

16 December 2025

Electricity Authority
PO Box 10041
Wellington 6143

Submitted via email: appropriations@ea.govt.nz

To whom it may concern,

Submission to the Electricity Authority on the *Electricity Authority 2026/27 levy-funded appropriations consultation*

Electricity Networks Aotearoa (ENA) appreciates the opportunity to submit on the Electricity Authority's levy appropriations for 2026-2027.

ENA is the industry membership body that represents the 29 electricity distribution businesses (EDBs) that take power from the national grid and deliver it to homes and businesses (our members are listed in Appendix A).

EDBs employ over 7,800 people, deliver energy to more than two million homes and businesses, and have spent or invested \$6.2 billion in network assets over the last five years. ENA harnesses members' collective expertise to promote safe, reliable, and affordable power for our members' customers.

Support for proposed levy increase

We support the proposed increase of \$0.3 million in levy appropriations for 2026/27. This is a modest adjustment and appears reasonable in the current environment.

Context of the Government's organisational review of the Authority

We note that, in response to the independent electricity market performance review, the Government has announced a series of actions to strengthen New Zealand's energy security and improve market performance. One of these actions is to strengthen the Electricity Authority so that it has the right tools to deliver better outcomes for consumers.

We understand that the Government-led request for proposals for the organisational design review of the Authority closed in November 2025. While we support the small increase proposed for 2026/27, decisions about future levy levels should keep in mind any structural or functional changes that may arise from this review. ENA would welcome the opportunity to engage with the Authority on any levy implications resulting from that process.

Support for absorbing cost pressures and the need for prioritisation

The consultation notes that the Authority intends to absorb an additional \$3.2 million of expected operating costs—stemming from inflationary pressures and anticipated new powers—through internal efficiencies and prioritisation. We support this approach.

Prioritisation is essential not only to maintain levy stability but also to help keep overall sector costs manageable. Each regulatory change (and change proposal) generates significant work for the sector, consuming time and resources, and ultimately placing upward pressure on consumer prices, especially when not appropriately factored into cost benefit analyses.

Over the past year, the volume of consultations has been high; ENA will have responded to 20 Authority consultations in the 2025 year alone (and that's only the ones we have engaged with – not all those published).

Greater coordination across agencies would also help reduce duplication, inconsistency and improve efficiency. We strongly encourage the Authority to work more closely with the Commerce Commission and MBIE, including exploring a joint forward work plan and calendar across the agencies. This would help the sector plan effectively and reduce the risk of overlapping or conflicting regulatory activity.

Quality over quantity

Regulatory proposals must be underpinned by robust cost–benefit analysis and demonstrate alignment with the principles of the Authority's Consultation Charter (2024) before significant industry consultation is initiated.

A focus on quantified consumer benefit will ensure resources are directed to initiatives that deliver clear value and outcomes, maintain pace in delivery, avoid unnecessary consultation churn or rework and avoid any unintended consequences. The 'plan on a page' on page 11 of the consultation, for example, is vague and makes no reference to what these initiatives are or how they play into the 'bigger picture' in the sector.

It is critical that work programmes are prioritised in proportion to the customer benefits they deliver or the customer harm they mitigate. This approach would ensure that proportionate effort and funding is directed to areas with the greatest impact, supporting efficient and effective outcomes for consumers.

Whilst we understand that the Authority has broad ambitions, as the 'what' clearly states on page 6 of the consultation paper – affordability, security and resilience are paramount. Several recently proposed initiatives seem to deviate significantly away from these priorities, ignoring the voices of the 'many' customers, in favour of the voices of the 'few'.¹

The new Regulatory Standards Act and the associated Ministry for Regulation guidance emphasise many of these points and may provide helpful resources for Authority staff and Board.

Key initiatives for 2026/2027 - connection pricing and process reform

Finally, we do not believe the current approach to connection pricing and process reform for the distribution sector is well-structured. These issues need to be considered in a more integrated and holistic way. As we have raised in various submissions in the last few years, there is a risk of unintended consequences if the Authority continues progress these workstreams in its current disintegrated manner. Unintended consequences could extend beyond EDBs to customers.

The connection workstreams should be combined in a single project to review Part 6, including updating the distribution pricing principles to include both load and generation (as well as explicit

¹ For example, please refer to this submission from Consumer NZ:
https://www.ea.govt.nz/documents/8086/Consumer_NZ_MTR_submission.pdf

consideration of the treatment of hybrid systems, like BESS). Repealing the Distributed Generation Pricing Principles (DGPPs) is also essential to avoid the unintended consequences that are likely to occur from continued separation of these workstreams.²

A more holistic approach may also prevent the rework, and risk of unintentional non-compliance, required from issuing separate 2.16 notices to bring forward requirements, having to issue Code amendments within a few months of decisions or issuing disjointed phased implementation consultations that fail to build on previous concerns raised by continuing to lack sufficient substance to allow participants to understand and to be able to measure 'what good looks like'.

It is important that these workstreams are undertaken thoroughly, avoiding shortcuts, working with the sector, where possible, to develop workable solutions, with appropriate workstream sequencing and timeframes.

If you have any questions about ENA's submission please contact Gemma Pascall, Regulatory Manager ().

Yours sincerely

Gemma Pascall
Regulatory Manager

² Please refer to our previous submissions on DGPPs earlier this year:
https://www.ea.govt.nz/documents/7050/Electricity_Networks_Aotearoa_-_DGPP_submission_2025.pdf and
https://www.ea.govt.nz/documents/7175/Electricity_Networks_Aotearoa_-_DGPP_X-Submission_2025.pdf

Appendix A

Electricity Networks Aotearoa makes this submission along with the support of our members, listed below.

- Alpine Energy
- Aurora Energy
- Buller Electricity
- Centralines
- Counties Energy
- Firstlight Network
- Electra
- EA Networks
- Horizon Networks
- MainPower
- Marlborough Lines
- Nelson Electricity
- Network Tasman
- Network Waitaki
- Northpower
- Orion New Zealand
- Powerco
- PowerNet (which manages The Power Company, Electricity Invercargill, OtagoNet and Lakeland Network)
- Scanpower
- Top Energy
- The Lines Company
- Unison Networks
- Vector
- Waipa Networks
- WEL Networks
- Wellington Electricity
- Westpower