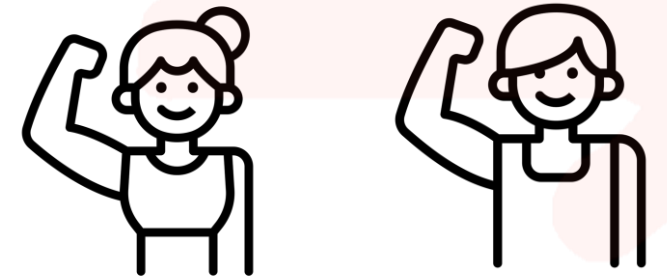


FlexForum Steering Group

Meeting agenda and context

2 February 2024



Agenda: 2 February 2024

1. Welcome

Strategic items

2. Funding agreement with Ara Ake
3. Observers - involvement and coordination

Standing items

4. Engagement update
5. Workplan update
6. Finance update

Procedural items

7. Membership requests
8. Actions
9. Next Steering Group meeting
10. AoB/Close

1 Welcome

Purpose of this item:

- Welcome
- Apologies
- Interests
- Confirm the agenda

The purpose of the FlexForum is to **support coordinated and collaborative action** to make it easier for households, businesses and communities to maximise the value of consumer and distributed energy resources and flexibility to:

- support affordable and reliable operation of the electricity market and power system
- enable accelerated electrification by households and businesses as part of the transition in Aotearoa New Zealand to zero emissions economy

You should all be familiar with the requirements of the Commerce Act 1986, prohibiting anti-competitive conduct. You should not discuss commercially sensitive areas of competitive activity, including (but not limited to) relating to agreements to fix, control or maintain prices, restrict output or capacity, or allocate markets or customers

A written record of the discussions today will be available on the FlexForum webpage.

As steering group members you are acting in an individual capacity not as a representative of your organisation.

2 Funding agreement with Ara Ake

Purpose of this item:

- to endorse the proposed MOU and funding agreement with Ara Ake
- to discuss making a plan to ensure funding levels and sources from 1 September

MOU and funding agreement with Ara Ake. Key provisions are settled

- an MOU between FlexForum and Ara Ake will document the areas of cooperation. The MOU has been revised to confirm FF rights regarding disclosure and transparency [see document [draft MOU](#) sent to SG in Slack 29/1/24]
- a grant funding agreement will document the funding amount, conditions and deliverables. The agreement is being revised to reflect FF operating requirements, but key provisions are settled [see document [Grant Funding Agreement \[draft\]](#)]

Funding amount and disbursement schedule

- Ara Ake will match committed Member subscriptions up to \$250,000 (ex gst) by 30 June 2024 (paid and pending subscriptions equal \$220,500)

Key funding conditions

- MBIE provides written confirmation of its support for funding (met 21/12/23)
- Funding is matched by Member subscriptions (by 30-06-24)
- Payments 2-4 are contingent on achieving project milestones / deliverables
- Ara Ake has an observer role on the Steering Group

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2 Funding agreement with Ara Ake (2)

There are four groups of deliverables outlined in schedule 1 of the agreement. These were developed by us and all are things FF was doing anyway given the objective and purpose.

Thing	Due date	Current state and expected delivery
Deliver an operating Knowledge Hub		
1.1 Deliver a set of criteria and specifications for a knowledge hub... A condition of 2nd payment	31 March 2024	Will be delivered shortly. EEA will provide its knowledge network platform , reskinned with FF branding. The platform will easily integrate with the FF website. An overview of functionality (ie, the specifications) is here . EEA has offered a briefing
1.2 Provide content and/or outputs to populate the knowledge hub	See 3.2	Initial content includes previous FF insights. New content will emerge from workstreams, plus from other learning-by-doing, eg, FlexTalk, FNF
1.3 Commission the development of the knowledge hub. A condition of final payment.	30 June 2024	Timing to be confirmed. EEA people were confident the reskinned platform could be up and running quickly after a decision to proceed.
Monitor and update the Flexibility Plan		
2.1 Maintain and update the Flexibility Plan...	ongoing	There is a dedicated workplan task to update the Flexibility Plan. Given updates are decided by Members at the AGM (or a SGM), v2.0 will not be available until about September 2024
2.2 Deliver 6-monthly progress reports...A condition of the final payment	30 June 2024	FF has committed to regular public progress reports and there is a dedicated workplan task. Timing is not decided, but likely to be sooner than July 2024.
2.3 Develop and maintain a list of priorities....[outlining actions with consensus and critical uncertainties]. A condition of 3rd payment	31 May 2024	The list of priorities is a function of the FlexForum workplan and workstream activities. An ideal time to collate the initial list will be in the next public progress report

