

Minutes of the Standardised Flexibility Products Co-design Group meeting

Held on 27 November 2024, 10:00am – 12:00am
via MS Teams and at Level 7 AON Centre, 1 Willis Street, Wellington

Members: Shaun Goldsbury (Chair), James Tipping, Karl Arns, Matt Carnachan, Michael Jefferson, Nick Haines, Paul Morrison.

Apologies: Tim Boyce

In attendance: Kirsty Hutchison (Electricity Authority), Jo Goudie (Electricity Authority), James Mantell (Electricity Authority), James Goodchild (Electricity Authority).

The meeting began at 10:03am

1. Introduction

1.1. The Chair opened the meeting at 10:03am and noted the following engagements since the previous Co-design Group meeting:

- Meeting with James Tipping and Nick Haines on 18 November 2024 to discuss the outcome of previous meeting which they were absent from. Minutes of this meeting were prepared and are included on today's agenda.
- Attendance at a meeting of the Electricity Authority Advisory Group (EAAG) on 20 November 2024.

2. Housekeeping

2.1. The Secretariat noted that a quorum was in attendance.

2.2. Minutes of the meetings on 13 November 2024 and 18 November 2024 were accepted as correct subject to amendments to the discussion on cap products.

2.3. The Secretariat provided an update on action point 4.3 from the meeting of 13 November 2024 (*The Secretariat will arrange a meeting with a broker to discuss how an auction could be run*), noting that a list of brokers to approach was compiled with members' assistance.

2.4. All other action points were noted as complete.

2.5. The group discussed the best way to approach brokers and agreed on a one-page request for information to brokers.

Action point: Secretariat to draft a one-page request for information to brokers for review by the Co-design Group.

Action point: Members of the Co-design Group to review one-page request for information to brokers once circulated.

3. Product shortlist and design

Confirmation of the short-listed product concepts

- 3.1. Members reviewed the products shortlist and confirmed the list is correct and complete.

Product design for the agreed shortlist

- 3.2. Members discussed the features of the two shortlisted product concepts.
- 3.3. The features of the *ASX peak concept – BD Days* agreed to were:
- a. A unit size of 0.1MW.
 - b. Availability of monthly products similar to the approach of trading ASX baseload –quarterly collapsing to monthly.

The applicable trading periods and whether the product applies to business days, or all days will be determined after suitable data is supplied to members for analysis.

Action point: Secretariat to provide data on load by trading period for South Island, North Island, and New Zealand over a period of several years to identify which trading periods should be covered by the peak and super-peak products.

- 3.4. Members agreed to remove the *floating super-peak* product from the list because it is considered less attractive for both the buyer and the seller. This was to do with the uncertainty for whether exposed volume would be covered ahead of time. The features of the *Super peak concept* agreed to were:
- a. A single product covering both morning and evening peaks (rather than two separate products).
 - b. A unit size of 0.1MW.
- 3.5. The Chair asked members their views on supporting both products or one product. There was a discussion about achieving price discovery, usefulness for demand response, and meeting challenges for independent retailers. The group indicated a preference for one product, probably the super-peak product.

4. Trading arrangements

- 4.1. The Secretariat recapped on previous discussion about trading arrangements for the products and noted the group's preference to stand up a match making service to get liquidity. The group discussed:
- a. How to best get engagement on trading the product on both the sell side and buy side and the importance of liquidity.
 - b. How the timing of trading would best fit with ASX trading and market making.
 - c. The appropriate periodicity of trading.

5. External engagement

- 5.1. Members reviewed a draft of the news item intended to be published on the Authority's website and agreed on its content subject to amending the sentence on new technologies.

- 5.2. The Secretariat noted that minutes of the Co-design Group meetings will be published with the news item and no members objected to their name being included in the published minutes.

Action point: Secretariat to publish the agreed news item and finalised minutes of previous meetings.

6. Closing


The meeting closed at 12:06pm

7. Summary of actions

- 7.1. Secretariat to draft a one-page request for information to brokers for review by the Co-design Group.
- 7.2. Members of the Co-design Group to review one-page request for information to brokers once circulated.
- 7.3. Secretariat to provide data on load by trading period for South Island, North Island, and New Zealand over a period of several years to identify which trading periods should be covered by the peak and super-peak products.
- 7.4. Secretariat to publish the agreed news item and the finalised minutes of previous meetings.

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

Dated this 16th day of December 2024.



Shaun Goldsbury

Chair