

Electricity Commission

TERMS OF REFERENCE OF THE SECURITY ADVISORY GROUP (SAG)

Updated: 18 October 2004

1. Background

The Security Advisory Group (SAG) has been established, in accordance with the Charter on Advisory Groups developed by the Commission, to advise and assist the Electricity Commission with its management of security of supply and other related policy matters.

2. Initial Terms of Reference

The initial Terms of Reference for the SAG are:

- To provide advice to the Commission on how it may use reasonable endeavours to ensure security of supply in a 1 in 60 dry year (without assuming any demand reduction from emergency campaigns) while minimizing distortions to the normal operation of the electricity market; and
- Provide comment as necessary to other advisory groups whose work impacts **on the operation of the security policy**.

3. Objectives and Principles

The SAG must provide advice and report the extent to which its advice meets or is consistent with the:

- Electricity Act
- Government Policy Statement
- Commission's principal objective
- Objectives of the specific task

4. Membership

The Security Advisory Group (SAG) consists of a Chair, and members appointed by the Electricity Commission from nominees from stakeholders. In addition, the Electricity Commission's Senior Advisor, Reserve Energy is to work with and support the group.

5 Tenures

The independent Chair, once appointed, will be for a term of two years and may be reappointed at the discretion of the Commission. The initial members will have terms of either one year or two years. Half, or thereabouts, of the members, chosen by lot, will be appointed for one year term. At the end of their term all members will be entitled to be nominated for a further term.

6. Role of the Electricity Commission's Senior Advisor Reserve Energy

The Senior Advisor will be accountable to the Electricity Commission for:

- the resourcing, support and output of the SAG; and
- conveying the relevant Electricity Commission policies to the group.

6.1 Responsibility to Electricity Commission Board:

The Senior Advisor, when channelling output documents to the Board, will provide independent comment on such papers. This may be a simple recommendation endorsing the paper, or may be a significant discussion recommending further work or comments on the weight given to particular factors, and presenting alternative recommendations. The Senior Advisor will brief the Board and the Advisory Group if their view was significantly different from that of the Advisory Group.

6.2 Responsibility to the Advisory Group:

The Senior Advisor is to provide guidance to the group to ensure that the outputs, reports, etc. are appropriate and that they support the Commissioners' decision-making. The Senior Advisor is to work closely with the Chair to achieve this.

In carrying out the above role, the Senior Advisor and Chair must ensure the documented output reflects a balanced representation of the group views. If an issue is contentious, they may seek a formal sign off from the group, regardless of who actually writes the paper.

7. Responsibility of Members

Members have been selected for their particular expertise and accordingly:

- members are to act in the interests of all stakeholders;
- members have a duty to prepare for meetings;
- members do not represent their own organisations (although the range of commercial and technical experience inevitably adds diversity to the group's capabilities); and
- any views expressed by members are not to be taken as being those of their employer or nominating organisation.

8. Key Tasks and Milestones – The Work Plan

- The Chair, with the Senior Advisor, is to develop the work plans, setting out the key tasks and milestones within the terms of reference. The work plan must be agreed by the Board.
- The Chair has responsibility for the implementation of the approved work plan, efficient meetings of the advisory group and reporting to the Commission on achievement of agreed milestones.

9. Nature of Deliverables

The SAG delivers reports, advice and comments on the tasks set out in the work plan, or as requested by the Commission.

In some circumstances, the Board may decide that comments, rather than advice, are required from a group. These circumstances may arise due to:

- issue complexity and contentiousness;
- parallel industry wide consultation; and
- time frames.

The documented output in those circumstances would note the various issues raised by the group and advise on them.

10. Reporting Arrangements

Routine reporting will be via the Senior Advisor's monthly work stream report. The Chair will personally report to the Board at agreed key milestones. Day to day interaction between the Advisory Group and the Commission will be via the Senior Advisor.

11. Authority

The Senior Advisor is responsible for ensuring that the SAG is resourced to meet the work plan. Requests for additional resources such as Consultants will require the approval of the Commission.

12. Administration

SAG activities are to be as transparent as practical, and unless specifically agreed otherwise:

- papers are to be circulated in advance of meetings;
- papers are to be published on the Electricity Commission's website as soon as practical after each meeting;
- minutes are to be published once confirmed at the subsequent meeting;
- Concept will provide administrative support to the SAG in a timely manner;
- the service providers will provide objective analysis as requested by the SAG but will ensure that any risks to the attainment of their EGR obligations are drawn to the attention of the group; and
- while consensus will be the goal, it may at times be necessary to accept multiple views. All such views will be conveyed to the Electricity Commission as an input into its consideration of the issue.

13. Notice of meeting must be given

Reasonable notice of meetings must be given to every member, including details of the time and venue.

Notice may be given by electronic or other means.

14. Methods of holding meetings

A meeting of an SAG may be held by a number of the members of the Advisory Group who constitute a quorum, being at the date and time appointed for the meeting.

As a general rule, meetings should be held in person.

15. Quorum

A quorum for SAG meetings will be half of the membership plus one or more members of that group.

No business may be transacted at a meeting of the SAG while a quorum is not present.

Members of the SAG are not entitled to send an alternate in their place if they cannot attend a meeting.

16. Attendance of SAG members

Any member of the SAG who, without leave of the SAG, misses two consecutive advisory group meetings will be deemed to be removed from the SAG, except where leave is given by the Chair or the Electricity Commission's Senior Advisor.

17. Minutes are to be kept

The Chair must ensure that minutes are kept of all proceedings at meetings of the SAG.

18. Confidentiality of Reports to Advisory Groups

Unless there is a specific reason to the contrary, reports going to Advisory Groups will not be tagged as confidential. When a non-confidential report is sent to an Advisory Group, the Senior Advisor will ensure that a copy is put on the Commission's website for public viewing.

Reports sent to Advisory Groups are to be sent with a cover note attached that describes the status of the report, for example, that it is a working document and does not necessarily represent the views of the Commission.