

SUMMARY NOTES

Joint Meeting

Venue: Electricity Authority, Boardroom and Meeting Room 1, Level 7, ASB Bank Tower, 2 Hunter Street, Wellington

Time and date: 2:15pm to 5:00pm, Thursday, 3 May 2018

Attendees

Innovation and Participation Advisory Group (IPAG)

- John Hancock (Chair)
- Luke Blincoe [left 4:05pm]
- Glenn Coates
- Melanie Lynn
- Allan Miller
- Terry Paddy
- Stephen Peterson
- Rod Snodgrass [joined 2:50pm; left 4:05pm]

Market Development Advisory Group (MDAG)

- James Moulder (Chair)
- James Flannery [left 3:56pm]
- James Flexman
- Darren Gilchrist
- Stu Innes [left 4:05pm]
- Rebecca Osborne
- Bruce Rogers
- Matt Rowe

Apologies

- James Tipping (MDAG)

In attendance

- John Rampton (General Manager Market Design, Electricity Authority) [left 3:47pm; re-joined 4:27pm]
- Craig Evans (Manager Retail and Network Markets, Electricity Authority) [left 3:29pm; re-joined 3:37pm]

- Tim Street (Manager Wholesale Markets, Electricity Authority)
- Lance Fowler (Senior Adviser Planning and Performance, Electricity Authority) [left 3:47pm]
- Avi Singh (Administrator Market Design, Electricity Authority)
- Diego Villalobos Alberú – *IPAG Observer* (Principal Economist – Regulation, Commerce Commission)
- Murray Henderson – *MDAG Observer* (Principal Market Analyst, System Operations, Transpower)

The meeting opened at 2:37pm

1 The Authority's work programme

The Authority's General Manager Market Design gave a presentation outlining potential projects for inclusion on the Authority's work programme for the 2018/19 financial year. The groups provided general feedback and specific feedback by programme.

General feedback

Attendees suggested a greater focus on enforcing compliance with existing rules, including potential use of 'league tables'. The groups noted the pace of change in the industry was considerably faster than the process to amend the Electricity Industry Participation Code 2010. Attendees also recommended considering the potential benefits of initiating a consumer advisory group.

Programme A: Evolving technologies and business models

Attendees generally supported the proposed projects, noting the IPAG was currently working on *Equal access*. Data access issues were a focus in terms of distribution sector pricing and third party access for innovation. The groups agreed technology was evolving faster than regulation, and considered a broader scope may be required for *Monitoring for new technologies*.

Programme B: Consumer choice and competition

The groups noted the MDAG was currently working on *Saves and win-backs*, suggesting further consideration of how the project may overlap the regulatory regimes of both the Authority and the Commerce Commission. Attendees suggested a What's My Number-style campaign relating to emerging technologies, and retaining the *Default distributor agreement* project.

Programme C: Pricing and cost allocation

Attendees generally agreed the *Spot market settlement on real-time pricing* project had clear benefits. The groups supported greater consistency between the *Distribution pricing* and the *Transmission pricing review* projects. There was also some support for adding the *Allocation of residual loss and constraint excess* project to the work programme, subject to considering the potential intersection between the Authority and Commission's responsibilities.

Programme D: Risk and risk management

The groups strongly supported the Authority progressing hedge market and cap product developments, as well as the *Review regulatory settings for official conservation campaigns* project.

Programme E: Operational efficiencies

Attendees supported adding the *Review of wholesale market trading arrangements* project to the work programme.

2 Publication of meeting papers

The IPAG and the MDAG approved publishing the meeting papers on the Authority's website without alteration.

The meeting ended at 4:31pm