

# Agenda

## Standardised demand flexibility product co-design technical group meeting #3

23 March 2026, 1pm to 4 pm

Microsoft Teams

<b>Members</b>	
Murray Nash (Chair)	Mike Hall
Alister Alford	Mitchell Davis
Antony Oosten	Paul Morrison
Daniel Crawford	
<b>Apologies</b>	
Stephen Peterson	
<b>Attendees</b>	
Electricity Authority staff: Andrew Marriott, Jasper Eaton, Claudia Gonnelli.	
EECA staff: Brian Fitzgerald (observer)	

## Agenda items

Item #	Time	Item	Authority Staff
1.	1:00pm to 1:10pm (10 minutes)	<b>Apologies, Adoption of Minutes, introductions</b>	Andrew Marriott, Jasper Eaton, Claudia Gonnelli
2.	1:10pm to 1:20 pm (10 minutes)	<b>Orion's survey of C&amp;I customers</b> <ul style="list-style-type: none"><li>• Questions and discussion</li></ul>	Andrew Marriott, Jasper Eaton, Claudia Gonnelli
3.	1:20pm to 2:20pm (60 minutes)	<b>Pass-through settlement</b> <ul style="list-style-type: none"><li>• Discussion</li></ul>	Andrew Marriott, Jasper Eaton, Claudia Gonnelli
	10 minutes	<b>Break</b>	
4.	2:30pm to 3:50pm (80 minutes)	<b>Progressing the options</b> <ul style="list-style-type: none"><li>• Create a short list of proposals</li><li>• Decide how to describe and score them</li></ul>	Andrew Marriott, Jasper Eaton, Claudia Gonnelli
5.	3:50pm to 4:00 pm (10 minutes)	<b>Wrap up</b> <ul style="list-style-type: none"><li>• Concluding remarks</li><li>• Any other business</li><li>• Next meeting</li></ul>	Andrew Marriott, Jasper Eaton, Claudia Gonnelli

## Attached documents

- Minutes for second meeting
- Orion Customer Research slides
- Document: Advancing the product options and the debate of non-coincident settlement

# Standardised Demand Flexibility Product Co-Design Group

## Meeting minutes

### Held on 23 March 2026 at 1:00pm

**Attendees**                    **Murray Nash (Chair), Alister Alford, Daniel Crawford, Mike Hall, Mitchell Davis, Paul Morrison,** Brian Fitzgerald (EECA observer), Claudia Gonnelli (EA), Andrew Marriott (EA), Paulo Soares (EA), Jasper Eaton (EA),

**Apologies**                    **Stephen Peterson, Antony Oosten**

Group members names are in **bold**

## 1 Apologies, adoption of minutes, introductions

- 1.1 The Chair welcomed the members and provided an overview of the day's agenda. The Chair noted the importance of advancing the design of standardised demand flexibility product options, reflecting the associated settlement mechanisms and considering potential benefits and limitations.
- 1.2 The members noted Stephen Peterson was unable to attend this meeting, the April meeting and, potentially, the May meeting. Noting they still had a quorum, the members agreed to proceed in his absence.
- 1.3 The Authority and the Chair to coordinate with Stephen to ensure he is provided the opportunity to contribute to the co-design group's work.
- 1.4 The members confirmed the 2 March 2026 meeting minutes.

## 2 Survey of Commercial & Industrial customers

- 2.1 The members discussed the findings of a commercial and industrial consumer survey that a member's organisation had undertaken. The scope of the survey was to investigate what would be required to increase engagement with demand response schemes.
- 2.2 The members considered the lesson learned from the survey including key barriers and their potential applicability to the standardised demand flexibility product.

## 3 General discussion on options

- 3.1 The members then held a general discussion on:
  - (a) The merits and disadvantages of creating a separate versus bundled products and how that may depend on whether payment and benefits aligns and on the presence of third parties
  - (b) The benefits of a simple product that enables aggregators, is well defined, and can be optimised by third party
  - (c) Learnings from overseas show that attempts to provide a single solution for a range of purposes (eg, energy risk and network congestion management) may not be attractive to anyone.
  - (d) How can the standardised product the group is developing complement the products currently being offered
  - (e) The importance of value stacking.

- 3.2 The Authority clarified that a product focused on flexibility for network companies is outside scope for this group.

## 4 Pass-through settlement

### Callable products and settlement design

- 4.1 The group discussed callable spot-price products (cap- or swap-like structures), including:
- (a) how strike prices, notice periods, and settlement mechanics might work
  - (b) the risk that prices fall after a product is called, creating settlement or incentive issues
  - (c) whether caps or swaps are more appropriate instruments for demand response.
- 4.2 Non-coincidental (or “pass-through”) settlement mechanisms were discussed as a way to expand participation and improve transparency by explicitly exposing market value signals. While members acknowledged the conceptual benefits of such approaches, they also recognised that they would:
- (a) introduce significant complexity,
  - (b) require substantial system and process changes, and
  - (c) likely take considerable time to implement.
- 4.3 A recurring theme throughout the discussion was the trade-off between speed and robustness: whether the priority should be on delivering a workable product quickly or on investing additional time and resources to develop a more comprehensive, market-integrated solution that could scale over time.
- 4.4 The Group agreed not to seek to develop a detailed pass-through settlement proposal, but rather point out to the Authority the issues arising from coincident settlement only for FPVV customers and the potential benefits of such a scheme.

*The meeting was adjourned for 10 minutes break at 2:20pm*

## 5 Progressing the options

- 5.1 The Chair presented the short listing of standardised flex contract proposals.
- 5.2 Members discussed a range of options with varying degrees of sophistication, including:
- (a) Simple pass-through arrangements.
  - (b) Callable demand response products.
  - (c) More advanced options incorporating availability payments and performance-based settlement.
- 5.3 The members held a general discussion on availability payments:
- (a) Providing greater certainty for customers and supporting investment decisions, especially where capital expenditure or operational readiness is required to deliver demand response.
  - (b) Overly bespoke contracting could undermine the goal of standardisation.
  - (c) Baseline methodologies remain a source of potential error, bias, and dispute.
  - (d) Measurement, compliance, and verification requirements could impose disproportionate costs on less sophisticated participants.

(e) Gaming and unintended behavioural responses remain a concern, particularly where baselines are imperfect.

5.4 Members also discussed the importance of forward visibility for system and network operators as demand flexibility grows, noting that any product design should avoid creating downstream operational or forecasting issues.

### **Shortlisting proposals**

5.5 Members provided preliminary, non-binding views on which options merited further development.

5.6 The members agreed to take forward some options for shortlisting that represent a diverse range of potential products. These views were intended as an initial directional steer rather than a final decision.

## **6 Wrap up**

### **Concluding remarks**

6.1 The Authority will circulate option-specific templates and invite members to provide valuation scores and justifications.

6.2 The group acknowledged the need to narrow scope further to move toward a clear, prioritised product recommendation.

### **Any other business**

6.3 The next meeting will be held on 21 April 2026.

*There being no further business, the meeting concluded at 3:46pm*