

Market 2.0: Resilient, affordable electricity for the future

Market Development Advisory Group: quarterly implementation update April to June 2025

MDAG's final report had 31 recommendations under four themes: *Accurate and efficient pricing*, *Tools and incentives to manage risk*, *Sufficient competition*, and *Public trust and confidence*.

All 31 recommendations are included on this dashboard. They are either complete, part of the Authority's current work programme, or are to be considered for future work.

The loading bars indicate progress made by the Authority. The solid bar shows progress in previous quarters and the dashed bar shows progress in the most recent quarter.

Accurate and efficient pricing

With a much greater range of players and more physical resources to coordinate, it is even more important for price signals to be accurate and clear.

Tools and incentives to manage risk

Market participants need access to better tools to efficiently manage their risks and to provide signals to guide longer term decisions – especially investment in generation, storage, and demand-side capability.

Sufficient competition

Effective competition puts downward pressure on costs and prices, particularly by promoting continuous improvement and innovation.

Public trust and confidence

Confidence in our electricity system is key in enabling the innovation and investment that will deliver reliable and clean supply at least cost for consumers.

Completed recommendations (9 of 31)

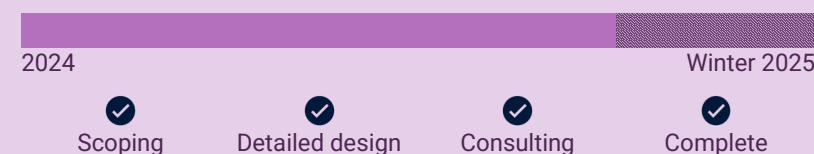
2 Hedge market transparency

Phase: Code changes took effect 31 October 2024



7 Stress testing enhancements

Phase: Renewed stress test regime implemented



8 Standardised flexibility products

Phase: Standardised super peak product began trading in January 2025



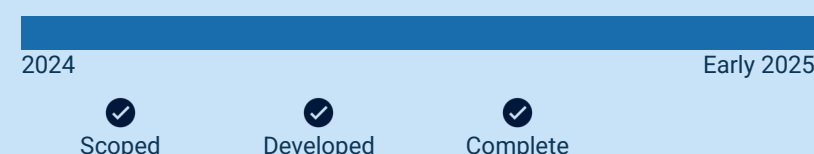
12 Competition dashboard - flexibility

Phase: Developing specific indicators for inaugural dashboard



13 Virtual disaggregation high-level outline

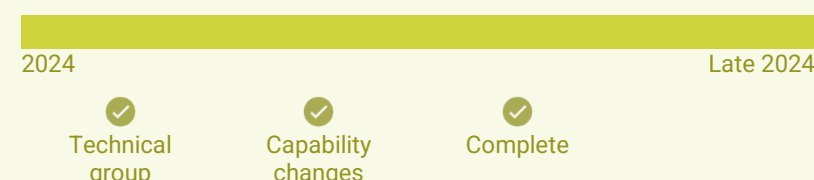
Phase: Published through Energy Competition Task Force



The outline for virtual disaggregation was published as part of the 'Level Playing Field' measures from the Energy Competition Task Force. Further work is subject to decisions following consultation on these measures.

14 Future security and resilience project (governance)

Phase: Governance and technical groups include economic expertise



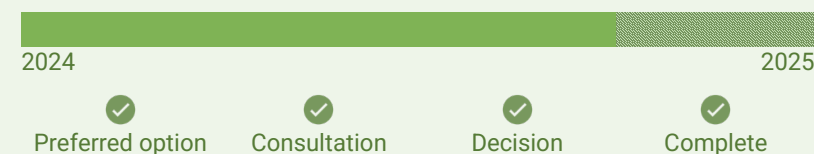
15 Seasonal outlook report

Phase: Supporting Transpower's security of supply reporting



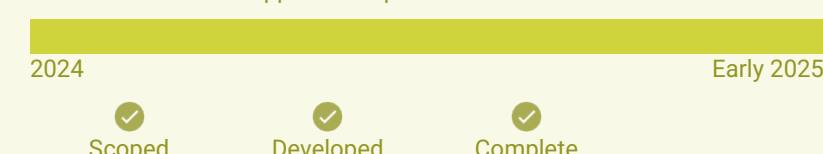
17 Information on development pipeline

Phase: Receiving new information on generation development



22 Information programme for opinion-makers

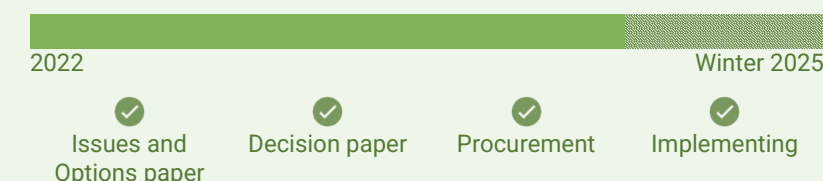
Phase: New comms approach implemented



Recommendations underway (13 of 31)

