

MINUTES

Meeting number: 39

Venue: Boardroom, The Electricity Authority, Level 7, 2 Hunter Street, Wellington Central

Time and date: 9.30am until 3.30pm, Wednesday 1 June 2022

Members Present

- Hon Heather Roy (Chair)
- Barbara Elliston
- Ben Gerritsen
- Mike Underhill
- Nanette Moreau
- Nathan Strong
- Paula Checketts
- Phil Gibson (left at 11.05am)

In attendance

Name	Title	Agenda item # attended
<u>Electricity Authority (Authority):</u>		
James Stevenson-Wallace	Chief Executive	9.56am-10.51am and 10.53am-3.20pm
Andrew Doube	General Manager Market Policy	9.30am-9.36am and 9.56am-11.24am
Grant Benvenuti	Principal Advisor, Operations	#1-2 and #4-12 (from 9.30am-9.36am and 9.56am-3.20am)
James Blake-Palmer	Senior Analyst Policy (Secretariat)	#1-2 and #4-12 (from 9.30am-9.36am and 9.56am-3.20am)
Judy Lu	Project Coordinator, Market Policy - Wholesale (Minute taker)	#1-2 and #4-12 (from 9.30am-9.36am and 9.56am-3.20am)
Joey Au	Chief Strategy Officer	#11 (from 2.30pm-2.58pm)
Alistair Dixon	Principal Advisor, Strategy	#11 (from 2.30pm-2.58pm)
<u>Other:</u>		
John Rampton	Chief Advisor, Regulatory Performance, Commerce Commission	#8a (from 10.48am-11.26am)
Jo Perry	Acting Head of Performance and Understanding, Commerce Commission	#8a (from 10.48am-11.26am)
Tim Hewitt	Acting Regulatory Performance Manager, Commerce Commission	#8a (from 10.48am-11.26am)
Daniel Miles	Managing Principal, MartinJenkins	#8b (from 11.27am-12.01pm)
Bex French	Analyst, MartinJenkins	#8b (from 11.27am-12.01pm)

Name	Title	Agenda item # attended
John Clarke	General Manager Grid Development, Transpower	#8c (from 12.46pm-1.19pm)
Malcolm Cleland	Asset Planning Manager, Transpower	#8c (from 12.46pm-1.19pm)
Julian Morton	Strategy Performance and Risk Manager, Transpower	#8c (from 12.46pm-1.19pm)
Mark Ryall	General Manager Grid Delivery, Transpower	#8c (from 12.46pm-1.19pm)
Glenn Coates	General Manager Asset Management, Aurora	#8d (from 1.21pm-1.52pm)
Lisa Gloag	Customer Engagement Manager, Aurora	#8d (from 1.21pm-1.52pm)
Mark Herring	Market and Business Manager, Transpower	#9 (from 2.11pm-2.28pm)
Stephen Jay	General Manager Operations, Transpower	#9 (from 2.11pm-2.28pm)
Matt Copland	Power Systems Manager, Operations, Transpower	#11 (from 2.36pm-2.58pm)

The meeting opened at 9.30am

Grant Benvenuti, James Blake-Palmer and Judy Lu joined the meeting at 9.30am.

1. Attendance and apologies

- 1.1. The Chair welcomed members to the thirty-ninth meeting of the Security and Reliability Council (SRC). A quorum was established.
- 1.2. The Chair introduced the new member Paula Checketts and welcomed her to the SRC.
- 1.3. Chris Ewers, who is also a new member, was unable to attend due to illness.

2. Changes to disclosure of interests

- 2.1. The Chair reviewed the interests register and noted changes sent to the Secretariat who updated the register after papers had gone out. There were no further changes disclosed.
- 2.2. The Chair approved members to act despite those declared interests.

Grant Benvenuti, James Blake-Palmer and Judy Lu left the meeting at 9.36am

3. Members-only session

- 3.1. The members discussed their priorities for the meeting.

