

Network Services Technical Group Terms of Reference - updated

1. Introduction

- 1.1. This document specifies the operational and governance matters for the Network Services Technical Group (NSTG).

2. Function of the NSTG

- 2.1. The Authority is delivering a work programme to ensure regulatory settings support efficient network services into the future. Network services must evolve as the traditional use of networks shifts towards more distributed generation (DG), more flexible electricity use, and increasing demand to connect DG and load to networks.

‘Network services’ in this context means the services that distributors provide which support:

- (a) the efficient connection of load and distributed generation to networks, including distributors’ operating processes up to and following the connection, construction and commissioning process
 - (b) operating networks in a way that facilitates consumer choice about how they manage and use their load and/or DG
 - (c) improved understanding of the state of networks (eg, existing constraints or spare capacity, or forecast constraints or capacity), to support innovation, consumer choice, and better network management and planning.
- 2.2. The NSTG is a technical group that will assist the Authority with projects to make the distributor sector more efficient, delivering long-term benefits for consumers and New Zealand as a whole.

3. Purpose and scope of the NSTG

- 3.1. In accordance with the NSTG’s function described in clause 2.1, the NSTG’s purpose is to provide advice to the Authority on projects that will deliver more efficient networks. This advice may include:
- (a) how to support the improved visibility of networks for distributors, consumers, and access seekers
 - (b) how to improve small-scale DG application processes
 - (c) how to make the fees charged by distributors to process applications more efficient
 - (d) how to support an emerging flexibility services market (eg, dynamic operating envelopes, smart inverters)

- (e) how to improve the ongoing operational terms for connected parties (eg, terms and conditions for connection and remaining connected, including capacity rights)
 - (f) how to improve competition for network services (eg, downstream capital works, network studies)
 - (g) comment on reports or analysis by consultants or the Authority relating to network services
 - (h) technical review of consultation documents prior to public consultation
 - (i) review of submissions on consultation documents
 - (j) if requested by the Authority, providing comment on matters arising during work to improve the efficiency of network services.
- 3.2. If the NSTG identifies issues outside of its scope, it should refer these back to the Authority with a recommendation on further work required.
- 3.3. In performing its role, the NSTG should ensure its advice is consistent with the Authority's statutory objectives as set out in section 15 of the Electricity Industry Act 2010.

4. Appointment of members

- 4.1. The Authority will appoint ordinary members of the NSTG after calling for nominations and considering nominees against the membership criteria set out in clauses 5.1 and 5.2.
- 4.2. The Authority will appoint ordinary members by written notice. The notice will state the date the appointment takes effect and state the term of the appointment.
- 4.3. The NSTG will comprise ordinary members who between them have appropriate knowledge and experience to provide advice to the Authority that fulfils the function of the NSTG as described in clause 2.1.
- 4.4. The Authority is targeting the appointment of 10-12 ordinary members to the NSTG. However, the Authority may appoint more or less ordinary members.
- 4.5. The Authority reserves the right to appoint additional members if it deems this is necessary to fulfil the functions of the technical group.
- 4.6. All ordinary members of the NSTG must provide impartial advice to the Authority regardless of whether or not they are independent persons.
- 4.7. A senior member of the Authority's staff will chair the NSTG.
- 4.8. The chair is a member of the NSTG. Accordingly, provisions in these terms of reference that apply to ordinary members also apply to the chair. However, provisions specific to the chair take precedence.
- 4.9. Representatives of the Authority in addition to the chair are entitled to attend NSTG meetings and participate in discussions but are not members of the NSTG.

5. Membership criteria

- 5.1. The Authority will appoint members to the NSTG based on their level of knowledge and experience of networks. The NSTG will collectively have detailed knowledge and experience of, for example:
- (a) the challenges to an efficient distribution sector and how the Code could help to address those challenges, particularly for small-scale DG
 - (b) the customer journey from beginning (eg, looking to connect) to end (eg, permanently disconnecting) and how the Code may assist this journey
 - (c) the roles and responsibilities of distributors, access seekers and other parties (eg, meter equipment providers, DG installers) and how the Code can assist these parties to improve network services
 - (d) the Code, including Part 6 *Connection of distributed generation*, Part 6A *Separation of distribution from certain generation and retailing*, Part 12A *Distributor agreements, arrangements, and other provisions*
 - (e) distributor processes and procedures that are outside the Code that may influence network connections, maximise the benefits of DG, or enhance visibility over networks (eg, congestion policies, connection and operation standards, load management protocols).
- 5.2. The Authority is not expecting an individual member of the NSTG to have all the requisite knowledge and experience required of the technical group in aggregate.
- 5.3. The Authority will also consider a nominee's ability to consider the long-term interests of consumers, provide impartial advice, and contribute effectively to the NSTG's tasks.

6. Term of appointment

- 6.1. The Authority will ordinarily appoint members of the NSTG for a period of 2 years.
- 6.2. Despite clause 6.1, the Authority may, at its discretion:
- (a) extend a member's term (with the member's agreement)
 - (b) appoint a member for a period of less than 2 years.
- 6.3. Members may resign by written notice to the Authority, stating the date on which the resignation takes effect.
- 6.4. The Authority may, after consultation with the person concerned, end a person's membership of the NSTG by written notice to the person (with a copy to the NSTG), stating the date on which the membership ends.

