

Statement of intent



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Presented to the House of Representatives in line with section 149 of the Crown Entities Act 2004.

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STATEMENT OF RESPONSIBILITY

This document constitutes the Electricity Authority Te Mana Hiko's Statement of intent as required under the Crown Entities Act 2004.

The descriptions of our purpose, role and functions are consistent with the Electricity Industry Act 2010.

This Statement of intent outlines our medium-term strategic intentions over a four-year period between 1 July 2024 to 30 June 2028. It should be read in conjunction with our Statement of performance expectations for each year, available at www.ea.govt.nz/about-us/corporate-documents.

This Statement of intent has been prepared in accordance with the Crown Entities Act 2004.

Signature



Anna Kominik
Chair
27 June 2024



Paula Rose QSO
Audit and Finance
Committee Chair
27 June 2024

FOREWORD

Tēnā koutou, it is a privilege to be introducing my first Statement of intent as Chair of the Electricity Authority Te Mana Hiko – the document that states how we, as a Crown entity and regulator, intend to create increasing value for New Zealand and New Zealanders in our work.

Anna Kominik
Chair



The last year has seen a number of changes in the Authority's governance and leadership, with new Board members and senior leaders. This has provided an opportunity to review the Authority's vision, strategy and operations, and set clear priorities for what we need to achieve.

Our vision is for consumers to have choices in accessing the energy they need now and in the future, so they and New Zealand prosper. This vision is supported by outcomes across three horizons – articulating what we expect to deliver in the short, medium and long term.

As a kaitiaki of electricity, this vision articulates our unwavering commitment to keeping the lights on and delivering positive outcomes for all New Zealand electricity consumers. We want a future in which all consumers have choice and access to the energy they need.

Our vision and intended outcomes are anchored in the Authority's statutory objectives to:

- promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers; and
- protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers.

At a governance level, we are focused on supporting the Authority to deliver as a modern regulator – focusing on performance as well as conformance. This means continuously seeking to deliver more efficient ways of working, driving greater value from the funds we receive and proactively making sure market rules enable, rather than hinder, better outcomes. The Authority has shifted to a more collaborative approach across the sector, proactively working with regulated parties, agencies, industry and consumer groups to address immediate stresses on the system, while laying the groundwork for consumers to benefit from a very different electric future.

One of the immediate stresses in our system is security of supply. Working alongside industry, we now have a roadmap of work that will move us beyond winter-to-winter management, to preparing for the future in which there will be more participants interacting with the electricity system across supply and demand to keep the lights on. We have a strategic pathway with a number of programmes underway that encourage investment, innovation and good regulation to achieve a secure and resilient electricity future where consumers have trust and confidence in their electricity supply for winter 2024, 2025 and beyond.

Electrification is a huge opportunity for all of us – a future in which investment and innovation will enable New Zealand to lead the way in an electrified future; in which consumers have more control and agency over their electricity usage; widespread use of electric vehicles, battery storage and smart chargers to help stabilise the grid; and communities are increasingly resilient in the face of significant weather events and natural disasters.

Underpinning this is a competitive and efficient electricity market in which innovation flourishes. This is the best way to ensure downward pressure on prices and an affordable electricity supply for all consumers.

By addressing immediate challenges and laying the groundwork for the future, we aim to provide consumers with reliable access to affordable electricity choices and support the nation's prosperity. Together, we are building a practical path forward for a secure and resilient energy future in Aotearoa New Zealand.

WE ARE A KAITIAKI OF ELECTRICITY NEW ZEALAND'S ELECTRICITY REGULATOR

We want consumers to have choices in accessing the energy they need now, and in the future, to ensure they and New Zealand prosper.



WHO WE ARE

The Electricity Authority Te Mana Hiko is responsible for the governance and regulation of New Zealand's electricity industry.

OUR ESTABLISHMENT

On 1 November 2010, the Electricity Industry Act 2010 (Act) established the Electricity Authority Te Mana Hiko (Authority) as an independent Crown entity and regulator of the electricity industry.

The Act sets out our statutory objectives and functions and authorises us to make regulations and make and amend the Electricity Industry Participation Code 2010 (Code).

The Code sets out the duties and responsibilities for all industry participants, as well as the responsibilities for the Authority. These rules govern nearly every aspect of New Zealand's electricity industry, including:

- generation of electricity
- wholesale electricity market
- transmission via the national grid
- system operation
- security of supply
- market arrangements
- metering
- distribution via local networks
- retail electricity market.

In addition to the Act, two key pieces of legislation apply to our work:

- Public Finance Act 1989 – defines the key accountability requirements for the state sector
- Crown Entities Act 2004 – provides the specific planning and reporting requirements for Crown entities.

DID YOU KNOW?

We create Tier 3 legislation.

Tier 1 – Acts of Parliament

New Zealand Parliament sets the rules through Acts of Parliament.

