

Advisory Group Review

December 2008

1. Introduction

1.1 Introduction

1.1.1 The Commission has recently carried out a review of the structure of its advisory Groups (the Review). The review has considered:

- (a) What advisory groups the Commission should have, and their role and purpose;
- (b) How the advisory groups could be more strongly linked into the planning cycle;
- (c) How the advisory groups should be Chaired; and
- (d) What amendments, if any, are needed to the Commission's *Charter on Advisory Groups* (the Charter).

1.1.2 This discussion paper presents the Commission's proposed approach in each of these areas, and invites comments from interested parties.

1.1.3 After considering industry feedback, the Commission expects to finalise a new advisory group structure, Charter and Terms of Reference for each group, by the end of February 2009. The new structure is expected to "go live" in May 2009.

1.2 Submissions

1.2.1 The Commission's preference is to receive comments in electronic format (Microsoft Word). Comments should be emailed to submissions@electricitycommission.govt.nz with Discussion Paper — Advisory Group Review in the subject line.

1.2.2 Comments should be received by 5pm on 13 February 2009.

2. Background

2.1 Background

- 2.1.1 The Government Policy Statement (GPS) requires that the Commission make extensive use of advisory groups wherever possible to develop industry arrangements and make recommendations concerning regulations and rules. These advisory groups must be appropriately representative of affected parties, including consumers.
- 2.1.2 Soon after the establishment of the Commission, a number of advisory groups were established.¹ The structure of the groups is governed by the *Charter on Advisory Groups* (covering all groups) together with Terms of Reference for each group.
- 2.1.3 Unlike the “working groups” that existed under the previous self-governance arrangements², the Commission’s advisory groups do not have decision-rights, their role is strictly advisory.
- 2.1.4 In addition to the standing advisory groups, the Commission has utilised a number of specific project teams, review panels and working groups on an ad hoc basis, as the need has arisen.³
- 2.1.5 Advisory groups are generally used for complex regulatory tasks which require technical expertise or advice, and for tasks which would benefit from early industry involvement. Project teams and review panels generally assist with tasks that are complex, require detailed technical expertise or multi-party coordination and importantly have a finite life, as well as for carrying out more detailed work than is possible within an advisory group.
- 2.1.6 In addition to these standing and ad hoc groups, the Commission receives information and advice from a number of other sources for example:
- (a) Consultants are used to advise on regulatory tasks, development of technical issues or scoping and exploratory work;

¹ Common quality, Retail Market, Wholesale Market, Security, Transmission, and the Transmission Pricing (since disestablished) advisory groups.

² The New Zealand Electricity Market (NZEM) and Metering and Reconciliation Information Agreement (MARIA).

³ Examples include the Code of Practice D5 Review Panel, the Technical Stakeholder Group established to assist with the Wind Generation Investigation Project, the Compressed Air Systems Stakeholder Group which assists with one of the Commission’s electricity efficiency programmes and the Hedge Market Development Steering Group.

- (b) The consultation process is used for specific regulatory tasks which involve rule changes or for feedback on a range of issues to assist in the scoping of projects. Submissions incorporate a wide variety of advice, including from regulatory analysts, managers, technical experts and legal advisors; and
- (c) Briefings, forums and workshops are utilised for tasks which need further explanation, industry involvement, or to engage affected parties and consumers at the grass roots level.

2.2 Issues with existing arrangements

2.2.1 When advisory groups were established in 2004, the Commission's focus was primarily on dealing with transition and legacy issues. However, since that time the Commission has increased its policy and rule development work and has moved into broader policy related issues such as the Market Design Review. With this, the Commission's needs from advisory groups today have evolved from the requirements in 2004.

2.2.2 In addition, in various forums since 2006, suggestions have been raised that the structure and performance of advisory groups was less than optimal. Issues raised regarding the current structure / processes include⁴:

- (a) Perception of limited cross-communication between working groups;
- (b) Issues around consumer representation including insufficient consumer representation, lack of technical experience of consumer representatives', and difficulty in selecting consumers with the appropriate skill set to contribute to technical discussions;
- (c) A perception that the views of advisory groups may not be adequately reflected to the Board by staff. Attendance with the Board by advisory groups has varied between the groups;
- (d) Uncertainty surrounding the relationship between the Board, workstream leaders, and advisory groups;
- (e) Lack of clarity as to the purpose of advisory groups and the role of the Chair;
- (f) Quality of advisory group advice has been variable;
- (g) The linkage between advisory groups and the Commission work plan has in some cases been unclear;
- (h) Greater focus on a strategic vision is needed.

⁴ These issues were raised in a number of fora, including a UMR survey of past and present advisory group members commissioned out by the Commission in late 2006, and an internal review of Advisory Groups.

2.2.3 In late 2007, the Commission established the Advisory Group Review project to review the structure and operation of its advisory groups. Amongst other things, the project scope included considering options for improving consumer involvement in Commission consultation processes and / or advisory group participation.

3. Advisory Group Review

3.1 Review areas

3.1.1 The overall objective of the Advisory Group Review was to determine the role and structure of advisory groups that was needed in providing the advice and input needed by the Commission. The advice needs to be timely, representative, accurate, innovative, well balanced, and at the right level of detail. Advisory groups are one source of such advice, so this should be considered in the context of the full range of tools available to the Commission.⁵

3.1.2 The Commission specifically looked to answer the following questions:

- (a) What advisory groups should the Commission have? Definition of role and purpose.
- (b) How could the advisory groups be more strongly linked into the planning cycle?
- (c) How / by whom would it be best for the advisory groups to be chaired by?
- (d) What amendments, if any, are needed to the Commission's *Charter on Advisory Groups*?

3.2 Advisory group structure and number

3.2.1 The Commission's objectives, in restructuring the existing advisory groups are to:

- (a) Ensure advisory groups are able to provide a high-level perspective on the advise the Commission receives on key work stream issues;
- (b) Make greater use of project specific groups for highly technical issues;
- (c) Provide a process for Commission staff to achieve an appropriate level of input from industry participants; and
- (d) Enhance communication channels between advisory groups and the Board;

3.2.2 Options considered in the Review ranged from the status quo (six standing groups and ad hoc groups as needed) to retaining no standing groups (utilise ad hoc groups as needed). Within that spectrum, several further options were considered, comprising combinations of advisory groups and ad hoc groups or project teams, either with or without overarching (strategic/generalist) "steering" groups.

⁵ These tools include the consultation process, use of consultants, public meetings, workshops, briefings, and advisory groups.

