# Market 2.0: Resilient, affordable electricity for the future

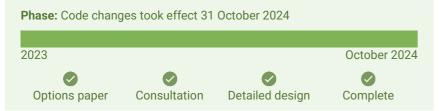
# Market Development Advisory Group quarterly implementation update October to December 2024

MDAG's final report split its 31 recommendations into four themes based on their focus: Accurate and efficient pricing, Tools and incentives to manage risk, Sufficient competition, and Public trust and confidence.

All the initiatives on this dashboard are part of the Authority's current and upcoming work programme. The remaining recommendations in Tranche 2 and Tranche 3 will be considered and incorporated into our work programme.

The loading bars indicate progress made by the Authority. The solid bar shows progress in previous quarters and the dashed bar shows progress in the most recent quarter.

### 2 Hedge market transparency



## 14 Future security and resilience project (governance)

**Phase:** Governance and technical groups include economic expertise



## 15 Seasonal outlook report

Phase: New monthly outlook reporting published



1 Short-term forecasts (solar and wind)



# Accurate and efficient pricing

With a much greater range of players and more physical resources to coordinate, it is even more important for price signals to be accurate and clear.

## Tools and incentives to manage risk

Market participants need access to better tools to efficiently manage their risks and to provide signals to guide longer term decisions - especially investment in generation, storage, and demand-side capability.

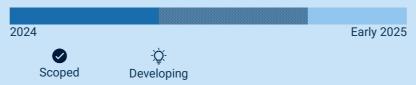
# Sufficient competition

Effective competition puts downward pressure on costs and prices, particularly by promoting continuous improvement and innovation.

# Public trust and confidence

Confidence in our electricity system is key in enabling the innovation and investment that will deliver reliable and clean supply at least cost for consumers.





# 6 New reserve product

Phase: Delivering cha	ang
2021	
0	
Issues and options papers	Сс
options papers	
This is part of a range	-
during peak electrici	ty c
1 Future security	an
Phase: Consultation	ope

2023	
✔ High-level design	Со

Multiple projects contribute to this recommendation: Part 6 Code review, Part 8 Code review, Future system operation, Dispatch notification enhancements

# 13 Virtual disaggregation high-level outline

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D



es to frequency keeping and Winter 2024 options

2026/27



-Ď Delivering preferred options

of initiatives designed to support security of supply demand

## d resilience project (as it relates to DSF)

en on Part 6 Code amendments

2025

-Ò nsultation (Part 8)

-Ò Consultation (Part 6)

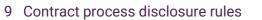
ugh Energy Competition Task Force

Publish early 2025



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### 16 Scarcity pricing parameters



## 18 Sunset profiling (reconciliation on half-hourly data)



## 4 Pricing to optimise distribution investment

**Phase:** Working with Commerce Commission on options to expand use of Commission powers

Ongoing		20	026
	- <u>`</u> Q́-		
Assessed	Collaborating		

## 22 Information programme for opinion-makers

Phase: Assessing possible of	changes to information programme
2024	Early 2025
-Č	
Scoping	

## 7 Stress testing enhancements



## 10 Demand-side flexibility interface, systems and protocols

Phase: Power Inne	ovation Pathway projects consider	ed
2024		2026
	·̈́́́́	
Agreed in-principle	Çollaborating	

Broad-based trials anticipating contributions from other agencies; Authority primarily responsible for Code changes if required to formalise protocols

5 Price-driven secure distribution dispatch

Phase: Scoping and	assessing next steps	
2024		2027+
0	-Ď-	
Agreed in-principle	Scoping	

