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Submissions  
Electricity Authority  
P O Box 10041  
Wellington 6143

By email: [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)

Dear Craig,

**RE: Issues Paper-Integrating hosting capacity into Part 6 of the Code on low voltage networks**

The Independent Electricity Generators Association Incorporated (IEGA) welcomes the opportunity to submit on this paper relating to the implications of connecting more small-scale distributed generation to low voltage networks.<sup>1</sup>

While small-scale less than 10kW distributed generation behind the consumer meter connected to low voltage networks is not the focus of our Association or the type of investment of our membership, there are comments / positions in this issues paper that are relevant for our membership.

In particular, the issues paper discounts the option of market solutions. The IEGA agrees that small-scale distributed generation (SSDG) along with other distributed generation can be designed and incentivised to provide services useful for improving local and national power quality and for mitigating local network congestion as discussed in paragraph 4.1.

The IEGA strongly submits that the current review of distribution pricing principles must include solutions for network companies to compensate distributed generation for services provided in improving local and national power quality and for mitigating local network congestion. As we have submitted on previous occasions, network companies are already compensating electricity consumers for mitigating local network congestion by charging them less if they go on a controlled or off-peak tariff. Distributed generation provides the same solution. A level playing field in what could be competitive provision of services means distributed generation must also be compensated.

We note the Authority has assumed the proposed standards-based approach will be structured in a way that doesn't inhibit or foreclose market-based approaches developing in the future<sup>2</sup>. In our view, work on establishing market-based approaches or pricing based incentives is urgent.

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<sup>1</sup> The Committee has signed off this submission on behalf of members.

<sup>2</sup> Paragraph 4.4 of the Issues Paper

IEGA understands there are trials underway in a number of different network areas with different suppliers of solar pv – it would be interesting to have some of the practical learnings from these trials as input into any standards-based approach rule changes. These trials may demonstrate that market-based or pricing incentives are sufficient to achieve the outcomes desired in this Issues Paper.

We would welcome the opportunity to discuss this submission with you.

Yours sincerely

A handwritten signature in black ink, appearing to read "Warren McNabb". The signature is written in a cursive style with a large initial "W".

**Warren McNabb**  
Chair