- 3.2.3 In each case the current reporting arrangements (from advisory group to the Board via the Commission's workstream leaders) were retained.
- 3.2.4 The Commission's assessment of the options determined that:
- (a) The current structure works well in many ways, but is not as adaptive to cross-workstream issues as would ideally be the case. The status quo also has some timing issues with advisory group and Board meetings, and some double up of work between the two.
 - (b) A structure with less standing groups may decrease administration time and costs. However, reducing the groups too much (or in an inefficient manner) may result in advisory groups that are too generalist in nature, creating a need for more specialist ad hoc groups (with associated greater administration time and costs).
 - (c) A structure utilising no standing groups, and instead solely using focussed ad hoc groups, may be more flexible and remove delays, but may result in reduced regulatory contact with industry (and across industry). It may also mean that members of ad hoc groups have a lesser breadth of knowledge relative to the status quo. A proliferation of ad hoc groups may also increase the administrative burden and may be difficult to resource.
 - (d) A structure that incorporates an additional layer (overarching groups that meet less regularly and are more strategic in focus) could add more value at the strategic level but is likely to increase the administrative burden. This approach may also create boundary issues between the strategic advisory groups (which have an advisory focus and do not have decision rights) and the Board and also between differing levels of advisory groups.
- 3.2.5 On balance, the Commission considers that the structure that will best meet the objective (paragraph 3.2.1) should continue to comprise standing and ad hoc groups, but with some changes to the standing groups.
- 3.2.6 A new design of the advisory groups has been developed. This version comprises of four standing advisory groups. Each group is described briefly below:
- (a) Market Advisory Group (MAG), which will assume the role currently carried out by the current Wholesale Market Advisory Group (WMAG);
 - (b) System Security Advisory Group (SSAG), which will assume the role currently carried out for most tasks managed by the current Common Quality Advisory Group (CQAG) and some tasks of the current Security Advisory Group (SAG);

- (c) Retail, Distribution, and Consumer Advisory Group (RDCAG), which will assume the role currently carried out by the current Retail Market Advisory Group (RMAG) and some tasks of the SAG; and
- (d) Investment Advisory Group (IAG), which will assume the role currently carried out by the current Transmission Advisory Group (TAG) and some tasks of the SAG.

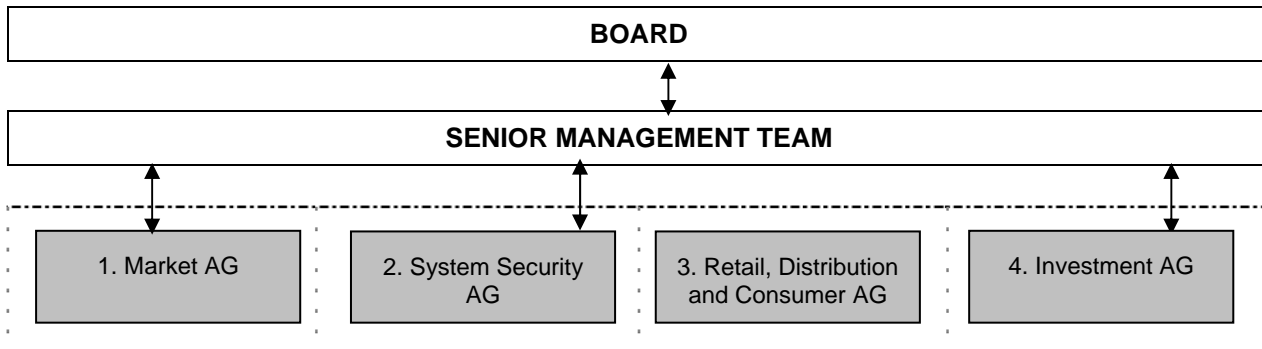
3.2.7 In addition to the standing advisory groups, several project teams will be maintained through the transition.⁶ These include for example:

- (a) COP5
- (b) HMDSG
- (c) Electricity efficiency groups

3.2.8 Table 1 shows the structure that has been developed and the coverage of each advisory group. Other arrangements relating to the groups are discussed in the following sections of this discussion paper.

⁶ The Hedge Market Development Steering Group has completed its primary task, and since then has provided specific advice on an as-needed basis. It is anticipated that members will continue to provide advice on an informal basis throughout the period while its recommendations are implemented.

Table 1: Proposed Advisory Group structure



	1. Market	2. System Security	3. Retail, Distribution and Consumer	4. Investment
Role is to provide advice to the Commission on request on...	<ul style="list-style-type: none"> The development of the wholesale spot market and related markets i.e. financial markets for energy and transmission hedges; and Rule change proposals for parts G and H of the rule book. 	<p>The efficient, reliable and stable operation of the market and systems, such as:</p> <ul style="list-style-type: none"> How it may use reasonable endeavours to ensure security of supply Common quality strategic development Rule change proposals for part C of the rule book. 	<ul style="list-style-type: none"> Projects that aim to promote strong retail competition and fairness for consumers; Arrangements for the protection of consumers; and Rule change proposals for parts D, E and J of the rule book. 	<ul style="list-style-type: none"> Projects that aim to facilitate efficient and timely investment in distribution, generation, transmission or transmission alternatives; and Rule change proposals for part F of the rule book; and Advice and analysis on generation investment, e.g. peak adequacy.
BAU / Operational tasks		<ul style="list-style-type: none"> Annual review of reserve energy 	<ul style="list-style-type: none"> Consumer info/protection Retail market operations Audits and Certifications 	<ul style="list-style-type: none"> Statement of Opportunities (SOO) Benchmark Agreement and IC monitoring
Key projects (current work plan)	<ul style="list-style-type: none"> Market design Pricing process Market info & analysis Demand side initiatives Price demand elasticity assessment Offer and dispatch rule development Hedge market development 	<ul style="list-style-type: none"> Frequency regulation Correlation of intermittent generation 	<ul style="list-style-type: none"> Consumer complaints Retailer insolvency Advanced metering Part D Distribution loss factor methodologies Distribution pricing Distributed generation Market design 	<ul style="list-style-type: none"> VOLL and GRS New Investment process New Connection process Market design Transmission to enable renewables

3.3 Consumer involvement

- 3.3.1 A key consumer representation issue relates to the technical nature of the content of advisory group meetings and the fit that non-technical consumer representatives have within that environment. A range of options for specifically dealing with consumer representation issues were considered in developing the structure that included for example the establishment of a specific consumer group.
- 3.3.2 In addition to price and security of supply, consumers are increasingly concerned about longer term transmission and generation issues and their economic and environmental effects.
- 3.3.3 The existence of an advisory group with much greater focus on consumer issues as a whole (i.e. the RDCAG) is expected to address consumer issues that have arisen under the existing advisory group structure without that group losing the operational context for the consumer input.
- 3.3.4 Consumers can also continue to contribute via the consultation process, briefings, workshops and forums. Specifically, the Commission considers it will be useful to hold regular (six or twelve monthly) open consumer forums/workshops covering consumer interest topics, similar to the model used by the gas industry.⁷

