

Pre-reading Session 20

2 February 2023

Shared 28 January 2023

FLEXFORUM | 

The logo icon consists of a red circle containing a stylized white 'F' with an arrow pointing to the right, symbolizing flexibility and forward movement.

Session overview – topics

1. Rewiring Aotearoa
2. Future FlexForum – draft charter
3. Flexibility Plan – dependencies and gaps in action on steps
4. FlexForum and Flexibility Plan progress report
5. A FlexForum response to the EA regulatory settings paper
6. Engagement update
7. Workplan update
8. Administration

Rewiring Aotearoa and the FlexForum

Introduction to Rewiring Aotearoa and discuss extent for collaboration

- Steve Batstone and Saul Griffith

Future FlexForum – draft charter

Decisions for this item:

1. Agree the scope and approach of the draft charter
2. Confirm the process (it is consistent with what was outlined at the 21-11-22 workshop)
 - you respond with detailed comments by 8 February
 - a draft charter will be shared with workshop attendees, MBIE and other people on 9 February – comments by 23 February (2 weeks)
 - the FlexForum will review the final version of the charter at the March session
 - people will be asked to endorse the charter, submit nominees to the Steering Group, and commit to payment of their first annual contribution (4 weeks after charter circulated)

The draft charter has annotations explaining reason/purpose of provisions

- prepared as if the FlexForum is association of entities, but using the [Sample rules for a incorporated society \(companiesoffice.govt.nz\)](https://www.companiesoffice.govt.nz/sample-rules-for-a-incorporated-society)
- includes feedback
- 9 pages with 8 sections – short and simple as possible

Three things to discuss

- incorporated or unincorporated – charter assumes the FlexForum will be an association. Incorporated status has two main implications
 - the FlexForum can set up its own bank account etc
 - more formal and binding rules
- deal-breakers – any point that makes the charter untenable and why
 - other comments by 8 February
- Any perspective/suggestion from the workshop that is missing

Flexibility Plan – assessment of activity and gaps in progress

The Flexibility Plan has 39 steps across 5 categories

- 11 steps about information and data
- 5 steps on technical requirements
- 11 steps on processes
- 9 steps on regulatory settings
- 3 steps on coordination and collaboration

A gap analysis gives an initial view of activity and gaps in progress.

| # | Step | Expected outcome | Output | What is happening? | What else needs to happen? | What happens if the output is not available? |
|---|--|--|--|---|--|--|
| 6 | Develop a common definition for network services which could be supplied using flexibility, including minimum communication and technical requirements [Discover / Technical] | <ul style="list-style-type: none"> • households and businesses know what opportunities or obligations are on the table wherever they are in the country • equipment suppliers and manufacturers identify what minimum capability they should include as standard when supplying or designing products. | An initial common specification for network services which can be supplied via flexibility | <p>Several distributors have issued RFPs to procure flexibility for specific reasons</p> <p>RFP templates have been shared amongst distributors</p> | <ul style="list-style-type: none"> • Develop an initial common service definition, including minimum technical and communication requirements • Develop a process for evolving the initial common definition based on experience | <ul style="list-style-type: none"> • inconsistent approaches create confusion and raise costs, reducing availability of flexibility • DER manufacturers / flexibility suppliers do not develop relevant capability etc • experience from learning-by-doing is less transferable (raising costs) |

The gap analysis is to:

1. inform the FlexForum post-May workplan and focus areas for industry-led collaboration to obtain foundational capability and travel along the critical path(s)
2. identify potential advice to MBIE, Commerce Commission and Electricity Authority about matters to be addressed to ensure foundational capability is available when it is needed

Action for this item:

1. return the gap analysis to the secretariat with your input on what is happening / needs to happen
2. schedule a subsequent FlexForum discussion about gaps and critical path activities

FlexForum and Flexibility Plan progress report

The FlexForum has committed to regular (6-monthly) public progress reports

- the Flexibility Plan has a commitment to accountability and visibility of progress
- MBIE has requested regular updates as a condition of funding