James Stevenson-Wallace, Andrew Doube, Judy Lu, Grant Benvenuti and James Blake-Palmer joined the meeting at 9.56am

4. Minutes of previous meeting

- 4.1. The minutes from the previous meeting held on 2 March 2022 were discussed – Authority staff noted Transpower's request to update the minutes for item 8b to better reflect Transpower staff were not in the room when the members discussed the system operator's presentation.
- 4.2. Members discussed the request and proposed the following change to the minutes:
- 4.3.
 - i) Insert, at the beginning of item 8.5, the words "*After the system operator had presented and left the meeting...*"
 - ii) Insert (in italics, after 8.5 e) the words "*Steve Jay left the meeting at 11:15am*".
- 4.4. The Chair moved the minutes be approved as amended.

Approved unanimously.

5. Correspondence

- 5.1. The Chair gave an overview of the correspondence, the letter sent to the Authority and the Authority's reply. The Chair also noted the separate cyber-security advice letter and Authority response letter, neither of which will be published due to confidentiality.

6. Action list and updates

- 6.1. The secretariat provided an update on the action list and members briefly discussed the updates section.
- 6.2. The secretariat is to invite Climate Commissioner's office to the meeting for August.
- 6.3. Members discussed the option of having the Electricity Networks Association (ENA) and MBIE at a future meeting to discuss progress with a review of the Hazards from Trees Regulations
- 6.4. A member commented on Transpower's notice to industry that it wouldn't be able to meet *N-1 security* for 10 days during June. The member was not sure how concerned we should be but reminded members of the March 2019 event when two transmission lines to Wellington were removed from service, leaving Wellington on *n-security* for an extended period.
- 6.5. A member would like to see more reporting on how often consumers electricity supply is on *N-security* (as opposed to *N-1 security*). Members agreed to discuss this at the SRC's August strategy session. A member noted there are good coordination and communication arrangements in place between the grid owner and distributors, and care should be taken to avoid raising undue consumer concern in the short term.
- 6.6. A member noted concern about security of supply margins from 2028 onwards where existing modelling shows negative margins.

Action 1: Secretariat to add the New Zealand Generation Balance (NZGB) link (<https://nzgb.redspider.co.nz/>) to the Updates section for each meeting

Action 2: Climate Commissioner to be invited to the August meeting

7. Top Security and Reliability risks

- 7.1. The Chair facilitated comments from members and attendees, covering both short-term and longer-term risks.
- 7.2. Members' comments included:
 - a) Short-term: the effects of Covid-19 continues to be a concern. Cumulative effects of interruptions to the supply chain are concerning, and the list of stock and critical kit for upgrade projects being delayed is continuing to grow.
 - b) Short-term: there is substantial interest in new and upgraded connections, some driven by the increase in the Government Investment in Decarbonising Industry (GIDI) fund. Many projects at the concept stage require detailed design and commitments, indicating there is a wave of customer-driven investment coming for EDB's.
 - c) The forecast medium term energy and capacity requirements on the generation side is a risk for the country.
 - d) Workforce shortages and border re-opening bring into focus the potential loss of personnel to overseas or other industries.
 - e) Short-term: Climate change risk, for example, impacts on coastal areas affecting electricity infrastructure.
 - f) Decarbonisation and the move to renewables is impacting pricing and security everywhere.
 - g) Housing shortages may impact staffing issues, even with the border reopening.
 - h) Heavy reliance on China's supply chain, and impacts from their Covid elimination strategy and recent activity in the Pacific region.
 - i) Medium term - a concern around the need for simultaneous replacement (large numbers of ageing assets built during the boom in the 1960s and nearing replacement or repair around the same time) and how this will be managed.
 - j) Long-term: the market provides best outcomes for consumers in terms of security, reliability, and efficiency. As we go through the decarbonisation transition, affordability for consumers is going to become an increasing issue. The industry and regulators need to be focused on and concerned about ensuring that transitional-related risks don't provide longer term risks to consumers through potential interventions around market settings.
 - k) Security risk – One member posed the question “Do we believe 100% renewable energy is in the best interests – in terms of cost and resilience – of consumers?”
 - l) There is concern around decarbonisation and EV charging infrastructure – is it appropriately targeted and available?

