

# Pre-reading Session 18

3 November 2022

Shared 26 October 2022

**FLEXFORUM** | 

# Session overview – topics and decisions

## 1. Expanding the FlexForum

- a) Agree to Ryan Kuggeleijn (Meridian Energy), Margaret Cooney (Octopus), and James Carberry (Simply Energy) joining the FlexForum for phase 2 (to May 2023)

## 2. Delivery model workshop – purpose, structure and approach

- a) Agree the purpose, structure and approach for the delivery model workshop

## 3. Workplan and resourcing approach

- a) Agree the proposed workplan, deliverables and resourcing approach

## 4. Demonstration projects

- a) Discuss options to expand the list of demonstration projects (ideas) and identify how to address barriers to including projects

## 5. Engagement

- a) Update

## 6. Administration

- a) Update on administration and budget

## 7. Next steps

- a) Session actions and next steps

## Expanding the FlexForum for phase 2

Several organisations have expressed specific interest in participating in the FlexForum ahead of finalising a permanent delivery model for the future FlexForum

The existing terms of reference say *'Membership is decided by the Group. The Group can change its membership as necessary to achieve the goal and key deliverables.'*

### **Decision: Agree to the following new members of the FlexForum**

- Ryan Kuggeleijn, Strategic Development Lead, Meridian Energy
- Margaret Cooney, Chief Customer Officer, Octopus Energy
- James Carberry, Head of Sustainable Opportunities, Simply Energy

Note: Powerco is interested in participating but had not responded at the time of writing

# Delivery model workshop – purpose, structure and approach

The Delivery model workshop is a key deliverable of phase 2

- the workshop is scheduled for 21 November 2022 in Wellington

## Things to do before inviting people

- confirm attendance (page 5)
- confirm agenda and approach (page 6)
- confirm who does what jobs at the workshop (page 7)
- confirm the scope of the workshop topics (page 8)
- confirm workshop arrangements meet the requirements of the Commerce Act Part 2, ie, don't talk about or enter into an agreement to fix, control or maintain prices; restrict output or capacity; or allocate markets or customers (page 8)
- confirm the process to finalise the delivery model following the workshop (page 9)

The proposed approach for each of these things is outlined on the following pages

## Why is a delivery model needed?

- ...to own and be accountable for the Flexibility Plan
- ...to provide a central point for people from across the supply chain to work together on flexibility

## Reality checking....

- Is the Flexibility Plan really needed to achieve progress?
- Why is a 'FlexForum' needed?
- Why is a formal structure needed?
- Why not rely on [...the Electricity Authority; the ENA through its Network Transformation Roadmap; individual businesses etc] to do the work?
- What is the alternative?

# Delivery model workshop – attendance

27 expressions of interest from 22 organisations (5 FF members including 2 new members)

- MBIE is providing a venue suitable for [30-40 – numbers being confirmed] people in a workshop style set-up. A larger venue may be needed
- in-person is probably most practicable. 1 person has said they could participate online only
- note the FF needs to provide any catering aside for tea and coffee

Who do you want there?

Who else do you want there?

# Delivery model workshop – agenda and approach

The workshop is intended to enable people to help shape the role and operation for the future FlexForum

- the objective is to identify a minimum viable delivery model for the Flexibility Plan
- the purpose of the workshop is to get a broad consensus on the role and responsibilities, membership and operation of the entity which would be responsible for delivering the Flexibility Plan from May 2023

The workshop will be a big day

- there are some challenging questions and few shortcuts
- we have asked an outside expert for a view on the approach

The indicative agenda has been revised. Is the approach ok?