2 Funding agreement with Ara Ake (3)

Thing	Due date	Current state and expected delivery
Produce advice and insights which assist to deliver the Flexibility Plan		
3.1 Develop and maintain a 24-month workplan...A condition of 3rd payment	31 May 2024	This is done. The FlexForum Workplan approved by Members on 30 November 2023 sets out tasks to be delivered in 2024 and beyond. Further tasks will be added to the workplan as they are identified.
3.2 Coordinate delivery of 4-8 outputs....A condition of final payment	30 June 2024	The FF Workplan will result in at least 4 outputs by 30 June 2024, noting that the initial workplan tasks each include several outputs.
3.3 Develop a FlexForum engagement plan....A condition of 3rd payment	31 May 2024	The engagement plan will build on work done in 2022 and will be right-sized.
Establish and maintain Member-driven workstreams		
4.1 Establish workstreams	NA	This is done.
4.2 Workstreams to identify workstream outputs and timelines....A condition of the 2nd payment	31 March 2024	Initial task plans identifying outputs and timelines will be finalised by mid-February.
4.3 Provide....with advice on key questions that would best be answered through pilots and trials. A condition of 3rd payment	30 June 2024	Issues requiring learning-by-doing will be identified through delivering the FlexForum workplan, workstream activities and by other parties, eg, Future Networks Forum. The issues can be collated in the next public progress report.

2 Funding agreement with Ara Ake (4)

We need to start planning now to ensure funding levels and sources

- committed funding from Members and partners (eg, Ara Ake, EECA) enables operation until August 2024 (based on budget); a small number of additional members would extend this until December 2024.
- Ara Ake has indicated the current funding is one-off, but project-specific funding would be a possibility in the future.
- member numbers and/or subscription amounts would need to increase significantly for FF to be wholly self-funding, even at the current minimum viable product budget
- experience is that funding from government agencies involves long lead times
- starting now to identify funding source options will reduce the risk of funding shortfall from August

ACTIONS for this item

- Agree that the Chair sign the MOU and Funding agreement on behalf of FlexForum
- Agree to tell Members about the MOU and Funding agreement
- Agree to ask the EEA to confirm the process and timeline to reskin the knowledge network platform
- Agree a process to identify and secure funding to keep the machine running

3 Observers - involvement and coordination

Purpose of this item:

- to discuss the role of Steering Group and FlexForum observers
- to identify ways to effectively coordinate the activities of FlexForum and policy/regulatory agencies (ie, MBIE, EA, EECA, ComCom and AA etc)

Role of observers - how do FlexForum and the observer get the most out of their involvement?

- For observers. What are you getting and would like to get out of your involvement?
- For FF. Same question.
- For all. What practical things can we do to make this worth it for the observer and FF?

Coordinating our activities

- What is an effective way for FlexForum and regulators to coordinate activities that are overlapping/could benefit from coordination?
 - At a minimum, more information sharing is needed to enable coordination between regulators, FF, FNF etc. A granular view of the FF workplan and tasks will soon be available on the FF website. Something similar from the EA etc is needed to help join the dots (the joint EA/ComCom workplan is too high level)

No action requested

4 Engagement update

Purpose of this item:

- Note engagement activity since 13 December
- Note upcoming engagement activity

Date	Who	FlexForum	What
10-01-24	Michelle Renton, Victoria University	Craig, Grace	Research project on how consumer value is configured and offered as the system transitions
15-01-24	Tracey Kai, ENA CE	Craig	About FlexForum
19-01-24	Brendan Winitana, SEANZ		A note for seanz members on the benefits of FF participation
24-01-24	Bridget Abernathy, ERANZ CE	Steve	About FlexForum and participation
COMING UP			
	Ministers Brown and Jones	Steve	Letters sent to Brown and Jones requesting a conversation in early 2024
	Electricity Authority / Sarah Gillies	Steve	Steve following up - further conversation likely early March
5-6 March	Downstream	NA	Ara Ake suggested FF could have a spot at the Ara Ake booth to do [something?]

