



## Distribution Network Pricing Arrangements Rule Change Workshops

**Agenda**  
**Friday 16 May 2014**  
**Novotel Melbourne on Collins, 270 Collins Street Melbourne**

Time	Item
From 9.00am	Registration and tea/coffee
9.30am	Introduction and objectives for distribution pricing, pricing principles and key features of the framework – Paul Smith, Chief Executive, AEMC
<b>Morning – options for the network pricing process</b>	
9.45am	<p><b><i>Session 1 – the network pricing process</i></b></p> <p>This session will discuss potential options for improving the network pricing process framework and focus on specific issues, including:</p> <ul style="list-style-type: none"> <li>• the implementation of a tariff structures statement that is developed and approved as part of the regulatory determination process;</li> <li>• the content of a tariff structures statement;</li> <li>• the AER's role in relation to approving the tariff structures statement; and</li> <li>• the process for varying the tariff structures statement during the regulatory control period.</li> </ul> <p>This session will commence with a presentation from Zaeen Khan, Senior Adviser, AEMC followed by general discussion with participants. Discussion chair will be Richard Owens, Acting Senior Director, AEMC.</p>
11.20am	Tea and coffee break
11.30am	<p><b><i>Session 2 – the timing of the pricing process</i></b></p> <p>This session will discuss options for improving the approval and notification of network prices. Specifically, this session will examine the timeframe of the annual network pricing process and the implications of moving the timeframe forward for TNSP and DNSP pricing.</p> <p>The session will commence with a presentation from Emma Fishburn, Adviser, AEMC followed by general discussion with participants. Discussion chair will be Richard Owens, Acting Senior Director, AEMC.</p>
12.40pm	Lunch
<b>Afternoon – case studies of cost reflective network pricing</b>	
1.25pm	<p><b><i>Session 3 – case studies – impacts of cost reflective network prices</i></b></p> <p>This session will outline and discuss the results of NERA's case studies in relation to the impacts of cost reflective network pricing on customers, including:</p> <ul style="list-style-type: none"> <li>• how cost reflective network tariffs are developed, including application of long run marginal cost pricing and recovery of residual costs;</li> <li>• examples of cost reflective network tariffs structures and price levels; and</li> <li>• the impact on customers of a move from current network tariffs to cost reflective network tariffs.</li> </ul> <p>The session will commence with Adrian Kemp presenting the results of NERA's case studies followed by general discussion with participants. Discussion chair will be Richard Owens, Acting Senior Director, AEMC.</p>

2.40pm	<p><b>Session 4 – case studies – current and emerging technologies</b></p> <p>In this session, NERA will present the results of its analysis of the efficiency of network tariffs for four technologies: solar PV systems, electric vehicles, air conditioners and battery storage systems. In particular, the presentation will cover:</p> <ul style="list-style-type: none"> <li>• estimates of the costs imposed on (or benefits provided to) the network by each technology;</li> <li>• the network charges paid by customers with and without each technology;</li> <li>• an examination of the means by which network tariffs could be altered to promote efficiency; and</li> <li>• an examination of the retail bills associated with a shift to these 'alternative tariffs'.</li> </ul> <p>The session will commence with Oliver Nunn presenting the results of NERA’s case studies followed by general discussion with participants. Discussion chair will be Richard Owens, Acting Senior Director, AEMC.</p>
3.55pm	Closing remarks and next steps - Richard Owens, Acting Senior Director, AEMC
<b>4.00pm</b>	<b>End of workshop</b>