

Appendix C Slide pack

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Electricity Authority Advisory Group(s)

Update to the Board

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Shifting a gear: the imperative to keep up and stay ahead

- There are significant challenges facing the industry over the coming years.
- Regulation must move with rather than behind transformation
- Well-informed regulatory decision-making requires diverse expertise, experience and participation from regulated and interested parties
- Now more than ever we need to work quickly, using the collective intelligence and experience of industry and interested parties.

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Stakeholder Perception Survey 2022

- Provide greater regulatory certainty
 - *less complexity, more transparency*
- Strong future focus
 - *agile and adapt to evolving environment*
- Greater collaboration with industry
 - *purposeful/meaningful engagement*
- Increased pragmatism
 - *real world as opposed to overly theoretical*
- Build capacity and capability
 - *amount and experience of resource*

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One part of the Authority's commitment to engagement

The Authority is committed to improving its stakeholder engagement including how we can be more transparent and engaging during our decision-making processes.

In 2023 we have:

- launched a new website to make information easy to access
- published our consultation calendar
- re-established quarterly updates
- engaged more and in different ways
- put in place an annual calendar of engagements for the Board and leadership team

Establishing the form and function of the Advisory Group is another critical next step.

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Advisory groups – finding the best fit for the future

The Electricity Industry Act 2010 [Section 20\(1\)](#) requires the Authority to have a security and reliability council

[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.

In setting up for the future, we want to:

- Enable the Electricity Authority to work more closely and transparently with the sector and consumers.
- Invite an advisory group to participate early and often on a pre-defined work programme
- Cover a wide range of topics across technical areas, consumer interest and future perspectives.

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Consultation recap: advisory group options

In December 2022 the Board agreed to a review of the Consultation charter, Code amendment process and new advisory group.

Proposed the Electricity Authority Advisory Group with three options to consider:

Option one

A small core group that co-opts other expertise

Option two

A full-size group that can set up smaller working groups of interested members

Option three

A large member pool with a stronger focus on breakout groups of members interested in individual subjects

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Outcomes from consultation process

- Broadly there was support for a review of the advisory groups – **but no clear option selected**
- Key themes: expectations of the future advisory group
 - the ability to move quicker
 - a clear purpose and form
 - a forward view of what's coming up
 - engage early before ideas are fully formed
 - consultation processes to be transparent and streamlined
 - the ability to progress proposals discussed with advisory groups
 - balanced representation (including consumers)
 - proper support for advisory group processes
- Comments the Authority should have talked to industry and interested parties before forming the view in the consultation paper

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Key themes

Key themes: expectations of the future advisory group

- the ability to move quicker
- a clear purpose and form
- a forward view of what's coming up
- engage early before ideas are fully formed
- consultation processes to be transparent and streamlined
- the ability to progress proposals discussed with advisory groups
- balanced representation (including consumers)
- proper support for advisory group processes

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Working together to design the form and function...

In setting up the new Electricity Authority Advisory Group(s) we want to:

- Find a new way of setting up the advisory group to enable the Electricity Authority to work more closely and transparently with the sector and consumers.
- Test early thinking and workability before testing more broadly
- Cover a wide range of topics across technical areas, consumer interest and future perspectives.

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...and trialing a different engagement approach

Facilitated workshops

- The Authority commissioned MartinJenkins to progress this work.
- Their proposal was to trial a different engagement approach and workshop how a facilitated advisory group may operate in the future.
- Two facilitated workshops with representatives from industry and consumer groups.
- The first workshop was held on 6 September with twenty-one attendees representing a cross section of the sector, including consumer interest stakeholders.

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Workshop one

Unpacking form and function

- The focus of this first workshop was to:
 - Share feedback from the Electricity Authority's recent consultation on advisory groups
 - Unpack some of the key areas of concern and broader issues
 - Workshop options for the purpose and ways of working of a new advisory group to support the Authority's work on the transformation, as well as stakeholders' expectations for the Authority to engage more and keep up with the pace of change.
- Participation in the workshop was high with most attendees contributing to discussions and engaging on the issues at hand.

