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## Definition of small business Code amendment proposal

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**To** TaskForce <TaskForce@ea.govt.nz>

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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.