# Market 2.0: Resilient, affordable electricity for the future

## Market Development Advisory Group quarterly implementation update July to September 2025

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

All the initiatives on this dashboard are part of the Authority's current and upcoming work programme. The remaining recommendations in Tranche 2 and Tranche 3 will be considered and incorporated into our work programme over time.

The loading bars indicate progress made by the Authority. The solid bars show progress in previous quarters. The dashed bar shows any 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.

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## **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 (13 of 31)

1 Short-term forecasts (solar and wind)



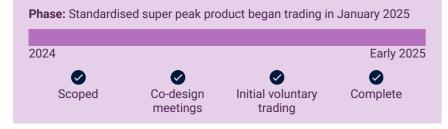
2 Hedge market transparency



7 Stress testing enhancements



8 Standardised flexibility products



9 Contract process disclosure rules



12 Competition dashboard - flexibility



13 Virtual disaggregation high-level outline



14 Future security and resilience project (governance)



15 Seasonal outlook report



17 Information on development pipeline



22 Information programme for opinion-makers



23 Increase interchange with international experts



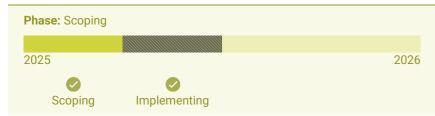
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#### Completed recommendations (13 of 31) (continued)

#### 20 Consumer awareness of DSF



#### Recommendations underway (11 of 31)

#### 3 Demand-side flexibility activity monitoring



Multiple projects contribute to this recommendation and include the completed demand side flexibility survey. The status above relates to <a href="Improving retail market monitoring">Improving retail market monitoring</a>,

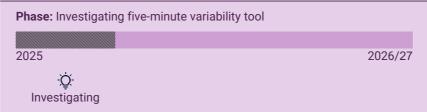
#### 4 Pricing to optimise distribution investment



#### 5 Price-driven secure distribution dispatch



#### 6 New reserve product



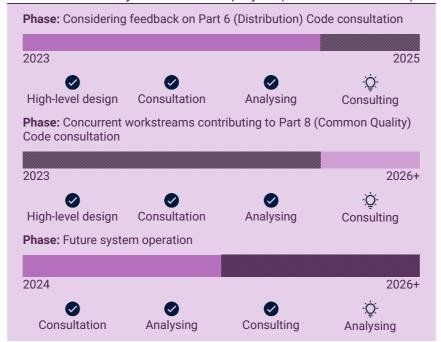
This is part of a range of initiatives designed to support security of supply during peak electricity demand

#### 10 Demand-side flexibility interface, systems and protocols



A second round of applications for opened in October 2025.

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



Multiple projects contribute to this recommendation: Part 6 Code review , Part 8 Code review, <u>Future system operation</u> , <u>Dispatch notification enhancements</u> were completed in February 2024.

#### 16 Scarcity pricing parameters



A scarcity pricing parameters update was completed in April 2025. Work on Volume of Lost Load is expected to begin in 2026.

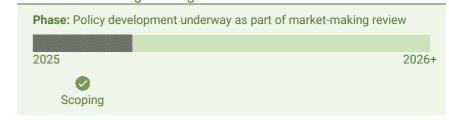
#### 18 Sunset profiling (reconciliation on half-hourly data)



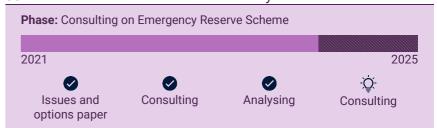
#### 24 Market making for standardised flexibility products



#### 28 Market making for longer dated futures



#### 30 'Last Resort' Demand Side Flexibility Scheme



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## Recommendations not yet begun (7 of 31)

- 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.
- 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.
- Ahead market. Investigate and develop and ahead market.
- 29 Negative offers/prices. Allow negative offers/prices in the wholesale market as a tool to signal oversupply.
- Virtual disaggregation. Implement virtual disaggregation of the flexible generation base (using outline developed under recommendation 13).