

From: [Jono Barnard](#)
To: [Level playing field](#)
Cc: [innovate](#); [REDACTED]
Subject: FW: Feedback on the Level the Playing Field (LTPF)
Date: Wednesday, 26 November 2025 3:00:40 pm

Kia ora koutou

In addition to Mark's informal commentary on LTPF, please see Pāua to the People's formal submission to Level playing field proposed Code amendments.

Cheers

Jono Barnard
Power Innovation Pathway Manager
Electricity Authority | Te Mana Hiko
M: [REDACTED]

From: Mark Hughes [REDACTED]
Sent: Tuesday, 25 November 2025 11:45 am
To: Jono Barnard <jono.barnard@ea.govt.nz>
Subject: Feedback on the Level the Playing Field (LTPF)

Jono,

While Pāua to the People continues to believe that the Level the Playing Field (LTPF) project is being significantly watered down in favor of the Gentailers, I realise I have not yet provided you with our official, shareable feedback.

Pāua to the People have serious concerns regarding the Electricity Authority's (EA) preferred option, which appears too similar to the current, ineffective Gentailer system that initially prompted the LTPF initiative. We struggle to see how the proposed system can be practically enforced and utilised to help users and independent retailers to acquire hedging products from Gentailers, especially not at a comparable rate to that enjoyed by Gentailer retail operations. Specifically, we doubt how the proposed transfer pricing mechanism will accurately reflect Gentailers' actual cost to serve, which currently allows them to subsidise their retail operations. The requirement for accounting separation was intended to ensure that Gentailers' retail arms are cost-competitive rather than reliant on generation subsidisation. As one of the "other retailers," we would have no confidence that the preferred option will result in any meaningful transparency between Gentailer retail prices and their true cost to serve. Furthermore the proposed report is prepared well after the purchase of any product so in reality would likely have little impact on the hedging rates. To "gain our confidence" we believe that an accurate

understanding of the Gentailer cost to serve (excluding any transfer pricing) should be used to determine the actual Transfer Price we could expect. The formula should be $\text{Customer Price} = \text{Cost to Serve} + \text{Profit Margin} + (\text{Calculated Transfer Price})$ as this would establish a more realistic transfer price, post-fact transfer price engineered to fit the narrative. Given every retailer should understand their current cost to serve this information should be readily available to the EA.

Additionally, we need clarity on how the Authority proposes to ensure Gentailers engage with smaller buyers in a timely fashion. Despite existing commitments, we see no evidence of any willingness from Gentailers to engage with us.

As a minimum requirement, we believe that the following would enable both timely and constructive engagement by Gentailers. Anything less is worthless.

1. A published process from each Gentailer for engagement with expected response times.
2. An up-to-date, publicly visible list (a "shop front") of products, prices, and volumes they are willing to supply, accessible to the EA and all interested parties. This should be linked to the published Transfer Pricing and ideally reflective of cost-to-serve of the gentailer. Without a shop front I do not see Gentailers ever providing us with access to their risk management products at all and especially not at rates comparable to their actual transfer prices.
3. An avenue to report non-compliance by Gentailers that can be also raised by buyers.

Small, independent retailers must also be able to access risk management products that offset prudential requirements, as only products supplied by Gentailers currently qualify for this offset via the Clearing Manager (CM). We acknowledge that there is a consultation to investigate Prudential and have provided our feedback on this. We are currently tied to the Gentailers and will be until other sources are able to offset Prudential.

Paua to the People believe that the chosen option will fall well short of leveling the playing field.

Regards,

Mark Hughes
Managing Director
Paua to the People Limited

[REDACTED]



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