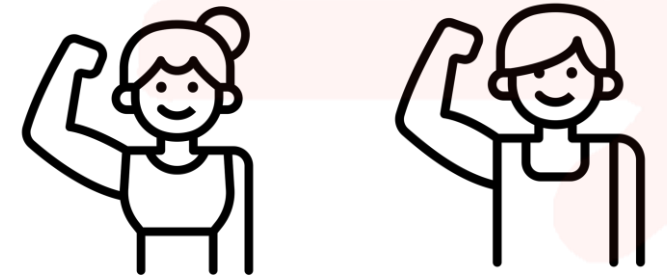


FlexForum Steering Group

Meeting agenda and context

13 June 2024



Agenda: 13 June 2024

1. Welcome

Strategic items

2. Key messages on value stacking opportunities
3. AGM preparation and process

Standing items

4. Engagement
5. Workplan
6. Finance

Procedural items

7. Endorse updated Policies and Procedures
8. Membership requests
9. Actions
10. Next Steering Group meeting
11. 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 Key messages on value stacking opportunities

Action: no action requested

Purpose of this item:

- Discuss the broader implications of insights about the opportunities to realise the value of flexibility

What the market frameworks stream found from looking at the opportunities and barriers to realising the value of flexibility

- the insights are documented but are not described in a way which makes it clear and obvious what is making it hard for people and what needs to happen to make it easy...
- the 1-sentence overview is... [people] 'do not have enough visibility on the rewards they could be getting for offering flexibility to the electricity system or ability to test the fairness of these rewards. Even when the capability to integrate flexibility in the system exists, potential buyers of flexibility services are not buying, and potential sellers are not selling.'
- put more simply, the stream is saying there is a hole in the value stack...
 - ...'buyers' are not buying distributed flexibility because they cannot (eg, some ancillary services) or don't want to (eg, can get the resource for free or for commercial reasons prefer a different resource) or don't have to (eg, incentives to develop and use flexibility are not strong enough)
 - ...'sellers' are not selling because the incentives and rewards needed to encourage selling are not routinely offered by buyers. The biggest hole relates to rewards to offer flexibility to respond to non-scheduled energy and network conditions, eg, the energy shortage experienced on 10 May 2024, or localised network congestion.

Implications...

- filling the hole in the value stack will provide stronger incentives for people to invest in flexibility-capable devices and stronger incentives for flexibility coordinators (ie, buyers and intermediaries) to invest to integrate flexibility into the system and in products/services that encourage sellers to sell....electrification and flexibility will become easier
- the Commerce Commission and Electricity Authority jointly and separately are responsible for changing 'cannot', 'don't want to' and 'don't have to' to can and are...
 - the most immediate intervention point is the Commerce Commission draft DPP2025 decision. It makes some moves to further encourage distributors to buy flexibility
 - we need to see the Electricity Authority work programme for 2025 to know if it is doing work in this space

3 AGM process and preparation (1)

Actions:

1. confirm the independent chair job description
2. agree the associated resourcing and budget implications will be considered in the draft 2025 budget and workplan

Purpose of this item:

- to confirm the job description for the independent chair and the associated resourcing/budget implications
- to confirm the process to nominate, shortlist and appoint people to fill Steering Group vacancies
- to determine indicative subscription amounts for 2024-25

Independent chair job description is informed by experience of the previous 12 months

- the initial independent chair has been performing non-executive and 'executive' functions. The executive functions have taken up more time than expected...the experience has informed a refocusing of the independent chair role...what they will do

GOVERNANCE (5 hours per month)

- run monthly SG meetings and FF meetings (eg, AGM), including preparation and debriefing
- maintain strategic direction of FF with support of SG and Members
- manage perceptions FF advice is influenced by vested/self interests
- oversee delivery of FF work and assist to remove material roadblocks

ADVOCACY (5-10 hours per month)

- represent FF in meetings with industry and regulatory Chairs/CEOs and Ministers etc
 - represent/speak for FF at public events, eg, conferences
 - support, as necessary, discussions on membership/participation with existing and prospective Members
- more detail about what the independent chair will do/not do is available [here](#)
- ...the refocusing has resourcing implications which will be discussed at the next SG meeting
- the executive functions still need doing. Extra resource is needed or an adjustment in expectations about what gets delivered by existing resources. Resourcing options have been identified. They will be considered at the next SG meeting as part of the draft 2025 budget and workplan

