

Terms of Reference for the Security and Reliability Council and other advisory groups



1 Introduction

- 1.1 This document specifies the operational and governance matters for all groups established under sections 20 and 21 of the Electricity Industry Act 2010 (Act).
- 1.2 All groups referenced in clause 1.1 are also subject to the Electricity Authority's (Authority) charter on advisory groups (charter), and the two documents should be read together. If there is any inconsistency between these terms of reference and the charter, the charter will prevail.
- 1.3 This document has been structured in five parts:
 - (a) provisions that are common to all groups subject to the charter
 - (b) provisions that are common to all advisory groups established under section 21 of the Act
 - (c) provisions that are specific to the Security and Reliability Council (SRC)
 - (d) provisions that are specific to the Innovation and Participation Advisory Group (IPAG)
 - (e) provisions that are specific to the Market Development Advisory Group (MDAG).
- 1.4 If there is any inconsistency between these sets of provisions, they will apply in the following order of priority:
 - (a) provisions described in clause 1.3(a)
 - (b) provisions described in clause 1.3(b) (where relevant)
 - (c) provisions relevant to the particular group concerned.

General provisions

2 Responsibilities of members

General

- 2.1 Members of groups must:
- (a) comply with the requirements set out in the charter
 - (b) comply with the requirements set out in these terms of reference
 - (c) be available for all meetings unless granted leave by the chairperson
 - (d) read all papers circulated to the group, and actively contribute to the group's discussions
 - (e) inform the chairperson and the Authority's representative of any actual or potential conflicts of interest that may affect their ability to perform their functions as a member of the group in accordance with sections 62 to 72 of the Crown Entities Act 2004 and section 2 of these terms of reference
 - (f) carry out the tasks that are assigned to the group arising from the agenda for each meeting.

Attendance

- 2.2 Members are not entitled to send an alternate in their place if they cannot attend a meeting.
- 2.3 Any member who misses two consecutive meetings is deemed to have resigned from the group from the date of the second missed meeting unless:
- (a) they have been given leave from the chairperson, or in the case of the chairperson, from the Chief Executive; or
 - (b) extenuating circumstances exist, as decided by the chairperson or the Chief Executive, as the case may be.
- 2.4 Despite clause 2.3(b), if the chairperson considers that the member's absence for more than two consecutive meetings is likely to disadvantage the group, a new member may be appointed to replace the member as if he or she had resigned. Any such appointment must be carried out in accordance with either clauses 8.1 to 8.4 or clauses 13.1 to 13.4 as appropriate.

Media relations

- 2.5 Members have no media relations role and may not speak on behalf of the Authority or the group in regard to matters on which the group has advised, or is advising, the Authority. The Authority is solely responsible for all media relations.

3 Process for handling concerns about performance

Member performance

- 3.1 Any person concerned about the performance of a member should discuss those concerns with both the chairperson and the Authority's representative.

- 3.2 If the Authority representative, in consultation with the chairperson, considers that action is warranted, he or she must:
- (a) discuss the matter with the member concerned and give the member an opportunity to state his or her view
 - (b) if the discussion does not resolve the matter to Authority representative's satisfaction, provide written notice to the member stating the concerns and the desired corrective action
 - (c) if the member is affiliated with an organisation, inform relevant people at the member's affiliated organisation of the matter, if appropriate, prior to sending the written notice
 - (d) if the member fails to address the concerns specified in the written notice, provide the member with an opportunity to discuss the matter further and, if appropriate, discuss the matter with the affiliated organisation
 - (e) if not satisfied after due consideration of the member's explanation, inform the member and the affiliated organisation, if appropriate, that they will recommend to the Chief Executive that the member's appointment be terminated.
- 3.3 Any discussions with a member's affiliated organisation under clause 3.2 must not compromise the ability of the member to act in his or her personal capacity in regard to the advice the member contributes to the group. The sole purpose of these discussions is to inform the affiliated organisation of the situation and to gather information about extenuating circumstances the chairperson and Authority representative may need to take into account in their handling of the situation.
- 3.4 The Chief Executive, on receiving a recommendation under clause 3.2(e), must be confident the processes in clause 3.2 have been satisfactorily complied with. If appropriate, the Chief Executive may also, notwithstanding clause 6.3, discuss the matter with the Chief Executive of the member's affiliated organisation.
- 3.5 If the Chief Executive agrees with a recommendation made under clause 3.2(e), the Chief Executive may recommend to the Authority that the member's appointment to the group be terminated.
- 3.6 In clauses 3.1 to 3.5, if the Authority's representative is the Chief Executive, all references to the Chief Executive should be read as the Authority's chairperson.

