

# Session 17

**FLEXFORUM** | 

Pre-reading for 7 October 2022 session

Shared 29 September 2022

# Session overview – topics and decisions

## Four items

1. Draft workplan – activities, approach and resourcing for next phase
  - a) Agree the workplan for the FlexForum for phase 2 (September 2022 to May 2023)
2. Delivery model workshop – purpose, structure and organisation
  - a) Agree the purpose, structure and organisational details for the delivery model workshop
3. Engagement
  - a) Review key points raised by affected groups during the Flexibility Plan 1.0 roadshow
4. Administration
  - a) Update on administration and budget

# Draft workplan – activities, approach and resourcing for the next phase

The draft workplan is available here: [FF Phase 2 Workplan v1.xlsx \(sharepoint.com\)](#). More detail on a selection of the tasks is provided here to inform thinking on next steps and allocation of effort

Task	Activity	Purpose
<b>Deliver the Flexibility Plan (manage the FlexForum activities)</b>	<ul style="list-style-type: none"> <li>Support FlexForum decision-making, eg, secretariat functions</li> <li>Update the interaction map, identifying dependencies and priorities (linked to interaction map)</li> <li>Identify demonstration projects</li> </ul>	<ul style="list-style-type: none"> <li>FlexForum sessions are required for decision-making, including on arrangements for the Delivery model workshop, and deciding how to practically implement the Flexibility Plan</li> <li>The interaction map, dependencies, and priorities are related activities. The outputs should inform thinking about timing and sequencing of effort</li> <li>The demonstration projects help to show the FlexForum is walking its talk. The more projects the better.</li> </ul>
<b>Engagement</b>	<ul style="list-style-type: none"> <li>Improve webpage/site to host new content, eg, the knowledge hub, projects list, event/webinar materials and progress reports</li> <li>Develop an engagement strategy to provide a framework for scheduling webinars and other information sharing</li> </ul>	<ul style="list-style-type: none"> <li>The website is a key channel for providing transparency about the Flexibility Plan / FlexForum – it needs to be improved to host new content and be more user friendly</li> <li>Improving the website will require decisions about the scope and approach to the knowledge hub, how the projects list is presented etc</li> <li>A framework is needed to support scoping and delivery of information sharing events to achieve things like building awareness of the Flexibility Plan, encouraging participation and generally being useful (which will provide a wiifm)</li> </ul>
<b>Provide advice or insights</b>	<p>Publish think pieces based on content/discussions from phase 1:</p> <ul style="list-style-type: none"> <li>connection arrangements (including DOEs)</li> <li>contractual arrangements</li> <li>valuing and pricing flexibility</li> <li>communication and connectivity</li> </ul> <p>Additionally, the FlexForum could scope work on the following steps:</p> <ul style="list-style-type: none"> <li>customer journey mapping (step #C)</li> <li>effectiveness of the learning-by-doing ecosystem (step #B)</li> </ul>	<ul style="list-style-type: none"> <li>As well as demonstration projects, the FlexForum can walk its talk through thought leadership on topical topics. Finalising ‘explainers’ based on content from phase 1 would inform practical and policy discussions</li> </ul>
<b>Finalise the Delivery model for the Flexibility Plan</b>	<p>This is a one-time task. The initial milestone is the Delivery model workshop in November.</p>	<p>This is Step #A.</p>

# Delivery model workshop – purpose, structure & organisation

The Delivery model workshop is a key deliverable of phase 2

- the workshop is scheduled for [*2<sup>nd</sup> or 3<sup>rd</sup> week of*] November 2022 in Wellington with a virtual option
- timing and venue are being worked through with MBIE

The following workshop details need to be confirmed

- Purpose & objective of the workshop – see page 5
- Attendance at the workshop – see page 6
- Agenda and approach – see pages 7 and 8 (and separate document – indicative agenda)
- Process to finalise the delivery model following the workshop – see page 9
- Workshop discussion topics (3 – role & responsibilities, participation and membership, and operation of the entity responsible for delivering the Flexibility Plan) – see pages 10 - 14