3.4 Advisory group role in planning cycle

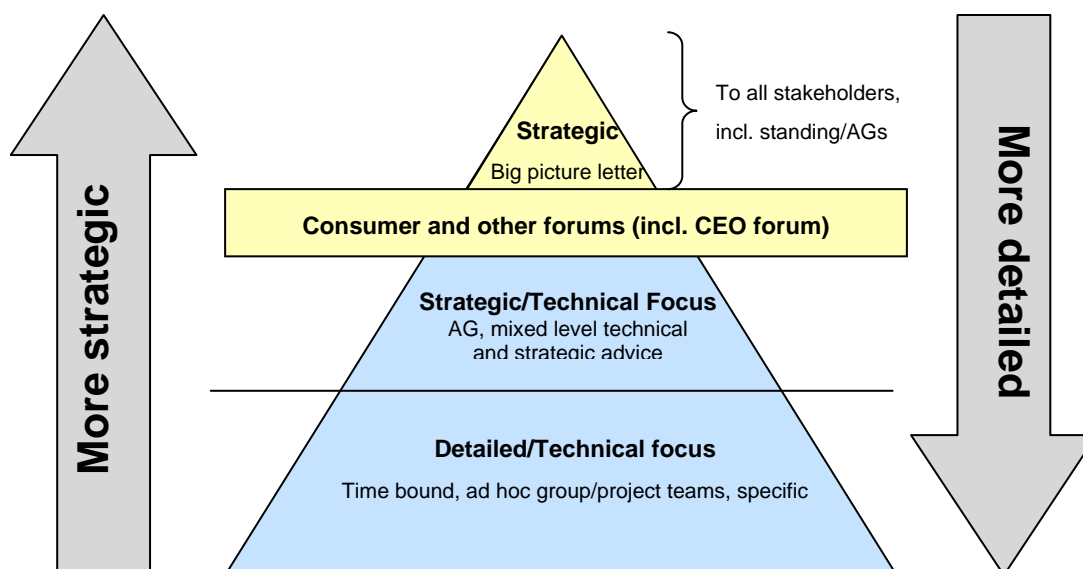
- 3.4.1 The Commission is looking to improve the involvement of advisory groups in the planning processes including the development of the Commission's workplan that leads to the formation of the Statement of Intent. Historically issues have been raised regarding advisory group input into the Commission's strategic and work planning processes that have included for example:
- (a) The role of advisory groups in these processes is considered unclear, and not applied consistently across the groups; and
 - (b) The link between the work of the advisory groups and the Commission's strategic priorities was not sufficiently strong, and as a result, groups were focussed too much on detailed design/technical work, and not enough on key issues.
- 3.4.2 As a result of the review of these issues, the Commission proposes the following changes, to complement the proposed structural changes:

⁷ The gas industry's annual forum/workshop is open to anyone and everyone to attend. It is usually held in Wellington and follows a set format of updating forum participants on the work of the Gas Industry Company. Participants then split into breakout groups and workshop ideas or further discuss topical issues. It is a highly participative approach that the Ministry of Consumer Affairs supports.

- (a) Each advisory group should be provided with opportunities to contribute to development of the Commission’s strategic priorities and work plans for each area by being involved in discussion on the “big picture” issues. Advisory group involvement in this process will assist the Commission to develop its own work plan which, in turn, will help workstream leaders develop the advisory group’s own work plan (this being a subset of the overall work plan for the respective work areas);
- (b) The Commission’s planning timetable and advisory group meetings are to be better aligned to allow workstream leaders to consult actively with the advisory groups before Commission work plans and budgets are finalised; and
- (c) Attendance at Board meetings by advisory groups is to be scheduled to allow discussion on the strategic priorities and work plans of the groups.

3.4.3 Figure 1 shows how the restructuring of the advisory groups and improvements to the planning processes should assist in adjusting the focus of the advisory groups to a more strategic level. Where detailed technical design input is required, or input is needed only for a specific period of time, this will be delivered by forming ad hoc project groups.

Figure 1: Stakeholder input framework



3.5 Advisory group Chairs

- 3.5.1 The Review also considered who would be best positioned to chair the advisory groups. Options considered included Commission staff, Commissioners, and independent persons.
- 3.5.2 The Commission did not consider using its own staff to chair advisory groups would deliver optimal outcomes, in particular because advisory groups need to be able to provide advice that is independent of the views of Commission staff.
- 3.5.3 The Commission considered there were some arguments for using either Commissioners or independents to chair the groups. It concluded that:
- (a) Using Commissioners would be likely to strengthen communication between the Board and advisory groups. This could be at the risk of blurring the governance and advisory/ executive roles, and potentially discouraging robust debate at meetings; whereas
 - (b) Using independent Chairs (as is current practice for all but one of the groups) would not weaken the sense of connection between the Board and advisory groups (assuming that Commissioners were to continue to attend advisory group meetings from time to time) and may provide more independent decision-making.
- 3.5.4 At this stage the Commission considers that the Chair for each advisory group would be best decided on a case by case basis. There does not appear to be any benefit in determining either one way or another in favour of a Commissioner or an independent chair to the exclusion of the other option.
- 3.5.5 The Review also concluded that the specific functions of the Chair need to be clarified, including expectations about how the role should be undertaken. Key functions would include:
- (a) Facilitating discussions between members in such a manner that will stimulate robust debate on issues and encourage effective contribution from members;
 - (b) Guiding discussions so that they are relevant and effective while at the same time ensuring that genuine disagreements and conflicts are aired and resolved;
 - (c) Ensuring that the issues and decisions reached are properly understood and that members understand what is expected of them in relation to those decisions; and

(d) Facilitating reports to the Board at the request of the advisory group or the relevant workstream leader.⁸

3.5.6 The Charter (Appendix 1) has been amended to reflect the role and reporting responsibilities of the Chair.

3.6 Amendments to Advisory Group Charter

3.6.1 Any material changes to the advisory group structure will require amendments to the Commission's *Charter for Advisory Groups*. Even without a change in the structure and number of advisory groups, changes to the Charter and Terms of Reference for each group are needed to ensure they are fit for purpose, given the development of the Commission's needs since the Charter was first developed in 2004.

3.6.2 At the same time, the Commission's existing Advisory Group Membership Policy which sets out, at a high level, the appointment process for advisory groups, will be revoked as the issues are incorporated into a combination of the Charter and the individual Terms of References for each group.

3.6.3 A revised Charter and newly developed Terms of Reference for each of the proposed new advisory groups are included in Appendix 1.

⁸ Note that standard practice involves workstream leaders reporting to the Board on advisory group matters as a component of providing advice to the Board. However, from time to time, a workstream leader may wish for the Chair to facilitate a report to the Board on significant matters. In addition, the advisory group may want to report directly to the Board in which case Advisory group members could invite the Chair to facilitate this communication on their behalf. In both of these circumstances the Chair is the conduit for providing such a report to the Board: any such report would not be the views of the Chair only but would reflect the views of the advisory group as a whole.

4. Implementation

4.1 Implementation issues

4.1.1 In mid 2008, existing advisory group membership was rolled over until 31 October 2008, by which time it was envisaged new arrangements would be in place. In November 2008, members were asked to continue in their role as members of existing advisory groups until 31 March 2009, after which the new advisory group structure would be implemented.

4.1.2 The timeline envisages that all aspects of the new structure will be in place by May 2009. It is expected that current advisory groups would continue to meet as required until the new structure is implemented.

4.2 Key milestones and dates

4.2.1 A list of the key tasks that need to be completed to implement the new advisory group arrangements, together with an indicative timetable, is set out in Table 2.