- m) Uncertainty in the gas sector around gas supply, despite potential supply surplus in coming months, for example from Maui drilling campaign.
- n) Short- and long-term impact of major users needing to drop production to match demand with supply.

7.3. Attendees' comments included:

- a) Consensus with the concerns raised by members, including:
 - i. Supply chain issues impacting lead times and transport, with additional demand on resources caused by electrification
 - ii. Potential downstream economic impact of sanctions over Russia's invasion of Ukraine
 - iii. Loss of industry knowledge and capability
 - iv. A need to ensure the transition does not negatively impact consumers - long-term detriments for some options are unknown and overbuild is expensive
 - v. Workforce issues/shortage and a lack of resources
 - vi. Distributed Energy Resources (DER) may not provide the solution to peak load and general capacity management—there may not be enough individual benefit for participants or consumers to allow their assets/equipment to provide DER
 - vii. There is concern around training in industry processes
 - viii. More of a financial risk but real time pricing comes into effect from 1 November this year and changes will need active management
 - ix. New Zealand is going into a deteriorating investment environment, meaning we have the best, most conducive investment settings we've had in the last few years. A deterioration situation is going to make the task even more difficult
 - x. Climate change.
- b) The table 'Top security and reliability risks' was discussed, and changes needed are:
 - i. Add to the risk register: Simultaneous replacement of assets
 - ii. Change S3 to Medium

Action 3: Secretariat to add Simultaneous Replacement of assets in the risk register. Discussion will be carried over to the next meeting.

John Rampton, Jo Perry and Tim Hewitt joined the meeting at 10.50am

8a. Commerce Commission's role in asset management

- 8.1. The Chair welcomed John Rampton, Jo Perry and Tim Hewitt from Commerce Commission to the meeting.
- 8.2. Jo took members through the presentation including:

- a) A brief explanation of the Commerce Commission's price quality regulatory role and its aim to achieve maximum allowable revenues and minimum quality standards for companies subject to price quality regulation.
 - b) The Information disclosure regime and its role to influence behaviour through 'sunshine regulation'.
 - c) Noting the review of asset management reporting practices was completed in July 2021.
 - d) How to promote more risk-based asset management, reporting and use - how to promote it amongst EDBs.
- 8.3. Members discussed the paper and presentation. Comments and questions raised included:
- a) Does the Commerce Commission's work provide a means to 'score' EDB's on their strategies to achieve decarbonisation? Answer: the aim is to seek improvement, rather than having a stated goal.
 - b) Are fines an effective remedy for poor asset management, and are other remedy tools available? Answer: it is part of a package of solutions where the reputational risk of fines and enforcement action combine to drive improvements. The Commerce Commission also takes into account compensation payments by EDBs to consumers. Enforceable undertakings are another option.
 - c) Electricity (Hazards from Trees) Regulations 2003 – MBIE is currently reviewing the regulations. The Commerce Commission's asset management review highlighted there is room to improve the regulations, but flexibility to address vegetation issues does exist in the current regulations and many are doing so through innovative solutions. There is opportunity to do more and MBIE's discussion document is due for consultation in Q2 2022.
 - d) Does the Commerce Commission's data provide a forward view of EDB performance or a backward view? – Answer: Backward. Additional comment: it would be good to have a view of performance looking forward, acknowledging there is no security standard to adhere to. One member noted the individual EDB's can see the relevant datasets, but is the Commerce Commission considering publishing it at an aggregated level.