**Pages 5 – 14 set out a proposed approach for each of the points above for people to disagree with**

Workshop arrangements and materials will be developed based on what the group decides

# Delivery model workshop – purpose and objective

**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 objective** is to identify a minimum viable delivery model for the Flexibility Plan

- Agree the role, responsibilities and functions of the entity responsible for the Flexibility Plan. See page 10 for more detail
- Agree the criteria and process for selecting members of the entity responsible for the Flexibility Plan. See page 12 for more detail
- Agree the operation and resourcing of the entity responsible for the Flexibility Plan. See page 14 for more detail

## Reasoning....

- identifying the delivery model is critical to shift from the current ad hoc approach to an enduring structure for delivering the Flexibility Plan
- including a further purpose(s) reduces the time available to enable meaningful discussion of the issues required to settle on a minimum viable delivery model
- the delivery model requires choices about 3 things
  - the role and responsibilities of the entity looking after the Flexibility Plan – what is it there to do
  - participation and membership of that entity – how to ensure the membership creates broad confidence in the Flexibility Plan process and outcomes and results in effective oversight
  - the operation of the entity – how does the entity ensure it has the resources needed to successfully perform its role and responsibilities
- focusing on a minimum viable product embeds the iterative learning-by-doing approach of the FlexForum and Flexibility Plan and avoids perfect being the enemy of the good enough... or to quote Donald Knuth, “Premature optimisation is the root of all evil”.

# Delivery model workshop – attendance

## There are three attendance options

- 1. Invite representatives from key industry groups**, ie, ENA, ERANZ, IEGA, MEUG, SEANZ, and key affected groups, ie, regulatory agencies, Consumer Advocacy Council, plus MBIE and selected FlexForum members. The assumption is those attending speak for their members. Indicative numbers are 15-20
- 2. Invite the doers**, key affected groups (as above), and available FlexForum members. Invitations would be made based on expressions of interest from organisations wanting coordinated, collaborative action and interested in assisting in delivering the Flexibility Plan. The assumption is those attending intend to involve themselves or their organisation in delivering the Flexibility Plan. Indicative numbers are 30-50
- 3. Invite all comers**, key affected groups (as above) and available FlexForum members. The assumption is those attending would include the doers, plus idly curious. Indicative numbers are 50-100

## Option 2 is most consistent with the FlexForum objectives and most likely to achieve the purpose of the workshop

- several people have expressed interest in attending the workshop and more generally there is interest in participating in the FlexForum. Not all interested people are members of an industry association or have one. The Flexibility Plan **commitment to collaboration** and to transparency, participation and broad involvement and a shared endeavour signals that people who want to be involved will be involved (in some way)
- we can ask for expressions of interest (on Monday 10 October) to gauge the level of interest by affected groups to involve themselves or their organisation in delivering the Flexibility Plan, including contributing financially or in-kind to the operation of the FlexForum
- invites can be sent Friday 14 October based on expressions of interest
- MBIE is looking at hosting options based on option 2 in the 2<sup>nd</sup> and 3<sup>rd</sup> week or November. **25% of members prefer Monday 21 November**

# Delivery model workshop – agenda and approach (1)

**Agenda and approach** are designed to enable attendees to provide meaningful input to shaping the delivery model arrangements

The indicative agenda reflects the following approach

- in-person with a virtual option – the indicative agenda requires nearly 6 hours from 0900 to 1445
  - the workshop has 5 blocks including welcome and scene-setting. About 60 minutes is allowed for each block. A shorter workshop would effectively preclude attendees providing meaningful input on tricky topics
- three ‘design’ sessions with small group discussion of an indicative approach and/or specific questions for each of the three key aspects of the delivery model – see pages 10-14
  - 20 minutes is allowed for each of the three small group sessions
  - the small group discussions would use a web-based tool (eg, Mural) to collate views
  - a FlexForum member (or partner) would scribe for each group
  - a 10-minute break between the small group and collective discussion would provide a mental break and time to collate the outcomes of the small group discussions
- the outcomes of the small group discussions would be collated to support a collective discussion of areas of divergence/consensus
  - 20 minutes is allowed for each collective discussion
  - Slido would be used to capture questions/comments about the collated results helping to treat people equivalently whether attending in-person or via the metaverse
- a fourth session brings everything together to discuss a minimum viable product emerging from the preceding discussions and the approach for finalising the delivery model
  - 30 minutes is allowed for the small group discussion & 50 minutes for the collective discussion – the extra time provides more time for considering and discussing what a minimum viable product would look like and next steps