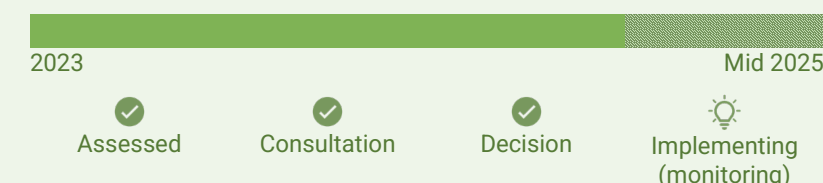
1 Short-term forecasts (solar and wind)

Phase: Procurement finished for centralised forecaster



3 Demand-side flexibility activity monitoring

Phase: Preparing to publish new information on retail market

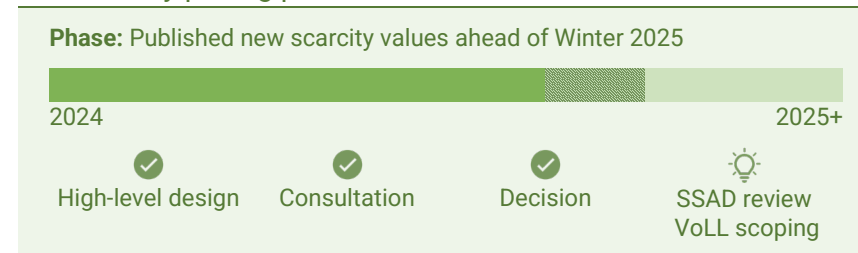


Multiple projects contribute to this recommendation: [Improving retail market monitoring](#), [Demand-side flexibility survey](#). The current status above relates to monitoring; the retail data for the flexibility survey will be collected by August 2025.

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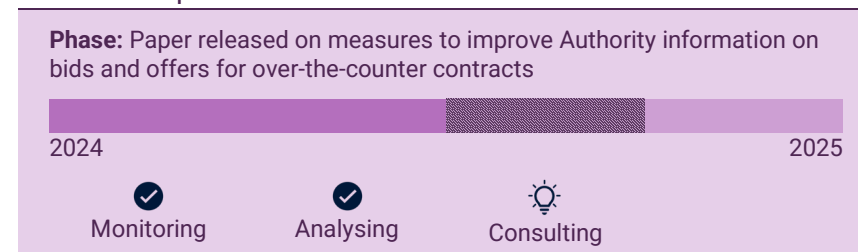
16 Scarcity pricing parameters



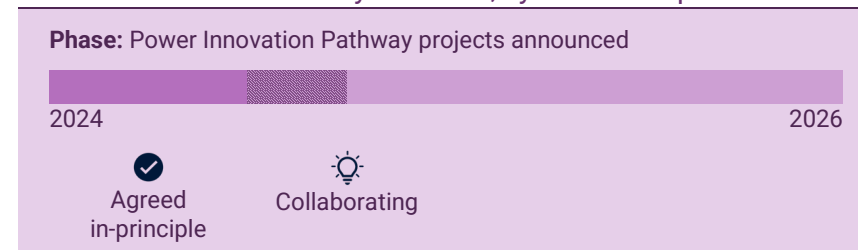
6 New reserve product



9 Contract process disclosure rules

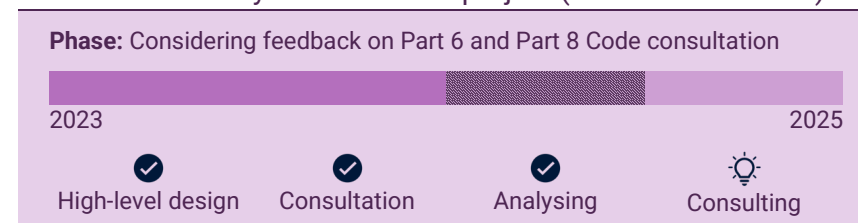


10 Demand-side flexibility interface, systems and protocols

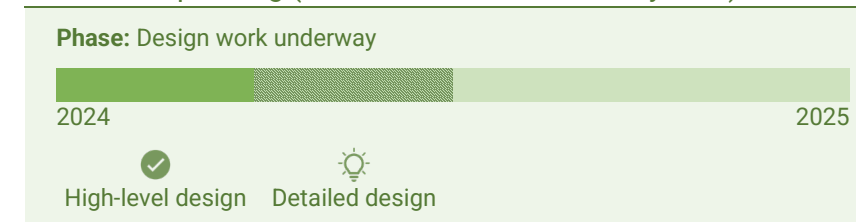


Broad-based trials anticipating contributions from other agencies; Authority primarily responsible for Code changes if required to formalise protocols