- starts with ‘why’ – the context for the FlexForum and Flexibility Plan
- then ‘how’ – the process for finalising the arrangements for the future FlexForum. The workshop is part of the journey, not the end
- then ‘what’ – works through the three main elements of the framework and what the answers might look like
  - four ‘design’ sessions with small group discussions of an indicative approach and/or specific questions for each of the three key aspects of the delivery model and the final product
    - 20 minutes is allowed for small groups to discuss the topic/questions. A FlexForum member (or partner) would scribe for each group using a web-based tool (eg, Mural) to collate views
    - a 10-minute break to provide a mental break and time to collate the outcomes of the small group discussions to identify areas of divergence/consensus
    - 10 minutes for the groups to discuss answers to the areas of divergence
- There is time at the end to bring everything together and get perspectives on what is needed to keep making progress

# Delivery model workshop – who does what

## The approach requires people to do the following jobs

- facilitation – main job is to keep things moving along. Q&A and discussion will mostly be at the table level
- table scribes/discussion leads
  - a FlexForum member (or partner) is needed at each table to prompt discussion, collate and document perspectives using a web-based tool (eg, Mural) to collate views – who can help?
- collating output of table discussions so people can hear (see) what others are saying without round the room updates

# Scope of workshop topics

The order of the workshop sessions is designed to draw out the perspectives and positions of attendees and build consensus for a minimum viable product delivery model....

The proposed framework and features of the future FlexForum is established in the Flexibility Plan 1.0

- the framework and features are shown on the next page

## Three main topics and sets of questions

1. FlexForum role and functions
2. Participation and decision-making
3. Resourcing and delivery

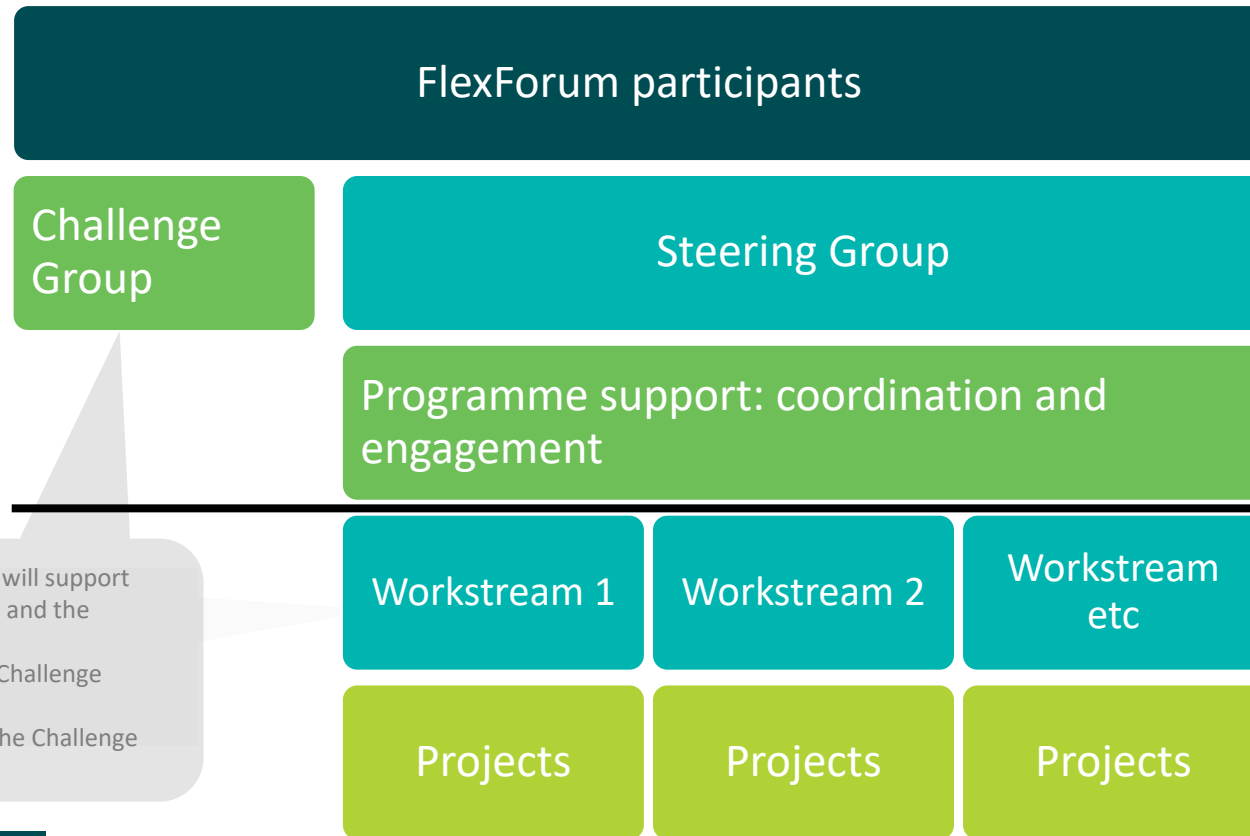
People will be provided context and questions on each of the topics ahead of the workshop