## Delivery model workshop – agenda and approach (2)

**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....

1. Welcome and context
2. Flexibility Plan 1.0 and objectives of the workshop – outlining how the Flexibility Plan provides the framework for the delivery model
3. role and responsibilities required to deliver the Flexibility Plan – the functions and activities required to delivery the Flexibility Plan should determine the form of the delivery model, the membership and operational arrangements
4. membership of the entity responsible for delivering the Flexibility Plan – the membership and operational sessions are potentially interchangeable. The membership session is proposed to go first to identify expectations about participation and membership before talking about resourcing and funding. The intention is to set expectations about getting (or buying) a seat at the table and to allow attendees to discuss what they are investing in (which includes both the membership/participation framework and the functions/activities)
5. operation of the entity responsible for delivering the Flexibility Plan, its resourcing and funding – performing the functions and activities required to deliver the Flexibility Plan requires resources which need to come from somewhere. Concluding the design phase of the workshop with Having the resourcing discussion
6. bringing it all together to identify a minimum viable product and approach for finalising the delivery model – hopefully sufficient consensus is reached in the preceding sessions to enable things to move forward.

Background reading would be sent to attendees to assist their preparation for the workshop



# Process to finalise the delivery model following the workshop

## **The process to finalise the delivery model involves** trade-offs between consensus and continued progress

- Do all current FlexForum members need to agree to the delivery model coming from the workshop? How/when is that agreement obtained?
- Does MBIE need to agree to the delivery model? How/when is that agreement obtained?
- How many attendees (and other parties) need to agree to the delivery model? How/when is that agreement obtained?

## A proposed approach to finalising the delivery model

1. the FlexForum agrees draft terms of reference setting out the expectations and commitments for a party to participate in the Flexibility Plan process for phase 3. The draft ToR should reflect the outcomes of the delivery model workshop
2. obtain MBIE endorsement of the draft ToR
3. get feedback on the draft ToR and indications of commitment
4. finalise the ToR
5. have a formal sign-on process
6. request/select members of the Flexibility Plan steering committee (from the entities which have signed up)

# Design session #1 – role & responsibilities of the entity (1)

**Purpose:** confirm the role and responsibilities (ie, functions) of the FlexForum / entity responsible for the Flexibility Plan

The Flexibility Plan provides the overarching role and responsibilities

- support coordinated learning-by-doing
- support collaboration across policy, regulatory, industry and consumer interests
- provide visibility of progress

Four main functions have been identified. The activities are summarised on the next page

1. Engagement
2. Coordinate delivery of the Flexibility Plan
3. Report on progress
4. Maintain and update the Flexibility Plan

## Assumptions

- The functions and activities align with the core principles and approach set out in the Flexibility Plan, ie, coordinated action, collaboration and accountability
- Delivery of the Flexibility Plan is industry-led
- Attendees would have descriptions of the four main functions and the associated activities

## Questions for the workshop

- What functions are required to achieve coordinated action, collaboration and accountability?
- What activities are associated with these functions?



# Design session #1 – role & responsibilities of the entity (2)

## Summary of the activities associated with the four main functions

### **Engagement**

- Provide opportunities for people to contribute to the process, give input to the plan, get involved in projects, and give perspectives on the implications of insights and experience gained through learning-by-doing
- Ensure the Flexibility Plan is delivered to earn a social licence from households, businesses and communities

### **Coordinate delivery of the Flexibility Plan**

- Collate and publish projects underway or planned to deliver specific steps to provide visibility of what steps are being delivered by who, and the gaps, including complementary workstreams, eg, work by the ENA STWG
- Identify whether the scope and approach of specific projects align with the expectations of the Flexibility Plan as part of a process to confirm that delivery of a specific step is being led by a specific party
- Provide a matchmaking mechanism to enable parties to observe or get involved in delivering projects on the public list