The first progress report is required by 28-02-23

- the draft report has been prepared as a template for future updates
- target audience is people not close to the FlexForum, eg, Ministers, Chief Executives, people who are not energy nerds
- content will be finalised following this session
- the final draft will be shared with the group by 16-02-23 for final comments
- report will be sent to MBIE and shared publicly by 28-02-23

Decision for this item:

1. agree the report structure and main points
2. provide content for list of activities underway or planned – the more the better – by Friday 10 February (see next page for more detail)

Initial draft shows proposed structure and style. Main points

- context – participation and diversity of the FlexForum, its objective and purpose, opportunity/benefit across the trilemma
- outline what the FlexForum has achieved so far
 - produced Flexibility Plan 1.0
 - become a reference point, mentioned in BCG report, MDAG work etc
 - endeavored to be collaborative and involve as many people as possible
 - supported information sharing and learning through the FlexForum speaker series and creating connections
 - provided advice
- outline activities and projects which will answer questions in the Flexibility Plan
- outline what the FlexForum has learned so far
 - collaboration is hard
 - the task is complicated, but we have a pretty good understanding of what needs to be done [examples of critical steps]
 - learning-by-doing needs to be further encouraged

...progress report continued

The progress report needs to describe pilots / projects that are underway or being started and will provide the practical insights and experience to deliver the outcomes identified in the Flexibility Plan

- the FlexForum does not need to be directly involved in any way – see the examples in the table below
- the FlexForum interest is to assist in sharing experience and insights

| Project | Overview | Link to the Flexibility Plan | How consumers will benefit |
|---|----------|---|----------------------------|
| Orion and WE* Resiflex project, | words | <ul style="list-style-type: none">• customer journey mapping (step #C)• pricing/commercial mechanisms (#20) | words |
| Aurora and solarzero upper clutha programme | | <ul style="list-style-type: none">• Effectiveness of using flexibility #19• plus insights relating to #16, 17, 20, 21, 32, 31, 33, 35 and 36 | |
| EEA / EECA openADR project | | <ul style="list-style-type: none">• Communication and connectivity #31 | |
| Opportunities to improve learning-by-doing | | <ul style="list-style-type: none">• Options to improve learning-by-doing (step #B) | |

The FlexForum needs to show how implementation of the Flexibility Plan and the activity/project has made progress to achieve three specific outcomes for consumers

- Demonstrate progress towards a state where consumers can confidently make choices to invest in and use distributed resources like solar systems, battery systems, electric vehicle chargers and electric devices which maximise the value of their investment for themselves, the local network and the wider power system.
- Demonstrate progress towards a state where consumers have the ability to choose from a full menu of options from a diverse range of suppliers to use distributed resources and flexibility given their preferences and circumstances, including peer to peer, EV charging or community energy services.
- Demonstrate progress towards a state where consumers can realise the full value of their distributed resources, whether by reducing connection costs, reducing power costs, sharing power with others, or supplying energy, network or ancillary services.

A FlexForum response to the EA issues paper on updating the regulatory settings for distribution networks

Decision for this item:

1. Does the FlexForum want to respond to the EA regulatory settings paper?
2. What are the main messages of that response?

Responses are due 28 February 2023

- The topics covered in the issues paper relate to steps #2, 6, 7, 8, 10, 11, 12, 13, 16, 17, 19, 27, 28, 30, 31, 32, and 33 (at least)
- Content for a response would be finalised following this session. A final draft would be shared with the group by 16-02-23 for final comments

Starting point for a response – general comments:

- The questions raised in the issues paper could be addressed faster and more effectively through a collaborative FlexForum-style series of workshops involving diverse perspectives
- Topics and solutions need to be considered in a whole-of-system way that joins the dots. Several of the outcomes described in the issues paper rely on decisions of the Commerce Commission, EECA, MBIE et al. The outcomes sought will be difficult to achieve without explicit and transparent coordination between regulators
- Very few of the topics have a straightforward solution. Even where the solution appears obvious, extensive effort will be required to confirm the specific capability, process and practice required to implement the solution. The FlexForum will be working through the practicalities of several of these questions during 2023 and will be sharing the insights and experience with the Electricity Authority and generally

