

Submit on the Electricity Authority consultation on limiting customers who can access distribution peak export payments.

Due 5pm Friday 21 November

Schools, farmers, marae and small businesses in our communities should not be excluded from a fair deal on payments for solar power they export back to the network at peak times. That could happen if the Electricity Authority follows through on its plan to impose limits on connection sizes of who they protect with fair export pricing. We believe the limits are far too low and will exclude energy customers who deserve better. Investment in local generation and batteries incentivised by fair peak payments will benefit the whole community by helping to lower electricity bills and providing greater local resilience. Without fair payments for providing peak power, the whole community misses out. We want you to let them know it's not on.

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What's the deal?

When electricity is exported to the local network at peak times it can help reduce network congestion and reduce network peaks, helping to offset and lower the cost of network investment for all customers. These exports have demonstrable value and it was great to see the Electricity Authority's decision in June this year to require distribution networks to fairly pay customers for the value of exports at peak time by paying a tariff for exports that reflects the long-run marginal cost that this export avoids.

These tariff payments can help incentivise customers to invest in solar and battery systems and speed up payback while also operating them in a way that lowers electricity system costs, increases local resilience and lowers electricity bills for everyone.



The Electricity Authority is now consulting on limiting customers who can access this peak export reward to those with connections of 45kVA and less and with a maximum of 45kW of generation export capacity or less. The Electricity Authority justifies this by saying large electricity customers will have the bargaining power to negotiate directly with distributors to get a fair deal.

Rewiring Aotearoa believes the proposed cut offs (45kVA and 45kW) are far too low. This would exclude many small customers like schools, many farms, marae, some community organisations and other small businesses, none of which are well-placed to negotiate a fair deal with their local Electricity Distribution Business (EDB).

We need to support our local organisations and small businesses to be paid fairly for peak exports. This will incentivise them to invest in local renewable generation with storage that can reduce network costs for the whole community and provide valuable resilience hubs.

We also question the fundamental premise of limiting these fairness protections. The regulation clearly only requires EDBs to reward customers fairly with the accurate reflective value of that customer's contribution. As such, effectively saying "you're on your own and the Authority won't protect you" for any customers with export above 45kW is fundamentally unfair and unreasonable in our view.

In our rural communities solar and batteries on farms is a win-win. It can provide a valuable revenue stream for farmers using very little land (eg: 1.5 hectares) and help lower electricity system costs for local customers, providing more resilience and creating an opportunity for the roll out of on-farm public EV charging options and the development of EV charging corridors in rural communities. The same is true in our communities for our schools, for our marae, and for any other community or small business building. All of these should be protected and paid fairly rather than having an arbitrary cut off point where fairness no longer applies.

Why does this matter?

The Electricity Authority is currently consulting on "Requiring distributors to pay a rebate when consumers supply electricity at peak times: definition of a small business".

In July this year, the Electricity Authority introduced new requirements in the Electricity Industry Participation Code 2010 (the rules the electricity sector companies must follow) requiring distributors to introduce "negative charges" for electricity supplied by households and businesses at peak times. These changes were made to:

- encourage consumers to supply power to the network when it's needed; and
- reward them when the power they supply benefits the network.

These changes will support New Zealanders making decisions about buying rooftop solar systems with batteries (or other forms of flexible generation) and how they operate them to lower and offset investment in networks.



The cost of networks and our electricity grid is important to consider because it makes up well over 30 percent of household electricity bills, and network investment costs are expected to drive most of the electricity price increases over the coming years. So encouraging options to offset and lower network investment and cost is key to help lower bills.

The consultation open at the moment is simply attempting to create a workable definition of the types of customers that distributors are required to provide distribution peak export tariff rewards to. However, the proposed cut off of 45kVA connection capacity and 45MW maximum exportable generation capacity is much too conservative. It does not align with the Electricity Authority's intention to apply the default peak distribution pricing to customers who are not well-placed to negotiate a fair deal from their EDBs. It will greatly limit benefits to the wider community from increased generation and storage by excluding many small local customers like marae, schools, and farms.

The peak export tariff will provide a fair incentive for customers to include battery storage with investment in distributed generation like solar. Combining local generation with battery storage not only reduces the need for network upgrades reducing everyone's energy bills, it also provides local resilience. For example, marae and schools with rooftop solar and batteries can act as local hubs for the community if there are power outages.