Note the workshop topics do not require discussion of anything which would be a concern under the Commerce Act, Part 2. People will be reminded they must not talk about or attempt to fix, control or maintain prices; restrict output or capacity; or allocate markets or customers

- this approach aligns with practice of other groups involving competitors, eg ERANZ working groups
- the matter has been raised with the Commerce Commission



# A future FlexForum structure – high level view & choices to make



The starting assumption is anyone can participate in the FlexForum if they commit to delivering the Flexibility Plan

- What are the joining criteria? Do participants need to take an active role in delivering the Flexibility Plan?
- Is a financial contribution required?
- What are the perks of participation?
- How are competition (Part 2 of the Commerce Act) concerns managed?

A Steering Group will make decisions relating to the activities of the FlexForum

- What decisions are made by the Steering Group? What decisions are made by the FlexForum members?
- How are decisions made? By consensus or vote? Does the Steering Committee have a chair?
- Who nominates the members of the Steering Group? (initially and ongoing)
- Who selects and appoints the members of the Steering Group? (initially and ongoing)

Dedicated resources are needed to support the FlexForum to perform its activities. The support function is accountable to the FlexForum via the Steering Committee

- What is the contribution formula?
- How is the support function structure and budget decided?

A Challenge Group will support the Steering Group and the Workstreams

- What does the Challenge Group do?
- Who is part of the Challenge Group?

Workstreams are coordinated by workstream leads with Programme support, and input from collaborators / partners.

- How are workstream leads selected and appointed? Who appoints them?
- What are the criteria for a project to be included in a workstream? Who decides on the scope and approach?
- How are collaborators involved? (note: a FF activity is to provide a match-making mechanism through the knowledge hub)
- How are workstream insights shared? How is IP and commercially sensitive information managed?
- How are competition (Part 2 of the Commerce Act) concerns managed?

- Participation
- Decisions & accountability
- Coordination & engagement
- Delivery

This diagram and questions provide the starting point for working out the future FlexForum arrangements

# Process to finalise the delivery model following the workshop

The future FlexForum is intended to provide a permanent (yet adaptable) structure and framework to support wider participation in learning-by-doing, ensure agile decision-making, and provide robust oversight of progress with delivering the Flexibility Plan

The two main criteria for finalising the delivery model are:

- agreement of prospective participants (including current FlexForum members) to the Delivery Model. Agreement of the participants is where the legitimacy and authority for the group comes from
- endorsement by MBIE

Given these criteria, the process for finalising the arrangements for the future FlexForum should include:

1. Interested people co-design the structure and framework at the delivery model workshop
2. Prepare a charter using the outcomes of the workshop (FlexForum)
3. Ask for feedback from interested parties and MBIE on the charter
4. Finalise the charter
5. Ask interested parties to accept the charter and provide nominations to join the steering group
6. MBIE select and appoint the steering group [MBIE is to confirm it wants to do this ahead of the workshop]
7. Steering Group starts work....sorting out the workstreams etc

Is this ok?

# Proposed workplan – activities, approach and resourcing

The proposed workplan identifies three categories of tasks required to make progress with Flexibility Plan 1.0

1. Programme coordination tasks required to support FlexForum decision-making and delivery of the Flexibility Plan, eg, preparing materials for FlexForum sessions, taking notes, developing and maintaining the workplan, and reporting etc
2. Engagement-related tasks required to involve people in the FlexForum process, eg, sharing content via the webpage, LinkedIn, emails, scoping and arranging workshops/webinars etc
3. Doing tasks associated with providing tangible insights, advice and experience relating to steps in the Flexibility Plan 1.0, eg, documenting and presenting insights from demonstration projects and from FlexForum discussions