The Electricity Authority was established under the Electricity Industry Act 2010 which provides the framework for the regulation of the electricity industry.

Tier 2 – Regulations

The Government sets the electricity industry rules through regulations.

This work is mainly done by the Ministry of Business, Innovation and Employment. The Electricity Authority may provide advice on regulations.

Tier 3 – Electricity Industry Participation Code 2010

The Electricity Authority sets the Electricity Industry Participation Code 2010. It's the rules that govern nearly every aspect of New Zealand's electricity industry.

OUR ROLE AS A REGULATOR

As Aotearoa New Zealand's electricity regulator, the Authority acts as a kaitiaki of the electricity system. We steward the system so that it produces reliable electricity at the lowest possible cost and produces beneficial outcomes for consumers that might not occur naturally through pure market forces.

Through our work, we continuously seek opportunities to drive value for money and promote competitive and efficient market mechanisms to enable an electrified future for New Zealand. This requires an increasingly renewable future in which investment and innovation flourish; consumers have more control over their electricity; widespread use of electric vehicles, battery storage and smart chargers help stabilise the grid; and communities are increasingly resilient in the face of significant weather events and natural disasters.

Our sector interacts with many others and the broader economic environment is critical to our work. We consider the long-term economic, social, cultural and environmental implications of our work and ensure the right rules are in place that both enable and guide regulatory change.

Our independence is an important part of a functioning and competitive market as it enables the efficient operation of the large and complex electricity industry. We determine a work programme that meets our statutory objectives and works to promote a competitive and efficient market that is benefiting consumers – large and small.

We test ideas and challenge the status quo with consumers' interests at the heart of everything we do. While our independence means we give advice rather than take direction, we are attuned to our external operating environment and the Government's priorities.

REFLECTING GOVERNMENT PRIORITIES

The Authority's work needs to meet the requirements of legislation, our statutory objectives, and best-practice guidance provided by central agencies¹, the Office of the Controller and Auditor-General and Audit New Zealand.

We have regard to the Government's expectations communicated in the enduring letter of expectations for Crown entities and annual letter of expectations from the Minister for Energy. We are proactive in our engagement with the Ministry for Business, Innovation and Employment (MBIE) as our monitoring agency. This helps ensure we are meeting the expectations outlined in the Monitoring arrangements for MBIE-monitored Crown entities.


We work closely with the Commerce Commission, to ensure regulatory alignment, and with other relevant government agencies to inform and support an energy regulatory system that enables innovation, competition, consumer choice and affordability.


¹ The central agencies are: Te Tai Ōhanga The Treasury, Te Kawa Mataaho Public Service Commission and Te Tari o te Pirimia me te Komiti Matua Department of the Prime Minister and Cabinet.

OUR FUNCTIONS


Section 16 of the Electricity Industry Act 2010 sets out our functions to:

 **Promote market development** – We are responsible for maintaining a responsive and robust regulatory environment that keeps up with innovation and new technologies to enable electrification and deliver better outcomes for consumers. Key tools include market facilitation measures and amendments to the Code.

 **Monitor, inform and educate** – We monitor market behaviour and make data, information and tools available to help improve participation and understanding of the electricity markets by consumers and industry participants.

 **Operate the electricity system and markets** – We are responsible for the day-to-day operation of the electricity system and markets through contracted service providers.

 **Enforce compliance** – We monitor, investigate and enforce compliance with the Electricity Industry Act 2010, its Regulations and the Electricity Industry Participation Code 2010 by industry participants to create a fair and competitive market. We have an industry training programme to educate participants, share lessons learnt and help identify and resolve any systematic issues.

 **Protect the interests of small electricity consumers** – We are responsible for protecting the interests of domestic and small business consumers in relation to industry participants supplying their electricity. This includes monitoring how electricity retailers and other industry participants deal with small consumers, including medically dependent and vulnerable consumers.

An important part of delivering our regulatory functions is working with and through others as part of the broader system. Our relationship and work with our monitoring agency, the Ministry of Business, Innovation and Employment, is essential to our work and we value productive working relationships with all government partners.

We are part of the Council of Energy Regulators which facilitates a whole-of-system approach to risks, issues and opportunities within the energy markets regulatory system. By working better together with others we can deliver better outcomes for all New Zealanders and support cross-government efforts to achieve net zero emissions.

OUR STATUTORY OBJECTIVES

Under Section 15 of the Electricity Industry Act 2010

Main statutory objective

“To promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers.”

Additional statutory objective

“To protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers.”

OUR STATUTORY FRAMEWORK

The Electricity Industry Act 2010 provides the framework for the regulation of the electricity industry. Section 12 of the Act establishes the Electricity Authority as an independent Crown entity governed by the Crown Entities Act 2004.

Section 15 of the Act sets out our statutory objectives to promote competition, reliability and efficiency in the electricity industry and protect the interests of domestic and small business consumers.