7. Functions of the chair

- 7.1. The key functions of the chair include:
- (a) managing the NSTG's activities to facilitate the timely delivery of the NSTG's work
 - (b) facilitating discussions between members of the NSTG in a manner that will stimulate robust debate on issues and encourage effective contribution from members

- (c) guiding relevant and effective discussions while ensuring that genuine disagreements and conflicts are aired and, if possible, resolved
 - (d) ensuring proper and correct minutes are kept of all proceedings at meetings of the NSTG
 - (e) ensuring the views of the NSTG are accurately represented in any papers or correspondence to the Authority, and approving and signing on behalf of the group any such communications
 - (f) if required, attending Authority Board meetings to present the NSTG's advice.
- 7.2. When making representations to the Authority on any aspect of the NSTG's work and advice, the chair must take care to provide a balanced representation of the views held by the members of the group.
- 7.3. The Authority may appoint a member of the Authority's staff or a member of the NSTG to be a temporary deputy chair, who may exercise all the functions and powers of the chair in relation to a matter if the chair is unavailable.

8. Responsibilities of members

8.1. Members of the NSTG must:

- (a) comply with the requirements set out in these terms of reference
- (b) be available for all meetings unless granted leave by the chair
- (c) read all papers circulated to the NSTG, and actively contribute to the group's discussions
- (d) inform the chair of any actual or potential conflicts of interest that may affect their ability to perform their functions as a member of the NSTG in accordance with the rules in sections 62 to 72 of the Crown Entities Act 2004 and these terms of reference
- (e) carry out the tasks that are assigned to the NSTG arising from the agenda for each meeting.

8.2. Members must remain mindful that:

- (a) they have been appointed for their knowledge and experience as well as their ability to participate constructively in meetings of the NSTG
- (b) they have been appointed to act in their personal capacity and not as representatives of organisations, and they are to provide independent advice as a group, even though they may not be independent persons
- (c) an expected contribution of the NSTG is to reconcile divergent views and interests in the group, and among wider stakeholders, in ways that promote the Authority's statutory objectives, and in a manner that achieves wider stakeholder "buy in". This requires serious intent by all members to understand alternative views and find workable solutions.

8.3. The requirements in clause 8.2 mean that a member's role is to act in the best interests of all stakeholders irrespective of the organisation that they may be associated with.

8.4. Ordinary members of the NSTG must also be mindful that Authority staff and external advisors are free to form their own views on the matters discussed by the NSTG. The Board of the Authority expects members of the NSTG to respect the different roles that

Authority staff and external advisors play in assisting the group and advising the Board of the Authority.

- 8.5. In relation to non-confidential meeting papers, members may obtain input from anyone if they consider this appropriate and useful to the NSTG undertaking its function. However, members should remind these people of the requirement to keep information confidential until meeting minutes are published (see clause 13.2).

9. The NSTG's authority

- 9.1. The Authority is responsible for ensuring the NSTG is resourced appropriately to perform its function as described in clause 2.1.
- 9.2. The NSTG does not have the authority to commission analysis or to commit resources and expenditure. However, the NSTG may recommend to the Authority resources, external to the Authority, which the NSTG considers to be necessary to perform its function.
- 9.3. Ordinary members of the NSTG have no media relations role and may not speak on behalf of the Authority or the group in regard to matters on which the group has advised, or is advising, the Authority. The Authority is solely responsible for all media relations.

10. Interaction with the Authority

- 10.1. The chair is the Authority's representative to the NSTG.
- 10.2. The chair is accountable to the Authority for the successful and effective functioning of the NSTG.
- 10.3. Standard day-to-day interaction between the NSTG and the Authority will be via the chair unless the chair agrees otherwise.
- 10.4. If a member of the NSTG has any significant concerns, including (for example) in relation to the operation of the NSTG, these are to be raised with the chair in the first instance.

11. Procedure and administration

- 11.1. The NSTG may determine its own procedures, except as provided for in these terms of reference.
- 11.2. The business and activities of the NSTG must be as transparent as practicable.
- 11.3. The Authority will provide administrative and secretariat support to the NSTG.
- 11.4. In its capacity as secretariat, the Authority will:
- (a) schedule meetings of the NSTG
 - (b) set the agenda for each meeting
 - (c) give reasonable notice of meetings to each member, including details as to the time and venue of meetings
 - (d) distribute all meeting papers to members in advance of meetings, using reasonable endeavours to circulate papers at least 5 business days prior to meetings to enable members to properly consider the content of the papers

- (e) publish non-confidential meeting papers on the Authority's website as soon as practicable after the papers have been distributed to members
 - (f) publish minutes of all meetings on the Authority's website as soon as practicable after their confirmation.
- 11.5. Consensus among NSTG members is the optimum result although the Authority recognises this may not always be possible. In such circumstances, the NSTG's advice must reflect the views raised by all members, and all such views must be reflected in the minutes of that particular NSTG meeting.
- 11.6. Any e-mails sent by a member of the NSTG about any substantive aspects of the group's business should be copied to:
 - (a) all members of the NSTG and
 - (b) the Authority secretariat.