The proposed workplan sets out the purpose, scope, status and timeframes

- Allowing the FlexForum to make tangible progress and deliver steps in the Flexibility Plan (in whole or in part) in the coming months
- Allowing the FlexForum to meet MBIE expectations (see next page)

## **Decisions about the workplan and resources:**

- Approve the proposed workplan, noting it is a living thing and will evolve over time
- Advise what resources you can contribute to help deliver the tasks without resources
- Confirm the allocation of roles
  - advise preference for undertaking the facilitation task
  - advise preferences on how to obtain dedicated communications support

# MBIE – indicative expectations for phase 2 funding

MBIE financial support for the FlexForum requires identifying specific deliverables by the FlexForum

The indicative deliverables (pending sign-off) and how the FlexForum workplan would achieve them is described here...your comments please

Indicative MBIE deliverable	How the FlexForum could demonstrate progress
<p>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.</p>	<p>Deliverable relates to information and creating transparency, eg, about physical operational conditions and expectations around future constraints in local networks. The FlexForum can demonstrate progress to achieving the outcome by producing:</p> <ul style="list-style-type: none"> <li>• FlexForum insights: Network access and connection. A paper documenting FlexForum insights on network access and connection and identifying specific research questions. Supports steps #9, 10 and 11</li> <li>• FlexForum insights: valuing and pricing flexibility. A paper documenting FlexForum insights on valuing and rewarding flexibility and identifying research questions. Supports steps #20 and 21</li> <li>• DER supplier flexibility knowledge. 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. Supports step #1</li> </ul>
<p>Demonstrate projects 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.</p>	<p>Deliverable relates to enabling consumers to compare different packages or offerings that make use of their DER (i.e. they're not trying to compare apples to pumpkins and maybe standardised "services" or "pricing structures"). The FlexForum can demonstrate progress to achieving the outcome by producing:</p> <ul style="list-style-type: none"> <li>• FlexForum insights: valuing and pricing flexibility. A paper documenting FlexForum insights on valuing and rewarding flexibility and identifying research questions. Supports steps #20 and 21</li> <li>• DER supplier flexibility knowledge. 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. Supports step #1</li> </ul>
<p>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.</p>	<p>Deliverable relates to how value is generated for consumers (or a flex manager on their behalf) for managing their assets in accordance with the offerings and connection arrangements they've signed up for. The FlexForum can demonstrate progress to achieving the outcome by producing:</p> <ul style="list-style-type: none"> <li>• FlexForum insights: valuing and pricing flexibility. A paper documenting FlexForum insights on valuing and rewarding flexibility and identifying research questions. Supports steps #20 and 21</li> <li>• FlexForum insights: contractual arrangements. A paper documenting FlexForum insights on the main terms of trade in contracts for flexibility and identifying specific research questions. Supports steps #29, 34</li> </ul>
<p>Demonstrate progress to deliver (start) trials or proofs of concept which contribute to the 3 above deliverables during phase 2</p>	<p>Deliverable relates to practical and measurable action regards to demonstration projects and learning by doing. The FlexForum can demonstrate progress to achieving the outcome by either: reporting on the progress with relevant projects already underway; or starting a new project, eg, the Orion ResiFlex project.</p>