Competition

Competition is a key enabler to deliver an electrified future – driving down prices and leading to increased investment and innovation. Competition underpins affordability, security of supply, and helps ensure

New Zealanders have plenty of choice about how they get and use electricity. Access to competitive pricing drives downward pressure on costs and leads to increasingly affordable electricity for consumers now and in the future.

Reliability

New Zealand homes and businesses depend on a continuous supply of electricity. We work to ensure the reliable day-to-day and long-term security of electricity

supply for consumers. Our regulatory focus on reliability will be essential as the country electrifies.

Efficiency

When efficiency is high, electricity system resources and investments are focused in the right areas and costs to operate the system can reduce. Ongoing innovation and

improvements help create greater efficiency which should translate into more affordable electricity and services for consumers.

Protection of small consumers

Protecting the interests of domestic and small business consumers is key to ensuring that all New Zealanders have access to the electricity they need. Our focus is on the conduct and dealings that electricity retailers

and other industry participants have with small consumers, where an imbalance of power could result in adverse consumer outcomes.

OUR STRATEGIC CONTEXT

Electricity systems across the world are facing rapid transformation – New Zealand’s electricity system is no exception.

The shift to more renewables-based generation combined with the need for resilience and the advent of new and emerging technologies, digitisation and artificial intelligence have disrupted a previously stable industry, in which change was incremental and largely predictable.

The electricity sector is undergoing substantial change at an increasing pace and scale. The electricity market is shifting to more renewable intermittent generation (eg, wind and solar), with new and many technological advancements, distributed energy resources (eg, rooftop solar panels and battery storage), mass participation, and two-way power flows in a system designed for one-way power flows.

The increase in investment and innovation will drive a more competitive, efficient and reliable electricity industry, putting downward pressure on prices and increasing affordability for consumers. Our operating context is changing fast and the Authority, alongside industry, is navigating challenges as the country ramps up electrification.

The frequency and intensity of extreme weather events require an increased focus on resilience and security of supply. Global shocks can create fuel shortages, which test the resilience of the electricity industry and infrastructure.

Consumer attitudes and behaviours will continue to evolve, whether they are households or businesses. New business models will allow consumers to take more control over their electricity. This means householders are likely to be more connected and autonomous, as electricity becomes more of a service dictated by consumer demand, rather than purely by supply. The expectations of providers are shifting as consumers expect more and different services to meet their energy requirements – and affordability continues to be critically important to both householders and businesses.

As New Zealand’s electricity regulator, the changes occurring in our sector require proactive and fit-for-purpose regulation so consumers can reap the benefits of innovation and competition at least cost, while receiving a reliable electricity supply.

ACCOUNTABILITY AND PERFORMANCE

As a Crown entity, we are critically aware of the need to drive and demonstrate value for money. We continue to carefully analyse where to effectively allocate our resources to best unlock tools that promote competition, reliability and efficiency in the electricity system, all of which can help put downward pressure on prices over time.

Our performance is critical and we are improving our monitoring and reporting to better demonstrate how we are achieving value for money while delivering our strategic objectives and outcomes framework. We provide quarterly reports on our progress to the Minister for Energy and our monitoring agency which are available on our website.

COMMITMENT TO NET ZERO

The New Zealand Government has put into law a target for net zero greenhouse gas emissions by 2050 (excluding biogenic methane). Electricity has a key role to play in achieving this.

Electrifying transport and process heat, and increasing renewable electricity generation, will be the most significant contributors to New Zealand achieving net zero emissions by 2050. It means there will be large quantities of new renewable electricity generation, increased use of distributed energy resources, new ways to participate and more participants. These changes are, and will continue to, shift the dynamics of the electricity system. Electricity must be affordable and secure to support the electrification of households, as well as the transport and industrial sectors.

Reflecting the Minister’s expectations, the Authority is prioritising work with the sector to electrify the economy and together achieve a net zero carbon future.

WORLD-LEADING ELECTRICITY MARKET

Over the past 25 years, New Zealand's electricity market has been praised domestically and internationally – it is considered world-leading.

New Zealand regularly features in the top 10 of the World Energy Council's energy 'trilemma' index². This reflects Aotearoa's strong balance of energy security, energy equity and environmental sustainability.

The International Energy Agency said in its 2023 review³ of New Zealand's energy policies:

“New Zealand has a diversified energy mix, with significant production of both hydropower and geothermal. As the country embarks on an ambitious energy transition, it has many natural advantages, including an enviable renewable resource base. The key challenge will be to decarbonise end-use sectors through clean power and support investments in new technologies to achieve deeper emissions cuts across all sectors in the most economically efficient way.”

The high levels of system reliability and efficiency, and the competitive wholesale and retail markets are an important feature of our current system. Approximately 87% of electricity comes from renewable sources⁴, making New Zealand one of the countries with the lowest carbon dioxide emissions from electricity generation.