12. Provision of advice to the Authority

- 12.1. In formulating advice to the Authority, the NSTG must explain how any recommendations promote the Authority's statutory objectives.

13. Confidentiality

- 13.1. Subject to clause 13.2, unless there is a specific reason to the contrary, information (eg, reports) going to, or produced by, the NSTG or its members will be treated as non-confidential. This information is subject to the Official Information Act 1982. The Authority will only withhold information if it considers there are grounds for doing so under the Official Information Act.
- 13.2. Members are expected to keep all information and reports provided to the NSTG members confidential until after the relevant meeting minutes are published (unless the information is specifically identified as confidential). If information shared at meetings is specifically identified as confidential, the published minutes will record that information by an oblique reference.
- 13.3. Non-confidential information (eg, reports) may be published on the Authority's website.

14. Frequency of meetings

- 14.1. The NSTG must meet as required to fulfil its function as described in clause 2.1. The NSTG is expected to convene for around 6-8 meetings over the term of its 2-year appointment.

15. Methods of holding meetings

- 15.1. A meeting of the NSTG may be held by a number of the members who constitute a quorum, being assembled together at the time and place appointed for the meeting.
- 15.2. Meetings may be held in person or by means of audio, audio and visual, or electronic communication provided that all of the members who wish to participate in the meeting

have access to the technology needed to participate and a quorum of members can simultaneously communicate with each other throughout the meeting.

16. Quorum

- 16.1. A quorum for a meeting of the NSTG is a majority of its members, including the chair.
- 16.2. No business may be transacted at a meeting of the NSTG if a quorum is not present.

17. Attendance

- 17.1. Members are not entitled to send an alternate in their place if they cannot attend a meeting of the NSTG.
- 17.2. Any ordinary member of the NSTG who, without leave from the chair, misses two consecutive meetings of the NSTG is deemed to have resigned from the NSTG except where there are identified extenuating circumstances such as illness.
- 17.3. If the chair considers that a member's absence from two consecutive meetings is likely to disadvantage the NSTG, the Authority may appoint a new member to replace the absent member as though the absent member had resigned. Any such appointment must be carried out in accordance with clauses 4.1 and 4.2.
- 17.4. The chair may invite non-members (in addition to Authority representatives) to attend a meeting of the NSTG. The invited party may participate in discussions but is not a member of the NSTG, or part of the quorum.

18. Conflicts of interest

- 18.1. The Authority will require each member of the NSTG to comply with the conflict-of-interest disclosure rules in sections 62 to 72 of the Crown Entities Act 2004 as if the group were a statutory entity.
- 18.2. If a member of the NSTG is required to make a disclosure under these rules, the member must make the disclosure to the Authority as well as to the group.

19. Process for handling concerns about performance

Concerns about the performance of ordinary members

- 19.1. Any person concerned about the performance of a member of the NSTG should discuss those concerns with the chair.
- 19.2. If the chair considers action is warranted, the chair must:
 - (a) discuss the matter with the member concerned and give the member an opportunity to state their view
 - (b) if the discussion does not resolve the matter to the chair's satisfaction, provide written notice to the member stating the concerns and the desired corrective action
 - (c) if the member is affiliated with an organisation, inform relevant people at the member's affiliated organisation of the matter, if appropriate, prior to sending the written notice

- (d) if the member fails to address the concerns specified in the written notice, provide the member with an opportunity to discuss the matter further and, if appropriate, discuss the matter with the affiliated organisation
 - (e) if not satisfied after due consideration of the member's explanation, inform the member and the affiliated organisation, if appropriate, that the chair will recommend to the Authority's Chief Executive that the member's appointment be terminated.
- 19.3. Any discussions with a member's affiliated organisation under clause 19.2 must not compromise the ability of the member to act in their personal capacity in relation to the advice the member contributes to the NSTG. The sole purpose of these discussions is to inform the affiliated organisation of the situation and to gather information about extenuating circumstances the chair may need to take account of in their handling of the situation.
- 19.4. The Authority's Chief Executive, on receiving a recommendation under clause 19.2(e), must be confident the processes in clause 19.2 have been satisfactorily complied with. If appropriate, the Authority's Chief Executive may also discuss the matter with the Chief Executive of the member's affiliated organisation.
- 19.5. If the Authority's Chief Executive agrees with a recommendation made under clause 19.2(e), the Chief Executive may terminate the member's appointment to the NSTG.

Concerns about the performance of the chair or other Authority staff

- 19.6. Any person involved with the NSTG who is concerned about the performance of the chair or other Authority staff should discuss those concerns with the Authority's Chief Executive.
- 19.7. The Chief Executive will determine the appropriate actions to be taken in response to such concerns.

Concerns about the performance of other personnel

- 19.8. Any person involved with the NSTG who is concerned about the performance of a contractor or external consultant associated with the NSTG should discuss those concerns with the chair.
- 19.9. The chair, in consultation with the Authority's Chief Executive, will determine the appropriate actions to be taken in response to such concerns.