### **Report on progress**

- Produce a report every 6 months for the Minister, MBIE, affected groups and the public on progress against the plan
- Maintain a knowledge hub to share details of projects/activities, updates, experience and outcomes to inform policy/regulatory/implementation decisions and priorities
- Produce information (ie, explainers, webinars) on key topics to support discussion about priorities, opportunities and challenges
- Report insights and provide recommendations to regulatory and policy bodies regarding the regulatory/policy implications of outcomes from projects/activities

### **Maintain and update the Flexibility Plan**

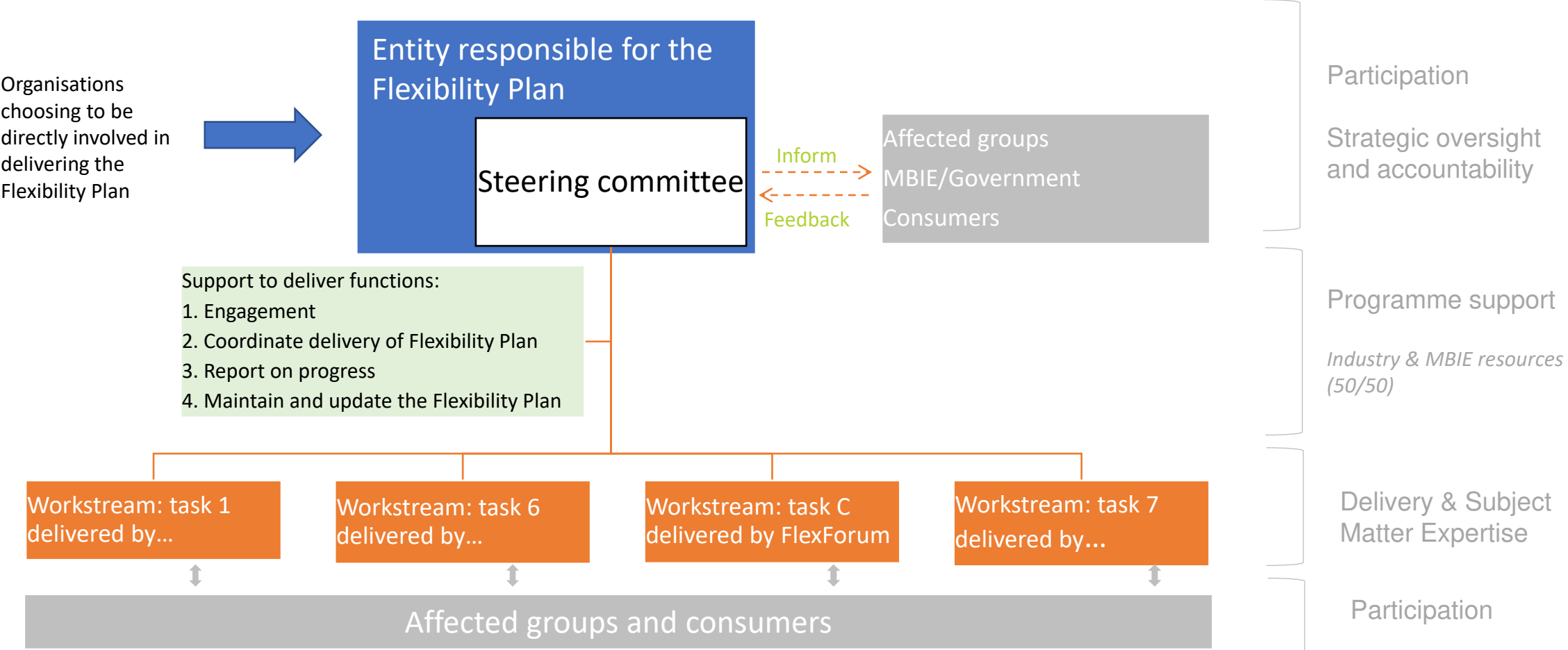
- Decide on updates to the Plan by amending, adding and removing steps based on progress with learning-by-doing, experience etc

# Design session #2 – participation and membership of the entity responsible for the Flexibility Plan (1)

**Purpose:** identify a participation model which is inclusive, provides robust oversight and gets things done

This model provides a starting point for thinking about...