3 AGM process and preparation (2)

Nomination, shortlisting and appointment process - things that need to happen

- confirm the number of vacancies to be filled at the AGM
 - 1 x initial Independent chair
 - 2 x SG members = 1 existing vacancy and 1 vacancy currently filled by Ryan until the AGM
- the 'nomination form' and any nomination requirements - proposal is to keep this simple
 - the nomination form is an email with the name of the nominee, confirmation agree to be nominated, and a brief description of how they meet the criteria set out in the constitution
 - nominations are to be submitted to info@flexforum.nz by 5pm 8 July 2024
- the shortlisting process - the SG will prepare a shortlist of candidates for vacancies (members and Chair) which will be sent to Members on 22 July 2024. The proposed shortlisting criteria (to be provided to Members) and process are:
 - the criteria set out in the constitution in clause 6.4 for SG members plus clause 6.5 for the independent chair (see notes for the specific provisions). For nominees for a SG member vacancy, the individual must be affiliated with a Member who currently and will continue to meet the Membership requirements, ie, paid up subscription. What evidence is needed that a Member will continue to be a Member into 2025?
 - the shortlisting process is predicated on a nominee being shortlisted unless they clearly don't meet the criteria. SG members will receive by email the list of nominees and advice whether a nominee meets the shortlisting criteria and will respond Yes/No a nominee meets the shortlisting criteria. Nominees will be shortlisted unless all SG members say No. The chair will, at their complete discretion, convene an online discussion to resolve any disagreement.
- the selection/appointment process is described in the constitution
 - Members will submit a vote for each SG member vacancy by 5 August 2024. The voting results will be used by the independent Chair to prepare a slate of candidates which Members will vote on at the AGM
 - Members will submit a vote for the independent chair vacancy at the AGM
- confirm the person to be the receiving officer for nominations and votes.

Actions:

1. confirm the proposed nomination, shortlisting and appointment process
2. confirm (via info@flexforum.nz) as the receiving officer for nominations and votes

3 AGM process and preparation (3)

Indicating the subscription amounts for 2024-25 will help Members decide the ongoing value of membership

- Leading up to the AGM, Members will be asking themselves if they still want to be Members and what personal and financial commitment membership involves in 2025. We can help these considerations by outlining the indicative subscription amounts for 2025

Suggestion: retain the existing membership types and subscription amounts and consider adding more types to grow the membership base level

- Existing membership types and subscription amounts - let's keep these
 - a) individual who is a consumer = \$0
 - b) small organisation (annual revenue <\$5M) = \$1500
 - c) organisation which is not small, is an industry association, and not in category d) = \$10,000
 - d) named organisations (generator/retailers) + distributors with >100,000 ICPs = \$20,000
- We could add more membership types and probably grow the membership base
 - several one-person 'organisations' (eg, annual revenue <\$250k-ish) requested membership over the past 12 months but were discouraged by the \$1500 subscription for small organisations. Adding an individual who is involved in the electricity ecosystem category with a \$500 subscription could grow Member numbers and the pool of expertise
 - a couple of bigger than small organisations were interested in membership but were discouraged by the \$10,000/year subscription. Adding a \$5000/year subscription category for organisations with annual revenue between \$5M and \$10M would provide another option for organisations that are bigger than small without changing the subscription amounts received from existing Members
- Membership types and subscription amounts need to be confirmed and finalised ahead of the AGM once the draft 2024-25 budget is available. A change to the Policies and Procedures is needed to give effect to any change.
 - note: the SG may ask Members to contribute funds additional to the annual subscription if required based on the FlexForum Workplan and budget

Actions:

1. Agree to tell Members the indicative membership types and subscription amounts for 2024-25

4 Engagement (1)

Purpose of this item:

- to update the Steering Group on the Engagement and Strategic Communications Plan development
- to approve FlexForum signing the MOU with the EEA for the Knowledge Hub

The engagement plan and communications plan needs to be finalised

- A draft engagement plan has been completed by Heft, with review by SG members. Draft shared with Ara Ake (milestone)
- The engagement plan speaks to how we engage with key stakeholders; Heft are now working with us to develop a Strategic Communications Plan - how do we best communicate our key messages
- You are welcome to review the draft engagement plan [here](#) - comments are welcome, but the two plans should be read together - i.e., “what do we say”, “how do we say it” and “who do we say it to”.