ELECTRICITY USE

New Zealand has:⁵

1.85^M

residential consumers

192^K

commercial consumers

86^K

agriculture, forestry and fishing consumers

48^K

industrial consumers

2 worldenergy.org/transition-toolkit/world-energy-trilemma-index

3 [iea.org/reports/new-zealand-2023](https://www.iea.org/reports/new-zealand-2023)

4 mbie.govt.nz/dmsdocument/27344-energy-in-new-zealand-2023-pdf

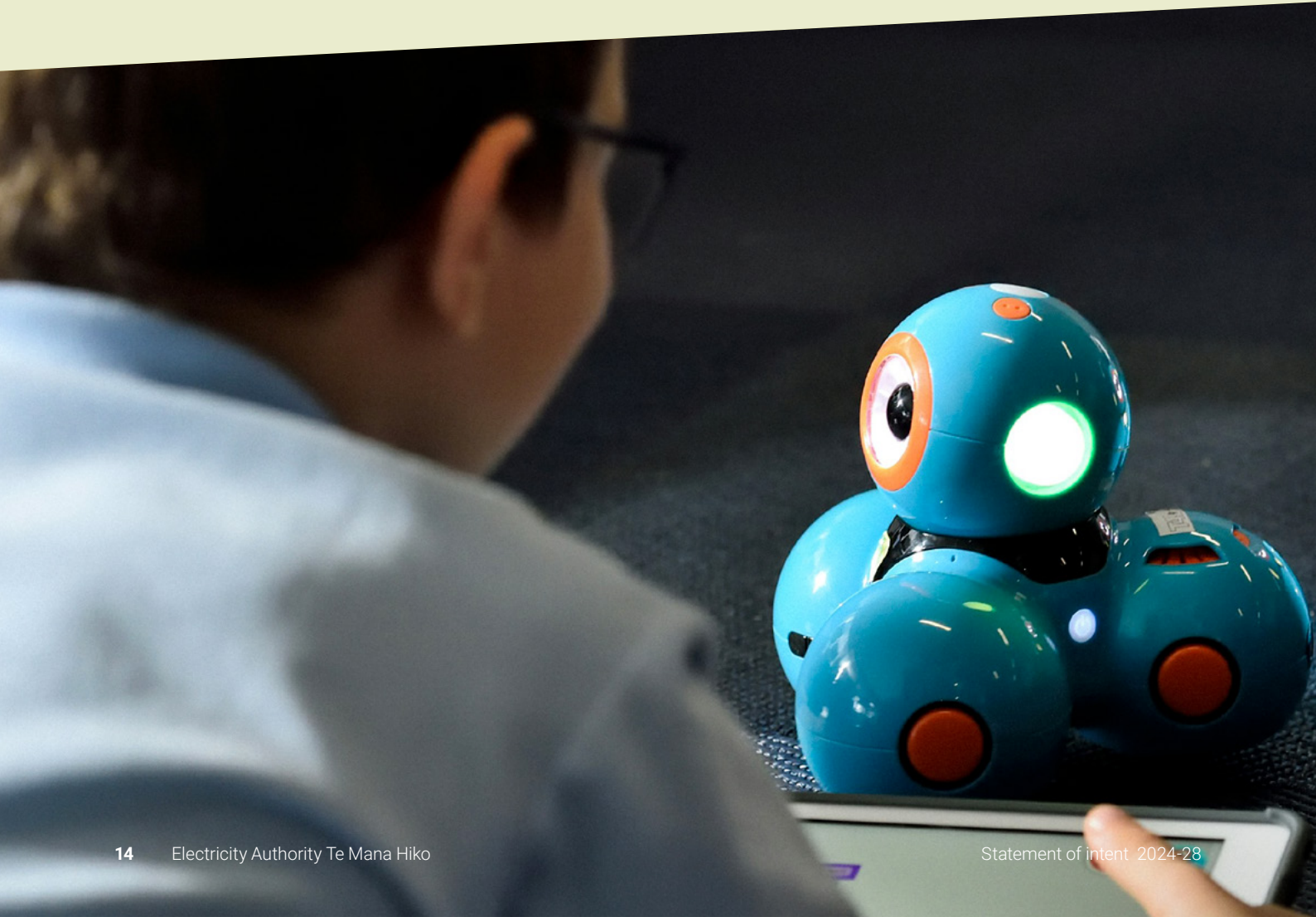
5 Ministry of Business, Innovation and Employment (2023), Electricity Statistics: Data tables for electricity. Available at: mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-statistics-and-modelling/energy-statistics/electricity-statistics/, Annual 2023 figures (accessed July 2024).

OUR STRATEGY

Our strategy reflects our unwavering focus on improving outcomes for electricity consumers.

As New Zealand's electricity regulator, our statutory objectives are to create a competitive, reliable and efficient electricity industry that protects domestic and small business consumers. We have a clear strategy and work programme over the short, medium and long term to achieve our statutory objectives that will improve consumer choice and access to secure and affordable electricity.

