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Sent by email to: submissions@ea.govt.nz

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Submission on membership for Advisory Groups

1. Vector welcomes the opportunity to respond to the Electricity Authority's ("Authority") consultation paper entitled *Proposed change to advisory group terms of reference to provide for staggered membership*, dated 25 October 2011.
2. Vector's contact person for this submission is:
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Staggered terms of appointment to Advisory Groups are reasonable

3. The Authority proposes to change the terms of reference for the Retail, Wholesale and Transmission Advisory Groups by changing the text relating to the term of appointment from:

"Members are appointed for a period of two years."

to:

"Members are appointed for a period of up to two years."

4. Vector supports the Authority's proposal.

Advisory Group workplans should be published before nominations are sought

5. While the Authority is considering changes to the advisory group arrangements, Vector would raise a further issue for consideration. This relates to the expertise and membership of the groups.
6. The process the Authority followed to establish the Retail and Wholesale Advisory Groups was to (a) call for nominations of members from

stakeholders, (b) appoint the members and (c) determine and publish the work programme of the groups – in that order. This was a reasonable process at the time. However, with hindsight we do not believe it is optimal.

7. Our concern is that the process of calling for nominations for an advisory group before it is decided (or at least communicated to stakeholders) what topics the group will consider creates a risk that the group is less well informed about the topics it considers. For example, Vector nominated the General Manager of Advanced Metering Services to the Retail Advisory Group because we understood the group may consider metering issues. As it has transpired, the Retail Advisory Group has not considered metering issues. If Vector had been aware that the group would instead consider retailer default situations, distributed generation and model domestic contracts, we would have nominated a different member for the group, one with more directly relevant expertise.
8. The Authority is within its rights to decide what topics each Advisory Group examines. However, it is likely to have better informed advisory groups and thus better advice from the groups if it makes it clear what each group will consider before seeking nominations.
9. For these reasons, **Vector recommends** that prior to seeking annual nominations to advisory group positions the Authority publishes the matters it expects the groups to be considering over the forthcoming 1-2 years.

Yours sincerely,



Bruce Girdwood
Manager Regulatory Affairs