



# MAJOR ELECTRICITY USERS' GROUP

13 February 2009

Bronwyn Christie  
Electricity Commission  
By email to [submissions@electricitycommission.govt.nz](mailto:submissions@electricitycommission.govt.nz)

Dear Bronwyn

## **Submission on Advisory Group Review discussion paper**

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Commission consultation paper "Advisory Group Review" of December 2008<sup>1</sup>.
2. We agree with the split of work between the proposed four new standing Advisory Groups. Retaining the support for consumer representatives to participate is welcome along with the proposal for regular open consumer forums/workshops (paragraph 3.3.4). We think there is a case for more of these types of workshops on technical issues before policy decisions start to become finalised.
3. The consultation paper covers the respective role and accountability of members and Chairs of the Advisory Groups, senior Commission staff and Commission Board members. This isn't new; but was worth repeating. The Advisory Groups are only one source for Commission Board members to gain knowledge in order to make informed decisions. It's equally important that Commission Board members keep open options for direct contact with parties on "burning issues" than rely solely on agenda papers from Commission staff.
4. Potential problems in the way Advisory Group advice is channelled to the Commission Board through Senior Commission staff still remain. Under the current arrangements Advisory Group members have no ability to assess if their views have been reasonably or accurately passed on to the Commission Board. Given this uncertainty Advisory Group members can become frustrated. The proposed arrangements do nothing to overcome that problem. If Commission Board papers were published as a matter of course, subject to commercially confident issues being struck out, that would provide transparency on how the views of Advisory Group's were reported.
5. An alternative approach may be for all papers originating from Advisory Groups to be signed off, or at least sighted by the Group (or as a second best the Chairman of the Group) before they are forwarded to the Board. The current arrangements leave the Advisory Group members in limbo as to what happened to an issue that they may have spent hundreds of man hours on.
6. MEUG notes that Cabinet Papers and Cabinet Minutes are available. It does not seem unreasonable, given that the Electricity Commission is funded directly by the electricity industry, that the deliberations undertaken by the Commission are available for analysis. This is distinct from the formal review processes that are available once decisions of the Commission have been released.

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<sup>1</sup> Refer <http://www.electricitycommission.govt.nz/pdfs/opdev/finance/Advisory-Group-Review-Discussion-Paper.pdf>

7. There also appears to be an opportunity to improve the interface between the different advisory groups particularly when they are dealing with issues which overlap over several groups. In theory this should be possible via the Commission staff but it does not happen in a structured or managed way. It is not unusual to find out almost by accident that another group is dealing with an issue that has direct relevance to a work stream of "your advisory group".
8. The role of the Chairmen of Advisory Groups needs careful reconsideration. There may be opportunities to obtain better value from the Chairmen if their responsibilities were increased to cover the signing off and presentation of Advisory Group reports to the Board.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Matthes', with a stylized flourish at the end.

Ralph Matthes  
Executive Director