Table 2: Key implementation milestones and dates

Step #	Tasks	Document Type	Responsibility	Timeline
Industry Feedback on Advisory Group Review and Roll Over				
1	Provide advisory group discussion document to advisory group members and other interested parties for comment.	Discussion document	Commission staff	December 2008
2	Provide Commission with comments on advisory group discussion paper.	Submission	AG members and interested parties	February 2009
3	Finalise new advisory group structure, the advisory group charter and terms of reference for each advisory group.		Commission staff	February 2009
4	Recommend final structure of advisory groups to Board.	Board paper	Commission staff and Board	March 2009
5	Write to advisory group members confirming the new advisory group structure and the tasks required to implement it. Include indicative timing for disestablishing existing advisory groups and commencing with new advisory groups.	Letter Notice on Commission website and in Commission Update	Commission staff	March 2009

Step #	Tasks	Document Type	Responsibility	Timeline
Appointment of Chairs and Members				
6	Call for nominations for members and chairs of all new advisory groups. Include final advisory group charter and terms of reference for each advisory group.	Notice on Commission website and in Commission Update	Commission staff	March 2009
7	Nomination period closes.			April 2009
8	Consider nominations and recommend potential members and chairs of each advisory group to Board for approval.	Board paper	Commission staff and Board	April 2009
9	Write to all nominees informing them of the outcome of the selection process. Successful nominees will receive a letter confirming their appointment and the advisory group that they will be a member of and the date from when their appointment will become effective.	Letter	Commission staff	April 2009
10	Write to existing advisory group members and chairs confirming when their advisory group will be disestablished and when their membership will end.	Letter	Commission staff	April 2009
11	Write to Commission confirming whether or not they are willing to accept their appointment as a chair or member of the advisory group.	Letter	Selected advisory group members and chairs	April 2009
12	Implement new advisory group structure			May 2009

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Appendix 1 Charter on Advisory Groups

Advisory group charter

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1. Background

- 1.1 The electricity industry has a well established tradition of using working groups to advance understanding and agreement on technical, complex and difficult issues, which need resolving.
- 1.2 The 2008 Government Policy Statement on Electricity Governance indicates that the Government expects the Commission to make extensive use of working groups to develop market arrangements and give advice concerning regulations and rules. The continued use of working groups for these purposes is also consistent with the Commission's own preferences.

2. Purpose

- 2.1 This charter sets out the Commission's approach to a number of generic issues common to all such groups.

3. Scope

- 3.1 The role of these groups is to advise the Commission rather than to make decisions.

4. Roles and responsibilities

- 4.1 The nature of the groups proposed by the Commission is different from the working groups historically operated by the various industry governance bodies.

This is because, although these groups can assist the Commission in the proper and efficient discharge of its statutory responsibilities and duties, they cannot relieve the Commission of these responsibilities.

5. Definitions

- 5.1 Advisory Group – a discussion and feedback forum to assist in the development of market arrangements, to give advice on the rules and regulations and to give feedback on issues of strategic relevance to the Commission.

6. Status of groups

- 6.1 The Commission values the output of groups which endeavour to find outcomes acceptable to all stakeholders that are consistent with its overall objective for the electricity sector.
- 6.2 The Commission will usually undertake formal consultation with its stakeholders on this output.
- 6.3 The Commission's final decisions will reflect the conclusions it reaches following submissions received during consultation and thus may differ from those preferred by a particular advisory group.
- 6.4 It is anticipated that, where practicable, advisory groups will be given the opportunity to participate in the consideration of consultation submissions. However, whether or not this occurs will be within the discretion of the Commission.

7. Reporting

- 7.1 When a specific report is required from an advisory group the report to the Board will be facilitated through the Chair of the advisory Group.
- 7.2 In the normal course of events the relevant Director will ensure that the views of the advisory group are captured in any papers to the Board.
- 7.3 Final minutes for each advisory group meeting will be both published on the Commission's internet site and distributed to Commission Board members.

8. **Group processes and procedures**

8.1 **Membership**

8.1.1 The Commission will appoint the members of each advisory group against defined (and published) membership criteria. In making these appointments the Commission will be seeking:

- a balanced membership across stakeholders;
- knowledge and experience of the relevant issues;
- an ability to contribute effectively to the advisory group's tasks.

8.1.2 Persons will be selected for advisory groups as individuals for their attributes and knowledge and not as representatives of organisations.

8.1.3 The general expectation the Commission has of the members of its advisory groups is that the appointees will make themselves available for meetings, read the papers circulated and actively contribute to the discussions of the groups.

8.1.4 The Commission reserves the right to terminate any appointment where it is considered that the appointee by their conduct (e.g. frequent unapproved absences) is not contributing effectively to the group.

8.1.5 The Commission reserves the right to appoint members to an advisory group to achieve the desired skill set for that group, as the need arises.

8.1.6 Members can resign at any time by written notice to the Commission.

8.2 **Chair**

8.2.1 The Commission will appoint a Chair to each advisory group.

8.2.2 The Chair will have responsibility for facilitating efficient meetings of the advisory group and reporting to the Commission, as appropriate.

8.2.3 If the Chair has any significant concerns regarding the operation of an advisory group, these are to be raised with the Commission's General Manager.

9. **Terms of reference**

9.1 Each advisory group will have a Terms of Reference approved by the Commission's General Manager so that its role is clearly understood. These Terms of Reference would typically include:

- background (reason for establishment of advisory group, link to Commission's overall work plan and priorities);
- objectives and principles for its advice;
- scope;
- membership;
- administration and meeting arrangements;
- reporting arrangements;
- nature of deliverables.

9.2 In practice, it is expected that each Terms of Reference will need to be tailored to meet the requirements of the relevant work area(s).

9.3 The Commission would like advisory groups to seek a consensus on issues but recognises this will not always be possible. In such circumstances the Commission welcomes feedback which addresses the views of the minority as well as those of the majority of the group.

10. **Meetings**

10.1 It is expected that advisory groups will meet on a regular basis having regard to the Commission's reporting cycle.

10.2 Papers should be circulated in advance of a meeting in a manner which enables their proper consideration by advisory group members.

11. **Secretariat and administrative support**

11.1 The Commission will ensure that each advisory group has access to appropriate secretariat, administrative and technical support as is necessary to properly carry out its functions.

11.2 Advisory groups do not have the authority to commission analysis and commit resources and expenditure.

12. Remuneration of consumer representatives and independent members of advisory groups

- 12.1 The Commission supports the remuneration of consumer representatives on advisory groups and people / organisations not otherwise remunerated for their involvement.
- 12.2 Reimbursement of reasonable expenses incurred by these appointees in attending meetings will also be paid.
- 12.3 Remuneration and reimbursement of expenses will be on a basis which is consistent with other similar roles in the public sector.

Appendix 2 Terms of Reference for new Advisory Groups



Electricity Commission

TERMS OF REFERENCE FOR THE INVESTMENT ADVISORY GROUP (IAG)

[date]

1. Background

The Investment Advisory Group (*IAG*) has been established in accordance with the Commission's Charter on Advisory Groups to advise and assist the Commission (*Commission*) with tasks relating to the operation of the Electricity Governance Regulations and Rules 2003 and with other policy matters.

2. Role

2.1 The role of the IAG is to provide advice to the Electricity Commission (as and when requested by the Electricity Commission) on:

- (a) projects that aim to facilitate efficient and timely investment in distribution, generation, transmission or transmission alternatives; and
- (b) relevant rules in the Electricity Governance Rules 2003.

2.2. In meeting these objectives, the IAG must be mindful that its advice is consistent with the:

- (c) Electricity Act 1992;
- (d) Government Policy Statement;
- (e) Commission's principal objectives; and
- (f) Objectives of the specific tasks that the IAG is responsible for.

3. Membership

3.1 The IAG will have up to [x] members in total, who will be appointed by the Commission after considering nominations from participants.

3.2 The IAG will also:

- (a) have a chair, who will be appointed by the Commission;
- (b) be supported by a secretariat, which will be organised by the Commission; and
- (c) have the Director Transmission as the Commission's lead representative.

