



Distribution Network Pricing Arrangements Rule Change Workshop One – Cost Reflective Network Pricing

Agenda
Wednesday 26 February 2014
AEMC Office, Level 6, 201 Elizabeth Street, Sydney

Time	Item	Speaker/Chair	Topics
From 9.45 am	Registration and morning tea		
10.00 am	Welcome and opening remarks	Rory Campbell Senior Director, AEMC	
10.05 am	Introduction and objective of the workshop	Richard Owens Director, AEMC	
	Part 1 – Concepts of cost reflective network pricing		
10.20 am	Presentation by NERA	Adrian Kemp Director, NERA	Role of network prices and economic concepts of network pricing: <ul style="list-style-type: none"> What is marginal cost? Linkage between network cost drivers and marginal cost Short run versus long run concepts Methodologies for estimating LRMC.
	General discussion	Chaired by Rory Campbell Senior Director, AEMC	
11.10 am	Morning tea break		
11.30 am	Presentation by NERA	Adrian Kemp Director, NERA	Practicalities in measuring LRMC: <ul style="list-style-type: none"> Defining tariff classes Estimating LRMC Translating LRMC estimates into tariffs Transaction cost and cost recovery considerations.
	General discussion	Chaired by Rory Campbell Senior Director, AEMC	
1.00pm	Lunch break (lunch provided)		
	Part 2 – Potential illustrative impacts from shifting to cost reflective network tariffs		
1.30 pm	Presentation by AEMC	Ben Davis Adviser, AEMC	Objective of investigating case studies to illustrate potential impacts
1.40 pm	Presentation by NERA	Adrian Kemp Director, NERA	Case studies on cost reflective network tariffs: <ul style="list-style-type: none"> Purpose Description of proposed case studies and approach.
	General discussion	Chaired by Rory Campbell Senior Director, AEMC	
2.30 pm	Presentation by NERA	Oliver Nunn Consultant, NERA	Case studies on network cost impact of technologies: <ul style="list-style-type: none"> Purpose and context Description of proposed case studies and approach.
	General discussion	Chaired by Rory Campbell Senior Director, AEMC	
3.25 pm	Closing remarks and next steps	Rory Campbell Senior Director, AEMC	
3.30 pm	End of forum		