Phil Gibson left the meeting at 11.05am

John Rampton, Jo Perry and Tim Hewitt left the meeting at 11.26am

Daniel Miles and Bex French joined the meeting at 11.27am

8b. Distributor Asset Management and Risk

- 8.4. The Chair welcomed Daniel Miles and Bex French to the meeting and introduced the paper.

- 8.5. Members agreed to take the paper as read and work through the recommendations during the discussion. It was noted the interviews took place during March and April.
- 8.6. MartinJenkins took members through the recommendations and related points including:
- a) The general view that there is little cause for concern on the core asset management capabilities of EDBs, which are based on strong engineering-led processes and a sound understanding of their own equipment and network.
 - b) The various approaches EDBs take to managing risk - ongoing reliability, specific events and capacity limits of the network.
 - c) Approaches are generally consistent with the incentives on individual EDBs, promoting a conservative approach and network stability, in part to avoid penalties.
 - d) There is potential to drive greater and faster standardisation and creating a centralised strategic spare store for New Zealand.
 - e) There is potential for the Authority to improve access to data and information through centralised datasets open to EDBs and other market participants to support their asset management processes. This is an area of most divergence between EDBs.
- 8.7. Members discussed the paper. Comments and questions raised included:
- a) A question whether and how the first recommendation (general assurance) aligns with the report's finding that EDBs do not consistently use the same risk-based approach to network resilience.
 - b) Members noted the potential inefficiency of the different EDB approaches, posing the question – what is the level of inefficiency the industry can tolerate?
 - c) There is a risk taking a deterministic approach to network maintenance and replacement can result in over-investment, creating inefficiencies and impacting consumers.
 - d) Is there any collaborative activity happening informally and if so, why interfere? Answer: yes, it is. One member noted some EDBs are getting assistance with their decarbonisation from organisations like DETA (Delivering Efficiency Through Analysis). Another noted individual discussions and arrangements for non-network solutions are occurring, as there is no centralised market to achieve this.
 - e) Low voltage data is really important for a whole variety of analysis in addition to network planning, for example to address a quality issue or a service issue.
 - f) Availability of LV network data – there appears to be a difference in view between the Authority and some EDBs, as to the availability and accessibility of this information, likely related to the cost of procuring it. One member noted because EDBs need an arrangement with every retailer, it is the exception to have arrangements in place. Those that

do can get week by week trends at LV voltage level, enabling the micro view alongside the macro view already available. Some describe the data as “invaluable” but a “one-off” due to the cost of ongoing data.

- g) Authority staff noted distribution data is being looked at and there is potential scope for a clearing house mechanism, but it needs an appropriate host. Members questioned whether this was an appropriate role for an industry regulator.
- h) Regarding availability of spares, there are two elements - one is visibility of the overall stores nationally, regionally, and locally. The other is optimisation – are EDBs carrying the optimal level of spares, given security demands and economic interests?
- i) There may be a need for a process across EDBs to coordinate phasing of demand as a potential demand bubble looms.
- j) Feedback on the report: Members noted it was a good report. One member commented MartinJenkins’ lack of industry knowledge may blind them to some things. Having a technical expert involved in the interview process may address this.
- k) There is a mismatch in perceptions over the flexibility permitted under the default price-quality path. A member noted those EDBs seeking a customised price-quality pathway are doing so because they believe it is the only way to increase investment and they have little choice but to apply for a CPP given their network situation. They look at the experience of others and raise questions about the criteria used, the methods and outcome, which can discourage making an application. Other issues raised when using potential DPP flexibility were that there was no guarantee the increased spend will be reflected in the next regulatory control period (RCP) and what flexibility there is, is not well suited when a large step-change in investment is needed. The Commerce Commission should be encouraged to engage with EDBs to clear up any mismatch about DPP flexibility and get their views on how the CPP process may be made more attractive
- l) One member noted the Commerce Commission is best placed to undertake deep dives into these issues and care should be taken to not replicate the Commerce Commission’s work.
- m) The investment in growth for future transition is large, and there is a need to optimise upgrades without overinvestment. EDBs use capital contributions to ensure other customers don’t subsidise customer driven investment, especially if the developer/customer withdraws.