3.3 For the avoidance of doubt, the independent chair, secretariat and Director Transmission are not members of the IAG.

4. **Tenure**

- 4.1 The chair will initially be appointed for a period of two years but may be reappointed by the Commission at the end of this period for one further term.
- 4.2 Subject to clause 4.4, members will initially be appointed for a period of two years and will be entitled to be nominated for one further term at the end of this period.
- 4.3 Paragraphs 4.1 and 4.2 reflect the Commission's preference for the chair and members of the IAG to serve an initial term with the possibility of serving one further term if the Commission considers it appropriate (i.e. up to a maximum of two terms in total). From time to time, however, the Commission (in its absolute discretion) may elect to reappoint the chair and/or a member for a further third or fourth term.
- 4.4 Membership on the IAG will be staggered so that up to half of the members' terms may expire in any year. To stagger members' terms, the initial members will be appointed for either a period of one or two years.

5. **Responsibility of the Director Transmission**

5.1 The Director Transmission will be accountable to the Commission for:

- (a) the resourcing and support of the IAG;
- (b) reporting to the Board of the Commission (*Board*) on IAG matters as a component of providing advice to the Board;
- (c) conveying relevant views, policies and decisions of the Commission to the IAG; and
- (d) setting the agenda for each IAG meeting.

5.2 When presenting recommendations or making representations to the Board regarding advice from the IAG, the Director Transmission should:

- (a) provide a balanced representation of the views held by the members of the IAG;

- (b) identify any issues relevant to the IAG or the matters before the IAG, which the Director Transmission considers the Board should be aware of; and
- (c) identify any further advice that will be sought from the IAG.

5.3 Where the Director Transmission's view differs significantly from the views raised by members of the IAG then the Director Transmission must brief the Board on this difference of opinion and the reasons for this stance.

6. **Responsibility of the chair**

The key functions of the chair will include:

- (a) facilitating discussions between members in such a manner that will stimulate robust debate on issues and encourage effective contribution from members;
- (b) guiding discussions so that they are relevant and effective while at the same time ensuring that genuine disagreements and conflicts are aired and, if possible, resolved (although the Commission recognises that consensus will not always be possible – see clause 11(e)); and
- (c) ensuring that the minutes of each IAG meeting are correct.

7. **Responsibility of members**

7.1 Members and the chair must:

- (a) comply with the requirements set out in this terms of reference;
- (b) be available for all IAG meetings unless granted leave under paragraph 15, read all IAG papers circulated and actively contribute to the discussions of the IAG;
- (c) inform the chair of the IAG and the Director Transmission of any actual or potential conflicts of interest that may affect their ability to perform their functions as a member of the IAG; and
- (d) carry out the tasks of the IAG arising from the agenda for each IAG meeting.

7.2 Members must remain mindful that:

- (a) in making appointments to the IAG, the Commission is seeking a balanced representation across stakeholders and a diverse mix of knowledge and experience among its members;

- (b) members have been appointed for their expertise and knowledge of a particular area(s), as well as their ability to contribute towards the diverse range of matters that the IAG is likely to consider; and
- (c) appointments to the IAG are of individuals rather than organisations.

7.3 The above principles 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. **Agenda for each IAG meeting**

The Director Transmission will set the agenda for each IAG meeting and review this agenda with the chair before each meeting commences.

9. **Interaction**

9.1 Day-to-day interaction between the IAG and Commission will be through the Director Transmission.

9.2 Reporting between the IAG and Board will be through the Director Transmission. The chair and/or members should not approach the Board directly regarding IAG matters unless:

- (a) in response to a request from the Board or the Director Transmission; or
- (b) the members reasonably believe (following discussions with the Director Transmission) that the Director Transmission is unable to or has not complied with the requirements of paragraph 5.2(a).

9.3 Where paragraph 9.2(b) applies:

- (a) the members must inform the Director Transmission of their intention to seek a meeting with the Board;
- (b) the chair must approach the Commission's General Manager in the first instance to discuss the relevant IAG matters and to seek the General Manager's approval to meet directly with the Board or to submit a representation to the Board; and
- (c) any representation made by the IAG will be organised by the members with support from the Commission.

10. **Authority**

The Director Transmission is responsible for ensuring that the IAG is appropriately resourced to perform its tasks. The IAG does not have the authority to commission analysis and to commit resources and expenditure.

11. **Administration**

The business and activities of the IAG must be as transparent as practical, and unless otherwise agreed by the Commission:

- (a) all meeting papers will be distributed to members and the chair in advance of meetings;
- (b) appropriate meeting papers will be published on the Commission's website as soon as practical after each meeting;
- (c) minutes of all meetings will be published on the Commission's website as soon as practical after their confirmation;
- (d) the Commission will provide administrative/secretarial support to the IAG; and
- (e) consensus among IAG members is the optimum result although the Commission recognises that this will not always be possible. In such circumstances, the IAG's advice must reflect the views raised by all members, and all such views must be reflected in the minutes of that particular IAG meeting.

12. **Notice of meetings**

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

12.2 Notice may be given by electronic or any other means.

13. **Methods of holding meetings**

13.1 A meeting of the IAG may be held by a number of its members who constitute a quorum, being at the date and time appointed for the meeting.

13.2 As a general rule, meetings must be held in person.

14. **Quorum**

14.1 The quorum for IAG meetings will be a majority of all members.

14.2 No business may be transacted at a IAG meeting if the quorum is not met.

14.3 Members are not entitled to send an alternate in their place if they cannot attend a IAG meeting.

15. **Attendance**

15.1 Any member of the IAG who, without authorised leave, misses two consecutive IAG meetings will be deemed to be removed from the IAG except where this leave has been approved by the chair or the Director Transmission.

15.2 The chair (with the approval of the Director Transmission) or the Director Transmission may invite non-members to attend a IAG meeting. In these circumstances, the invited party will be an observer only.

16. **Minutes**

The chair must ensure that proper minutes are kept of all business conducted at IAG meetings.

17. **Confidentiality of reports to advisory groups**

17.1 Unless there is a specific reason to the contrary, all reports submitted to the IAG will not be confidential and will be subject to the requirements of the Official Information Act 1982. These reports must include a section 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.

17.2 The Director Transmission will arrange for all non-confidential reports submitted to the IAG to be published on the Commission's website for public viewing.



Electricity Commission

TERMS OF REFERENCE FOR THE MARKET ADVISORY GROUP (MAG)

[date]

1. Background

The Market Advisory Group (*MAG*) has been established in accordance with the Electricity Commission's Charter on Advisory Groups to advise and assist the Electricity Commission (*Commission*) with tasks relating to the operation of the Electricity Governance Regulations and Rules 2003 and with other policy matters.

2. Role

2.1 The role of the MAG is to provide advice to the Electricity Commission (as and when requested by the Electricity Commission) on:

(a) the development of the wholesale spot market and related markets, including ancillary markets and financial markets for energy and transmission hedges; and

(b) advice on relevant rules in the Electricity Governance Rules 2003.

2.2. In meeting these objectives, the MAG must be mindful that its advice is consistent with the:

(c) Electricity Act 1992;

(d) Government Policy Statement;

(e) Commission's principal objectives; and

(f) Objectives of the specific tasks that the MAG is responsible for.

3. Membership

3.1 The MAG will have up to [x] members in total, who will be appointed by the Commission after considering nominations from participants.

3.2 The MAG will also:

- (a) have a chair, who will be appointed by the Commission;
- (b) be supported by a secretariat, which will be organised by the Commission; and
- (c) have the Director Wholesale as the Commission's lead representative.

3.3 For the avoidance of doubt, the independent chair, secretariat and Director Wholesale are not members of the MAG.

4. **Tenure**

4.1 The chair will initially be appointed for a period of two years but may be reappointed by the Commission at the end of this period for one further term.