Chair performance

- 3.7 Any person concerned about the performance of the chairperson should discuss those concerns with the Chief Executive.
- 3.8 If the Chief Executive believes that further action is warranted, the Chief Executive must discuss the matter with the Authority's chairperson.
- 3.9 If the Authority's chairperson agrees that further action is warranted, the Chief Executive must follow the process set out in clauses 3.2 and 3.3, as if references to:
- (a) the Authority representative were references to the Chief Executive
 - (b) the member were references to the chairperson.

Authority (or other) staff performance

- 3.10 Any person involved with the group who is concerned about the performance of an Authority staff member, in relation to the group, should discuss those concerns with the

Chief Executive. The Chief Executive will determine the appropriate actions to be taken in response to such concerns.

- 3.11 Any person involved with the group who is concerned about the performance of a contractor or external consultant associated with an advisory group should discuss those concerns with the Authority's representative. The Authority's representative, in consultation with the Chief Executive, will determine the appropriate action in response to such concerns.

4 Confidentiality of reports

- 4.1 All reports submitted to the group (including reports or presentations submitted by members) are subject to the Official Information Act 1982 (OIA) and, in the normal course of events, will not be treated as confidential.
- 4.2 However, the Authority may withhold information contained in such reports or presentations if the Authority considers there are grounds for doing so under the OIA.
- 4.3 The chairperson must forward any requests for official information the group receives to the Authority immediately.

5 Conflicts of interest

- 5.1 Section 22(1) of the Act provides that the conflict of interest disclosure rules in sections 62 to 72 of the Crown Entities Act 2004 apply in respect of each member of the group as if the group were a statutory entity.
- 5.2 If a member of the group is required to make a disclosure under those sections, the member must make the disclosure to the Authority as well as to the group.

Provisions for advisory groups (other than the SRC)

6 Functions and responsibilities

Functions of the advisory group chairperson

- 6.1 The key functions of the advisory group chairperson include:
- (a) managing the group's activities to facilitate delivery of the group's work plan
 - (b) facilitating discussions between group members in a manner that will stimulate robust debate on issues and encourage effective contribution from members
 - (c) guiding relevant and effective discussions while also ensuring genuine disagreements and conflicts are aired and, if possible, resolved
 - (d) ensuring that the minutes of each group meeting are correct
 - (e) ensuring that the views of the group are accurately represented in papers to the Authority
 - (f) attending Authority Board meetings, as required, to present the group's advice
 - (g) approving annual reports to the Authority regarding the group's progress against its work plan
 - (h) regularly report to the Authority's Chief Executive (Chief Executive) on the group's progress against its work plan, including highlighting any concerns about progress
 - (i) approving and signing on behalf of the group any other communications the group wishes to have with the Authority or other parties.
- 6.2 When making representations to the Authority on any aspect of the group's work and recommendations, the chairperson must take care to provide a balanced representation of the views held by the members of the group.
- 6.3 If the chairperson has any significant concerns, including (for example) in relation to the operation of the group, these are to be raised with the Authority's representative to the group in the first instance. If the chairperson's concern is in regard to the Authority representative or deems the concern significant enough to warrant raising it with the Authority Chief Executive, the chairperson may raise such concerns with the Chief Executive.

