

A discussion of the SRC's strategic environment

7 June 2016

Note: This paper has been prepared for the purpose of the Security and Reliability Council (SRC). Content should not be interpreted as representing the views or policy of the Electricity Authority.

Background

The Security and Reliability Council (SRC) functions under the Electricity Industry Act 2010 (Act) include providing advice to the Electricity Authority (Authority) on security of supply matters.

Each year the Authority asks members of the SRC to participate in a survey about the operation of the SRC in the previous year and the support that the SRC receives from the Authority. The SRC Chair undertook the 2015 survey through a series of phone conversations with SRC members, and the collated results were discussed at the SRC's July 2015 meeting.

One of the two key messages that emerged from the July 2015 survey was that SRC members "would like to see the SRC focus more on strategic security issues particularly in the light of the potential changes the electricity sector will face in the future."

In light of that, the SRC has since received strategic material in the form of:

- a paper on strategic alignment of SRC activities
- a series of papers on development of a risk management framework
- a series of papers on security and reliability impacts of edge technologies
- a series of papers on thermal generation decommissioning
- a paper on the parallels between the SRC and organisations in other jurisdictions.

The Chair requested an opportunity for the SRC to discuss its strategy

The SRC Chair asked that time be set aside on the SRC meeting agenda for a strategy session. The purpose of the discussion is to take a step back from looking at specific strategic issues and instead take a wider view of the SRC's activities and see how those activities may be impacted by changes to the operating environment.

The attached slides are to aid discussion of the SRC's strategic environment

To facilitate the SRC's discussion, the secretariat has developed the attached supporting material. Although set out as a series of Powerpoint slides, the secretariat does not intend to verbally present that material at the meeting. Rather, the material provides a framework for considering the SRC's strategic issues and sets out some discussion material and an environment scan based around that framework. It also poses four key strategic questions for the SRC to consider (slide three):

- Are the activities of the SRC well-aligned with the Authority's statutory objective and strategic planning?
- Is the SRC receiving the information it requires to be able to fulfil its role?
- Are there any specific issues the SRC considers it should be focusing on, or increasing its focus on, in the current environment?
- Is the SRC well-placed to provide the Authority with informed and timely advice on all aspects of its role?
 - forward and backward looking?
 - reactive and proactive?

The SRC may wish to consider the following questions.

- Q1.** What comments would the SRC like to make in relation to the key strategic questions set out on slide three and repeated above?
- Q2.** What further information, if any, does the SRC wish to have provided to it by the secretariat?
- Q3.** What advice, if any, does the SRC wish to provide to the Authority?