Ultimately, our strategy aims to support economic growth and boost wellbeing for all New Zealanders.






OUR VISION AND INTENDED OUTCOMES

Our vision and outcomes give us a clear path to how we exercise our legislative mandate to make a difference and contribute to New Zealand's productivity, growth and wellbeing.

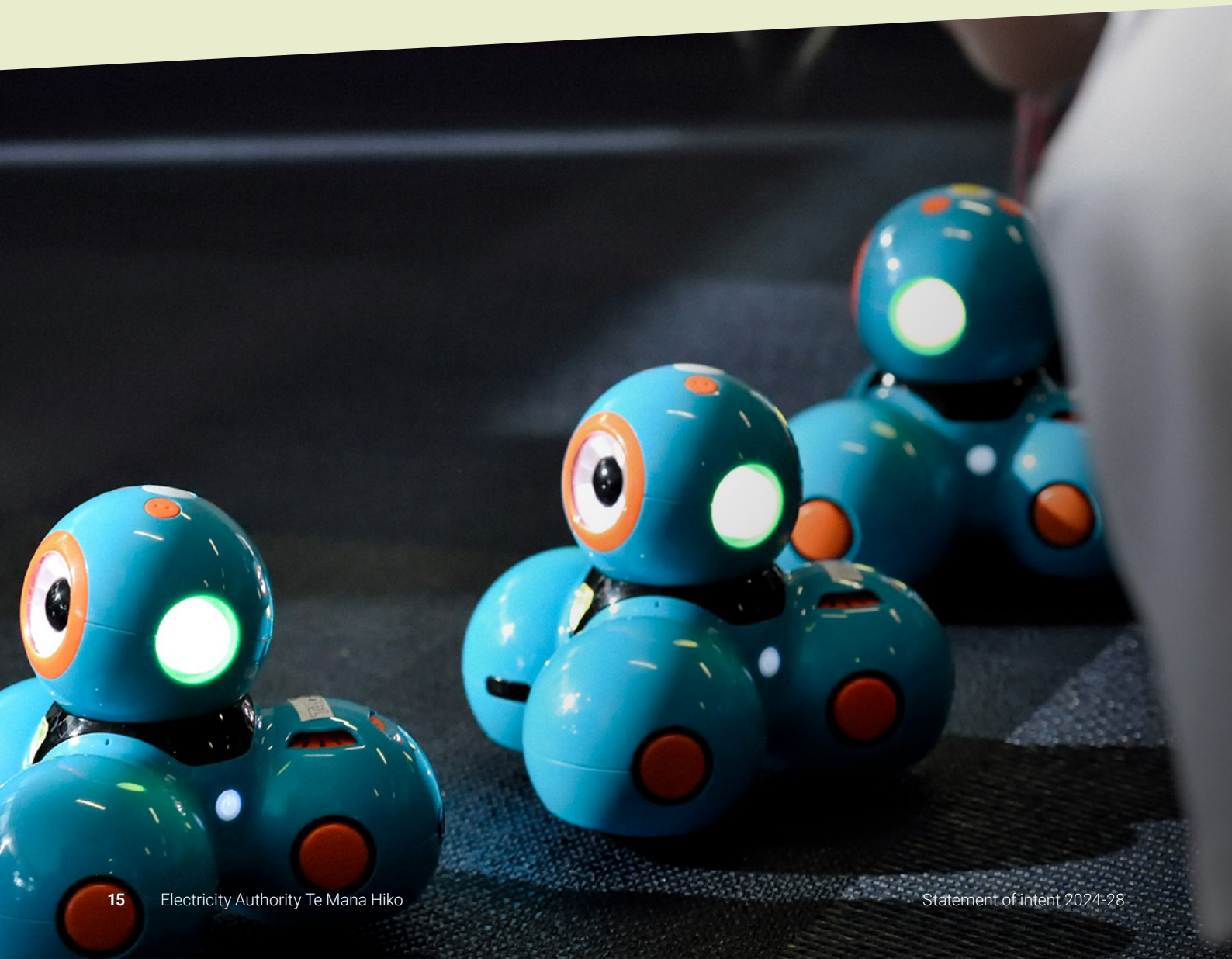
Our vision is for consumers to have choices in accessing the energy they need now, and in the future, to ensure they and New Zealand prosper.

Our intended outcomes are for a secure and resilient, accessible and efficient electricity system. By carrying out our regulatory functions, engaging and collaborating to build trust and confidence in the system and in the Authority, we anticipate improved long-term outcomes for consumers.

This means we are focused on achieving an electricity system that is:

-  **Secure and resilient** – Consumers have trust and confidence in their electricity supply. It's reliable, secure and responsive to shocks.
-  **Accessible** – Consumers have simple, stable options to access affordable electricity. They can choose their electricity supplier(s) from a competitive and efficient market.
-  **Efficient** – Consumers are served by an electricity market that meets their needs, and that adapts and innovates as these needs evolve over time.