4.2 Members will initially be appointed for a period of two years and will be entitled to be nominated for one further term at the end of this period.

4.3 Paragraphs 4.1 and 4.2 reflect the Commission's preference for the chair and members of the MAG to serve an initial term with the possibility of serving one further term if the Commission considers it appropriate (i.e. up to a maximum of two terms in total). From time to time, however, the Commission (in its absolute discretion) may elect to reappoint the chair and/or a member for a further third or fourth term.

4.4 Membership on the MAG will not be staggered, therefore, each two year period referred to in paragraphs 4.1 and 4.2 will commence at the same time for all members and the chair.

5. **Responsibility of the Director Wholesale**

5.1 The Director Wholesale will be accountable to the Commission for:

- (a) the resourcing and support of the MAG;
- (b) reporting to the Board of the Commission (*Board*) on MAG matters as a component of providing advice to the Board;
- (c) conveying relevant views, policies and decisions of the Commission to the MAG; and
- (d) setting the agenda for each MAG meeting.

5.2 When presenting recommendations or making representations to the Board regarding advice from the MAG, the Director Wholesale should:

- (a) provide a balanced representation of the views held by the members of the MAG;
- (b) identify any issues relevant to the MAG or the matters before the MAG, which the Director Wholesale considers the Board should be aware of;
- (c) identify any further advice that will be sought from the MAG.

5.3 Where the Director Wholesale's view differs significantly from the views raised by members of the MAG then the Director Wholesale must brief the Board on this difference of opinion and the reasons for this stance.

6. **Responsibility of the chair**

The key functions of the chair will include:

- (a) facilitating discussions between members in such a manner that will stimulate robust debate on issues and encourage effective contribution from members;
- (b) guiding discussions so that they are relevant and effective while at the same time ensuring that genuine disagreements and conflicts are aired and, if possible, resolved (although the Commission recognises that consensus will not always be possible – see clause 11(e)); and
- (c) ensuring that the minutes of each MAG meeting are correct.

7. **Responsibility of members**

7.1 Members and the chair must:

- (a) comply with the requirements set out in this terms of reference;
- (b) be available for all MAG meetings unless granted leave under paragraph 15, read all MAG papers circulated and actively contribute to the discussions of the MAG;
- (c) inform the chair of the MAG and the Director Wholesale of any actual or potential conflicts of interest that may affect their ability to perform their functions as a member of the MAG; and
- (d) carry out the tasks of the MAG arising from the agenda for each MAG meeting.

7.2 Members must remain mindful that:

- (a) in making appointments to the MAG, the Commission is seeking a balanced representation across stakeholders and a diverse mix of knowledge and experience among its members;

- (b) members have been appointed for their expertise and knowledge of a particular area(s), as well as their ability to contribute towards the diverse range of matters that the MAG is likely to consider; and
- (c) appointments to the MAG are of individuals rather than organisations.

7.3 The above principles 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. **Agenda for each MAG meeting**

The Director Wholesale will set the agenda for each MAG meeting and review this agenda with the chair before each meeting commences.

9. **Interaction**

9.1 Day-to-day interaction between the MAG and Commission will be through the Director Wholesale.

9.2 Reporting between the MAG and Board will be through the Director Wholesale. The chair and/or members should not approach the Board directly regarding MAG matters unless:

- (a) in response to a request from the Board or the Director Wholesale; or
- (b) the members reasonably believe (following discussions with the Director Wholesale) that the Director Wholesale is unable to or has not complied with the requirements of paragraph 5.2(a).

9.3 Where paragraph 9.2(b) applies:

- (a) the members must inform the Director Wholesale of their intention to seek a meeting with the Board;
- (b) the chair must approach the Commission's General Manager in the first instance to discuss the relevant MAG matters and to seek the General Manager's approval to meet directly with the Board or to submit a representation to the Board; and
- (c) any representation made by the MAG will be organised by the members.

10. **Authority**

The Director Wholesale is responsible for ensuring that the MAG is appropriately resourced to perform its tasks. The MAG does not have the authority to commission analysis and to commit resources and expenditure.

11. **Administration**

The business and activities of the MAG must be as transparent as practical, and unless otherwise agreed by the Commission:

- (a) all meeting papers will be distributed to members and the chair in advance of meetings;
- (b) appropriate meeting papers will be published on the Commission's website as soon as practical after each meeting;
- (c) minutes of all meetings will be published on the Commission's website as soon as practical after their confirmation;
- (d) the Commission will provide administrative/secretarial support to the MAG; and
- (e) consensus among MAG members is the optimum result although the Commission recognises that this will not always be possible. In such circumstances, the MAG's advice must reflect the views raised by all members, and all such views must be reflected in the minutes of that particular MAG meeting.

12. **Notice of meetings**

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

12.2 Notice may be given by electronic or any other means.

13. **Methods of holding meetings**

13.1 A meeting of the MAG may be held by a number of its members who constitute a quorum, being at the date and time appointed for the meeting.

13.2 As a general rule, meetings must be held in person.

14. **Quorum**

14.1 The quorum for MAG meetings will be a majority of all members.

14.2 No business may be transacted at a MAG meeting if the quorum is not met.

14.3 Members are not entitled to send an alternate in their place if they cannot attend a MAG meeting.

15. **Attendance**

15.1 Any member of the MAG who, without authorised leave, misses two consecutive MAG meetings will be deemed to be removed from the MAG except where this leave has been approved by the chair or the Director Wholesale.

15.2 The chair (with the approval of the Director Wholesale) or the Director Wholesale may invite non-members to attend a MAG meeting. In these circumstances, the invited party will be an observer only.

16. **Minutes**

The chair must ensure that proper minutes are kept of all business conducted at MAG meetings.

17. **Confidentiality of reports to advisory groups**

17.1 Unless there is a specific reason to the contrary, all reports submitted to the MAG will not be confidential and will be subject to the requirements of the Official Information Act 1982. These reports must include a section 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.

17.2 The Director Wholesale will arrange for all non-confidential reports submitted to the MAG to be published on the Commission's website for public viewing.



Electricity Commission

TERMS OF REFERENCE FOR THE RETAIL, DISTRIBUTION AND CONSUMER ADVISORY GROUP (RDCAG)

[date]

1. Background

The Retail, Distribution and Consumer Advisory Group (*RDCAG*) has been established in accordance with the Electricity Commission's Charter on Advisory Groups to advise and assist the Electricity Commission (*Commission*) with tasks relating to the operation of the Electricity Governance Regulations and Rules 2003 and with other policy matters.

2. Role

2.1 The role of the RDCAG is to provide advice to the Electricity Commission (as and when requested by the Electricity Commission) on:

- (a) projects that aim to promote strong retail competition and fairness for consumers;
- (b) arrangements for the protection of consumers; and
- (c) relevant rules in the Electricity Governance Rules.

2.2. In meeting these objectives, the RDCAG must be mindful that its advice is consistent with the:

- (d) Electricity Act 1992;
- (e) Government Policy Statement;
- (f) Commission's principal objectives; and
- (g) Objectives of the specific tasks that the RDCAG is responsible for.

3. Membership

3.1 The RDCAG will have up to [x] members in total, who will be appointed by the Commission after considering nominations from participants.

3.2 The RDCAG will also:

- (a) have a chair, who will be appointed by the Commission;
- (b) be supported by a secretariat, which will be organised by the Commission; and
- (c) have a senior Commission staff member as the Commission's lead representative.

