Revenue Reset Reference Group

TUESDAY, 22 SEP 2026

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Acknowledgement of Country

ElectraNet acknowledges the Traditional Owners of the land and waters on which we operate.

We pay our respects to their Elders past, present and emerging and extend that respect to all other Aboriginal and Torres Strait Islander people of Australia.

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Agenda, Overview of session and Standing items

Leanne Muffet
Facilitator

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Executive Summary

Date	22/09/2026
Meeting Name:	RRRG Meeting 10
Agenda Item:	
Purpose:	RP engagement
Division:	Various
Presenters:	Various

The below Executive Summary serves as a concise and comprehensive overview of the presentation that follows. The primary purpose of the Executive Summary is to provide the RRRG a quick and clear understanding of the key essential points and findings contained in the full presentation.

1. Introduction:

- This is the tenth RRRG meeting and one of the final working session before positions are locked for the Revenue Proposal.
- It follows the Preliminary Revenue Proposal and the feedback the group gave on narrative, consumer impacts, execution readiness and transparency.
- The session is a working session, not an endorsement point: we are updating, testing and inviting challenge while the forecast can still change.

2. Summary of Objectives:

- Forecast update – explain the material movements from the Preliminary Revenue Proposal to the current forecast.
- Consumer Impacts – test the proposed approached for making affordability impacts visible, grounded and defensible.
- Proposal Evolution – show the portfolio decisions behind the current position: defer, contingent treatment, refine and reconcile.
- Real Cost Escalation – seek challenge on the evidence and sensitivities required for a defensible approach.

3. Key Findings / "So what?" messages:

- The proposal has reduced materially since the PRP
- The movement is driven by portfolio choices, not a single event: deferral beyond 2033, contingent treatment, scope and estimate refinement, and reconciliation of work in progress.
- The main opex movement is technology delivered through XaaS, partly offset by the removal or reduction of other step changes.
- So what for consumers: a lower revenue requirement than the PRP, but the affordability implications only become visible once the consumer impact approach is settled.
- Consumer impact work leans on SA Power Networks' published archetypes because ElectraNet is at arm's length from distribution customers and is a small share of the bill.
- Real cost escalation needs to be discussed fully, understanding evidence and sensitivities.

4. Recommendations or Conclusions – What we need from the RRRG:

- Confirm the "must see" evidence for consumer impacts, portfolio transparency and real cost escalation

Meeting Agenda

Agenda Item	Detail	Time	Presenter
Standing Items	Acknowledgement of Country, minutes and actions	9.30am – 9.45am	Leanne Muffet - Facilitator
Forecast Update	Capex, opex building blocks	9.45am – 10.15am	Bec Malhotra Chris Ridings Ed Heaton
RRRG discussion	Consumer Impacts and how the proposal has evolved	10.15am – 11.15pm	All
Break		11.15am – 11.25am	All
Real cost escalation	Consultant analysis, approach and RRRG challenge	11.25am – 12.25pm	Kris Funston – Rennie Advisory Chris Ridings
Close	Pulse check, meeting actions, AOB	12.25pm – 12.30pm	Leanne Muffet

SESSION OUTCOME

Today: update, test and challenge

The session is not seeking endorsement of the forecast. It is intended to improve the proposal before positions are final.

1 UNDERSTAND

What has changed since the PRP and the portfolio decisions behind the current forecast.

2 TEST

Whether the proposed consumer-impact approach is meaningful and sufficiently grounded

3 CHALLENGE

What evidence and sensitivities are needed for transparent and defensible assumptions

Today's Ask

Help identify the evidence the RRRG needs to understand consumer impacts, trust the portfolio-level choices and assess real cost escalation

FEEDBACK RESPONSE

What we heard and how we are responding

1	**Clear strategic narrative**	Test the emerging “why / why now / why not later” narrative	**Developing**
2	**Consumer impacts**	Test Ed’s proposed methodology and required outputs	**Discuss today**
3	**Execution readiness**	Bring sequencing, capacity and delivery controls to a dedicated session	**Future session**
4	**Transparent thinking**	Show how management has tested the proposal, and engagement on real cost escalation and how assumptions are being refined	**Primary focus today**

Position the strategic narrative as emerging and open to challenge, not as a completed response. We will bring it back to the RRRG in a future session once sufficiently developed.

Forecast Update

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FORECAST OVERVIEW

The proposal has reduced materially from the PRP

Headline numbers are draft and remain subject to final reconciliation, assurance and forecast updates.

CURRENT PERIOD	
Capex	$866m
Opex	$772m
Total revenue	$2,568m

PRELIMINARY PROPOSAL	
Capex	$3,218m
Opex	$979m
Total revenue	$3,601m

CURRENT FORECAST	
Capex	$2,741m
Opex	$1,018m
Total revenue	$3,240m

Key message: the largest movement is lower capex, while opex has moved modestly upward.

FINANCIAL MOVEMENTS

What changed and why

CAPEX

$3,218m
PRP



$2,741m
current forecast

OPEX AND BUILDING BLOCKS

$979m → $1,018m

Main movement: technology delivered through XaaS, partly offset by removal or reduction of other step changes.

Lower capex forecast → **Lower RAB, return and depreciation than PRP**

→ **Lower total revenue than PRP**

RRRG test: Does the bridge clearly distinguish removed, deferred, reprofiled and contingent expenditure?

RRRG Discussion Consumer Impacts

Ed Heaton

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PRIMARY DISCUSSION 1

Consumer impact modelling: from revenue to lived impact

We are seeking input on the methodology before final results are produced.