Action: Decide whether to follow up the suggestion of a spot at the Ara Ake booth

5 Workplan update

Purpose of this item:

- Note progress with the workplan process - where workstreams are at
- Note an 'extra' task has been proposed - EECA wants FF to help co-design its EV charging workplan
- Discuss how FlexForum decides to respond to policy/regulatory consultations
- Review draft terms of reference for the conveners collective (Action 7.2 13/12/23 was Develop draft terms of reference for the conveners collective based on the description and clarifications)

Progress with the workplan process

Workstreams are making steady progress toward finalising the task plans

- Market frameworks. Stream discussed 1 x draft task plan 18-01. Final comments were due 25/01
- Digitalisation. Stream discussed 2 x draft task plans on 26-01-24. Broadly comfortable with outcomes/outputs. Final comments due Wednesday 31-01
- Flexible resource integration. 1 x task plan being drafted [at 29-01]
- Consumer participation. 4 x task plans drafted. Stream meeting to discuss plans 02/02.

An initial programme view of workplan activities and timelines exists

- conveners discussed on 30-01 ways to sequence activities to maximise 'doability' given resourcing currently/potentially available
- the programme view - with timelines and milestones etc - should be finalised by mid-February
- delivering the workplan tasks at the pace and quality needed requires a material effort from Members. Making this commitment justifiable will require it replace other effort (eg, drafting responses to consultations) and be more productive/valuable (eg, lead to faster/more sensible actions than the average response to consultation)

No action requested

5 Workplan update (2)

An extra task for the workplan - EECA wants FF to help codesign its EV charging workplan

- EECA asked FF in late December 2023 if it could help codesign its EV charging workplan
- EECA would second a person to FF to help deliver the task and other FF activities
- a draft task plan was prepared to set expectations about outcomes and outputs. EECA has endorsed the draft plan
- the task can be added to the Workplan with the agreement of Members
- the task meets several of the criteria needed to include it in the 'we would like to do it now' category
 - no other party is doing this task
 - EECA will do this work now with or without FF. Ideally the task would follow the initial workplan tasks. But EECA wants to move faster
 - the task will end up defining what is needed to make it easier for humans regarding EV charging. That is, getting this step wrong will make things harder for humans because regulators etc will be focusing on the wrong things
 - the consumer workstream will offer its views on 02/02.
 - the 'task' aligns with the FF objective and purpose and complements the 2024 workplan activities by reality testing the thinking emerging from the other tasks and embodied in the Flexibility Plan
- subject to the final workplan sequencing etc, the task can be delivered if EECA provides a person.

Action

- Agree to ask Members to include the task in the Workplan, subject to
 - conveners confirming the task meets the criteria to include in the 'we would like to do it now' category
 - EECA confirming the secondment

5 Workplan update (3)

Responding to consultations - what and when, who and how [deferred to next session]

- a FF workplan task is to Respond to regulatory and policy proposals
- we can expect a significant number of regulatory consultations during 2024
- a process and criteria are needed to decide when to provide a FF response

Answering these 3 questions should provide the starting point for a process and criteria

1. Does FF really need to say anything? This will depend on whether the consultation is dealing with...
 - a 'strategic' issue, eg, the 2025 DPP OR a 'core' step in the Flexibility Plan, eg, LV visibility OR a live workplan task, eg, setting the scene for digitalisation or operation of existing pricing/incentive structures
2. Size of effort? The effort to prepare a response 'depends', but has been managed by keeping responses focused on the FF objective/purpose and relying on the growing body of FF thinking (...FF thinking can be recycled with surprising frequency)
 - the level of interest and participation of Members can make things easier (eg, the response to the 2025 DPP issues paper drew on Members) and more time intensive (eg, the MBIE response required considerable effort to enable a productive Member discussion)
3. Who decides? Members or Steering Group or both?