3.3 For the avoidance of doubt, the independent chair, secretariat and senior Commission staff member are not members of the RDCAG.

4. **Tenure**

- 4.1 The chair will initially be appointed for a period of two years but may be reappointed by the Commission at the end of this period for one further term.
- 4.2 Members will initially be appointed for a period of two years and will be entitled to be nominated for one further term at the end of this period.
- 4.3 Paragraphs 4.1 and 4.2 reflect the Commission's preference for the chair and members of the RDCAG to serve an initial term with the possibility of serving one further term if the Commission considers it appropriate (i.e. up to a maximum of two terms in total). From time to time, however, the Commission (in its absolute discretion) may elect to reappoint the chair and/or a member for a further third or fourth term.
- 4.4 Membership on the RDCAG will not be staggered, therefore, each two year period referred to in paragraphs 4.1 and 4.2 will commence at the same time for all members and the chair.

5. **Responsibility of the senior Commission staff member**

- 5.1 The senior Commission staff member will be accountable to the Commission for:
 - (a) the resourcing and support of the RDCAG;
 - (b) reporting to the Board of the Commission (*Board*) on RDCAG matters as a component of providing advice to the Board;
 - (c) conveying relevant views, policies and decisions of the Commission to the RDCAG; and
 - (d) setting the agenda for each RDCAG meeting.

5.2 When presenting recommendations or making representations to the Board regarding advice from the RDCAG, the senior Commission staff member should:

- (a) provide a balanced representation of the views held by the members of the RDCAG;
- (b) identify any issues relevant to the RDCAG or the matters before the RDCAG, which the senior Commission staff member considers the Board should be aware of;
- (c) identify any further advice that will be sought from the RDCAG.

5.3 Where the views of the senior Commission staff member differs significantly from the views raised by members of the RDCAG then the senior Commission staff member must brief the Board on this difference of opinion and the reasons for this stance.

6. **Responsibility of the chair**

The key functions of the chair will include:

- (a) facilitating discussions between members in such a manner that will stimulate robust debate on issues and encourage effective contribution from members;
- (b) guiding discussions so that they are relevant and effective while at the same time ensuring that genuine disagreements and conflicts are aired and, if possible, resolved (although the Commission recognises that consensus will not always be possible – see clause 11(e)); and
- (c) ensuring that the minutes of each RDCAG meeting are correct.

7. **Responsibility of members**

7.1 Members and the chair must:

- (a) comply with the requirements set out in this terms of reference;
- (b) be available for all RDCAG meetings unless granted leave under paragraph 15, read all RDCAG papers circulated and actively contribute to the discussions of the RDCAG;
- (c) inform the chair of the RDCAG and the senior Commission staff member of any actual or potential conflicts of interest that may affect their ability to perform their functions as a member of the RDCAG; and
- (d) carry out the tasks of the RDCAG arising from the agenda for each RDCAG meeting.

7.2 Members must remain mindful that:

- (a) in making appointments to the RDCAG, the Commission is seeking a balanced representation across stakeholders and a diverse mix of knowledge and experience among its members;
- (b) members have been appointed for their expertise and knowledge of a particular area(s), as well as their ability to contribute towards the diverse range of matters that the RDCAG is likely to consider; and
- (c) appointments to the RDCAG are of individuals rather than organisations.

7.3 The above principles 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. **Agenda for each RDCAG meeting**

The senior Commission staff member will set the agenda for each RDCAG meeting and review this agenda with the chair before each meeting commences.

9. **Interaction**

9.1 Day-to-day interaction between the RDCAG and Commission will be through the senior Commission staff member.

9.2 Reporting between the RDCAG and Board will be through the senior Commission staff member. The chair and/or members should not approach the Board directly regarding RDCAG matters unless:

- (a) in response to a request from the Board or the senior Commission staff member; or
- (b) the members reasonably believe (following discussions with the senior Commission staff member) that the senior Commission staff member is unable to or has not complied with the requirements of paragraph 5.2(a).

9.3 Where paragraph 9.2(b) applies:

- (a) the members must inform the senior Commission staff member of their intention to seek a meeting with the Board;
- (b) the chair must approach the Commission's General Manager in the first instance to discuss the relevant RDCAG matters and to seek the General Manager's approval to meet directly with the Board or to submit a representation to the Board; and

- (c) any representation made by the RDCAG will be organised by the members.

10. **Authority**

The senior Commission staff member is responsible for ensuring that the RDCAG is appropriately resourced to perform its tasks. The RDCAG does not have the authority to commission analysis and to commit resources and expenditure.

11. **Administration**

The business and activities of the RDCAG must be as transparent as practical, and unless otherwise agreed by the Commission:

- (a) all meeting papers will be distributed to members and the chair in advance of meetings;
- (b) appropriate meeting papers will be published on the Commission's website as soon as practical after each meeting;
- (c) minutes of all meetings will be published on the Commission's website as soon as practical after their confirmation;
- (d) the Commission will provide administrative/secretarial support to the RDCAG; and
- (e) consensus among RDCAG members is the optimum result although the Commission recognises that this will not always be possible. In such circumstances, the RDCAG's advice must reflect the views raised by all members, and all such views must be reflected in the minutes of that particular RDCAG meeting.

12. **Notice of meetings**

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

12.2 Notice may be given by electronic or any other means.

13. **Methods of holding meetings**

13.1 A meeting of the RDCAG may be held by a number of its members who constitute a quorum, being at the date and time appointed for the meeting.

13.2 As a general rule, meetings must be held in person.

14. **Quorum**

14.1 The quorum for RDCAG meetings will be a majority of all members.

14.2 No business may be transacted at a RDCAG meeting if the quorum is not met.

14.3 Members are not entitled to send an alternate in their place if they cannot attend a RDCAG meeting.

15. **Attendance**

15.1 Any member of the RDCAG who, without authorised leave, misses two consecutive RDCAG meetings will be deemed to be removed from the RDCAG except where this leave has been approved by the chair or the senior Commission staff member.

15.2 The chair (with the approval of the senior Commission staff member) or the senior Commission staff member may invite non-members to attend a RDCAG meeting. In these circumstances, the invited party will be an observer only.

16. **Minutes**

The chair must ensure that proper minutes are kept of all business conducted at RDCAG meetings.

17. **Confidentiality of reports to advisory groups**

17.1 Unless there is a specific reason to the contrary, all reports submitted to the RDCAG will not be confidential and will be subject to the requirements of the Official Information Act 1982. These reports must include a section 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.

17.2 The senior Commission staff member will arrange for all non-confidential reports submitted to the RDCAG to be published on the Commission's website for public viewing.



Electricity Commission

TERMS OF REFERENCE FOR THE SYSTEM SECURITY ADVISORY GROUP (SSAG)

[date]

1. Background

The System Security Advisory Group (SSAG) has been established in accordance with the Commission's Charter on Advisory Groups to advise and assist the Commission (*Commission*) with tasks relating to the operation of the Electricity Governance Regulations and Rules 2003 and with other policy matters.

2. Role

2.1 The role of the SSAG is to provide advice to the Commission (as and when requested by the Commission) on the efficient, reliable and stable operation of the New Zealand electricity power system, including:

- (a) how the Commission may use reasonable endeavours to ensure security of supply;
- (b) common quality strategic development;
- (c) advice on relevant rules in the Electricity Governance Rules 2003.