- Membership of the entity responsible for the flexibility plan
- Membership of the Steering committee for the entity



## Design session #2 – participation and membership of the entity (2)

The participation model ideally will enable broad participation, robust oversight and agile decision-making. The key is to distinguish between participation in the FlexForum and membership of the Steering committee making decisions needed to deliver the functions

### Assumptions

- The Flexibility Plan is delivered through an industry-led process
- Membership of the entity is open to anyone who agrees to take an active role in delivering the Flexibility Plan, eg, by signing up to terms of reference setting out expectations and commitments of participating in the process
- Membership of the Steering committee is open to members of the entity selected using specified criteria and process
- The make-up of the Steering committee is consistent with that of the FlexForum – membership reflects diversity of view, experience and cross-industry/affected group representation, plus includes observers from key policy/regulatory agencies
- The Steering committee is large enough to have diverse, cross-sector representation and small enough to be manageable

### Questions for the workshop – membership of the entity

- How does one become a member of the entity? What are the minimum criteria and expectations to be a member of the entity?

### Questions for the workshop – membership of the steering committee

- What are the criteria for selecting members of the Steering committee? Who selects members? What is the application process? How many members does the Steering committee have? What is the term of membership?

# Design session #3 – operation and resourcing of the entity

Purpose: identify how to ensure sufficient resources are available for the FlexForum (the entity responsible for the Flexibility Plan) to perform its functions and fulfil its responsibilities

- dedicated resources are needed. In-kind resources from industry can supplement the dedicated resource, but are not a sufficient substitute
- 3 types of resource are needed – programme management, Communications and engagement, & Project management

## Assumptions

- the proposed funding basis is 50% industry and 50% MBIE for the dedicated resources to support the FlexForum/entity
  - MBIE funding is primarily to enable smaller players to participate, thus supporting the diversity of perspectives
  - specific projects will be funded by the parties involved, not the FlexForum
- the entity will be resourced to perform its functions. Participants will be responsible for funding projects/activities.
  - Note the UK approach involves ENA/networks funding coordination functions while innovation revenue allowances fund projects/activities. A critical difference to NZ is that UK networks are expected to develop flexibility markets and their licences preclude them from supplying contestable services.
- financial contributions do not guarantee a place on the steering committee - no pay to play requirement
- a 'host' organisation is required to provide operational functions, ie, treasury and contract management. The host organisation would solely provide operational functions, without the ability to direct or influence the activities or decisions of the industry-led group
  - options for the host organisation include establishing a not-for-profit company or a neutral organisation
  - the dedicated resources are accountable to the FlexForum/entity, not the host organisation

## Questions for the workshop

- How are the operational functions provided?
- What is the formula for industry financial contributions?

# Engagement

14 meetings have been held Thursday 29 September as part of the Flexibility Plan 1.0 roadshow

- further meetings are scheduled with Transpower, the CE Forum, Business NZ Energy Council & IEGA

## Main points/actions raised during the Flexibility Plan 1.0 roadshow

- What are the priorities in the Flexibility Plan?
- How will intellectual property from demonstration projects be treated?
- What is the legal standing for the FlexForum? Will it be a membership-based model? How will decisions be made?
- How are issues relating to Part 2 of the Commerce Act being managed?
- Discuss how the FlexForum / Flexibility Plan could support development and delivery of the Energy Strategy.
- Offer from Octopus to provide insights on UK digitalisation taskforce

# Administration

## Budget update

- Update – John to lead

## Requests to participate for Phase 2

- Update – specific offers from prospective new FlexForum participants for Phase 2

## Next session(s) - proposed

- **Monthly. 1<sup>st</sup> Thursday. 0900-1200**
  - Thursday 3 November 2022
  - Thursday 1 December 2022
  - No session - January 2023
  - Thursday 2 February 2023
  - Thursday 2 March 2023
  - Thursday 7 April 2023
  - Thursday 4 May 2023