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.
- 6.5 In addition to the responsibilities under section 2, when carrying out their duties, members of advisory groups must keep in mind that:
- (a) They have been appointed for their knowledge and experience as well as their ability to participate constructively in group meetings.
 - (b) They have been appointed to act in their personal capacity (not as representatives of organisations) and the Act requires them to provide independent advice as a group, even though they need not be independent persons individually.

- (c) The requirement in paragraph (b) means that members are expected to act in the best interests of all stakeholders irrespective of whether this aligns with the interests of any organisation he or she may be associated with.
- (d) The group is expected to reconcile divergent views and interests, both in the group and among wider stakeholders, in ways consistent with the Authority's statutory objective, the Authority's Code amendment principles contained within the Authority's consultation charter and in a manner that achieves wider stakeholder "buy in". This requires a serious commitment by all members to understand alternative views and find workable solutions.
- (e) Authority staff and external experts are free to form their own views on the matters considered by the group, and the Authority expects members to respect the different roles that Authority staff and external advisors play in assisting the group and advising the Authority.

7 Work plan

- 7.1 Advisory groups will operate to a work plan. Each group is expected to investigate, analyse, and make recommendations to the Authority on matters included in its work plan.
- 7.2 The work plan will be:
 - (a) developed by the Authority in discussion with the group
 - (b) presented to the group for its consideration and input before being finalised
 - (c) developed with regard to the Authority's limited budget
 - (d) consistent with the Authority's overall work programme, priorities and timeframes
 - (e) updated regularly to account for developments that occur in the course of the group's investigation.
- 7.3 Members may suggest items to be included in the work plan, but those items will be included at the Authority's discretion, and subject to clause 7.2.
- 7.4 The Authority will actively engage with an advisory group when setting work plan priorities, and will seek to achieve "buy-in" to the priorities from a majority of the members.
- 7.5 The Authority may assign work plan items to other parties (such as Authority staff or external experts) if the group and the Authority are unable to agree on the group's work plan, including timeframes.
- 7.6 If projects in the group's work plan overlap with projects being considered by other advisory groups, the Authority will:
 - (a) make reasonable efforts to coordinate the advice from the other advisory groups
 - (b) interact with the relevant advisory groups on those projects (for example, by conducting joint meetings and workshops)
 - (c) facilitate timely updates to each relevant advisory group on the status of those projects.
- 7.7 The Authority will hold the group accountable to its work plan by:
 - (a) monitoring the performance of the group and its members
 - (b) requiring the chairperson of the group to submit annual reports to the Authority on the group's progress against its work plan

- (c) receiving feedback from the secretariat on the group's analysis and recommendations and its decision-making processes.

7.8 When undertaking its work plan, the group may decide:

- (a) the extent and type of the analysis it undertakes
- (b) the content of any discussion papers
- (c) the extent and type of the feedback it seeks, including how it will interact with interested parties to seek such feedback (such as by conducting workshops)
- (d) how it will incorporate any feedback it receives into its analysis and its recommendations to the Authority.

8 Appointment

Appointment of advisory group members

- 8.1 The Authority will appoint members after calling for nominations and considering nominees against the relevant criteria.
- 8.2 The Authority must appoint members by written notice. The notice must state the date the appointment takes effect and state the term of the appointment.

Appointment of advisory group chairperson (including a temporary deputy chairperson)

- 8.3 The Authority will appoint a chairperson after calling for nominations and considering nominees against the relevant criteria.
- 8.4 The Authority may select a chairperson from among the existing members or may appoint someone from outside of the group. The Authority must appoint the chairperson by written notice to the relevant nominee, followed by written notice to the other members of the group.
- 8.5 The group may appoint a member to be a standing or temporary deputy chairperson, who may exercise all the functions and powers of the chairperson in relation to a matter if:
 - (a) the chairperson is unavailable; or
 - (b) the chairperson has a conflict of interest relating to the matter.