MOU with the EEA for the Knowledge Hub - the draft MOU is [here](#). The key aspects are:

- the MoU builds on the EEA’s and FlexForum’s agreement for the EEA to support FlexForum by “providing access to the Knowledge Network [sic] to host FlexForum and its work programme”
- the MOU sets out the key areas of responsibility and activity for each organisation when FlexForum and its members are using the Knowledge Network
- the EEA will make the Knowledge Network available to FlexForum and its members to undertake work under the following conditions:
 - that work to integrate the Knowledge Network functionality with the FF website is completed by Webstruxure (the party developing and hosting the Knowledge Network) subject to the previously agreed scope.
 - that FlexForum confirms their acceptance of the provisions of the service level agreement (SLA) between the EEA and Webstruxure
 - that FlexForum agree to the Knowledge Network terms and conditions
- the SLA and terms and conditions are being updated and will be provided by the EEA asap.

Actions:

1. endorse the engagement plan
2. approve FF signing the MOU

5 Workplan

Purpose of this item:

- Update on progress with the workplan and other FlexForum tasks

Update on progress with the Workplan and other FlexForum tasks

- the [Workplan and task Tracker](#) sets out progress for workplan and FlexForum tasks [this document remains a work in progress]

FlexForum tasks due this month are

- 1.3 Commission the development of a Knowledge Hub - the Knowledge Hub has been commissioned (see item 4 of this agenda). The Knowledge Hub is expected to be live in July 2024
- 2.3 Deliver 6-monthly progress reports - a detailed assessment of progress against the Flexibility Plan is underway. It may be ready by 30 June. A separate update on progress with FF activities can be developed.
- 3.2 Coordinate delivery of 4-8 outputs. In the 6 months to 30 June FF will have delivered:
 - 3 workshops for the EV charging task
 - 1 x [advice to the Electricity Authority](#) and 1 x advice (verbal) to MBIE on consumer data right
 - 1 x list of flexibility-related data requirements (not published)
 - 2 x FF Insights (hopefully...)
- 4.3 Provide advice on key questions that would best be answered through pilots and trials - this will be developed based on the review of progress with the Flexibility Plan

Actions:

1. secretariat to finalise and provide a report on progress with FF activities in the 6 months to 30 June 2024
2. focus resources to deliver 2 x FF insights
3. secretariat to develop list of key questions that would best be answered through pilots and trials based on insights from progress with the Flexibility Plan and other activities

6 Finance update (1)

Purpose of this item:

- note status of payment of 2024 subscriptions
- note cashflow projection

6 Finance update (2)

Cashflow projection

- Income assumes renewal of memberships on anniversary of payment (in reality will be on anniversary of invoice)
- Costs allows all workstreams to complete their first tranche of work and then operate to ~60h/month (total) from September
- On this basis, FlexForum could continue to operate and produce outputs until March next year

Status of 2024 subscriptions (34 Members)

- paid subscriptions = \$222,000
- pending subscriptions = \$41,500.

Action: SG members to test their organisation's intentions re: next year subscriptions.

7 Endorse updated Policies and Procedures

Purpose of this item:

- Endorse the updated Policies and Procedures

Updates to the FlexForum Policies and Procedures need to be endorsed by the Steering Group

- the updated Policies and Procedures are [here](#)
- the updates are to:
 - insert the Membership application process agreed by the SG in November and February 2024
 - renumber pre-existing policies following inclusion of the membership application process
 - document competition protocols
 - replace clause 2.7 'The Steering Group may set proportional subscription fees for Members joining after the specified payment date for the annual subscription.' with 'The year for each annual subscription starts on the date on the subscription invoice. For example, the membership year for a Member invoiced on 1 February 2024 ends 31 January 2025.'. This change completes action 11.9 May 2024 SG meeting.

Finalising the updates to the Policies and Procedures will provide the content needed to add a how to become a Member page to the website.

Action: Endorse the updated Policies and Procedures

8 Membership requests

Purpose of this item:

- note Membership requests since previous meeting

Membership requests

- The Lines Company. SG confirmed membership 22 May 2024
- Future Grid. SG confirmed membership 29 May 2024
- Intellihub. SG confirmed membership 31 May 2024
- Membership information provided to 3 interested parties on 7 May, 30 May and 11 June

No action requested

9 Actions

Purpose of this item:

- Note actions

Actions from FlexForum and Steering Group meetings from 1 July 2023 to 13 May 2024 are documented here: [FF collated actions - FF and SG meetings 2023-24](#)

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

No action requested

10 Next meeting

Purpose of this item:

- Confirm the date for the next Steering Group meeting

Next Steering Group meeting

- SG meetings are scheduled for the 2nd Thursday of the month. The next meeting is 11 July. The Chair will be on annual leave, so we need to appoint a deputy chair for this meeting

ACTION: confirm the 11 July SG meeting