With an increase in extreme weather events this will be increasingly important to provide backup options for communication, EV charging and other community needs until power is restored. These unnecessary limits on who receives peak distribution export tariffs would be a step in the wrong direction and a missed opportunity to support customers to invest in a more flexible, affordable and resilient future electricity system.

What about large investments in local generation and storage?

The Electricity Authority notes that the peak export rates were not intended to apply to large distributed generation, which can individually have a significant impact on network demand and security - both positively and negatively - and who have the ability to negotiate fair peak export rates.

If the Authority wishes to create a limit to exclude large distributed generation it should be set to a reasonable level of up to 1MW of maximum deliverable generation and storage export capacity. This is a sensible level that includes local community organisations and businesses, but would exclude utility generators and large industrials who would be well-placed to negotiate their own contracts.

Any concerns about the impact on network reliability of exports from small businesses and organisations with solar and battery capacity up to 1MW can be dealt with via other measures, for example through appropriate export limits.

The Electricity Authority is also currently consulting on 'Maximising benefits from distributed generation', exploring how to improve how export limits are set for both small and large



distributed generation. This complementary consultation closes on 19th of November. See our submission guide for this consultation here.

What can you do?

- You can **make a submission** to the Electricity Authority's <u>consultation</u> by emailing your view to <u>taskforce@ea.govt.nz</u> with 'Definition of small business Code amendment proposal' in the subject line by 5pm 21 November 2025. We have set out a few options below that you can use to help with your submission.
- Share this page on social and get more friends pushing for fairer value for customers in your community who invest in solar and batteries. This can help support community energy that can lower the cost of our electricity system for everyone.
- **Keep up with the play:** Follow Rewiring Aotearoa on <u>LinkedIn</u>, <u>Instagram</u>, <u>Twitter</u>, <u>Facebook</u> for updates or <u>subscribe</u> to Rewiring Aotearoa's newsletter.



Got 90 seconds?

Paste these bullets and email them to the <u>taskforce@ea.govt.nz</u> with 'Definition of small business Code amendment proposal' in the subject line by 5pm 21 November 2025.

- Incentivising storage alongside solar investment for all customers through a peak distribution export tariff that provides a fair payment reflecting the long run cost of avoided network investment would increase benefits to all customers.
- I do not support the 45kVA connection limit or 45kW maximum generation capacity limit as it would restrict many small and medium sized businesses and organisations, like schools, marae, farms and community groups from accessing peak distribution export tariffs.
- Many of the community organisations and businesses that would be excluded from accessing the peak distribution export tariff would not be well-placed to negotiate this directly with their distributor. They would simply miss out.
- The peak export tariff will provide a fair incentive for customers to include battery storage with investment in distributed generation like solar. Combining local generation with battery storage not only reduces the need for network upgrades and reduces everyone's energy bills, it also provides local resilience. For example, marae and schools with rooftop solar and batteries can act as local hubs for the community in a power outage. With an increase in extreme weather events this will be increasingly important to provide backup options for communication, EV charging and other community needs until power is restored.
- The cost of networks and our electricity grid is important to consider because it
 makes up well over 30 percent of our household electricity bills and is expected to
 drive most of the electricity price increases over the coming years. This is
 predominantly due to increasing distribution network costs, so encouraging options to
 offset and lower network investment and cost is key to help lower bills.
- In our rural communities solar and batteries on farms is a win-win for farmers and the local community. It can provide a valuable revenue stream for farmers and help boost income using very little land (e.g. one paddock or up to 1.5 hectares) and help lower



- electricity system costs for local customers, providing more resilience and creating an opportunity for the roll out of on-farm public EV charging options and the development of EV charging corridors in rural communities.
- These unnecessary limits on who receives peak distribution export tariffs would be a step in the wrong direction and a missed opportunity to support customers to invest in a more flexible, affordable, sustainable and resilient local energy supply.
- If the Authority wishes to create a limit it should be set to include all customers with up to 1MW of generation capacity. This is a sensible level that includes local community organisations and businesses who are not well-placed to negotiate a fair deal, but would exclude utility generators and very large industrials who would be well-placed to negotiate their own contracts.



Got 5 minutes?

Send a quick email submission. Copy the email template into your own document and fill in the blanks. We're particularly interested in hearing from our rural communities. If you're a farmer with an existing system that would be affected by this cut off, let them know that you would struggle to find the time to negotiate. If you're a farmer considering solar and storage but are put off by this limit, add that in.