Daniel Miles and Bex French left the meeting at 12.01pm

The meeting broke for lunch at 12.21pm and reconvened at 12.45pm

John Clarke, Julia Morton, Malcolm Cleland and Mark Ryall joined the meeting at 12.46pm

8c. Grid Owner Asset Management and Risk

- 8.8. The Chair welcomed John Clarke, Malcolm Cleland, Julia Morton and Mark Ryall to the meeting and introduced the paper.

- 8.9. John took members through the presentation including:
- a) The grid owner's approach to asset management is set out in their integrated asset management plan. This aligns with ISO 55001, and to the approach in Australia and the UK, and demonstrates good industry practice, independently verified.
 - b) Focus areas include: asset health, criticality and network risk impacting resilience and reliability.
 - c) The report shows the grid owner's approach to ensuring the grid is the right size to meet current and future demand.
 - d) The grid owner uses feedback loops throughout the asset lifecycle, giving feedback on the reliability of end risks, the performance of assets and what is happening in enhancement and growth.
 - e) HVDC case study- The HVDC includes AC converter stations, transmission lines and the subsea cables, all of which have different replacement and refurbishment timeframes. This is challenging when considering upgrades to meet future capacity needs.
- 8.10. Members discussed the paper. Comments and questions raised included:
- a) One member asked about what led to Wellington being reduced to *N-security* for a four-week period in 2019, noting the cost of this on consumers who have paid for *N-1 security*. The grid owner noted this was an unfortunate situation arising from a new single transmission wire potentially clashing with the existing double wires on a long span, requiring the existing line's removal from service for safety reasons. The learnings from this will be included in the next set of standards. The grid owner also noted that they regularly improve in response to lessons learned, such as hardening assets against flooding, using drones for inspections.
 - b) One member asked about the term "resilience" in the grid owner's asset management plan. The grid owner noted it is different to "reliability" in terms of how it's defined for power transmission in New Zealand and internationally. Reliability refers to localised impacts, shorter duration interruptions, where the scenarios are known; Resilience refers to events of larger impact, of longer duration, and the ease and speed of restoration once the event has occurred. These are non-routine – what some people call "high impact, low probability".

John Clarke, Julia Morton, Malcolm Cleland and Mark Ryall left the meeting at 1.19pm

Glenn Coates and Lisa Gloag joined the meeting at 1.21pm

Action 4: The secretariat to complete a stocktake of what reporting is done by the grid owner when transmission to a GXP is reduced to n-security.

8d. Aurora Case Study

- 8.11. The Chair welcomed Glen Coates and Lisa Gloag from Aurora Energy to the meeting and introduced the paper.

8.12. The Aurora representatives took members through the case study presentation including:

- a) Aurora Energy's Vision of "enabling the energy future of our communities" and how this better reflects the government's decarbonisation goals and Aurora's approach to get the basics right by providing a safe, reliable electricity supply.
- b) Some of the lessons learned included an immediate response from other EDBs to secure supplies of poles for their own networks; a clear understanding that safety and asset management need to be taken seriously; and inspection cycles were out of date.
- c) Delta is still the main contractor on the Aurora network but there was a need to diversify their tier-1 contracts to include other providers and create efficiencies, including on pricing.
- d) The customised price-quality pathway Aurora is on prescribes their maximum allowances and processes but gives flexibility about how Aurora undertakes the work, for example they can substitute asset upgrades, if they give reasons.
- e) In response to a question about the Commerce Commission's view there is inherent flexibility in the Default Price Pathway (DPP) model, Aurora noted it is not flexible enough.
- f) The Commerce Commission wanted to avoid price shock for the communities Aurora serves, giving time for the communities to respond to the price increase, so limited increases to 10% pa and allowed remaining revenue to be recovered after the end of the RCP.
- g) Covid impacts required use of *reopeners* to ensure EDBs are able and incentivised to undertake the investment required to meet one off and sporadic and changing needs of external stakeholders.

