

# FlexForum session 20: 02-02-23 notes

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<b>When</b>	0900 – 1200, Thursday 2 February 2023
<b>Where</b>	Virtual
<b>Who</b>	Briony Bennet (Ara Ake), Lyndon Bird (Manawa), Shay Brazier (ReVolve Energy), Tim Calder (Meridian), John Campbell (Our Energy), Luke Cartmell-Gollan (Simply Energy), Glenn Coates (Aurora), Margaret Cooney (Octopus), Daniel Gnoth (Powerco), Mark Herring (Transpower/SO), Peter Kimber (Influx), Jeremy Levy (Mercury), Jenny Van der Merwe (Kāinga Ora), Mary Ann Mitchell (IEGA), Tom Rose (evnex), Terry Paddy (Cortexo), Scott Scrimgeour (Wellington Electricity), James Tipping (Vector), Evie Trolove, (Orion)  Guests: Steve Batstone, Josh Ellison and Saul Griffith (Rewiring Aotearoa)  Observers: Nicole Kirkham (MBIE), Geoff Parr (EA), Andrew Zielinski (EA), Clare Penno, EECA, Sean McCready (ComCom)  Secretariat: Craig Evans, Matt Smith

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## Session notes

### Agenda overview

The group agreed the agenda.

The group agreed to consider a rotating host to facilitate FlexForum sessions.

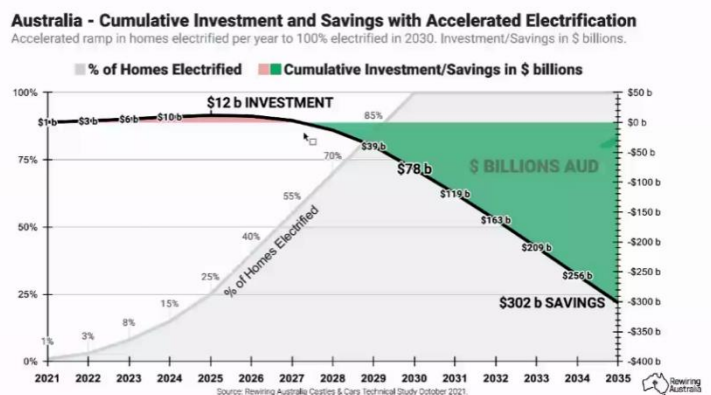
The group discussed the FlexForum role in addressing the winter peaking problem, and the potential for learning-by-doing.

## Item 1: Rewiring Aotearoa

The group listened to Steve Batstone, Saul Griffith and Josh Ellison describe about how to assist households to electrify and the benefits. Rewiring Aotearoa is bringing experience from Rewiring America and Rewiring Australia.

- Households as part of energy infrastructure instead of passive recipients. Successful decarbonisation relies on electrification and solving for both the supply side (the power sector) and demand side (consumers)
- We need to use what we have today to quickly reduce emissions to meet targets for 1.5 degree future
- About 10-20 million small machines in our lives in New Zealand (versus about 1 billion in USA and 100 million in Australia)
  - Pathway replacement model must be perfect (new car every 20 years, new HWC every 10 years etc) if everyone replaces at end of life it will take 20 years to realise the emissions reductions potential
- electrification delivers massive energy efficiency gains. Electrification using renewables means more efficient energy use - 'We have been pursuing efficiency strategies for 50 years without really lowering amount of energy used'. Electrification of all major household machines can reduce household energy use by about 60%
  - Electricity use goes up (3X per day increase expected)
  - Overall energy use goes down
- The efficiency gains from electrifying households – reducing household energy use by about 60% is why we should focus on electrifying demand side machines at same time as decarbonising the supply side.
- Electrifying households is an infrastructure investment and opportunity to lock in future savings; the payback is quick and significant. In Australia, \$12B investment delivers \$302B savings.
- The investment is paying the difference between the electric option and the fossil fuel option.
- We will succeed on climate change only if we bring every household along the journey. About 40% of households can finance their own electrification either from their own pocket or credit. Need to support the other 50% who typically have higher energy use. Need to provide every possible financial mechanism

### SAVINGS FOR AUSTRALIA



- Demand side machines can be a substantial piece of electricity infrastructure, equivalent in Australia to 5x Snowy Hydro (electric vehicles) and 0.5x (hot water cylinders). And Snowy Hydro upgrade is receiving significant government support
- 'Rewiring' provides a consumer counterpoint to support progress. Theme around homes as infrastructure provides a focus to avoid expenditure
- Rewiring Aotearoa will shortly determine what it does this year – have been converting research done in Australia and USA for Aotearoa New Zealand. Rewiring Aotearoa will continue talking with the FlexForum after determining 2023 plans in the coming month.

## Item 2: Future FlexForum – draft charter

The group discussed the draft charter.

The group agreed to establish the future FlexForum as an incorporated society.

- simplifies financial arrangements, eg, collecting and making financial contributions
- conveys seriousness of intent and puts the FlexForum in a position to grow.

The group requested information about:

- the costs of setting up and maintaining an incorporated society
- extent of alignment between the membership and other requirements in the draft charter and those for an incorporated society.

## Item 3: Flexibility Plan – assessment of activity and gaps in progress

The group discussed the initial assessment of activity occurring for each step in the Flexibility Plan, and gaps.

The group agreed to complete the gap analysis through a series of workshops.

## Item 4: FlexForum and Flexibility Plan progress report

The group discussed the initial draft of the progress report. The group agreed:

- to deliver the report by 28 February
- provide contributions to the list of projects by 10 February.

Specific comments:

- explain the topics discussed at each of the FlexForum Speaker Series events and the relevance to Aotearoa New Zealand
- avoid acronyms

- highlight what the FlexForum has done so far
- potentially share international learnings / new stories that are relevant.

## Item 5: A FlexForum response to the EA regulatory settings paper

The group agreed to respond to the EA regulatory settings paper.

The group agreed a sub-group to prepare an initial draft, with a final draft shared with the group by 20 February (comments by 24 February).

Key points for the submission:

- focus on general themes, eg, explicitly call out the importance of learning-by-doing and the need for more
- think about the priorities of the FlexForum.

## Item 6: Engagement update

The group noted the engagement update.

- FlexForum Meets event scheduled for 22 February 2023
- session with ENA STWG on 31 January was useful. The FlexForum request is on the list of things the STWG is considering prioritising. A decision is pending
- consider arranging a FlexForum event around Downstream.

## Item 7: Workplan update

The group note the workplan update.

- task 2 has been delivered
- most tasks are on track, but will require input from participants over the coming month or so
- task 7 on valuing/pricing flexibility is the least progressed.

The group continued to discuss how to develop a FlexForum response to the winter peak issue.

- Mark Herring offered a briefing from the SO on existing signals from the SO for when capacity might be tight, including on things which will be in place winter 2023. Input from Octopus UK and UK SO could be obtained
- the current focus is what can be done without changes to policy/regulatory settings and be in place by winter 2023

- the group considered its role in the issue; others have been working on it, so what can the FlexForum uniquely contribute?

## Item 8: Administration

The group noted the budget update.

End 1200