



Distribution Network Pricing Arrangements Rule Change

Stakeholder workshops

The AEMC has planned a number of stakeholder workshops from February through to May 2014 on the Distribution Network Pricing Arrangements Rule Change. These workshops are intended to explore some of the key issues in more detail in the lead up to the draft determination in August 2014.

To assist stakeholders in deciding which workshops to be involved in, this note provides information on the purpose and target audience of each workshop.

Workshops on cost reflective network pricing

The AEMC has engaged NERA Economic Consulting to:

- explain the economic pricing concepts and their practical application to setting efficient network tariffs;
- investigate case studies to illustrate potential impacts on consumers where a shift to more cost reflective network tariffs could be achieved; and
- undertake modelling to examine the impact on network costs and retail bills of consumers with a number of current and emerging technologies. The technologies that will be examined will principally include air-conditioning, solar PV systems and electric vehicles.

The focus of the upcoming workshops on cost reflective network pricing will be to explore and discuss these issues with stakeholders. A key part of NERA's work will be to develop case studies that explore how cost reflective network tariffs might affect different consumers.

Timetable for cost reflective network pricing workshops

Three workshops are planned in this work stream as shown in table below. We have also briefly outlined what the purpose of each workshop is.

	Purpose	Date/Location	Target participants
Workshop 1	<ul style="list-style-type: none"> • Explore theoretical foundations of key economic concepts for efficient pricing, including LRMC pricing, recovery of residual costs and tariff class assignment. • Outline of NERA's proposed modelling and methodology. 	26 February 2014 in Sydney	Distribution businesses, government agencies and AER
Workshop 2	<ul style="list-style-type: none"> • Discussion of NERA's draft advice on methodologies for developing cost reflective network tariffs. • Discuss practical implementation issues of methodologies to achieve cost reflective network pricing. 	Late March in Brisbane	Distribution businesses and AER
Workshop 3	<ul style="list-style-type: none"> • Discussion of NERA's key findings and results. • Explore the proposed consumer impact principle and moving to more cost reflective network tariffs. 	Late April 2014 in Melbourne	All interested stakeholders including consumer groups

Workshops on the network pricing framework

This work stream will focus on further exploring issues with SCER and IPART's proposal on changes to the network pricing framework and the annual pricing process.

Two workshops are planned in this work stream as shown in table below. We have also briefly outlined what the purpose of each workshop is.

	Purpose	Date/Location	Target participants
Workshop 1	<ul style="list-style-type: none">Discuss the objectives of a new pricing framework with a binding/non-binding Pricing Structures Statement or statement of expected price trends.Explore different models proposed by stakeholders.	Early March 2014 in Sydney	Distribution businesses, consumer groups, retailers, government agencies and AER
Workshop 2	<ul style="list-style-type: none">Discuss preliminary options for a new pricing framework to meet the objectivesOptions for improving earlier notification of approved annual network prices	Early May 2014 in Melbourne	Distribution businesses, transmission businesses, consumer groups, retailers, government agencies and AER

Interested stakeholders should register their interest to participate in each workshop.

Contact the AEMC for more information.

Registration of interest to participate

Due to the intended interactive nature of these workshops, spaces will be limited. Interested stakeholders should register their interest to participate in the various workshops.

The exact dates and venues for these workshops will be confirmed to invited participants closer to the indicated dates.

Please contact the Project Leader, Zaeen Khan on 02 8296 7800 or zaeen.khan@aemc.gov.au to register your interest.

Further stakeholder engagement

The AEMC plans to meet with a number of stakeholders to discuss specific issues raised in their submissions to the consultation paper. We will contact these stakeholders in due course.

Information sessions for consumer groups

The AEMC also plans to hold separate information sessions for consumer groups on the cost reflective network pricing work stream. These sessions will be organised in various jurisdictions as the workshops progress. Consumer groups are welcome to attend either the workshops or the information sessions. Please contact Zaeen Khan if you are interested in attending information sessions.

For information contact:

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