See initial assessment of the issues paper from a FlexForum / Flexibility Plan perspective

Engagement update

Engagement since previous session

- Callaghan Innovation on 20/12/22 about the FlexForum and learning-by-doing.
- ENA STWG on 31-01-23 – briefing on FF insights: making better use of distribution network capacity

Upcoming engagement

- Discussion with MBIE energy teams is being arranged (probably February or March)
- FlexForum Meets: Wellington – trying out an event to provide an opportunity for people to get together to share ideas and experience
 - Who: anyone interested in practical action to enable electrification and flexibility
 - Where: Transpower
 - When: Wednesday 22 February, 1500-1700
 - What:
- FlexForum speaker series webinar is being arranged on share Australian experience with dynamic operating envelopes

Workplan update: overview of progress

The workplan is here: [FF Phase 2 Workplan v1.xlsx](#)

| Task | Scope & output | Timing | Notes |
|--|---|--|---|
| 1. Scope and confirm a Delivery Model for the Flexibility Plan | Purpose is to get input on a minimum viable set of arrangements for the future FlexForum – role and functions, participation & resourcing – to produce and agree a charter for the future FlexForum | <ul style="list-style-type: none"> Workshop – 21/11/22 (done) Draft charter – due 02/02/23 Final charter – due 02/03/23 | <ul style="list-style-type: none"> On track Need to resolve Qs about legal status of the FF |
| 2. FF insights: Network access and connection arrangements | A paper documenting FlexForum insights on network access and connection and identifying specific research questions | <ul style="list-style-type: none"> Published 31-01-23 Webinar in February | <ul style="list-style-type: none"> Confirming webinar speaker/timing |
| 3. FF insights: Flexibility contractual arrangements | A paper documenting FlexForum insights on the main terms of trade in contracts for flexibility and identifying specific research questions | <ul style="list-style-type: none"> 30-03-23 | |
| 4. Interactions map, dependencies and gaps | An updated interaction map to highlight progress, gaps and opportunities <ul style="list-style-type: none"> Steps map will replace the interaction map | <ul style="list-style-type: none"> 02-02-23 | <ul style="list-style-type: none"> Item 3 - Session 20 |
| 5. FF insights: Barriers to progress | Document the barriers to progress identified by the FlexForum during phase 1, the impacts and the resulting research questions (ie, steps). | <ul style="list-style-type: none"> 30-03-23 | <ul style="list-style-type: none"> First draft 80% complete |
| 6. Step #C Customer journey mapping | A project which undertakes a customer journey mapping exercise. The Orion Resi-flex (residential flexibility) project includes residential customer journey mapping | <ul style="list-style-type: none"> Expected by April 2023 | |
| 7. FF insights: valuing and pricing flexibility | A paper documenting FlexForum insights on valuing and rewarding flexibility and identifying research questions | <ul style="list-style-type: none"> 28 April 2023 | NA |
| 8. FF insights: Communication and connectivity | A paper documenting FlexForum insights on communication and connectivity requirements to enable flexibility and identifying research questions | <ul style="list-style-type: none"> 30 March 2023 | <ul style="list-style-type: none"> Scoping underway |
| 9. Step #B Learning-by-doing ecosystem review | A project to review how well the learning-by-doing ecosystem supports firms attempting flexibility-related R&D and commercialisation. | <ul style="list-style-type: none"> Draft scope/approach – 01/12/22 Part 1 – 28/02/23 Part 2 – 31-03-23 | <ul style="list-style-type: none"> Interviews underway Survey being tested |
| 10. DER supplier flexibility awareness | A project to explore the flexibility knowledge of DER installers/hardware suppliers to identify what they would like to know to enable them to provide useful information/advice to customers | <ul style="list-style-type: none"> Draft scope 31-01-23 Due by 26-05-23 | |

Administration

Budget update