

Terms and Reference for the Retail and Consumer Advisory Group (RCAG)

November 2010

Background

1. In accordance with the Electricity Industry Act 2010 (Act) the Electricity Authority (Authority) is intending to consult interested parties on a draft Advisory Group Charter. The Authority will finalise the Charter following consultation, and proceed to form new advisory groups.
2. In the meantime, the Authority will continue to use the Electricity Commission's advisory groups based on the Charter inherited by the Authority. This Terms of Reference has been minimally revised to continue current advisory group arrangements until new advisory groups are formed.
3. Advisory groups are discussion and feedback forums to assist in the development of electricity sector arrangements, to give advice on the rules and regulations and to give feedback on issues of strategic relevance to the Authority and on its work plan.
4. In contrast to project teams which will be established to carry out detailed or highly technical work on specific projects, advisory groups will focus primarily on higher-level issues.
5. The Retail and Consumer Advisory Group (RCAG) continues operation in accordance with the Advisory Group Charter inherited by the Authority to advise and assist the Authority with tasks relating to developing the Electricity Industry Participation Code (Code) and market facilitation measures.

Role

6. The role of the RCAG is to provide advice to the Authority (as and when requested by the Authority) on:
 - (a) projects that aim to promote strong retail competition;
 - (b) arrangements for the protection of consumers; and
 - (c) relevant rules in the Code.
7. Central aspects of the RCAG's work include:
 - (a) consideration of policy issues central to the model domestic contract and model use of system agreement (e.g. transparency of charge components) and advice on development of other model arrangements as necessary;
 - (b) consideration of initiatives that aim to reduce customer search and switching costs;
 - (c) consideration of implications for consumers of developments in metering and load management technologies;
 - (d) consideration of initiatives to facilitate improvements in switching and reconciliation processes; and

- (e) consideration of whether a case exists to investigate and pursue proposed rule amendments in parts D, E or J of the Rules (note that detailed rule development in technical areas is likely to be carried out using specific project teams); and
8. In meeting these objectives, the RCAG must be mindful that its advice is consistent with the Act, and in particular its advice must be consistent with the objective and functions of the Authority as stated in sections 15 and 16 of the Act.

Membership

9. The RCAG will have the same members and independent Chair as it had on 31 October 2010.
10. The RCAG will have up to 10 members in total, who will be appointed by the Authority after considering nominations from participants.
11. The RCAG will also:
- (a) have an independent Chair, who will be appointed by the Authority;
 - (b) be supported by a secretariat, which will be organised by the Authority; and
 - (c) have a senior Authority staff member as the Authority's lead representative.
12. For the avoidance of doubt, the independent Chair, secretariat and Authority staff are not members of the RCAG.

Tenure

13. The members and Chair will continue in office for a period of six months or until the RCAG is disestablished by the Authority, whichever occurs first.
14. In the event that RCAG is not disestablished, the members and Chair may be reappointed for further two year terms (at the Authority's discretion).

Responsibility of the co-ordinating Authority staff member

15. The co-ordinating Authority staff member will be accountable to the Authority for:
- (a) working with the RCAG to develop a high-level work plan for the group;
 - (b) the resourcing and support of the RCAG;
 - (c) reporting to the Board of the Authority (Board) on RCAG matters as a component of providing advice to the Board;
 - (d) conveying relevant views, policies and decisions of the Authority to the RCAG; and
 - (e) setting the agenda for each RCAG meeting.

16. When presenting recommendations or making representations to the Board on issues where the RCAG has provided input, the co-ordinating Authority staff member should:
 - (a) provide a balanced representation of the views held by the members of the RCAG;
 - (b) identify any issues relevant to the RCAG or the matters before the RCAG, which the co-ordinating Authority staff member considers the Board should be aware of;
 - (c) identify any further advice that will be sought from the RCAG.
17. Where the views of the co-ordinating Authority staff member differ significantly from the views raised by members of the RCAG then the Authority staff member must brief the Board on this difference of opinion and the reasons for this stance.

Responsibility of the Chair

18. The key functions of the Chair will include:
 - (a) facilitating discussions between members in such a manner that will stimulate robust debate on issues and encourage effective contribution from members;
 - (b) guiding discussions so that they are relevant and effective while at the same time ensuring that genuine disagreements and conflicts are aired and, if possible, resolved (although the Authority recognises that consensus will not always be possible – see Clause 11(e));
 - (c) ensuring that the minutes of each RCAG meeting are correct; and
 - (d) writing to the Board (such letter or comment to be appended to a Board paper from the co-ordinating Authority staff member) in the event the chair wishes to make additional comments on a key task or issue the RCAG has provided input on.

