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Sent: Tuesday, 7 April 2026 8:39 pm
To: Distribution Pricing <Distribution.Pricing@ea.govt.nz>
Subject: Feedback – distribution pricing

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Dear Electricity Authority,

I am writing as a small distributed generator owner to provide feedback on the proposed changes to the network pricing rules for distributed generation.

I own a 10 kW rooftop solar system paired with a 15 kWh home battery. Like many New Zealanders, I invested in these to reduce my reliance on the grid, lower my power bills, and contribute clean generation locally. While I support the overall goal of more cost-reflective pricing, I have several serious concerns with the proposals as currently framed.

1. **Risk of lower (or negative) export rates** - I am worried that the changes could lead to further reductions in effective export payments, or even negative pricing in some periods - as has occurred in parts of Australia and California. With my battery, I can shift exports, but the rules need to deliver genuine, predictable rewards (especially for peak winter/evening exports) rather than just adding new charges.
2. **Rising lines charges and the incentive to go off-grid** Lines charges have already increased sharply in recent years. Combined with any new costs on distributed generators, this makes full or partial disconnection financially attractive - especially for new-build homes. Battery prices continue to fall rapidly, so a well-designed off-grid or grid-isolated system could pay back in under a decade for many households.
3. **The “utility death spiral” risk** If more households and businesses disconnect or minimise grid use, the fixed costs of maintaining the network (poles, wires, transformers, etc.) will be spread across fewer remaining customers. This could drive prices even higher, accelerating further disconnections. The proposals appear to acknowledge cross-subsidies, but I am concerned they may not go far enough to prevent this long-term problem.
4. **Are distributed upgrades truly cheaper?** Local solar and batteries can defer some traditional network upgrades by reducing peak demand, but they also create new costs (voltage management, monitoring, reverse power flows). I question whether the net system-wide cost is always lower than investing in

centralised generation and transmission. The rules should ensure we only encourage DG where it genuinely delivers lower long-term costs for all consumers.

5. **Societal value of rooftop solar and batteries** Rooftops are currently wasted space. Shifting more generation and storage into urban environments where people live is a no-brainer for resilience, reduced transmission losses, and local energy security. New Zealand should be actively encouraging sensible investment in distributed solar and storage rather than making it more expensive through pricing changes.
6. **Vagueness in the rules and potential for abuse** The legislation and principles seem quite high-level. This gives lines companies significant flexibility, which risks being abused through high fixed charges for DG customers or stingy rebates. Strong, clear monitoring and enforcement by the Authority will be essential.

Additional points I would like the Authority to consider:

- Strong, time-varying rebates that genuinely reward exports during genuine network peak periods (especially winter evenings) would help align incentives and reduce the push toward off-grid solutions.
- The rules should explicitly protect and encourage small-scale household DG (<45 kW) as a public good, given the resilience and environmental benefits.
- Greater transparency and standardisation in how lines companies calculate and publish DG-related charges and rebates would build trust.

I support pricing that fairly reflects costs and benefits, but it must be balanced so that New Zealand continues to grow distributed generation rather than discourage it. Poorly calibrated rules could slow the very efficient investment the proposals aim to promote.

I have read the factsheet and recommend the Authority carefully model the combined impact of new charges + rebates on typical household solar + battery systems, as well as the potential rate of grid defection under different scenarios.

Ngā mihi,

Nikita, [REDACTED]