

James Moulder
Auckland,
New Zealand

james@moulder.co.nz

10 August 2018

Rory Blundell

Acting Chief Executive
Electricity Authority - Te Mana Hiko
Level 7, Harbour Tower, 2 Hunter Street
PO Box 10041
Wellington 6143
New Zealand

Rory.Blundell@ea.govt.nz

Dear Rory

I wish to draw your attention to a letter from Carl Hansen on 9 May 2018, providing a more clear statement of the then Chief Executive Officer's and the Electricity Authority Board's expectations in regard to the work being done by the Market Development Advisory Group (MDAG) on Saves and Win Backs. As you are aware this work was completed and further vetted by *your* office prior to publication in May.

It should be also noted that the MDAG accepted a tight timeframe on this work and has worked diligently to deliver upon the timeframes required by the Authority.

I together with the membership of the MDAG had the opportunity to also listen to the previous Chief Executive's radio interview on National Radio on this topic where he made direct reference to the *independent* advisory group conducting this work. This independence is consistent with section 6.4 of the Terms of Reference for Advisory Groups which states:

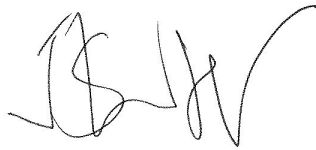
Responsibility of advisory group members

- 6.4 A key role of advisory groups is to use their collective knowledge and experience when considering the matters before them. An advisory group's advice to the Authority must be independent, considered, and supported by robust analysis. The quality of the advice must be sufficient to enable the Authority to make well-informed decisions.

The expectation of the MDAG membership has been that the work plan provides the starting point for the group to consider the issues. It has been clear that the Authority has a much stricter and tighter interpretation of the work plan than was anticipated by the MDAG membership, and therefore the independence of the Advisory Group.

I therefore believe it is prudent to ask the Authority to clarify its interpretation of section 6.4 of the Terms of Reference, especially as it relates to the interpretation of items in the work plan.

Yours faithfully

A handwritten signature in black ink, appearing to be 'J Moulder', written in a cursive style.

James Moulder
Chairman
Market Development Advisory Group