A test case. The Electricity Authority has asked for feedback on [Potential solutions for peak electricity capacity issues](#). Responses are due 5pm Friday 1 March 2024

- the paper covers issues directly relevant to the Market frameworks stream and to the other streams. In particular, the paper makes assumptions about the role and effect of existing wholesale price signals (see table 2, page 21)
- a detailed response is not needed. We could just highlight that 'assumptions must be rigorously tested before committing to a solution(s). We suspect several assumptions about price signals/incentives no longer hold. We will provide a view on this [soonish]'

Action

- Agree to develop a proposed process and criteria for responding to regulatory consultations and get Member views
- Agree to ask Members if they want a FF response to the EA consultation

5 Workplan update (4)

Terms of reference for the conveners collective

- Action # 6.2 (22-11-23) was 'Develop a description of the workstream convener/SG relationship/roles for discussion at next meeting'
- Action 7.2 (13-12-23) was Develop draft terms of reference for the conveners collective based on the description and clarifications

Progress

- Draft completed
- Incorporated key feedback from SG and Conveners Collective:
 - Responsibility of SG to secure resources based on the requests of the CC
 - Reporting responsibilities of CC kept to absolute minimum (done via Chair and Chief Doer being present for CC meetings and admin resource available to take minutes)
- Some alignment of previous diagrams necessary.
- Note that CC ToR should integrate with wider policies (delegated authorities, SG charter/ToR) which are under development
- Drafting of these wider policies would benefit from targeted SG input - via smaller group?

ACTION:

1. SG to provide feedback on draft
2. SG members to offer availability to assist Chair with other policies.

6 Finance update (1)

Purpose of this item:

- note status of payment of 2024 subscriptions
- confirm starting point resourcing given current and forecast budget position

6 Finance update (2)

Purpose of this item:

- note status of secured functions and resources

Shortlist of potential resources for other workstreams has been developed

Potential admin resource becoming available early March.

6 Finance update (3)

Starting point resourcing given current and forecast budget position

- FF budget (prepared as part of Ara Ake negotiations) was based on a pragmatic assessment of minimum costs to achieve desired pace.

6 Finance update (4)

Cashflow projection, not forecast
2024 P&L

- All future costs per budget
- Solid black line represents current confirmed income, and assumes rollover of current member subscriptions, fully paid in Sept/Oct
- Grey dashed line includes \$30k additional member subs (and \$30k 1:1 Ara Ake payment).
- Without additional member subs, cashflow shortfall in August

6 Finance update (5)

Purpose of this item:

- SG approval of budgeted resourcing

2024 resourcing

- Stream technical doers in order to drive minimum delivery and can be secured on flexible (monthly) arrangements - risk is manageable
- Securing additional members (and reinforcing value proposition to existing members) becomes an immediate priority.

ACTIONS:

- Agree to the chair finalising flexible terms with extra Doers to provide workstream support
- Chair and Chief Doer prioritise additional subscriptions

7 Membership requests

Purpose of this item:

- discuss responses from prospective Members
- note Membership requests since previous meeting

8 Actions

Purpose of this item:

- Note actions

Actions from FlexForum and Steering Group meetings since 1 July 2023 are documented here: [FF collated actions - FF and SG meetings 2023-24](#)

- all time-bound / time critical actions are complete or underway

Notes from the 30 November FF meeting and 13 December SG meeting were finalised 1 February (comments were due by cob Wednesday 31 January)

- these will be published on the website shortly
- arrangements are in place to more promptly finalise session notes/actions from now!

No action requested

9 Next meeting

Purpose of this item:

- Confirm the date for the next Steering Group meeting

Next Steering Group meetings

- SG meetings have been scheduled for 1st Thursday of the month from 7 March to 5 December 2024 (0930-1200)

ACTION: confirm the 7 March SG meeting