9 Working groups

Purpose of working groups

- 9.1 References to working groups should be read as references to working groups, forums, workshops, or other types of groups (excluding ad hoc advisory groups).
- 9.2 The primary role of working groups is to provide technical and specialist input to the work of advisory groups. Working groups may also assist with an advisory group's workload, if directed by the Authority.
- 9.3 Working groups can be standing or ad hoc, and may be functional or project-specific, depending on the advisory group's requirements.

Establishment of working groups

- 9.4 The chairperson for an advisory group and the relevant Authority representative will jointly recommend to the Authority whether a working group is required.
- 9.5 The Authority may establish a working group by:
- (a) calling for nominations by:
 - (i) determining the appropriate criteria against which to evaluate possible members of the working group, including candidates for the position of chairperson
 - (ii) calling for nominations for members including a chairperson
 - (iii) appointing members and a chairperson in accordance with the criteria established under paragraph (i)
 - (iv) determining appropriate terms of reference; or
 - (b) invitation to preferred potential members; or
 - (c) another process (that is documented and followed) that is appropriate for the required purpose, work, and duration of the working group.
- 9.6 The Authority must have regard to the views of the relevant advisory group when establishing a working group.
- 9.7 When establishing a working group under clause 10.5 the Authority must evaluate potential members against the following criteria, in addition to any criteria that may also apply under clause 9.5(a)(i):
- (a) relevant knowledge and experience
 - (b) relevant strategic, commercial, and regulatory expertise
 - (c) an ability to represent alternative views in a balanced manner
 - (d) an ability to provide impartial, independent advice
 - (e) an ability to contribute constructively to the relevant tasks
 - (f) the ability of members to collectively represent the relevant key perspectives.
- 9.8 The Authority will determine on a case-by-case basis whether an advisory group member can become a member of a working group assisting their advisory group.

Operation of working groups

- 9.9 Each working group will report its analysis and recommendations as advised by the Authority (normally to either the Authority or to the advisory group it was established to assist). A working group may nominate a member, in addition to its chairperson, to represent it when the advisory group considers its reports.
- 9.10 Each advisory group has the discretion to support any recommendation from a working group.
- 9.11 If a working group's task is a standalone one, the relevant advisory group is expected to forward the analysis and recommendations it receives from the working group on to the Authority.
- 9.12 If a working group's task is a component of a broader scope of work being undertaken by the relevant advisory group, the advisory group is expected to integrate the working group's analysis and recommendations into the advisory group's broader report to the Authority.

- 9.13 Whether the working group's task is standalone or a component of a broader scope of work, the relevant advisory group may, if it disagrees with the analysis and recommendations of a working group, ask the working group to undertake further work. An advisory group may also develop its own recommendations on the matter and present these to the Authority alongside the working group's recommendations.

Provisions for the SRC

10 Function of role

- 10.1 Under section 20(2) of the Electricity Industry Act 2010 (Act), the function of the SRC is to provide independent advice to the Authority on:
- (a) the performance of the electricity system and the system operator; and
 - (b) reliability of supply issues.
- 10.2 The SRC fulfils its function by providing advice to the Authority on:
- (a) the system operator's performance including against its principal performance obligations, security of supply function and any other function of the system operator important to the performance of the electricity system and/or to reliability of supply
 - (b) system operations issues, including industry development needs and priorities relating to system operations
 - (c) security of supply issues, including system security assessments and security of supply forecasts
 - (d) reliability of supply issues, including planned and unplanned loss of supply and quality of supply issues
 - (e) any other matters that the Authority considers to be within the function of the SRC as set out in the Act.