2.2. In meeting these objectives, the SSAG must be mindful that its advice is consistent with the:

- (a) Electricity Act 1992;
- (b) Government Policy Statement;
- (c) Commission's principal objectives; and
- (d) Objectives of the specific tasks that the SSAG is responsible for.

3. Membership

3.1 The SSAG will have up to [x] members in total, who will be appointed by the Commission after considering nominations from participants.

3.2 The SSAG will also:

- (a) have a chair, who will be appointed by the Commission;
- (b) be supported by a secretariat, which will be organised by the Commission; and
- (c) have the Director of System Operations and Common Quality as the Commission's lead representative.

3.3 For the avoidance of doubt, the independent chair, secretariat and Director of System Operations and Common Quality are not members of the SSAG.

4. **Tenure**

4.1 The chair will initially be appointed for a period of two years but may be reappointed by the Commission at the end of this period for one further term.

4.2 Members will initially be appointed for a period of two years and will be entitled to be nominated for one further term at the end of this period.

4.3 Paragraphs 4.1 and 4.2 reflect the Commission's preference for the chair and members of the SSAG to serve an initial term with the possibility of serving one further term if the Commission considers it appropriate (i.e. up to a maximum of two terms in total). From time to time, however, the Commission (in its absolute discretion) may elect to reappoint the chair and/or a member for a further third or fourth term.

4.4 Membership on the SSAG will not be staggered, therefore, each two year period referred to in paragraphs 4.1 and 4.2 will commence at the same time for all members and the chair.

5. **Responsibility of the Director of System Operations and Common Quality**

5.1 The Director of System Operations and Common Quality will be accountable to the Commission for:

- (a) the resourcing and support of the SSAG;
- (b) reporting to the Board of the Commission (*Board*) on SSAG matters as a component of providing advice to the Board;
- (c) conveying relevant views, policies and decisions of the Commission to the SSAG; and

(d) setting the agenda for each SSAG meeting.

5.2 When presenting recommendations or making representations to the Board regarding advice from the SSAG, the Director of System Operations and Common Quality should:

(a) provide a balanced representation of the views held by the members of the SSAG;

(b) identify any issues relevant to the SSAG or the matters before the SSAG, which the Director of System Operations and Common Quality considers the Board should be aware of;

(c) identify any further advice that will be sought from the SSAG.

5.3 Where the Director of System Operations and Common Quality's view differs significantly from the views raised by members of the SSAG then the Director of System Operations and Common Quality must brief the Board on this difference of opinion and the reasons for this stance.

6. **Responsibility of the chair**

The key functions of the chair will include:

(a) facilitating discussions between members in such a manner that will stimulate robust debate on issues and encourage effective contribution from members;

(b) guiding discussions so that they are relevant and effective while at the same time ensuring that genuine disagreements and conflicts are aired and, if possible, resolved (although the Commission recognises that consensus will not always be possible – see clause 11(e)); and

(c) ensuring that the minutes of each SSAG meeting are correct.

7. **Responsibility of members**

7.1 Members and the chair must:

(a) comply with the requirements set out in this terms of reference;

(b) be available for all SSAG meetings unless granted leave under paragraph 15, read all SSAG papers circulated and actively contribute to the discussions of the SSAG;

(c) inform the chair of the SSAG and the Director of System Operations and Common Quality of any actual or potential conflicts of interest that may affect their ability to perform their functions as a member of the SSAG; and

- (d) carry out the tasks of the SSAG arising from the agenda for each SSAG meeting.

7.2 Members must remain mindful that:

- (a) in making appointments to the SSAG, the Commission is seeking a balanced representation across stakeholders and a diverse mix of knowledge and experience among its members;
- (b) members have been appointed for their expertise and knowledge of a particular area(s), as well as their ability to contribute towards the diverse range of matters that the SSAG is likely to consider; and
- (c) appointments to the SSAG are of individuals rather than organisations.

7.3 The above principles 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. Agenda for each SSAG meeting

The Director of System Operations and Common Quality will set the agenda for each SSAG meeting and review this agenda with the chair before each meeting commences.

9. Interaction

9.1 Day-to-day interaction between the SSAG and Commission will be through the Director of System Operations and Common Quality.

9.2 Reporting between the SSAG and Board will be through the Director of System Operations and Common Quality. The chair and/or members should not approach the Board directly regarding SSAG matters unless:

- (a) in response to a request from the Board or the Director of System Operations and Common Quality; or
- (b) the members reasonably believe (following discussions with the Director of System Operations and Common Quality) that the Director of System Operations and Common Quality is unable to or has not complied with the requirements of paragraph 5.2(a).

9.3 Where paragraph 9.2(b) applies:

- (a) the members must inform the Director of System Operations and Common Quality of their intention to seek a meeting with the Board;

- (b) the chair must approach the Commission's General Manager in the first instance to discuss the relevant SSAG matters and to seek the General Manager's approval to meet directly with the Board or to submit a representation to the Board; and
- (c) any representation made by the SSAG will be organised by the members.

10. **Authority**

The Director of System Operations and Common Quality is responsible for ensuring that the SSAG is appropriately resourced to perform its tasks. The SSAG does not have the authority to commission analysis and to commit resources and expenditure.

11. **Administration**

The business and activities of the SSAG must be as transparent as practical, and unless otherwise agreed by the Commission:

- (a) all meeting papers will be distributed to members and the chair in advance of meetings;
- (b) appropriate meeting papers will be published on the Commission's website as soon as practical after each meeting;
- (c) minutes of all meetings will be published on the Commission's website as soon as practical after their confirmation;
- (d) the Commission will provide administrative/secretarial support to the SSAG; and
- (e) consensus among SSAG members is the optimum result although the Commission recognises that this will not always be possible. In such circumstances, the SSAG's advice must reflect the views raised by all members, and all such views must be reflected in the minutes of that particular SSAG meeting.

12. **Notice of meetings**

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

12.2 Notice may be given by electronic or any other means.

13. **Methods of holding meetings**

13.1 A meeting of the SSAG may be held by a number of its members who constitute a quorum, being at the date and time appointed for the meeting.

13.2 As a general rule, meetings must be held in person.

14. **Quorum**

14.1 The quorum for SSAG meetings will be a majority of all members.

14.2 No business may be transacted at a SSAG meeting if the quorum is not met.

14.3 Members are not entitled to send an alternate in their place if they cannot attend a SSAG meeting.

15. **Attendance**

15.1 Any member of the SSAG who, without authorised leave, misses two consecutive SSAG meetings will be deemed to be removed from the SSAG except where this leave has been approved by the chair or the Director of System Operations and Common Quality.

15.2 The chair (with the approval of the Director of System Operations and Common Quality) or the Director of System Operations and Common Quality may invite non-members to attend a SSAG meeting. In these circumstances, the invited party will be an observer only.

16. **Minutes**

The chair must ensure that proper minutes are kept of all business conducted at SSAG meetings.

17. **Confidentiality of reports to advisory groups**

17.1 Unless there is a specific reason to the contrary, all reports submitted to the SSAG will not be confidential and will be subject to the requirements of the Official Information Act 1982. These reports must include a section 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.

17.2 The Director of System Operations and Common Quality will arrange for all non-confidential reports submitted to the SSAG to be published on the Commission's website for public viewing.

Appendix 3 Format for submissions

Insert preferred format for submissions. If applicable, copy questions for submitters that are contained in the body of this paper.

Paragraph No.	Comment