8.13. Members discussed the paper. Comments and questions included:

- a) The misperception that communities paid more in electricity charges to enable the Dunedin stadium to be built and how this created tension. Aurora noted the reality is the funding for the stadium potentially limited access to capital that could have been invested in the network. Aurora noted a large part of the community engagement was to explain that prices due to underinvestment had been lower than they would otherwise have been.
- b) An Authority representative noted the Commerce Commission's view the DPP processes are flexible and would allow additional spending and revenue recovery. Aurora commented it is not that flexible and DPP is not designed for a major system upgrade.
- c) A member commented it was potentially concerning Aurora are prioritising growth over required maintenance. Aurora noted upgrade requests illustrate service expectations consumers have and, if the connection cost is more than they can recoup over the life of the asset, they may seek a capital contribution. Even if the additional capital is understood as enabling decarbonisation, they still get pushback.

Glenn Coates and Lisa Gloag left the meeting at 1.52pm

8e. Wrap up discussion on Asset Management

- 8.14. Members discussed the presentations on Asset Management and what advice to provide to the Authority including:
- a) The price quality information the Commerce Commission publishes about EDBs lacks forward-looking data. It may provide useful information for EDBs but potentially not for others interested in predicting future performance.
 - b) An acknowledgement the Commerce Commission produced a good paper, and its review of input methodologies has the right incentives – avoid barriers, identify issues and a process to resolve them. There is a lot to do and is it coordinated enough? Is there a way for the Authority/SRC to access and fully understand the qualitative data?
 - c) Commentary around what the Commerce Commission sees as current improvements and scope for more.
 - d) Members' views on MartinJenkins recommendations and which the SRC supports.
 - e) Aurora has the challenge of ensuring an appropriate level of both growth and maintenance and the finance versus capability capacity challenge.
 - f) Increases to the GIDI fund will increase upgrade requests for EDBs, a major challenge for them.

Mark Herring and Stephen Jay joined the meeting at 2.11pm

9. System Operator (Industry forums and sharing information)

- 9.1. The Chair welcomed Mark Herring and Stephen Jay to the meeting and introduced the paper.
- 9.2. Mark took members through the report and discussion was held including:
- a) Security of Supply information- Overview of what this initiative is and the opportunity the system operator saw. Two opportunities were for the system operator to engage with market participants to provide information to help them make better decisions and increase market situational awareness of the day-to-day system operation issues.
 - b) Market Participant Feedback- making sure the system operator gives an opportunity for feedback and two-way communication to clarify and share ideas.
 - c) Successes and lessons learned – this was a good opportunity to talk people through published forecasts, outage plans and related information and the complex modelling behind that. Helping people understand it helps them face their own decisions for their own businesses. It is important for participants to know the system operator processes ahead of formal notices about demand, supply and frequency issues.

- d) The system operator stressed this new approach does not replace anything the system operator already does to engage with participants and consumers. It is additional.
 - e) Next steps - Continue to embed the forums as part of the system operator's core process.
- 9.3. Members discussed the paper. Comments and questions raised included:
- a) A member asked about information on the gas sector and feedback there is not a level playing field in terms of understanding how the gas market works. The system operator noted their recent consultation on the Security of Supply, Forecasting and Information Policy (SOSFIP) aims to address the information from the gas industry, and how it is used in producing the ERC's (Electricity Risk Curves).
 - b) Members noted this is a good initiative and appears to be working well. The system operator noted attendance numbers are monitored, and if they drop off the system operator will look to make changes to maintain interest.

