

Meeting date: 18 December 2023



# Decision on the Electricity Authority Advisory Group

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# Decision on the Electricity Authority Advisory Group

## 1. Purpose

- 1.1. This paper seeks your approval to publish the decision paper on s18(d) [REDACTED].

## 2. Strategic alignment

- 2.1. The Electricity Authority Te Mana Hiko (Authority)'s advisory groups have a critical role to play in the development of well-informed regulatory decision-making. The legislated groups provide a channel to capture expertise, experience and participation from regulated and interested parties.
- 2.2. In doing so, advisory groups are a key part of the Authority's commitment to increased engagement and transparency, helping to build trust and confidence in the regulator and enable participation in the development of fit for purpose regulation.

## 3. Recommendations

- 3.1. It is recommended the Board:
  - (a) **approve** the publication of the Electricity Authority's Advisory Group decision paper
  - (b) s18(d) [REDACTED]

## 4. Summary

- 4.1. Required under the Electricity Industry Act 2010, advisory groups have played a key role in the development of the electricity market both before and after the establishment of the Authority. The makeup of the groups has evolved as the industry has transformed.
- 4.2. In December 2022 the Authority proposed to establish a new advisory group, noting the significant changes underway in the sector and the need for a new advisory group to capture a diverse range of experience and perspective to inform key Authority projects.
- 4.3. The proposed advisory group was including in the *Review of consultation and feedback processes* consultation paper<sup>1</sup>. Submissions on the proposal were mixed although there was broad support for a new group.

<sup>1</sup> [Review of our consultation and feedback processes | Our projects | Electricity Authority \(ea.govt.nz\)](#)

- 4.4. Points of contention centred on the form and function of the group, as well as concern the Authority had failed to engage industry and other interested parties before coming out with a proposal.
- 4.5. Our response was to trial a different approach to working through these issues and to gather diverse voices together to discuss the future form and function of the advisory group. We set up two independently facilitated workshops and invited all submitters as well as a few extra attendees to capture a range of experience and views. More information and the outcomes of those workshops are captured in the decision paper. The Board were briefed on the advisory group review and workshops in October 2023 and the slide pack is included for your reference.
- 4.6. The workshops flushed out key areas of contention, exposed key points the Authority needed to adjust and enabled differing views to be aired, heard and debated. While we did not achieve (nor expect) consensus, we had great participation and engagement from attendees and the Authority's decision has been further informed by the workshop discussions.
- 4.7. s18(d) [Redacted]
- [Redacted]

## 5. Next steps

- 5.1. Pending approval, we will brief the Minister for Energy's office on the decision alongside the decisions on the Code amendment review and consultation charter and our intention to publish the decisions in January 2024.
- 5.2. s18(d) [Redacted]
- [Redacted]

## 6. Background

- 6.1. The Electricity Industry Act 2010 Section 20(1) requires the Authority to have a SRC. Section 21(1) requires the Authority to have 1 or more other advisory groups to provide independent advice to the Authority on the development of the Code and on market facilitation.

- 6.2. In December 2022, the Authority published a consultation paper on the review of consultation and feedback processes. The paper acknowledged the significant change in the electricity sector as the industry and other industries responded to the transition to an increasingly electrified economy. The Authority noted in the paper the future direction of its prioritised initiatives would require a new advisory group.
- 6.3. The Authority proposed to establish the EAAG stating the purpose of the new advisory group is to provide advice on the Authority's prioritised initiatives as requested by the Authority.
- 6.4. The paper included the proposed structure and membership makeup of the EAAG and provided three options to consider<sup>2</sup>:
- (a) Option one - a small core group that co-opts other expertise
  - (b) Option two - a full-size group that can set up smaller working groups of interested members
  - (c) Option three - a large member pool with a stronger focus on breakout groups of members interested in individual subjects
- 6.5. The paper noted the membership of the EAAG is expected to include a range of members from small, medium, and large industry participants as well as other interested parties including consumer groups and Māori.

## **7. Submissions on the proposed group were mixed**

- 7.1. The Authority received 20 submissions on the *Review of consultation and feedback processes* consultation paper. Most submitters supported a new advisory group but views were mixed on the options proposed. The Authority notes the following key themes from submissions on expectations of a future advisory group. The advisory group should:
- (a) be able to move quicker
  - (b) have a clear purpose and form
  - (c) have a forward view of what's coming up
  - (d) engage early before ideas are fully formed
  - (e) have balanced representation (including consumers)
  - (f) have appropriate administrative support
- 7.2. Submitters also commented on the need for transparent and streamlined consultation processes, with some submitters expressing concern the Authority had published a proposal for advisory groups without talking to the sector or other interested parties first.

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<sup>2</sup> [Review of the consultation and feedback processes \(ea.govt.nz\)](https://www.ea.govt.nz/review-of-consultation-and-feedback-processes/)



10. s18(d) [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

## 11. Attachments

11.1. The following appendices are attached:

- Appendix A Decision paper: s18(d) [Redacted]
- [Redacted]
- Appendix C Slide pack: October 2023
- s18(d) [Redacted]

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s18(d)

[REDACTED]

[REDACTED]

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s18(d) [redacted]

[redacted]

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s18(d)



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