# Summary of tasks and resourcing

Activity	Tasks	Resources
<b>FlexForum coordination and operation</b>	<ul style="list-style-type: none"> <li>• Support FlexForum decision-making, eg, secretariat functions including preparing agendas, meeting materials, session notes, obtaining/balancing perspectives (ie, listening to people, reviewing feedback) and facilitating the sessions</li> <li>• Maintaining the knowledge hub [once established] – this involves collating project information. Initially requires collating demonstration projects and updating the webpage</li> <li>• Supporting workstreams and challenge group [once established] – tasks expected to include preparing agendas, meeting materials, notes, obtaining/balancing perspectives</li> <li>• Reporting progress – relies on workstream progress and obtaining/collating information from workstreams/project leads, and presenting the information (ie, writing the draft progress report)</li> </ul>	<ul style="list-style-type: none"> <li>• Most coordination and operation tasks provided by the secretariat There are new tasks coming             <ul style="list-style-type: none"> <li>• Reporting on progress. MBIE is going to ask for an initial progress report in February 2023 – requires effort to create first progress report</li> <li>• Creating/maintaining the knowledge hub – requires effort to collate and present information on demonstration projects</li> <li>• Supporting workstreams</li> </ul> </li> <li>• There are options for the facilitation task             <ul style="list-style-type: none"> <li>• Ara Ake as an in-kind contribution</li> <li>• External support</li> </ul> </li> </ul>
<b>Engagement</b>	<ul style="list-style-type: none"> <li>• Producing content for communication platforms, ie LinkedIn, webpage and emails. Initially includes improving webpage/site to host new content, eg, the knowledge hub, projects list, event/webinar materials and progress reports</li> <li>• Scoping and arranging webinars/workshops for information sharing/gathering (making sure they are topical and useful)</li> <li>• Actual talking to people 1-1</li> <li>• Finalise arrangements for the future FlexForum – step #A</li> </ul>	<ul style="list-style-type: none"> <li>• Most engagement tasks currently being completed by secretariat Dedicated communications support to assist with collating, presenting and publishing content and arranging events would result in a better product and increase secretariat ability to focus on content creation             <ul style="list-style-type: none"> <li>• Need a dedicated resource able to reliably provide 20-40 hours / month</li> </ul> </li> </ul>
<b>Provide advice or insights</b>	<p>Publish insights and advice from demonstration projects and FF perspectives. Tasks the group can/could deliver over the coming months include:</p> <ul style="list-style-type: none"> <li>• Network access and connection (including DOEs) – steps #9, 10 &amp; 11 [December 2022]</li> <li>• Flexibility contractual arrangements – steps #29, 34 [February 2022]</li> <li>• Valuing and pricing flexibility – steps #20, 21 [February 2023]</li> <li>• Communication and connectivity – steps #31, 36 [no resources allocated]</li> <li>• Review of the learning-by-doing ecosystem - step #B [scope - December 2022]</li> <li>• Customer journey mapping - step #C [Orion]</li> <li>• DER supplier flexibility knowledge – step #1 [indicative Briony]</li> <li>• Documenting barriers to progress identified by the FF [February 2023]</li> <li>• Updated interactions map, dependencies and gaps [maybe December; requires comms]</li> </ul>	<p>Refer workplan for resourcing / task</p>

# Demonstration projects – how to add more to the list

## 6 demonstration projects have been documented

- The list of demonstration projects is to be published in the knowledge hub to show the FlexForum is walking its talk
- MBIE wants to use the list for internal reasons to indicate the value of the FlexForum through spurring practical action

## More projects can be added if two barriers can be addressed

- people have not had the time to document their project or idea
- people are concerned about the treatment of intellectual property

## Several people (FF members and through the roadshow) have asked about what IP they would be expected to share

- without clarity, the default position is to not share any information/IP
- Potential criteria include:
  - anonymised results
  - specific to the research question, eg, share the results of a VPP in a specific scenario rather than across its entire operation

## The problem is dealt with in Australia and the UK because sharing of results is a condition of the dedicated R&D and commercialisation funding

- an enduring solution probably involves improvements to funding arrangements for R&D and commercialisation relating to flexibility

## What do you need to be able to add your project or idea to the list?

# Engagement

We have met with 16 organisations so far during the Flexibility Plan 1.0 roadshow

- Business NZ Energy Council – 19/10/22
- Commerce Commission – 13/09/22
- Consumer NZ – 21/09/22
- Contact – 21/09/22
- Council of Energy Regulators – 22/09/22
- EECA – 29/09/22
- Energy Collective – 20/10/22
- Electricity Authority – 28/09/22
- ENA Smart Tech Working Group – 14/09/22
- ERANZ – 29/09/22
- Genesis – 22/09/22
- MBIE – 15/09/22
- Meridian – 12/10/22
- MEUG – 21/09/22
- Octopus Energy – 16/09/22
- SEANZ – 21/09/22

Further meetings are scheduled with Callaghan Innovation, Transpower, the CE Forum, IEGA and Greypower

# Administration

Budget update