

# Minutes of the Standardised Flexibility Co-design Group meeting

Held on 30 October 2024 at 10:00am-12:00am

Held on/at:

- MS Teams,
- Level 4/99 Quay Street, Auckland CBD, Auckland 1010, and
- Level 7 AON Centre, 1 Willis Street, Wellington

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**Attendees:** Shaun Goldsbury (Chair), James Tipping, Karl Arns, Matt Carnachan, Nick Haines, Paul Morrison, Tim Boyce, Kirsty Hutchison (Electricity Authority), Jo Goudie (Electricity Authority), James Mantell (Electricity Authority), James Goodchild (Electricity Authority)

**Apologies:** Michael Jefferson

## 1. Introduction

- 1.1. Minutes of the previous meeting were accepted as correct subject to amendments to paragraph 3.
- 1.2. The Secretariat confirmed the Authority is progressing work on 'multiple trading relationships', however this work does not currently extend to what is required for the proposed demand response.
- 1.3. The Secretariat confirmed they had actioned all actions from the previous minutes.
- 1.4. A question was asked if more information could be provided about the interaction between the Task Force project 1A (PPA firming), and this project. EA staff indicated that 1a is ongoing. No further information could be provided at this stage.

## 2. Success criteria

- 2.1. The Secretariat presented the draft success criteria from the prior meeting. The Success Criteria listed below should be assessed against the purpose of the group, as defined in the terms of reference. The agreed success criteria are:

Criteria	Importance	Comments
Useful to trade/have effect in 2025-2027	Critical	Meets a current need in the market. This will assist in price discovery of the forward price curve for flexibility and assist in hedging for flexible supply and demand.
Useful to trade in future periods, eg, 2028+	Medium	Trial product in the early years, could easily evolve.
Widely accessible - derivative (OTC, ASX), physical, [anything else]	High	The more parties likely to willingly trade the product makes it accessible.
Depth/diversity of sellers	High	Both number and type of sellers is important
Depth/diversity of buyers	High	Both number and type of buyers is important
New entry of flexibility providers/innovation	Medium	Develop broader competition, attract development of technology for solutions
Simplicity of product design	High	Standardised, no force majeure
Ease of implementation	High	Platform

### 3. Long-list

- 3.1. The Secretariat presented the long-list of products from the documents. Members discussed the details of the products, and added more products for consideration.
- 3.2. The inclusion of 'force majeure' to a standardised product was discussed. It was agreed these shouldn't be included in a standardised product, as they typically were designed for plant or generation specific issues.
- 3.3. A discussion was held as to how the product would be traded:
  - (a) The Secretariat highlighted the ASX's work on changing the Australian peak product to a super peak product. In this work, two peak products were created.
  - (b) The merits of trading an exchange listed product and an OTC product were discussed.
  - (c) It was agreed there were trade-offs regarding accessibility, costs and the time delay in price discovery.
  - (d) The Chair suggested that two work streams are progressed. One discussing the product(s) to be recommended, and one in which the group's advice on trading arrangements underpinning the product(s) will be discussed.

**Action: The Secretariat will provide potential options for how to progress these two workstreams (product, platform/trading arrangements) to the Chair for discussion.**

#### 4. Initial screening

- 4.1. The Secretariat presented the long-list of products contained in the meeting documents. The following changes were made to the document and the following products were added to the list:
  - (a) It was clarified that 'swaps' in MDAG's work were referring to CfDs.
  - (b) It was agreed that attributes such as nodes, applicable days, working days in differing in regions could apply to multiple products on the list.
  - (c) Products were then grouped together with an aim of reducing the number of products on the long-list.
- 4.2. Some products were discussed specifically to clarify the Co-design Group's view or understanding of the terms being used to describe the product:
  - (a) A monthly version of the option over baseload future may be useful.
  - (b) When describing a generic demand response contract, it was agreed that measuring demand response was challenging.
  - (c) Night and day CfDs from MDAG were discussed.

**Action: The Secretariat and Chair will produce a summary of the products on the long-list. Members to assess the products against the success criteria and complete an initial assessment grouping into 'Yes', 'No', or 'Maybe' categories ahead of the next meeting. This will inform the next discussion on developing the short list.**

*The meeting closed at 1200*

#### 5. Summary of actions

- 5.1. The Secretariat will provide potential options for how to progress these two workstreams to the Chair for discussion.
- 5.2. The Secretariat and Chair would meet to provide a preliminary grouping of the products on the long-list.
- 5.3. The list/matrix from 5.2 above would be sent to the members to sort the long-list products into 'Yes', 'No', or 'Maybe' categories for initial screening.

Confirming that the Standardised Flexibility Co-design Group has approved that the meeting minutes are a true and correct record.

Dated this 19<sup>th</sup> day of November 2024.

A handwritten signature in black ink, appearing to read "Shaun Goldsbury". The signature is written in a cursive style with a horizontal line underneath the name.

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Shaun Goldsbury

**Chair**