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# Implementation

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# Implementation?

- No consensus that index-based approaches superior
- Merits of approaches depend on:
  - technical features
  - application and implementation



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# Integrating policy developments

- Epic Energy judgement (Aug 2002)
- Productivity Commission *Review of the National Access Regime* (Sept 2002)
- Interim Response (Sept 2002)
- Energy Market Review (Dec 2002)



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## Reforms are a priority

- Completion of most first round Access Arrangements
- Findings of review processes
- Energy policy developments
- Judicial decisions
- Initial cost-based resets complete – less intrusive forms possible



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# Developing alternative models

- No 'correct' approach
- Choice of access pricing models appropriate
- Market circumstances differ





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## Information and data

- Different approaches will have different requirements
- ‘Backwards to the future’ not sustainable





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# Comments on index-based approach

- Potential disadvantages for highly efficient businesses
- ‘Building blocks index approach’
- Comparing Australian utilities
- Implications for regulators







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## Summary

- Outcomes of recent policy processes
- Promoting approaches compatible with market circumstances
- Genuinely less intrusive approaches supported
- Technical details and model features matter