Consumer choice and access to electricity for everyone requires a competitive and reliable industry that enables investment and innovation through efficient market signals. It also requires a system in which small business and household consumers are protected when required.






OUR STRATEGIC FRAMEWORK

Our vision

Consumers have choices in accessing the energy they need now, and in the future, to ensure they and New Zealand prosper.






Outcomes

A secure and resilient, accessible and efficient electricity system that improves long-term outcomes for consumers and protects the interests of small consumers.

-  Secure and resilient
-  Accessible
-  Efficient





Regulatory functions

As New Zealand's electricity regulator, under the Electricity Industry Act 2010, our functions are to:

-  Promote market development
-  Monitor, inform and educate
-  Operate the electricity system and market
-  Enforce compliance
-  Protect consumers

Statutory objectives

Our work delivers value to consumers through:

-  Competition
-  Reliability
-  Efficiency
-  Protection of small consumers

SECURE AND RESILIENT



Consumers have trust and confidence in their electricity supply. It's reliable, secure and responsive to shocks.

Consumers and communities are empowered to generate and share electricity, without compromising security and supply. This means a New Zealand electricity infrastructure that keeps the lights on, is fit for purpose and is committed to demand-side flexibility. Flexibility, such as distributed energy resources, provides the system the firming capacity required to manage and bounce back from shocks, including cyber, weather events and natural disasters.

Our country's transition to a net zero emissions economy will require widespread electrification, presenting new challenges to the operation and affordability of the electricity market and security of electricity supply.

THE OUTCOMES WE SEEK

The transmission and distribution system are coordinated to ensure security of supply over hours, days, months and years

Rural, vulnerable and isolated communities are protected against risks to security of supply

Different parts of New Zealand manage the risk and opportunities of the transition in ways that reflect their regional circumstances

KEY ACTIONS TO ACHIEVE OUR OUTCOMES

- Improve understanding of emerging risks to the power system and the competitive market and put plans in place to mitigate these risks
- Improve large energy users' confidence and access to tools to support electrical security of supply
- Enable the transmission and distribution system to accommodate a large increase in renewable generation
- Work closely with industry participants who focus on affordability and security of supply for vulnerable consumers

HOW WE WILL MEASURE PROGRESS

Intended outcome	Measure	Strategic approach	Desired trend	Statutory objectives
The transmission and distribution system are coordinated to ensure security of supply over hours, days, months and years	Participation in demand response and ancillary services	Authority ensures demand response and ancillary service markets match system needs > ensures market settings support participation > participants enter firming capacity into the market > reliable supply	Maintain or increasing	Reliability 
Rural, vulnerable and isolated communities are protected against risks to security of supply	Effective management of dry years or emergency events, as measured by region on a case-by-case basis	Effective management of emergency situations > optimal use of scarce resources minimises probability of loss of supply > reliable supply	Maintain	Reliability 
Different parts of New Zealand manage the risk and opportunities of the transition in ways that reflect their regional circumstances	Consumer awareness of security of supply options available	Authority activities enable a range of security of supply options for consumers > market develops options > consumers aware of options > consumers utilise options > reliable supply, including for small consumers	Increasing	Reliability, Protection of small consumers  

ACCESSIBLE



Consumers have simple, stable access to affordable electricity. They can choose their electricity supplier from a competitive and efficient market.

We want to see households, businesses and communities benefit from the investment in generation and storage.

In having greater levels of access and choice, consumers and communities benefit from a range of efficient and cost-effective electricity solutions. Consumers ultimately have the ability to better manage their electricity use which can help balance supply and demand and stabilise the electricity system.

THE OUTCOMES WE SEEK

Consumers and their agents can use data to make smart electricity use and affordability choices and are rewarded for doing so



Tools and products are available to effectively manage the price volatility from increased renewable generation

Widespread understanding and uptake of flexibility markets – helping reduce overall consumer costs

KEY ACTIONS TO ACHIEVE OUR OUTCOMES

- Improve the accuracy of market price signals to encourage investment in electricity generation
- Support effective competition and market transparency to deliver greater affordability for consumers
- Increase the accuracy and availability of secure real-time electricity data to improve decision making for consumers
- Improve consumer access to the electricity they need and enable consumers to have a voice

HOW WE WILL MEASURE PROGRESS

Intended outcome	Measure	Strategic approach	Desired trend	Statutory objectives
Consumers and their agents can use data to make smart electricity use and affordability choices and are rewarded for doing so	Number of electricity switch web page sessions that progress to a results page	Authority delivers consumer price comparison service and enhances retail settings > consumers have information on a variety of competitive value propositions > consumers switch towards new, more valuable options > competitive market	>20% Potential overseas benchmark	Competition 
Tools and products are available to effectively manage price volatility from increased renewable generation	Improvement in accuracy of intermittent generation forecasts/offers	Authority provides / incentivises more accurate forecasting/offers > participants have confident hedging requirements > more efficient hedge decisions to manage spot market volatility > efficient market	Increasing	Efficiency 
Tools and products are available to effectively manage price volatility from increased renewable generation	Sufficient opportunities to hedge risk of price volatility	Authority ensures efficient hedge market > investors perceive sufficient opportunity to hedge > participants hedge risk to an efficient level > efficient, competitive market	Increasing	Efficiency, Competition 
Widespread understanding and uptake of flexibility markets – helping reduce overall consumer costs	Percentage of ICPs using energy use profiles	Authority encourages reduction in the use of profiles > consumers respond to price signals based on their actual usage > empower consumers to make more efficient decisions > efficient, competitive market	Decreasing	Efficiency, Competition 

