

21 November 2025

Energy Competition Task Force
c/- Electricity Authority
By email: taskforce@ea.govt.nz

Dear team,

Re: Definition of small business Code amendment proposal

The Independent Electricity Generators Association Inc. (IEGA) appreciates the opportunity to make this submission on the Energy Competition Taskforce (ECTF) proposal to amend the Code to ensure a distributor's negative charge applies for ICPs that have distributed generation systems where the maximum deliverable generation capacity is 45kW or below.¹

The EMI website shows that the SME market segment has approximately 2,200 ICPs with distributed generation >10kW. Of this total, the average capacity of new installations is greater than 45kW and up to a maximum size of 166kW for approximate 380 ICPs spread over 28 distributors.

The ECTF justifies the cutoff at 45kW by saying that SMEs installing larger systems are “*better able to negotiate directly with a distributor for bespoke injection payments that reflect their individual impact*”:² And:

“The policy intent was to encourage and reward export at peak times from households and small businesses, who typically lack the bargaining power to negotiate bespoke arrangements covering injection payments, and for whom individual negotiation would be inefficient.”³

The IEGA doubts whether a SME with a 46kW distributed generation system will have negotiating power with a distributor – when the distributor might only have one or a few of these greater than 45kW systems connected to their network. The IEGA queries if the Electricity Authority will be monitoring distributors implementing bespoke injection payments for distributed generation systems greater than 45kW.

Part 6 of the Code already includes an obligation on distributors to consider any identifiable avoided or avoidable costs. It is the widespread experience of IEGA members that distributors are not identifying or compensating distributed generators for any avoided or avoidable costs.⁴ The

¹ The Committee has signed off this submission on behalf of members.

² Paragraph 2.5(b) of consultation paper

³ Paragraph 3.28 of consultation paper

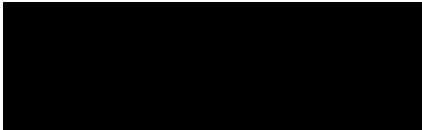
⁴ We understand the Authority may have more accurate information on this topic collected during 2025

methodology proposed for the negative charge for 'mass market' is a start towards valuing the contribution of distributed generation to avoid and / or defer distribution investment.

As discussed in the IEA's initial submission on this topic, we look forward to the ECTF or Authority implementing policy and Code that facilitates / encourages / supports the development and contracting of flexibility services from any source which has the potential to realise a lower cost distribution system for the benefit of all consumers. Incentivising any distribution network connected generation to inject at peak times and lower network costs will yield system wide benefits – *"This is because the electricity is generated locally when and where it's needed, and eases pressure on the local distribution network where it's constrained. This avoids the need for distributors to build more infrastructure to cope with higher demand peaks, meaning lower overall costs, and lower prices for consumers in the long run".*⁵

We would welcome the opportunity to discuss this submission with you. Nothing in this submission is confidential.

Yours sincerely



Ben Gibson
Chair

⁵ Source: ECTF paper 'Proposals to encourage efficient investment in distributed generation' Electricity Authority Advisory Group: subgroup 1 meeting 1. Released under OIA