11 Membership

- 11.1 The Authority will normally appoint nine members to the SRC, including **an independent** chairperson appointed by the Authority under clauses 13.3 to 13.4. However, the Authority may appoint more or less members.
- 11.2 The chairperson is a member. Accordingly, provisions in these terms of reference that apply to members also apply to the chairperson. However, provisions specific to the chairperson take precedence.
- 11.3 Between them, members will have appropriate knowledge and experience of the electricity industry, so that it can provide advice to the Authority that fulfils its function as described in clause 10.

Criteria for membership

- 11.4 The Authority may appoint members to the SRC after considering nominees against the following criteria:
- (a) knowledge and experience of the electricity industry, in particular the matters specified in clause 10
 - (b) strategic, commercial, and regulatory expertise
 - (c) an ability to represent alternative views in a balanced manner
 - (d) an ability to provide impartial, independent advice
 - (e) a high level of integrity and credibility within a sector of the electricity industry or a related consumer sector
 - (f) an ability to contribute constructively to the SRC's tasks

- (g) an ability to contribute to a balance of knowledge in the SRC regarding the long-term interests of consumers, power systems engineering and analysis, and generation and demand-side management technologies.

11.5 To qualify as **an independent** chairperson, a nominee must meet the membership criteria specified in clause 11.4 and the following additional criteria:

- (a) **the nominee must have the skills and experience necessary to carry out the responsibilities of the chairperson and to perform the functions set out in clause 12.13. the nominee must, in the opinion of the Authority, be demonstrably free of conflicts of interest**
- (b) **it is preferable for the nominee, in the opinion of the Authority, to be demonstrably free of conflicts of interest. the nominee must have the skills and experience necessary to carry out the responsibilities of the chairperson and to perform the functions set out in clause 12.13.**

Field Code Changed

Term of appointment

- 11.6 Appointment to the SRC is ordinarily for a term of three years.
- 11.7 The maximum number of consecutive terms that a member may ordinarily be appointed is two.
- 11.8 Despite clause 11.6, the Authority may:
 - (a) request that a member serve a term of more than three years
 - (b) decide to appoint a member for a term of less than three years.
- 11.9 Despite clause 11.7, the Authority may appoint a member for more than two consecutive terms.

12 Procedures

General

- 12.1 The SRC may determine its own procedures, subject to the requirements of the Act, the Charter, and these terms of reference.
- 12.2 The SRC must conduct its business and activities in a manner that is as transparent as practicable.

Approach to meetings

- 12.3 The SRC must meet as often as required to fulfil its function as described in clause 10.1, and in any event at least once every 6 months in accordance with section 20(3) of the Act.
- 12.4 The Authority anticipates that the SRC will meet three times a year, outside of extended emergencies such as an extended dry sequence or an extended period of capacity inadequacy.
- 12.5 A meeting of the SRC may be held by a quorum of its members assembled at the appointed time and place of the meeting. No business (including approving minutes) may be transacted at a meeting of the SRC if there is no quorum.
- 12.6 A quorum for a meeting of the SRC is a majority of its members.
- 12.7 The chairperson may invite non-members (in addition to Authority representatives) to attend a SRC meeting. In those circumstances, the invited party may participate in discussions at

the discretion of the chairperson, but is not a member of the SRC and does not form part of the quorum.

- 12.8 As a general rule, meetings must be held in person. If this is not possible, meetings may be held using audio visual or electronic communication, provided all of the members who want to participate in the meeting have access to the technology and a quorum of members can communicate throughout the meeting.
- 12.9 Members will strive to attend meetings in person. If for valid reason(s) this is not possible, members may join the meeting by means of audio, audio and visual, or electronic communication.