EFFICIENT



Consumers can access an electricity system with a mix of renewable generation, storage and technologies that best fits their needs.

We want consumers to be rewarded for making efficient decisions to adapt their electricity use, creating opportunities for them to benefit from minimising system-wide costs. Adapting and innovating is key to enhancing efficiency and meeting these needs as they evolve over time. The changes required, and the speed at which these changes must be implemented, is unprecedented. However, they will enable a sustainable electricity market over the long term.

THE OUTCOMES WE SEEK

Regulation enables widespread uptake of new technologies to benefit consumers






Investors have access to tools and information to support a range of renewable investments

Regulation promotes innovation and supports the low-emissions economy of the future

KEY ACTIONS TO ACHIEVE OUR OUTCOMES

- Enable early adoption of new technologies and business models, including electricity generation, storage and demand-side flexibility
- Build investor, innovator and operator confidence in the electricity market to enable renewable investments
- Proactively identify and address transition-related challenges in advance

MEASURING OUR PROGRESS

Intended outcome	Measure	Strategic approach	Desired trend	Statutory objectives
Regulation enables widespread uptake of new renewable technologies to benefit consumers	Assessment of the Authority prioritising activity that enables renewable investments to achieve net zero by 2050	Authority prioritises renewable enabling activity across all functions > assessment shows Authority prioritisation enables investment in renewables > increased investor confidence > greater uptake of renewables than otherwise > competitive market, reliable supply	Baseline first year Increasing following years	Competition, Reliability  
Investors have access to tools and information to support a range of renewable investments	Enhanced visibility of tools and information available	Authority provides visibility of renewable investment pipeline > increased investor awareness and certainty > more efficient investment decisions > competitive market, reliable supply	Maintain	Competition, Reliability  
Regulation promotes innovation and supports the low-emissions economy of the future	An accessible and transparent Code exemptions and amendment request process	Authority enhances its exemption / amendment processes > fewer perceived barriers to innovation > greater investment in innovation > competitive market	Increasing	Competition 

OUR GOVERNANCE

OUR BOARD

The Electricity Authority is governed by a Board of five to seven members, each appointed by the responsible minister, the Minister for Energy. The Board has the authority to exercise the Authority's statutory powers and perform its functions. It also sets the Authority's strategic direction and is responsible for its effective governance, accountability and performance.

In addition to the strategic objectives of the organisation, the Board has a clear focus on effective and efficient management of the Authority, addressing the issues raised in the Strategic Baseline Review and meeting the expectations of Crown entity boards to:

- drive greater value for money and achieve better results for the people they serve
- fully understand and account for cost and performance drivers against key outcomes
- continuously improve the responsiveness and efficiency of the services and activities the Authority delivers.

The Board delegates the day-to-day management of the Authority to the Chief Executive and senior leadership team.

The Board is accountable to Parliament and reports to the Minister for Energy. The Board undertakes an annual performance self-evaluation and shares the results with the Minister's representatives.



Anna Kominik
Chair



Allan Dawson*



Dr Cristiano Marantes



Paula Rose QSO



Lana Stockman*



Erik Westergaard

*Term expires on 8 October 2024.

BOARD COMMITTEES

Our Board has three committees: Audit and Finance, Compliance and Market Operations. From time to time the Board also establishes committees for the duration of specific programmes of work, for example the Board has recently established a Transmission Pricing Methodology subcommittee.

Committee	Description
Audit and Finance Committee	<ul style="list-style-type: none"> • Advises on the quality and integrity of our financial reporting and oversees and assesses the internal audit process. • Considers whether appropriate governance, policies and operating processes are in place to identify and manage risk.
Compliance Committee	<ul style="list-style-type: none"> • Makes decisions on alleged breaches of the Electricity Industry Act 2010, its regulations and the Electricity Industry Participation Code 2010. • Determines appropriate enforcement responses and whether settlements should be approved or further investigation undertaken. • Makes recommendations to the Board about laying formal complaints with the Rulings Panel and instigating prosecutions.
Market Operations Committee	<ul style="list-style-type: none"> • Oversees the governance, performance and administration of our major contracts, including our market operation service providers. • Sets strategic directions and oversees major contract procurement processes and procedures.