Responsibility of members

19. Members and the Chair must:
 - (a) comply with the requirements set out in this terms of reference;
 - (b) be available for all RCAG meetings unless granted leave under paragraph 15, read all RCAG papers circulated and actively contribute to the discussions of the RCAG;
 - (c) inform the Chair of the RCAG and the co-ordinating Authority staff member of any actual or potential conflicts of interest that may affect their ability to perform their functions as a member of the RCAG; and
 - (d) carry out the tasks of the RCAG arising from the agenda for each RCAG meeting.

20. Members must remain mindful that:
 - (a) in making appointments to the RCAG, the Authority is seeking a balanced representation across stakeholders and a diverse mix of knowledge and experience among its members;
 - (b) members have been appointed for their expertise and knowledge of a particular area(s), as well as their ability to contribute towards the diverse range of matters that the RCAG is likely to consider; and
 - (c) appointments to the RCAG are of individuals rather than organisations.
21. The above principles mean that a member's role is to act in the best interests of all stakeholders irrespective of the organisation that they may be associated with.
22. As papers will be published at the same time as they are provided to members, members may obtain input from within the organisation they are associated with where they consider this appropriate and useful.

Agenda for each RCAG meeting

23. The co-ordinating Authority staff member will set the agenda for each RCAG meeting and review this agenda with the Chair before each meeting commences. Members may seek to add further items to a meeting agenda, but inclusion will be at the discretion of the Authority staff member and the advisory group Chair.

Interaction

24. Day-to-day interaction between the RCAG and Authority will be through the RCAG secretariat.
25. Email interaction between advisory group members regarding substantive advisory group business should be copied to all members of the group, the Chair, relevant Authority staff members and advisors, and the secretariat.
26. Reporting between the RCAG and Board will be through the co-ordinating Authority staff member. The Chair and/or members should not approach the Board directly regarding RCAG matters unless:
 - (a) in response to a request from the Board or the co-ordinating Authority staff member; or
 - (b) the members reasonably believe (following discussions with the co-ordinating Authority staff member) that the Authority staff member is unable to or has not complied with the requirements of Paragraph 5.2(a).
27. Where Paragraph 9.3(b) applies:
 - (a) the Chair must inform the co-ordinating Authority staff member of the advisory group's intention to seek a meeting with the Board;

- (b) the Chair must approach the Authority's Chief Executive in the first instance to discuss the relevant RCAG matters and to seek the Chief Executive's approval to meet directly with the Board or to submit a representation to the Board; and
- (c) any representation made by the RCAG will be organised by the members with support from the Authority.

Authority

28. The co-ordinating Authority staff member is responsible for ensuring that the RCAG is appropriately resourced to perform its tasks. The RCAG does not have the authority to commission analysis and to commit resources and expenditure.

Administration

29. The business and activities of the RCAG must be as transparent as practical, and unless otherwise agreed by the Authority:
- (a) all meeting papers will be distributed to members and the chair in advance of meetings, and reasonable endeavours will be made to circulate papers five business days prior to meetings;
 - (b) appropriate meeting papers will be published on the Authority's website at the same time as they are distributed to members;
 - (c) minutes of all meetings will be published on the Authority's website as soon as practical after their confirmation;
 - (d) the Authority will provide administrative/secretarial support to the RCAG; and
 - (e) consensus among RCAG members is the optimum result although the Authority recognises that this will not always be possible. In such circumstances, the RCAG's advice must reflect the views raised by all members, and all such views must be reflected in the minutes of that particular RCAG meeting.

Notice of meetings

30. Reasonable notice of meetings must be given to the Chair and each member, including the details of the time and venue.

Methods of holding meetings

31. A meeting of the RCAG may be held by a number of its members who constitute a quorum, being at the date and time appointed for the meeting.
32. As a general rule, meetings must be held in person.

Quorum

33. The quorum for RCAG meetings will be a majority of all members.
34. No business (which includes approving minutes and providing advice to the Authority as part of the RCAG) may be transacted at a RCAG meeting if the quorum is not met.
35. Members are not entitled to send an alternate in their place if they cannot attend a RCAG meeting.

Attendance

36. Any member of the RCAG who, without authorised leave, misses two consecutive RCAG meetings will be deemed to be removed from the RCAG except where this leave has been approved by the co-ordinating Authority staff member.
37. The Chair (with the approval of the co-ordinating Authority staff member) or the co-ordinating Authority staff member may invite non-members to attend a RCAG meeting. In these circumstances the invited party may participate in discussions but will not be a member of the RCAG, nor form part of the quorum.

Minutes

38. The Chair must ensure that proper minutes are kept of all business conducted at RCAG meetings.

Confidentiality of reports to advisory groups

39. In the normal course of events, all reports submitted to the RCAG (including reports or presentations submitted by members) will not be treated as confidential and will be subject to the requirements of the Official Information Act 1982.
40. The co-ordinating Authority staff member will arrange for all non-confidential reports, including reports or presentations submitted to the RCAG by members, to be published on the Authority's website.