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Key themes from first workshop

Themes that emerged indicated areas of commonality but also tension

- Broad support for a review of the advisory groups
- The importance of the advisory group bringing independent thinking and advice
- Diversity of membership is important, and it must include the consumer voice
- Early involvement is critical
- The ability to provide advice at pace is important
- There is a balance to achieve between technical expertise not being lost and consumer voice being valued
- The ability to bring ideas and topics to the forum would be valued
- A more flexible approach using sub-groups to work on different topics could be useful

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Workshop two

Seeking broad agreement

- The second workshop took place on Thursday 12 October with the participants of the first workshop.

- The purpose of this second workshop was to distil the discussion of the first working group and seek broad understanding and agreement on a proposed form and function of the new advisory group.

- Helping us move the process forward and confirm next steps in terms of establishing the new advisory group.

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Agreement on what the new advisory group will do...

- Provide a diverse range of independent input and advice to the regulator.
- Provide advice early and often on key pieces of work that are part of the Authority's work programme
- Test practical implications of regulatory decisions for consumers and stakeholders before consultation or decision-making including:
 - helping to understand the problem
 - test early options thinking
 - workability and practicalities of implementation

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And what it won't....

Agreement on what the advisory group was not

- The advisory group won't be responsible for determining the Electricity Authority's work programme
- It is not a decision-making body and consensus won't be required – independent thinking and perspectives will be
- Advisory groupings would not be involved when rapid action is required or short turnaround piece of advice
- Commissioning external advice or opinions

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Membership

Diverse membership

- Independent facilitation
- Membership will take a more flexible approach with not all people needing to participate in all activities.
- Members need to represent their part of the sector and/or have system-level perspectives of customer experiences and needs.
- Individual membership will refresh over time to ensure fresh perspectives.
- Membership terms would be three years with rolling expiry.
- There will be a formal agreement to participate with clear terms of reference

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Agreeing form and function

- The group will represent a **diverse range of views** across the supply chain including consumer perspectives
- There will be **independent facilitation** to ensure all voices are heard
- Six-monthly meetings to **bring the full group together** and review how things have gone the prior six months, share the forward work programme, plan what work is required in the upcoming months
- **Flexible sub-groups** will be formed to work on specific items so people can work on areas of interest and in time they have available

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Timing and frequency

Categories and membership requirements	Purpose
<p>Six-month review of work programme</p> <ul style="list-style-type: none"> All members invited to attend (total group number is 25) 	<ul style="list-style-type: none"> Half yearly meetings to review working together over the past six months Understand the work programme coming up for next six months Plan what work will be undertaken as a result and what sub-groups will be formed
<p>Technical working group</p>	<ul style="list-style-type: none"> Some topics will call for a technical sub-group to be formed. These will be determined at the six-monthly meetings.
<p>Sub-groups to work on specific projects</p> <ul style="list-style-type: none"> Members self-selected based on the topic and expertise required. (minimum of 6 required) 	<ul style="list-style-type: none"> Topics are identified through the six-monthly planning process Members can nominate if this is an area of interest and if they have time to dedicate to providing advice and input
<p>Ad-hoc topics</p> <ul style="list-style-type: none"> Members self-selected based on availability (minimum 6 required) 	<ul style="list-style-type: none"> Topics that come up out of cycle from the work programme Members invited to a two-step process to provide rapid input.

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Three points of contention

Voices of concern – three areas debated:

- The topic of representation vs independence
- Consumer voice (and how you support or make it easier for smaller organisations to participate)
- The tension between confidentiality (what people can share if they have participated in the group) and transparency (what you will share with people who have not been part of the group – including agendas, minutes and decisions)

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Next steps

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Questions?

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