- Email the document as an attachment to taskforce@ea.govt.nz with "Definition of small business Code amendment proposal' in the subject line by 5pm 21 November 2025.
- If you are unable to send your document electronically, email taskforce@ea.govt.nz or ring the Task Force on 04 460 8860 to discuss options.

Share this guide with your friends and ask them to follow your lead.



Got 15 minutes?

Same instructions as above, but add the personal touch to the ideas in the email template. The more personalised you make your submission, the more effective it will be.

Connecting it to personal stories of the difference these changes will make to you (or would have made when you were making decisions on solar and/or batteries) are most effective. Even if only partly formed thoughts, your reflections on the impact on actual decision-making are incredibly valuable. Or you could describe what benefits from increased local generation and storage would mean to you. For example, the impact of lowering electricity bills from local generation with batteries and having a local hub that provides a backup option when the power goes out.

What will be most valuable for the Electricity Authority is your own experience and thoughts.

What benefits would more local investment in solar generation bring to you and your community? If you are a business, farm or small business looking to invest in solar and batteries (with generation capacity over 45kW or a connection over 45kVA,



- which will be most farms and many small businesses) what are your considerations when installing a solar system and/or batteries? Would those decisions be different if there were stronger economic signals to export energy at peak times or shift usage?
- What have your experiences been like when dealing with EDBs and do you think you
 would be in a good position to negotiate with them if this limit was imposed?

Email Template

My name is [NAME], and I'm a [age/job/gender/parental status/whatever you identify with] from [location]. I, like many others, am excited by the potential of better empowering consumers who are fundamentally reshaping our energy future.

[Feel free to add personal thoughts here about why this is important to you.]

I agree with the stated aim of encouraging customers to supply power to the network when it's needed and rewarding them when the power they supply at peak times benefits the network. Incentivising storage alongside solar investment for all customers through a peak distribution export tariff which provides a fair payment that reflects the long run cost of avoided network investment would increase benefits to all customers.

However, I **do not agree** with the Task Force's limit on what constitutes a small business. The 45kVA connection limit or 45kW maximum generation capacity limit would restrict many small businesses and organisations, like schools, marae, farms and community groups from accessing peak distribution export tariffs.

Many of the community organisations and businesses that would be excluded from accessing the peak distribution export tariff would not be well-placed to negotiate this directly with their distributor. They would simply miss out.

[Feel free to add personal thoughts here about previous interactions with EDBs and why you don't believe you would be well-placed to negotiate]

The peak export tariff will provide a fair incentive for customers to include battery storage with investment in distributed generation like solar. Combining local generation with battery storage not only reduces the need for network upgrades and reduces everyone's energy bills, it also provides local resilience. For example, marae and schools with rooftop solar and batteries can act as local hubs for the community in a power outage. With an increase in extreme weather events this will be increasingly important to provide backup options for communication, EV charging and other community needs until power is restored.

The cost of networks and our electricity grid is important to consider because it makes up around half of household electricity bills and is expected to drive most of the electricity price increases over the coming years. This is predominantly due to increasing distribution network costs, so encouraging options to offset and lower network investment and cost is key to help lower bills.



In our rural communities solar and batteries on farms is a win-win for farmers and the local community. It can provide a valuable revenue stream for farmers using very little land and help lower electricity system costs for local customers, providing more resilience and creating an opportunity for the roll out of on-farm public EV charging options and development of EV charging corridors in rural communities.

These unnecessary limits on who receives peak distribution export tariffs would be a step in the wrong direction and a missed opportunity to support customers to invest in a more flexible, affordable, sustainable and resilient local energy supply.

If the Authority wishes to create a limit it should be set to include all customers with up to 1MW of generation capacity. This is a sensible level that includes local community organisations and businesses who are not well-placed to negotiate for a fair deal, but would exclude utility generators and]large industrial customers.

[If you have thoughts on how you have or would consider investing in solar or batteries and the impact getting a more fair price for injecting at peak periods would make on these decisions, feel free to add those thoughts here.]

About Rewiring Aotearoa

Rewiring Aotearoa is a non-partisan non-profit organisation that believes electrification has major economic, social, climate and environmental benefits. We represent everyday New Zealanders in the energy system and advocate for an equitable energy transition that does not leave anyone behind. Our mission is to rapidly reduce New Zealand's emissions, improve cost-of-living outcomes, and increase energy security and resilience by electrifying the millions of fossil fuel machines in our homes, communities, businesses and on-farm.