

MDAG'S OPERATING PROTOCOL

Last update following Meeting 18 (Wednesday, 19 February 2020)

1 Preface

- 1.1 As set out in clause 19.1 of the Terms of Reference for the Security and Reliability Council and other advisory groups (Terms of Reference), the Market Development Advisory Group (MDAG) may determine its own procedures.
- 1.2 To avoid doubt, if there is contradiction between MDAG's Operating Protocol and the Charter for Advisory Groups (Charter) and/or the Terms of Reference, the provisions in the Charter and Terms of Reference will take precedent.

2 Purpose

- 2.1 The purpose of MDAG's Operating Protocols is to establish and outline a clear set of operating protocols agreed upon by MDAG members.

3 Publication of material

- 3.1 In general the MDAG has a preference for transparency in its work and aims to publish meeting materials on the Electricity Authority's (Authority) website soon after meetings occur.
- 3.2 On occasion the MDAG may decide to delay publication of certain meeting materials. If publication is delayed, the MDAG will seek to indicate clearly when the material will be published (for example, after a certain date or event has occurred, or once analysis has been completed).

4 Participation in the group

- 4.1 It is expected that members will have different perspectives on the various matters considered by the group. Diversity of views within MDAG is encouraged.
- 4.2 In participating in the MDAG process, each member should:
 - (a) approach issues with an open mind, being aware of one's own preconceptions and biases
 - (b) apply rigorous critical thinking, formulating views and building understanding on the basis of analytically robust evidence
 - (c) carefully and in good faith consider the views of others
 - (d) develop proposals and recommendations as a group that seek to advance the best interests of the electricity market as a whole.
- 4.3 Further, under section 55 of the Crown Entities Act 2004, members of an advisory group are required to act in good faith and not pursue their own interests at the expense of the Authority's interests. MDAG members should be cognisant of the Authority's statutory objective set out in section 15 of the Electricity Industry Act 2010:

"To promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers."
- 4.4 Members should act independently of any personal, employer or client interests. Members should avoid taking or persevering with a position because it reflects what the Authority,

their employers or clients would want them to do, recognising that the group is expected to reconcile divergent views and interests, both in the group and among wider stakeholders, in ways consistent with the Authority's statutory objective, the Authority's Code amendment principles contained within the Authority's consultation charter and in a manner that achieves wider stakeholder "buy in".¹

5 How the group will engage and consult externally

- 5.1 The MDAG's role is to provide analytically robust advice to the Authority, taking into consideration a wide range of industry participants' perspectives.
- 5.2 The MDAG will strive to engage with parties that could be affected by the output of its work. This engagement should occur in a timely manner during the course of each project; and, in particular, MDAG will endeavour to ensure that some level of engagement occurs before the group formulates recommendations to the Authority.
- 5.3 The MDAG intends to be innovative in determining how to engage and consult externally. The group will consider the most effective means of engagement in relation to a matter it is considering, including informal modes of engagement.
- 5.4 When the group is asked by the Authority to undertake a project it should evaluate the scope of the project to ensure it is not inappropriately restrictive (or too wide) or could adversely impact on the group successfully undertaking the project.
- 5.5 The group should be collectively responsible for developing and approving the Terms of Reference of any external consultant reports. The group should be also involved in selecting any consultants they use. Criteria should include the ability of the consultant to demonstrate they can provide independent advice to the group (including independence from the Authority).

6 Discussion of topics under active consideration by the group

- 6.1 Membership of MDAG carries with it a commitment to seek solutions to issues under consideration by MDAG as a group. It also carries a commitment to bring to the group ideas, analyses or perspectives relevant to issues under consideration, and to work those through to a conclusion in an analytically robust manner.
- 6.2 MDAG members are encouraged to discuss topics under consideration by the MDAG with their peers and colleagues.
- 6.3 However, publishing material or otherwise taking a public position that would affect the course of MDAG's work before MDAG has worked an issue through to its conclusion and reached an agreed public group position would be inconsistent with the commitment to a group process based on analytical rigour.
- 6.4 So if for any reason a member wants to publish material or take a public position on matters under consideration by the MDAG, then the member must first ask the MDAG Chair for approval.

¹ See clause 6.5(d) of the Authority's "Terms of Reference for the Security and Reliability Council and other advisory groups"

- (a) If the MDAG Chair considers that the proposed publication or public position does not affect the course of MDAG's work, or does not address issues that the group is still working through, then he or she can give approval.
- (b) If the MDAG Chair considers that the proposed publication or public position would affect the course of MDAG's work, or does address issues that the group is still working through, then the MDAG chair is to seek the views of MDAG as a group, which should try to reach a consensus on whether to approve the publication of the material or public position. If the group cannot reach a consensus, then a majority view will determine whether to approve the publication of the material or public position. If there is no majority, the Chair has the casting vote.

6.5 MDAG members should note that under clause 2.5 of the Terms of Reference, advisory group members may not speak on behalf of the group to any media.