ADVISORY AND TECHNICAL GROUPS

The Electricity Industry Act 2010 sets a requirement for us to establish the Security and Reliability Council and one or more other advisory groups to provide independent advice on the development of the Code and on market facilitation. It also requires us to publish a Charter for Advisory Groups. From time to time the Authority also establishes technical groups to support particular workstreams.

The Authority currently has the following advisory and technical groups.

Advisory and technical group	Scope of advice
Common Quality Technical Group	Common quality requirements contained in Part 8 of the Code.
Electricity Authority Advisory Group	Work programme and practical implications of regulatory decisions for consumers and stakeholders.
Network Connections Technical Group	Potential amendments to the Code to make network connections quicker, easier and more consistent.
Security and Reliability Council	Performance of the electricity system, the system operator, and on reliability of supply issues.
Standing Data Formats Group	New file formats and any changes to file formats required for the exchange of information.
Switch Technical Group	Amendments to the switching process to ensure it remains fit for purpose.



OUR ORGANISATIONAL CAPABILITY

Our capacity and capability is critical to our success. As the electricity industry transforms and faces uncertainty, there are increasing expectations on our costs and performance.

Success in delivering our strategy and outcomes requires us to have a strong and diverse skill set to navigate and advise on a technically complex and increasingly ambiguous environment.

The Authority is actively working to invest in our people and systems, to build the capacity and technical capability needed to deliver on our expectations whilst delivering greater value for money. We are focused on working smarter, more efficiently, and building a strong culture that attracts and retains the talent needed to deliver our statutory objectives, functions and strategic framework.

HIGH-PERFORMING PEOPLE

Our people and capability strategy is about building a healthy, safe and high-performing workplace. One that attracts, retains and grows great quality people who embrace our values and behaviours and strive to deliver excellent work at all times.

Our medium-term people and capability priorities include:

- reducing staff turnover and developing our people
- supporting our people to deliver excellent work, working smarter, more efficiently and effectively to deliver outcomes more quickly
- building leadership capability, identifying and developing emerging leaders and supporting staff to develop to their full potential
- embedding our vision, values and behaviours to support our transformation to an organisation that is more strategic, proactive and performance-focused
- reducing our gender and ethnicity pay gaps
- supporting our inclusion and diversity journey to embed a stronger culture of equity, diversity and inclusion
- improving our health, safety and wellbeing management.

GOOD FINANCIAL MANAGEMENT

We are focused on sound economic management of our assets, finances, capital expenditure and investments. We continuously seek ways to work smarter, and to generate efficiencies and savings in how we operate to deliver greater value from the funds we receive. We aim to ensure public money is allocated effectively and prioritise work that delivers the most value against our statutory objectives and outcomes framework.

Our medium-term financial priorities include:

- maintaining downward pressure on the use of contractors and consultants
- reviewing and strengthening our commercial management towards an enhanced understanding of cost drivers and ensuring effective cost management
- reviewing and enhancing our financial systems, policies and processes
- reviewing and monitoring our service provider contracts to ensure they deliver continued value for money.

GOOD DATA AND INFORMATION MANAGEMENT

We will improve the data and information systems we use to be more effective and efficient at delivering our work.

In November 2023 we established an Information Governance Group as a decision-making body to assist our management team to govern and manage the Authority's information assets. The group works to ensure the effective management, protection and regulatory compliance of information assets held by and for the Authority.

Our medium-term data and information management priorities include:

- a new document management system to consolidate and facilitate data and information sharing. It will classify, retain and dispose of documents in line with the Public Records Act 2005
- progressing activities to become compliant with the Privacy Amendment Bill 2023
- improving our technical capabilities, including introducing smarter systems that reduce the cost of compliance on industry participants
- improving access and security of our information systems.

REDUCING OUR CARBON EMISSIONS

We take active steps to use office resources better and reduce waste in our workplace.

Our main sources of greenhouse gas emissions are travel and electricity to power our office. We measure and report on these emissions and aim to reduce them over time, in line with the governments' target of net zero emissions by 2050 and the Climate Change Commission's recommendations.

EFFECTIVE RISK MANAGEMENT

Our Board is responsible for our risk management framework in the context of our changing operating environment. They set clear expectations about the level of risk the Authority is willing to accept in pursuing its strategic objectives and operating plans for each material risk. The Board takes care to ensure that strong evidence and evaluation practices are applied when analysing the impact of the services we deliver.

The Board delegates authority to the Audit and Finance Committee to develop and monitor our compliance with financial reporting and risk management, including overseeing the internal audit function. This committee reports regularly to the Board on its activities.

Our medium-term risk priorities include:

- revising our risk management plan to align and embed our updated risk appetite statements across the organisation
- integrating our policies, procedures, and guidelines as a foundational component for risk management
- rolling out better process management to enhance resilience with the Authority
- improving execution of our internal assurance activities
- enhancing our incident management and business continuity capability.

**Secure
& resilient**



Accessible



Efficient