SECURITY & RELIABILITY COUNCIL

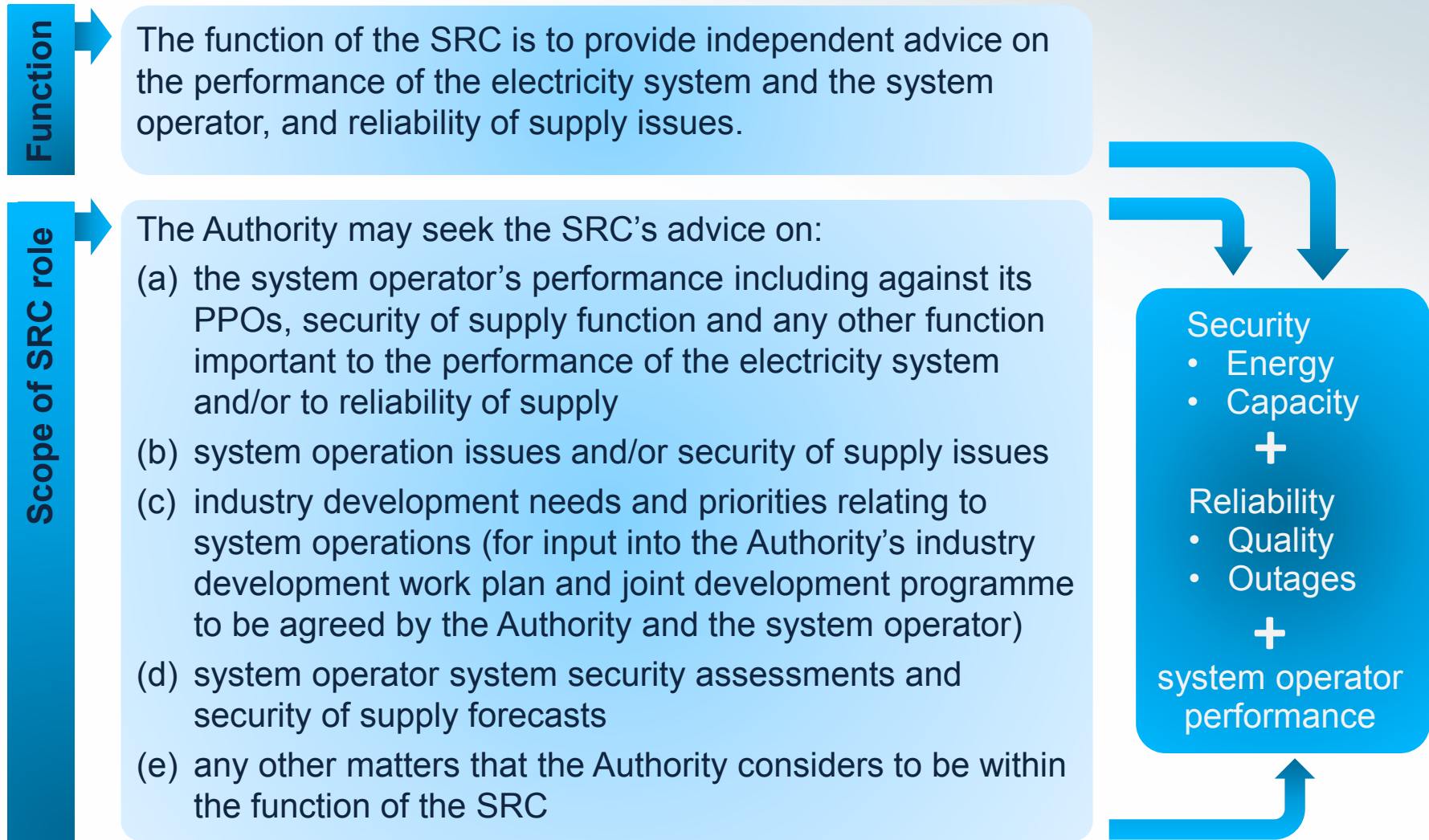
STRATEGIC ENVIRONMENT

Discussion document

21 June 2016

COMPETITION • RELIABILITY • EFFICIENCY

A framework considering for SRC strategic issues



Key strategic questions

Are the activities of the SRC well-aligned with the Authority's statutory objective and strategic planning?

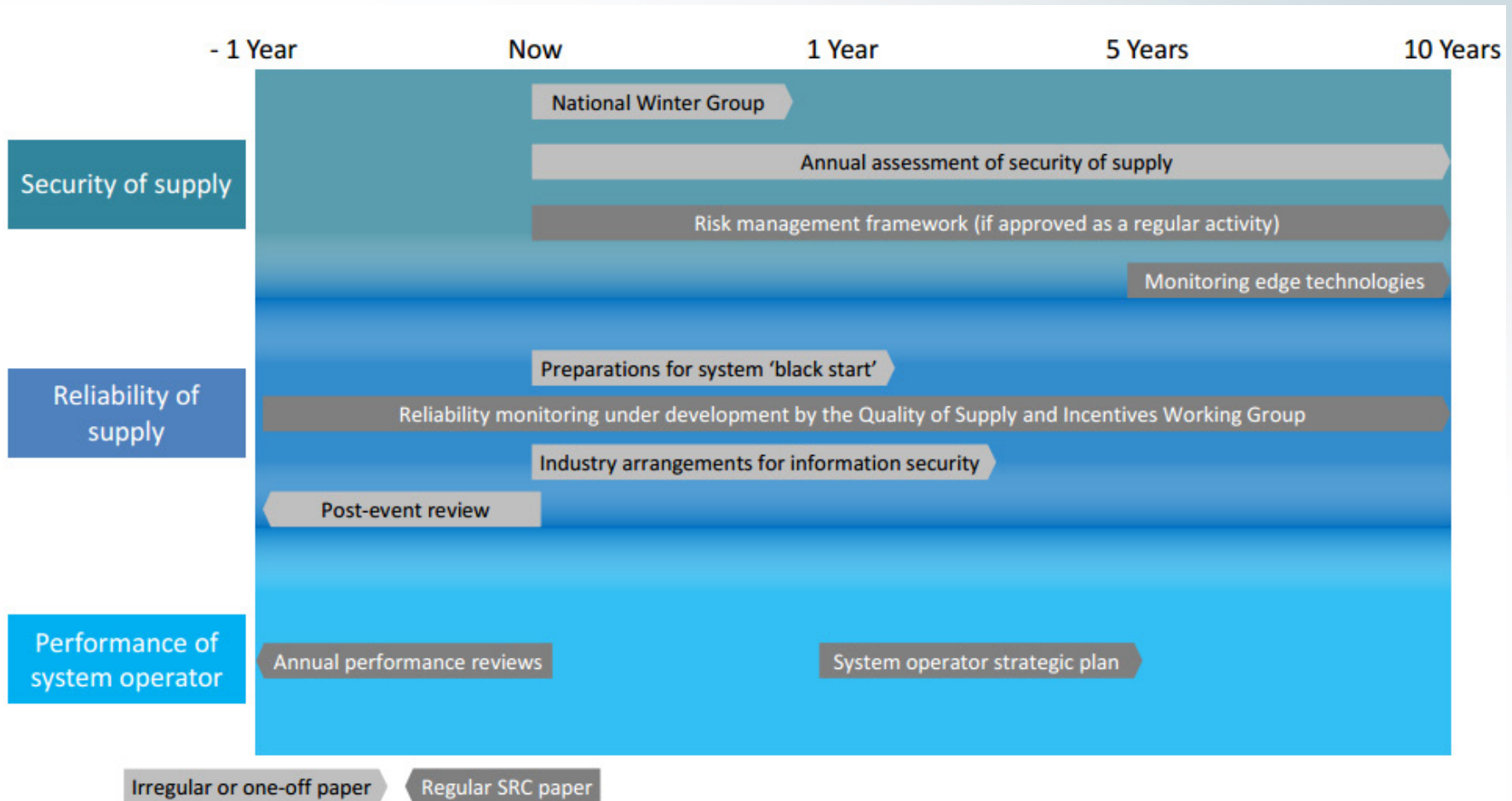
Is the SRC receiving the information it requires to be able to fulfil its role?