Revenue requirement › **Transmission price path** › **Retail bill translation** › **Consumer archetypes** › **$ / year and % change**

WHO? Which consumer groups must be represented?

WHAT? Which measures make the impact meaningful?

RANGE? Which scenarios and sensitivities should be shown?

CONTEXT? What affordability context should accompany the results?

Suggested archetypes: typical residential, lower-usage or vulnerable consumers, small business and large energy users where relevant.

Customer Impact modelling

RRRG Ask

- *Consumer impact modelling that makes the affordability implications visible, grounded, and defensible.*

Challenges for ElectraNet

- We are at arms length to distribution customers – don't have access to data
- We have little discretion in how prices and charges are determined
- We represent a small proportion of the bill

Proposal – "Use the experts"

- SA Power Networks developed analysis on many indicative customers in their 2024 Tariff Structure Statement
  - Close to the customers to differentiate
  - More meaningful and comparative analysis
  - Wide spread of potential customers
- Take a selection of these customers
  - Not all – likely to be meaningfully similar
- Lean on Default Market Offer & SA Power Network c/kWh outcomes for transmission
- Escalate by revenue movements for the upcoming period

Residential & Potentially Vulnerable Customers

Figure 1: Annual network bill impacts for Residential customers 2025/26 ($ nominal)

Profile	In their present situation, they are...	Average annual usage
Pensioner without Solar	• One person household who is often home during the day • Lower than average usage • Most energy consumed during peak time windows	2,520
Couple without Solar	• Working professional couple with limited time at home and moderate flexibility to shift energy usage • Most energy consumed during peak time windows	3,960
Family without Solar	• Four person household with limited flexibility to shift energy • Higher than average usage • Most energy consumed during peak time windows	8,540
Family with Solar 6.0kW Panels 6.0kW Inverter	• Rooftop solar enables them to reduce energy usage from the grid and their overall electricity bill • They do not have a battery and so most energy from the grid is consumed during peak time windows	5,100
Family with Solar and Battery 6.6kW Panels 5.0kW Inverter	• Rooftop solar enables them to reduce energy usage from the grid and their overall electricity bill • They have a battery and smart appliances which enable them to shift usage from peak to lower priced time windows	2,300
Family with Solar, Battery and EV 11.5kW Panels 7.0kW Inverter	• A large household with an all-electric home • Higher than average usage due to electrification and EV • They have a home battery and smart appliances and so can shift usage from peak to lower priced time windows	15,520

*Export credit is only available with RESELE | Residential Electrify
Source: SA Power Networks analysis

Figure 3: Annual network bill impacts for customers who may be experiencing vulnerability 2025/26 ($ nominal)

Profile	In their present situation, they are...	Average annual usage	RSR
Customer experiencing financial difficulties	• One person household • Smart energy user with lower-than-average energy usage • Most energy is consumed during solar sponge time windows	1,340	$439
Customer with disabilities	• Two person household with smart appliances • Most energy consumed during off peak time windows	4,970	$997
Culturally and linguistically diverse customer 5.1kW Panels 5.0kW Inverter	• Family of four with solar • Rooftop solar enables them to reduce energy usage from the grid and their overall electricity bill • They have a battery and smart appliances which enable them to shift usage from peak to lower priced time windows	4,400	$910
Customer experiencing Isolation 4.5kW Panels 4.0kW Inverter	• One person household with limited flexibility to shift load • Most energy consumed during peak window	2,750	$657
Customer relying on life support systems 5.0kW Panels 5.0kW Inverter	• Two person household with moderate flexibility to shift load • They have a battery and smart appliances which enable them to shift usage and have lower usage in peak windows compared to the average customer.	4,070	$859

*Export credit is only available with RESELE | Residential Electrify
Source: SA Power Networks analysis

Small Business customers

Figure 2: Annual network bill impacts for Small Business customers 2025/26 ($ nominal)

Profile	In their present situation, they are…	Average annual usage	BSR	Moving to SBTOU	Moving to SBELE	Moving to SBELE and shift usage	Moving to MBTOUD	Export charge and credit*
Physio	A physio operating during standard business hours, including half day on Saturday.	7,684	$1,431	(4.1%) ($59)	(13.1%) ($188)	(14.5%) ($208)	+0.7% $10	-
Café	A café operating from 7am to 2pm.	19,141	$3,218	(17.8%) ($574)	(27.0%) ($868)	(27.8%) ($894)	(23.2%) ($745)	-
Sporting club with Solar 27.0kW Panels 27.0kW Inverter	A community sporting club with a large solar capacity.	15,176	$2,599	(24.0%) ($625)	(7.6%) ($197)	(10.3%) ($267)	(0.1%) ($3)	$ 200 ($129)
Farm with solar 99.9kW Panels 82.8kW Inverter	Large solar capacity reduces their energy consumption from the grid during the day, with most consumption from the grid happening after 5pm.	45,213	$7,282	(16.5%) ($1,203)	(2.7%) ($195)	(5.9%) ($431)	(8.4%) ($610)	Not subject to export tariff >30kW
School with solar 8.0kW Panels 8.0kW Inverter	Solar reduces their energy usage from the grid however due to the high consumption, most generation is consumed during the day.	148,505	$23,385	SBTOU and SBELE tariffs are not applicable as the customer's demand is higher than 120 kVA			(4.7%) ($1,099)	All export is within free allowance

*Export credit is only available with SBELE | Small Business Electrify
Source: SA Power Networks analysis

Break

10 minutes

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Real Cost Escalation

Kris Funston – Rennie Advisory
Chris Ridings - ElectraNet

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AOB

Jeremy Tustin

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