Administration

- 12.10 The Authority representative is accountable to the Authority for the successful and effective functioning of the SRC.
- 12.11 The Authority, in its capacity as the secretariat, will:
- (a) schedule meetings of the SRC in consultation with the chairperson
 - (b) propose the agenda for each meeting for approval by the chairperson
 - (c) give reasonable notice of meetings to each member, including details as to the time and venue of meetings
 - (d) if possible, arrange for meeting papers to be circulated to members at least five business days before a meeting to enable members to properly consider them
 - (e) ensure that non-confidential meeting materials are published on the Authority's website as soon as practicable after the relevant meeting
 - (f) ensure that minutes of meetings are published on the Authority's website as soon as practicable after their confirmation.
- 12.12 Any emails sent by a member of the SRC about any substantive aspects of the SRC's business should be copied to:
- (a) all the SRC members
 - (b) the Authority representative
 - (c) the Authority secretariat.

Functions of the chairperson

- 12.13 The key functions of the chairperson include:
- (a) managing the SRC's activities to facilitate delivery of its work
 - (b) facilitating discussions between SRC members in a manner that will stimulate robust debate on issues and encourage effective contribution from members
 - (c) guiding relevant and effective discussions while also ensuring genuine disagreements and conflicts are aired and, if possible, resolved
 - (d) ensuring that the minutes of each SRC meeting are correct
 - (e) ensuring that the views of the SRC are accurately represented in any correspondence to the Authority
 - (f) attending Authority Board meetings, as required, to present the SRC's advice.

13 Appointment

Appointment of members

- 13.1 The Authority will appoint members after calling for nominations and considering nominees against the criteria specified in clause 11.4.
- 13.2 The Authority must appoint members by written notice to the relevant nominee. The notice must state the date the appointment takes effect and state the term of the appointment.

Appointment of chairperson (including a temporary deputy chairperson)

- 13.3 The Authority will appoint ~~an independent~~ chairperson after calling for nominations and considering nominees against the criteria specified in clauses 11.4 and 11.5.
- 13.4 The Authority may select a chairperson from among the existing members of the SRC or may appoint someone from outside of the SRC. The Authority must appoint the chairperson by written notice to the relevant nominee, followed by written notice to the other members of the SRC.
- 13.5 The SRC may appoint a member of the SRC to be a standing or temporary deputy chairperson, who may exercise all the functions and powers of the chairperson in relation to a matter if:
 - (a) the chairperson is unavailable; or
 - (b) the chairperson has a conflict of interest relating to the matter.

Provisions for the IPAG

14 Scope of role

- 14.1 The purpose of the IPAG is to provide independent advice to the Authority on issues in the Authority work programme that relate to:
- (a) evolving technology and business models
 - (b) competition and consumer choice.
- 14.2 In particular, the Authority may seek the IPAG's advice on:
- (a) initiatives to improve the efficient development and use of evolving technologies and business models across the supply chain, including reducing inefficient barriers to:
 - (i) any consumers purchasing directly from the wholesale electricity market or directly from local generators
 - (ii) mass-market demand response, and aggregators of mass-market demand response
 - (iii) mass-market distributed energy resources, and aggregators of these resources, including distributed generation, batteries, micro-grids and 'prosumer' situations
 - (b) initiatives to efficiently promote consumer participation through the whole supply chain, including:
 - (i) improving consumer awareness, understanding, motivation and action by mass-market consumers
 - (ii) increasing choices available to mass-market consumers by further enhancing competition
 - (c) any other policy matters that the Authority considers appropriate.

15 Membership

- 15.1 The Authority will target appointing between five and eight members to the IPAG, including an independent chairperson. However, the Authority may appoint more or less members.
- 15.2 The chairperson is a member. Accordingly, provisions in these terms of reference that apply to members also apply to the chairperson. However, provisions specific to the chairperson take precedence.

Criteria for membership

- 15.3 The Authority may appoint members to the IPAG after considering nominees against the following criteria:
- (a) an ability to contribute to a balance of knowledge and experience relevant to the matters specified in clause 14
 - (b) an ability to represent alternative views in a balanced manner
 - (c) an ability to provide impartial, independent advice
 - (d) a high level of integrity and credibility
 - (e) an ability to contribute constructively to the group's tasks.