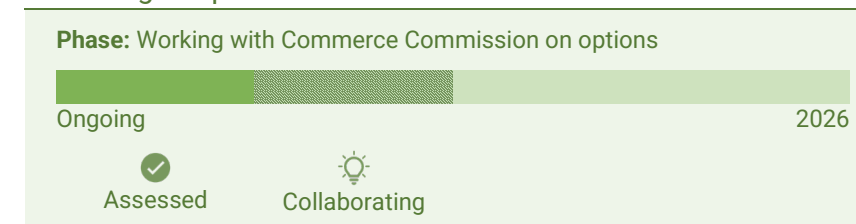
11 Future security and resilience project (as it relates to DSF)



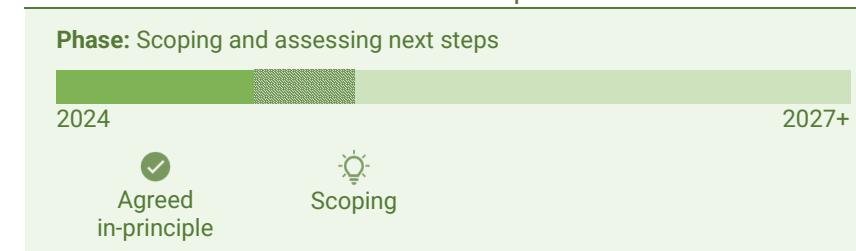
18 Sunset profiling (reconciliation on half-hourly data)



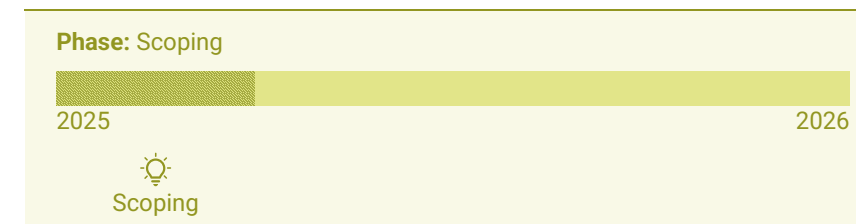
4 Pricing to optimise distribution investment



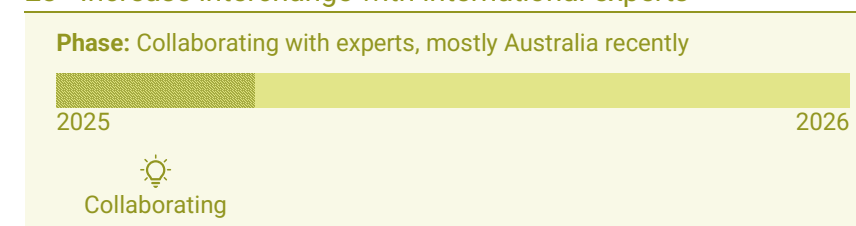
5 Price-driven secure distribution dispatch



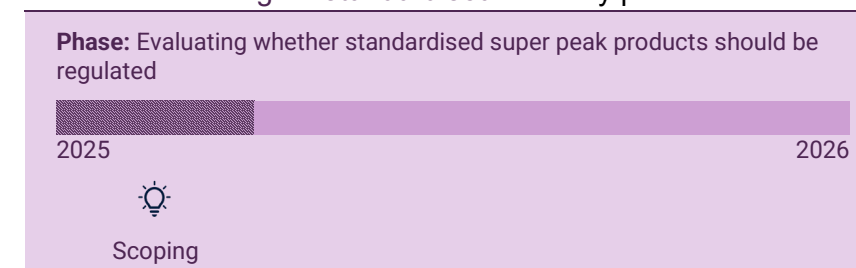
20 Consumer awareness of DSF



23 Increase interchange with international experts



24 Market making for standardised flexibility products



Recommendations not yet begun (9 of 31)

19 Network capacity in DSF dispatch. Ensure distribution network capacity is reflected in wholesale demand-side flexibility dispatch.

21 Monitoring and enforcement of Code. Enhance monitoring and enforcement of the Code with more autonomy.

25 WoF for regulatory agencies. Establish periodic warrant of fitness reviews for independent regulatory agencies.

26 UTS over-ride. Remove undesirable trading situations over-ride of trading conduct provisions.

27 Ahead market. Investigate and develop an ahead market.

28 Market making for longer-dated futures. Enhance price discovery by requiring market-making for longer dated futures.

29 Negative offers/prices. Allow negative offers/prices in the wholesale market as a tool to signal oversupply.

30 'Last resort' DSF scheme. Develop a procurement process for 'last resort' demand-side flexibility

31 Virtual disaggregation. Implement virtual disaggregation of the flexible generation base (using outline developed under recommendation 13).