Are there any specific issues the SRC considers it should be focusing on, or increasing its focus on, in the current environment?

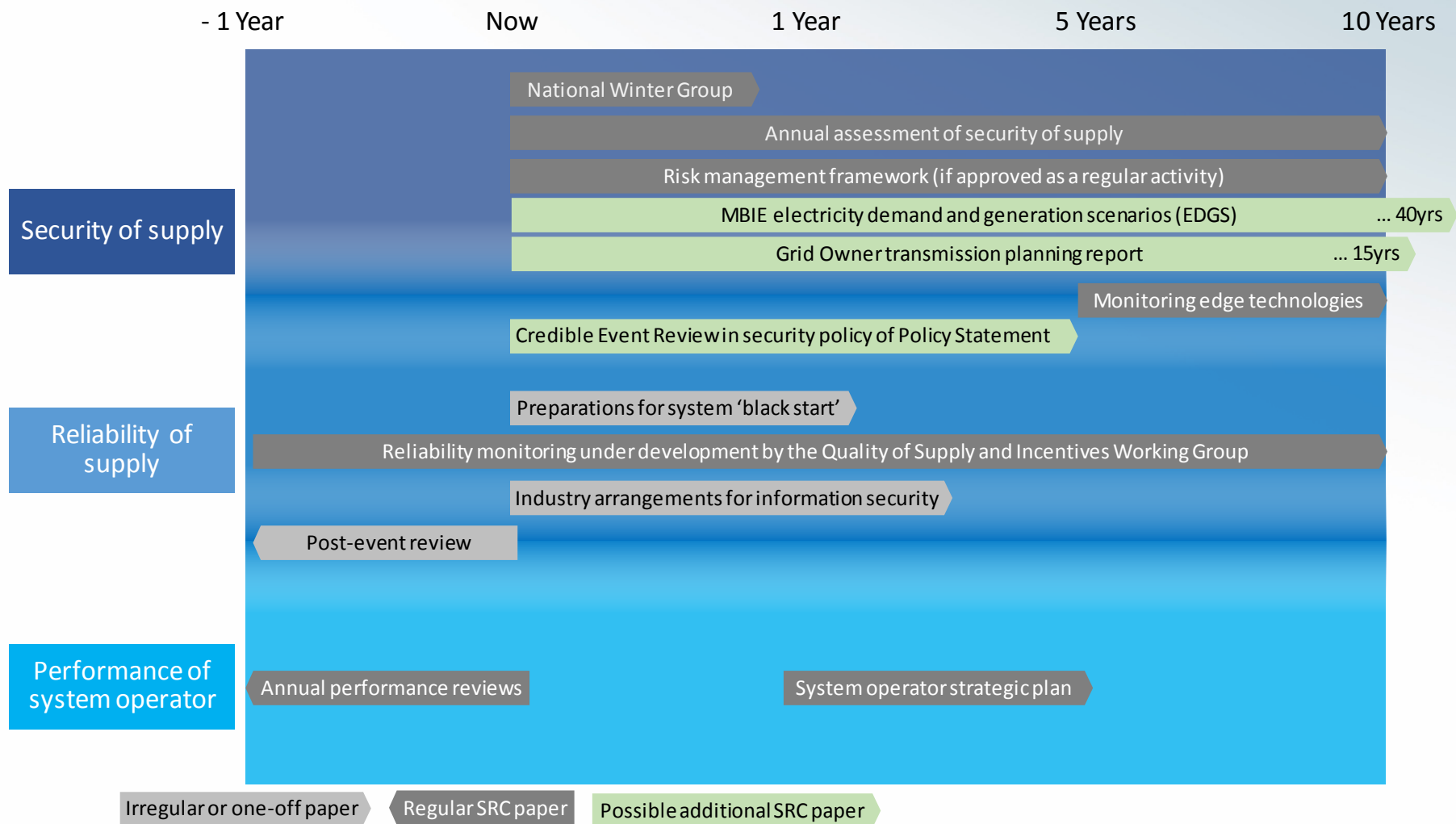
Is the SRC well-placed to provide the Authority with informed and timely advice on all aspects of its role?

*forward and backward looking?
reactive and proactive?*

Key SRC information sources - current



Possible additional information sources



Key SRC strategic issues – an environment scan

