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John Rampton
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Submissions
Electricity Authority
Level 7, ASB Bank Tower
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By email: submissions@ea.govt.nz

Dear John

Review of advisory group administrative arrangements

Thank you for the opportunity to provide a submission on the Electricity Authority's (the Authority) consultation paper *Review of advisory group administrative arrangements*, published 5 March 2013. Our interest in this matter lies as an advisory group contributor and as the co-owner of the joint work plan that is affected by advisory group recommendations.

Advisory Group administration and effectiveness

This consultation has been limited to consideration of administrative processes and proposes minor changes to member's terms of appointments, and the publication of meeting papers. We agree with what is proposed.

We suggest an additional administrative point is to strive to distribute meeting papers to group members with sufficient time to allow appropriate examination. This is particularly important where considered views are sought on large documents and complex issues.

We note that the Authority has decided not to undertake a broader review of the advisory group model because, based on informal feedback, it concludes that the model is generally working well. The paper does not elaborate or provide any analysis to support that conclusion. As we propose below, there may be merit to such a review.

Work plans and strategic direction

We anticipate that the Authority's current consultation on strategic directions for market development will produce an implementation framework that will affect the way the Authority and the advisory groups agree their work plan.

In light of this recent proposal, and after nearly three years of advisory group experience, we consider it may be relevant to undertake the broader review of the advisory group model to identify where improvements could be made. We recommend the Authority reconsiders its

review decision and allows industry, through consultation, to have input into an effectiveness review.

We have responded to the questions at Appendix A. If you wish to discuss any of the points raised you can contact me or Micky Cave (04) 590 7309.

Yours sincerely

A handwritten signature in black ink that reads "R Parry". The letters are stylized and cursive.

Ross Parry
Planning and Regulatory Manager

Appendix A – Responses to Consultation Questions

Question No.	Question	Response
1	What is your view of the effectiveness of the current advisory group model?	<p>The charter states¹ <i>“an Advisory Group is expected to undertake appropriate investigation and analyses of the issues assigned to it, and make recommendations on those matters to the Authority Board (Board) to assist the Authority to meet its statutory objective.”</i></p> <p>We note that the Authority has decided not to undertake a broader review of the advisory group model because, based on informal feedback, it concludes that the model is generally working well. The paper does not elaborate or provide any analysis to support that conclusion. We consider there may be merit in undertaking a review (see question 8).</p>
2	Do you agree the process for agreeing work plans between the Authority and advisory groups does not need refinement?	No we do not agree. We think the process will necessarily need refinement following the implementation of the Authority’s strategic directions for market development, which must affect the way Authority develops an agenda for its use of advisory groups.
3	Do you agree the range of skills and experience on advisory groups does not need to be broadened?	<p>We agree although a review of advisory group effectiveness would enable fuller consideration of whether the skills and experience sought should be broadened.</p> <p>We consider the invitation to the system operator to bring a security view to a group’s analysis is important and works well.</p>
4	Do you agree the sizes of the advisory groups do not need to be increased?	We agree. The size of the group needs to be kept at a manageable level but not at the expense of narrowing the range of skills.
5	Do you agree with the Authority’s proposed amendments regarding members’ terms of appointment?	<p>We agree with what is proposed.</p> <p>We also suggest that some participation could be flexible, such as the use of subject matter experts by invitation, or development of specific aspects by ad-hoc working groups.</p>

¹ Section 2.2. *Charter about advisory groups, December 2010*

Question No.	Question	Response
6	Do you agree it is not necessary to specify how many Authority staff should be present at each advisory group meeting?	We agree that it is not necessary to specify how many Authority staff should be present, but it may be useful for the group to have an expectation on the maximum number and each staff person's role. The risk with too many Authority staff in the group is that the industry voice may be crowded out.
7	Do you agree with the Authority's proposed amendment regarding the publication of meeting papers?	We agree. We consider there should be a bias towards publication for transparency with exceptions where information is confidential.
8	Do you consider any other changes are required to improve the effectiveness of the advisory groups?	<p>Where considered views are sought on large documents and complex issues, it is important that papers are distributed to group members with sufficient time to allow appropriate consideration.</p> <p>We also consider it may be relevant to undertake a broader review of the advisory group model to identify where improvements could be made, in light of the strategic directions proposed and advisory group experience to date.</p>