



22 August 2024

A report from the Chair on FlexForum affairs for 2023 and 2024

It has been an incredible honour to be independent Chair of FlexForum for the past year. FlexForum is a true ‘grass roots’ organisation. It did not arise out of any regulatory mandate or government requirement. Rather it was a group of committed individuals and organisations who saw the need for an entity focused on flexibility and to support coordination and collaboration across the electricity sector, and beyond into areas of the economy that historically hadn’t been part of the electricity conversation.

Since 1 July 2023, FlexForum has developed from a group of committed people into an incorporated society. We now have a constitution, a steering group selected from the members, an independent chair, a website, and a growing body of influential thinking.

As if that wasn’t significant enough, the membership has increased by 40% from 23 Members at incorporation to 35 Members today. Impressive, given participation means a material financial commitment through the annual subscription and a material commitment of time and effort.

In growing, we have maintained a membership that has a good balance between organisations within the traditional conception of the electricity system, and organisations that are part of the broader ecosystem that is so critical to the development of flexibility.

We have built the base to have a real impact in 2025

Amongst getting to our feet as a new organisation, over the past year:

- we built a coordinating infrastructure between our Members and also with key sector groups. Ara Ake, the Commerce Commission, Electricity Authority, Electricity Efficiency and Conservation Authority, and Ministry of Business, Innovation and Employment all attend Steering Group meetings as observers. They also attend FlexForum events along with Utilities Disputes. As Chair, I also meet regularly with Electricity Network Aotearoa’s Future Networks Forum.
- we briefed the Minister of Energy on the work of the FlexForum (in a meeting that ran overtime – always a good sign!)
- we secured significant funding from Ara Ake to establish this infrastructure
- we commissioned a Knowledge Hub to collate what we know so that everyone can access the best information about flexibility
- we partnered with EECA to deliver a workplan for developing smart EV charging
- we published a deep dive into the flexibility ‘value stack’ and commenced work on other deep dives, including data architecture and a blueprint for the future state of flexibility
- we undertook the first rigorous assessment of the pace and direction of progress with delivering Aotearoa New Zealand’s first Flexibility Plan published in August 2022



Throughout, we had our message heard: our LinkedIn followers have more than doubled from organic growth; over 350 people have signed up for the newsletter, and we regularly achieve ~50% open rate (which is significantly above industry benchmarks, we are told)

Further, FlexForum efforts have been recognised in other significant industry conversations: the [Sustainable Business Council](#) has endorsed our work; our expert advice has informed and influenced how regulators and MBIE think about the role that flexibility can play, including proposals in the [second emissions reduction plan](#).

Together, this has built the base for us to have a real impact in 2025. Now we need to make that impact.

We know how we can make the biggest impact

What we have done and achieved over the past year has clarified how we can make the biggest impact.

- **A plan to get there:** The Flexibility Plan is a powerful ruler to run over learning-by-doing (eg, pilots, trials) and regulatory proposals to make sure they are heading in the right direction and involve the people who should be involved. The update of the Flexibility Plan (later this year) and completing the ‘future blueprint’ of the flexibility system will move us even closer towards having a sequenced roadmap for flexibility development, with 3, 5 and 10 year milestones.
- **Deep dives on gnarly topics:** We need to continue to undertake ‘deep dives’ that harness the expertise of our diverse membership. These are highly valuable where the facts are not known or agreed, where trade-offs are required, and to identify a good direction and keep moving. As examples, the Market Frameworks workstream generated [key insights about the holes in the value stack](#), while the flexible [EV charging workplan](#) set out how to make it easy and obvious for people to realise the full value of flexible EV charging. Not only do these deep dives give FlexForum a coherent and expert voice on the hard stuff, it allowed us sharpen our deep-dive tools. We can be confident that even complex issues can be worked through in a focused 3-4 month member-driven process and we encourage regulatory and policy bodies to use the approach routinely.
- **More learning-by-doing:** More learning-by-doing is needed. We need to scope the practical actions and activities that are most needed to maintain pace and direction and involve the people who should be involved.
- **And more openness on learning-by-doing:** There is some learning-by-doing happening, but it needs to be collated so people can find out what they need to keep moving. Today, it is difficult and time-consuming to discover who’s trialling what, and what has been learned. We can do this through the Knowledge Hub and by relying on the breadth of Member experience.
- **Improving how we tell the flexibility story:** Last year we learned a lot about communications and engagement, especially through working with our communications partners Gecko and Heft. Heft helped us land our tone as “the relentless expert that isn’t afraid to speak plainly” and understand what this looks like in practice. We need to continue to improve in our communication – the amazing work of the FlexForum needs an equivalent investment in telling people about it. A big part of this in 2025 will be showing how flexibility – and FlexForum efforts to make it an easy and obvious choice – is relevant to ‘real’ households and businesses. This will help ground our more complex and technical discussions in the reality of humans who might consider making their flexible available to the system.

These focus areas all tie together. **The more members engage in deep dives, share their learning-by-doing, and identify specific learning-by-doing opportunities, the more equipped FlexForum is to engage with industry, officials, and regulators with focused insights and evidence that reflect the diversity and collective ‘smarts’ of the membership.** This will accelerate the pace at which steps in the Flexibility Plan are delivered and achieve our mission: to make it easier for households and businesses to get value from their flexibility.



For households and businesses, it's currently hard, and we need to make it easier

As this report is penned, energy markets in NZ are in a state of significant 'scarcity'. While there are a range of physical solutions on the table, flexibility is the option that requires the least 'iron in the ground', so to speak. It has the potential to play a significant role, and quickly.

In this context, and sifting through the work published over the past year, there are some clear themes coming through.

The balance of 'flexibility progress' is occurring around 'how do we make flexibility work inside the electricity system?' and 'how do we make it usable for market participants'. This is valuable work. But much less progress is being made at the human end – how do we help them evaluate their options? Can they get the rewards for making it available? Is it easy for them to do this, in their busy lives?

We need to progress both fronts. If the mission of the FlexForum is to make it easy for people to get value from their flexibility, we need to start by asking 'what's making it hard?'. What our insights are pointing at is that people (or their agents) need better access to consumption and pricing data to make their flexibility 'business cases'. And that it needs to become easy and routine for people to realise the value of flexibility that the electricity sector talks about. This means monetising that value and making it easy and routine for people to be rewarded for being flexible. If the money isn't on the table, we won't get the right level of flexibility uptake and we will spend billions more on electricity infrastructure than we need to or can realistically afford. It's that simple.

In closing....

Finally, I would like to acknowledge:

- **The Steering Group.** Membership of the Steering Group is determined by the members, and is a voluntary position. Far from a perfunctory administrative function, this was a group of people who represented the membership, guided the establishment of our operations, boldly challenged each other (and me!), and relentlessly pursued '*making it easier for households, businesses and communities to maximise their value from flexibility*'. I particularly note the contribution of Evie Trolove, who contributed significantly, and is stepping down at the AGM.
- **The workstream convenors.** Again, these individuals have given voluntarily of their time to guide the direction of the four workstreams that were established at the end of 2023 (consumer participation, digitalisation, system integration, and market frameworks). This has included regular meetings to check and join the dots on the combined direction of these workstreams.
- **Members.** We know that you have day jobs – in most situations they are day jobs that include doing the real mahi of developing flexibility. Yet many of you showed up to workshops to discuss, debate, and test thinking about critical flexibility topics on which many of our outputs were based. You helped us flex a coordinating muscle that can only be trained when you turn up. So thank you.

Stephen Batstone

Independent Chair

FlexForum Incorporated