

## Minutes of MDAG meeting – Wednesday 19 July

MDAG members attending: Tony Baldwin, Matthew Cleland, Al Yates, Paul Baker.

Observers, secretariat, and EA attending: Stephen Batstone, James Innes, David Hunt, Ramu Naidoo, Paul Sullivan (*left 11.31am*), Seb Brown, Michael Chapman.

Apologies: Fiona Wiseman, Rebecca Osborne, James Tipping, Andrew Kerr.

### ***Meeting opens 10:33am***

Minutes of previous meeting were confirmed. **ACTION** – secretariat to publish the minutes.

### Update on communications

Seb Brown and Michael Chapman provided an update on the communications approach the Authority is taking with regard to MDAG. The group noted that the EA will update the sector, submitters and the public before the end of July advising of the amended timeframe. Minutes from stage three meetings will be published once the EA has communicated the amended timeframe externally.

### Submissions to the options paper

The group discussed key points in submissions where parties did not support MDAG's preferred options. in particular:

**A5** (Offer price reductions after gate closure) – Transpower's opposition. The group agreed that further work should be undertaken on this option to assess potential benefits, costs, and risks.

**ACTION** – Secretariat to reflect on this and explore alternatives that might better address the underlying issue (including possible measures under A4).

**A7** (Remove UTS over-ride of trading conduct provisions) -- Noted the strong disagreement from independent retailers. **ACTION** – Secretariat to further consider costs, benefits and relative priority, to be discussed again with MDAG.

**A8** (Negative offers/prices) – Transpower's preference for this option (which was not preferred by MDAG). The discussion focused on the underlying issue of how to prioritise (or ration) competing very low offers in the same region (having the same loss factors). **ACTION** – Ramu Naidoo to seek further information from the System Operator on scenarios and timelines for this underlying issue.

**A9** (Centralised commitment based on complex offers) – Transpower's apparent preference for this option (which was not preferred by MDAG). The group noted the spectrum of degrees of potential centralisation. Transpower's preference seemed to focus on optimising for issues such as inter-temporal constraints. Further consideration should be given to whether changes to SPD may solve this issue. **ACTION** – Ramu to seek further information from Transpower on the outlook for temporal constraints over the medium to long term.

**E category options** (Structured information programme for wider stakeholders) – MEUG appeared to oppose all options in the E category. **ACTION** –MDAG to further consider costs relative to expected benefits in developing possible blueprint for E2.

Work programme

The group noted that the timeline calls for sub-group work programme to start on proof of concept for B4 (enhanced stress test regime) and D7 (virtual disaggregation of flexible generation base).

**ACTION** – secretariat will commence discussions about these working groups next week.

Other business

None

***Meeting closed 11:48.***