

The MDAG's purpose,
goals and what success
looks like

Market
Development
Advisory Group
(MDAG)

Background: the Authority's statutory objective

- Section 15 of the Electricity Industry Act 2010 (Act):
 - The objective of the Authority is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers.

What is the MDAG's purpose?

Viewpoint	Reference document	Purpose
Legal	Act	Provide independent advice on Code development and market facilitation
	Advisory group charter	As above
	Terms of reference	Advise on matters relating to pricing and cost allocation, risk and risk management, and operational efficiencies
Practical		Provide industry-led advice promoting efficient: • pricing in markets and for monopoly services • management of capacity and energy risks

What are the MDAG's goals?

Viewpoint	Reference document	Goals
Legal	Advisory group charter	• Appropriately investigate issues in MDAG's work plan • Provide consensus recommendations
Practical		• Lead public and industry discussion about what the future might look like • Promote new and efficient ways of doing things • Ensure vested interests do not divert the conversation to promote their agendas • Allow all parties, including consumers and new entrants, to have their views heard • Ensure recommendations are practical and account for existing physical/technical electricity system requirements • Draw on knowledge from other industries

What does success look like for the MDAG?

Viewpoint	Reference document	What success looks like
Legal	Advisory group charter	Recommendations that: • are consistent with the Authority's statutory objective • take account of any direction from the Authority, government policy statement or equivalent • follow the Authority's Code amendment principles
Practical		• Providing robust, durable recommendations • Demonstrating how recommendations deliver long-term benefits to consumers • Achieving clear industry consensus on the problem and solutions • Working smarter by using technology-based approaches when talking to stakeholders and presenting recommendations • Widespread industry recognition of the value of MDAG's work • Recognition of the value of MDAG's work outside the industry