15.4 To qualify as an independent chairperson, a nominee must meet the membership criteria specified in clause 15.3 and the following additional criteria:

- (a) the nominee must have the skills and experience necessary to carry out the responsibilities of the chairperson and to perform the functions set out in clauses 6.1 to 6.3; the nominee must, in the opinion of the Authority, be demonstrably free of conflicts of interest
- (b) it is preferable for the nominee, in the opinion of the Authority, to be demonstrably free of conflicts of interest; the nominee must have the skills and experience necessary to carry out the responsibilities of the chairperson and to perform the functions set out in clauses 6.1 to 6.3.

Field Code Changed

Field Code Changed

Term of appointment

15.5 Appointment to the IPAG is ordinarily for a term of three years.

15.6 The maximum number of consecutive terms that a member may ordinarily be appointed is two.

15.7 Despite clause 15.5, the Authority may:

- (a) request that a member serve a term of more than three years
- (b) decide to appoint a member for a term of less than three years.

15.8 Despite clause 15.6, the Authority may appoint a member for more than two consecutive terms.

16 Procedures

General

16.1 The IPAG:

- (a) may determine its own procedures, subject to the requirements of the Act, the Charter, and these terms of reference
- (b) must conduct its business and activities in a manner that is as transparent as practicable.

Approach to meetings

16.2 The IPAG will meet:

- (a) by any means that enables effective investigation of the matters included in the IPAG's work plan
- (b) as often as required, having regard to the Authority's planning cycle and the IPAG's work plan.

16.3 A meeting of the IPAG may be held by a quorum of its members. No business may be transacted at a meeting if there is no quorum.

16.4 A quorum for a meeting of the IPAG comprises the minimum number of members necessary to ensure effective investigation of the matters included in the IPAG's work plan, as determined by the Authority representative in consultation with the chairperson.

16.5 The chairperson of the IPAG may request any member or members of the IPAG to contribute on a project-specific basis.

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

Administration

- 16.7 The Authority's representative is accountable to the Authority for the successful and effective functioning of the IPAG.
- 16.8 The Authority, in its capacity as the secretariat, will:
- (a) make appropriate arrangements for any meetings of the group, in consultation with the chairperson
 - (b) give reasonable notice of meetings to each member, including details as to the time and venue of meetings
 - (c) if possible, arrange for any materials that will be discussed at group meetings to be circulated to members at least five business days before the meeting, to enable members to properly consider them
 - (d) ensure that non-confidential meeting materials are published on the Authority's website in accordance with procedures established by the IPAG
 - (e) ensure that minutes of meetings are published on the Authority's website as soon as practicable after their confirmation.
- 16.9 Any emails sent by a member of the IPAG about any substantive aspects of the group's business should be copied to:
- (a) all the IPAG members
 - (b) the Authority representative
 - (c) the Authority secretariat.

Provisions for the MDAG

17 Scope of role

- 17.1 The purpose of the MDAG is to provide independent advice to the Authority on issues in the Authority work programme that primarily relate to:
- (a) pricing and cost allocation
 - (b) risk and risk management
 - (c) operational efficiencies.
- 17.2 The Authority may seek the MDAG's advice on:
- (a) initiatives to promote efficient pricing in markets and for monopoly services, including:
 - (i) improving market pricing mechanisms such as real-time pricing, wind offers, and demand forecasting
 - (ii) improving administered prices and cost-allocation methods such as distribution pricing, distributed generation pricing principles, cost allocation of ancillary services
 - (b) initiatives to promote efficient management of capacity and energy risks, including:
 - (i) improving management of capacity and real-time operational risks
 - (ii) improving management of energy risks, such as dry year security of supply risks
 - (iii) evolution of the hedge market
 - (c) any other policy matters that the Authority considers appropriate.

