusion of engagement				
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Legislative requirements or regulation	<p>Are there any legislative or regulatory requirements relating to this specific engagement? Outline them here.</p> <p>There are three key regulations which affect distributor-led SAPS installation: AER ring-fencing guidelines (amended 3 Nov 2021) permit SA Power Networks to implement distributor-led SAPS without a ring-fencing waiver, up to a specified revenue cap</p> <p>SA Government regulations passed 9 December 2021 and taking effect from 9 April 2022 recognise ‘regulated’ distributor-led SAPS form part of the national electricity system</p> <p>AEMC Rules taking effect from 1 August 2022 establish the distributor-led SAPS regulatory framework and outline certain requirements for customer engagement and consultation.</p>				
Risks / Mitigation <i>What could go wrong in your engagement?</i> <i>What can you do to prevent this from happening?</i>	<p>What risks need to be considered when planning this project engagement, and what measures can we put in place to avoid/mitigate these occurring?</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Risk</th> <th style="width: 50%;">Mitigation</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Risk	Mitigation		
Risk	Mitigation				
Scope approval	<p>GM Sign off: Divisional Head sign off: Leader sign off:</p>				

4 Stakeholder Engagement

4.1 Stakeholder Engagement spectrum

SA Power Networks uses the International Association of Public Participation (IAP2) Engagement Spectrum to identify the appropriate level of engagement, based on stakeholders’ ability to influence and impact decision/s.



4.2 Engagement method selection tool

This is a tool to assist project teams to decide the level and methods of engagement to select – e.g. *inform, consult, involve, collaborate or empower*. It is a technical approach and needs to be used in conjunction with the engagement framework and the human elements such as values and expectations.

Check boxes 1 to 5 then follow instructions in left column

Questions to consider	Very low	Low	Med	High	Very high
What is the level of difficulty to find a solution that everyone can live with?					
What is the potential for stakeholder concern for your project?					
How much do major stakeholders care about the decision to be made?					
What degree of input do stakeholders appear to want?					
Count number in each column					
Multiply	x1	x2	x3	x4	x5
Enter score					
Add total of all 5 columns	=				
Divide	/5				
Average score	=				
Method					

	1-2	2-3	3-4	4-5
Score indicates	Very low to low <i>Inform or consult</i>	Low to moderate <i>Consult or involve</i>	Moderate to high <i>Involve or collaborate</i>	High to very high <i>Empower</i>

For SAPS engagement, it is likely that projects will be in the Consult-Involve area of the spectrum, where we will gather feedback and input on an idea, proposal or draft solution (*consult*) as well as work collaboratively with stakeholders to identify shared solutions to the problem/opportunity (*involve*).

4.3 Stakeholder Assessment

Identifying all stakeholders who are interested in and/or have the ability to influence SAPS projects is an important part of planning and allows engagement to be tailored to best suit participants' varying needs. The table below should be used to identify stakeholders, remembering the engagement principle Equitable, Inclusive and Diverse and considering how their involvement can be supported and encouraged.

Stakeholders can be broad and varied and include multiple layers/levels (for example – local, State and Federal government agencies or departments).

Note – stakeholder identification and analysis can be developed with a trusted local stakeholder (eg local SA Power Networks staff, or local council community/planning team) to maximise local knowledge and context.

SAPS Project X: Stakeholder Identification & Analysis

(Highlighted text is example only – table to be populated according to project)

Stakeholder name	Level of interest (high/	Ability to influence (high/ medium/	What do we need from them?	Relationship owner(s)	Critical issues or needs

	medium / low)	low)			
Landowner	High	High	Partner – Support for approach and investment option	Project lead	Accessibility for engagement (remote), needs to understand full picture of project proposal including any costs, day-to-day requirements, post-installation responsibilities (maintenance, replacement).

4.4 Stakeholder Engagement Activities & Schedule

Use this table to plan out the specific engagement activities that will need to be undertaken to support your project.

Date	Engagement Method/Activity	Stakeholder/s	Purpose

5 Reporting and Evaluation

Reflecting on the Engagement Principles for your project, outline your approach and requirements for data analysis, reporting back to stakeholders and how you will measure success and close the loop for your participants.

<p>Evaluation <i>What will success look like, and how will you know this has been achieved?</i></p>	
<p>Data analysis <i>Who and how will you analyse the data/feedback?</i></p>	
<p>Reporting and closing the loop <i>How and when will you let people know that their input was considered?</i></p>	

6 Additional Information

Description	Link
SA Power Networks website	www.sapowernetworks.com.au
Talking Power (SA Power Networks' engagement website)	www.talkingpower.com.au
Questions or Feedback (SAPS Customer Engagement Document)	talkingpower@sapowernetworks.com.au OR <i>SA Power Networks Attention: Head of Stakeholder Engagement GPO Box 77, Adelaide, SA, 5001</i>