Mark Herring and Stephen Jay left the meeting at 2.20pm

10. The purpose of next meeting's substantive papers

- 10.1. The Chair introduced the paper. Members discussed the purpose and scope of each paper for the August (Q3) meeting.
- 10.2. The Chair reminded members to email their thoughts to the secretariat by early July with topics to include in the Authority Board/SRC discussion that occurs the day before the SRC's August meeting.
- 10.3. **Risk and strategy environment scan**
 - a) All agreed the strategic pillars approach is still in a good shape and fit for purpose. At the August strategy session members want sessions on demand side and what the transition to the government's 2030 targets means for security of supply, combined with a discussion on gap analysis and the SRC's overall strategy.
 - b) The session should include how the SRC works, the nature of its advice and what it should aspire to. These are also good topics for the SRC/Board discussion.
 - c) David Hunt will be asked to facilitate the session and act as arguer in his approach to promote discussion and engagement.
- 10.4. **Climate Change** The secretariat to invite Climate Change Commissioner's office and the Infrastructure Commission to the August meeting.
- 10.5. **Various measures of reliability:** Members Agreed, this paper should go to the August meeting.
- 10.6. **Member Survey** - To get feedback on the service the SRC receives from the Authority and its secretariat (to include Gretta and Nigel). The Chair and secretariat will propose a set of questions, with assistance from the Authority's communications team on sending out and collating the survey results.

Action 5: The Secretariat to work with the Chair to propose member-survey questions.

Action 6: The Secretariat and Chair to produce an agenda for the SRC/EA Board discussion in August. Members to offer their thoughts to the secretariat by early July.

Joey Au and Alistair Dixon joined the meeting at 2.30pm

Matt Copland joined the meeting at 2.36pm

11.FSR update

- 11.1. Joey Au introduced the presentation: *Future Security and Resilience, Opportunities and Challenges*.
- 11.2. The project team gave an update on submissions and current thinking for steps forward for this project. Overall, the submissions were positive. Two points that stood out were to not forget distributors and concerns raised the approach to the project appeared system operator centric.
- 11.3. The project focuses on long-term benefit for consumers; how it can meet the Authority's statutory objective and achieving this would follow an open and transparent process. The project team saw a role for the SRC to support the project, including perceptions about the project's aims and the goal to ensure there is competitive pressure to drive investment.
- 11.4. Member questions and comments included: Do you feel you've got a good understanding (or does some work need to be done) in the space to be able to work right through to benefits for the consumer? The project team noted they are working through that, along with the question as to what the system operator's role and scope is in the future.
- 11.5. A member asked whether the project's workstreams will include an assessment of current arrangements and whether there are risks in the current environment of being too late? The project team noted they're engaging with people in the industry to help work through this and being transparent in the project's aims to manage the risks, including reviewing part of the Code to ensure it works.
- 11.6. A member commented on the data and monitoring requirements, noting both are going to be critical. The project team noted the Authority's work on distribution settings will look at those issues. Standards are on the agenda.
- 11.7. A member noted it would be good to see this work include the demand side response, and how the demand side can assist future security. The project team noted this will be considered in detail in the next phase of the project.

Joey Au, Matt Copland and Alistair Dixon left the meeting at 2.58pm

Wrap up discussion on items 9-11

- 11.8. Members discussed the papers for items 9 and 11 and the advice to the Authority.

- 11.9. **Item 9 (System Operator)** – SRC to acknowledge the system operator’s work on SOSFIP, noting it is good to see they are reaching out rather than waiting for stakeholders to approach them.
- 11.10. **Item 11 (FSR)** – FSR item will be included in future agendas when there is something new to report.

12. The SRC’s forward work programme

- 12.1. The Chair introduced this item, noting there had been no changes to the 2022 Q3 and Q4 meeting agendas.
- 12.2. Members noted topics, for further refinement and discussion: - Hazards from Trees regulations; MBIE to present on their energy strategy work; an update from the grid owner on their finalised asset management plan; workforce management (including talent acquisition and retention); and industry associations theme to include MEUG and Gas New Zealand.

The meeting ended at 3.20pm