18 Membership

- 18.1 The Authority will target appointing between five and eight members to the MDAG, including **an independent** chairperson. However, the Authority may appoint more or less members.
- 18.2 The chairperson is a member. Accordingly, provisions in these terms of reference that apply to members also apply to the chairperson. However, provisions specific to the chairperson take precedence.

Criteria for membership

- 18.3 The Authority may appoint members to the MDAG after considering nominees against the following criteria:
- (a) an ability to contribute to a balance of knowledge and experience relevant to the matters specified in clause 17
 - (b) strategic, commercial, and regulatory expertise
 - (c) an ability to represent alternative views in a balanced manner
 - (d) an ability to provide impartial, independent advice
 - (e) a high level of integrity and credibility within a sector of the electricity industry or a related consumer sector

(f) an ability to contribute constructively to the group's tasks.

18.4 To qualify as **an independent** chairperson, a nominee must meet the membership criteria specified in clause 18.3 and the following additional criteria:

- (a) **the nominee must have the skills and experience necessary to carry out the responsibilities of the chairperson and to perform the functions set out in clauses 6.1 to 6.3, the nominee must, in the opinion of the Authority, be demonstrably free of conflicts of interest**
- (b) **it is preferable for the nominee, in the opinion of the Authority, to be demonstrably free of conflicts of interest. the nominee must have the skills and experience necessary to carry out the responsibilities of the chairperson and to perform the functions set out in clauses 6.1 to 6.3.**

Field Code Changed

Field Code Changed

Term of appointment

18.5 Appointment to the MDAG is ordinarily for a term of three years.

18.6 The maximum number of consecutive terms that a member may ordinarily be appointed is two.

18.7 Despite clause 18.5, the Authority may:

- (a) request that a member serve a term of more than three years
- (b) decide to appoint a member for a term of less than three years.

18.8 Despite clause 18.6, the Authority may appoint a member for more than two consecutive terms.

19 Procedures

General

19.1 The MDAG:

- (a) may determine its own procedures, subject to the requirements of the Act, the Charter, and these terms of reference
- (b) must conduct its business and activities in a manner that is as transparent as practicable.

Approach to meetings

19.2 The MDAG will meet as often as required, having regard to the Authority's planning cycle and the group's work plan.

19.3 Any meeting of the MDAG may be held by a quorum of its members assembled at the appointed time and place of the meeting. No business (including approving minutes) may be transacted at a meeting if there is no quorum.

19.4 A quorum for a meeting of the MDAG comprises:

- (a) half of its members if it has an even number of members
- (b) a majority of its members if it has an odd number of members.

19.5 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.

19.6 Meetings may be held:

- (a) in person; or
- (b) by means of audio or visual, or electronic communication, provided that all of the members who wish to participate in the meeting have access to the technology needed to participate, and a quorum of members can simultaneously communicate with each other throughout the meeting.

19.7 Where meetings are held in person, members will strive to attend in person. If this is not possible for valid reason(s), members may join the meeting by means of audio, audio and visual, or electronic communication.

Administration

19.8 The Authority's representative is accountable to the Authority for the successful and effective functioning of the MDAG.

19.9 The Authority, in its capacity as the secretariat, will:

- (a) schedule meetings in consultation with the chairperson
- (b) propose the agenda for each meeting for approval by the chairperson
- (c) give reasonable notice of meetings to each member, including details as to the time and venue of meetings
- (d) if possible, arrange for any materials that will be discussed at group meetings to be circulated to members at least five business days before the meeting, to enable members to properly consider them
- (e) ensure that non-confidential meeting materials are published on the Authority's website in accordance with procedures established by the MDAG
- (f) ensure that minutes of meetings are published on the Authority's website as soon as practicable after their confirmation.

19.10 Any emails sent by a member of the MDAG about any substantive aspects of the MDAG's business should be copied to:

- (a) all the MDAG members
- (b) the Authority representative
- (c) the Authority secretariat.