

8 March 2018

John Clarke
General Manager System Operations and Innovation
Transpower
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Dear John

Invitation to the system operator to nominate an observer to attend Market Development Advisory Group (MDAG) meetings

Following a discussion at its most recent meeting on 8 February 2018, the MDAG agreed to invite the system operator to nominate an observer to attend MDAG meetings. Clause 19.5 of the MDAG terms of reference authorises me to issue this invitation on the group's behalf:

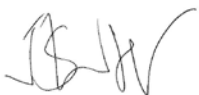
The chairperson may invite non-members (in addition to Authority representatives) to attend an MDAG meeting. In those circumstances, the invited party may participate in discussions at the discretion of the chairperson, but is not a member of the MDAG and does not form part of the quorum.

While the observer is welcome to attend full meetings, the MDAG envisages the observer being present for relevant topics where the group would find input from the system operator useful. The MDAG anticipates the observer will possess considerable technical knowledge, attend meetings with an open mind and provide confident, constructive contributions to group discussions.

The *Review of spot market trading conduct provisions* is currently the key project on the MDAG's work plan relevant to the system operator. This project will be discussed further at upcoming MDAG meetings on 15 March in Auckland, 10 April in Wellington and 26 June in Wellington. The observer's presence at these meetings would be useful.

If you agree to nominate an observer to attend MDAG meetings, please advise the name of this person for my consideration as soon as you are able.

Yours sincerely



James Moulder
Chairperson