

Definition of small business Code amendment proposal

From Stephen McNally [REDACTED]
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To TaskForce <TaskForce@ea.govt.nz>

 1 attachment (106 KB)
Electricity Authority Solar 45kw Submission.pdf;

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IrrigationNZ represents nearly 5000 members nationally. Our sector is rapidly adopting on-farm and community-scale solar and battery systems to support irrigation pumping, manage energy costs, and improve resilience during extreme weather.

While we support the aim of rewarding peak-time exports, the proposed 45 kVA and 45 kW limits would exclude most irrigated farms and rural businesses the policy is intended to help. The threshold is too low and would disadvantage rural innovators using solar and storage to reduce emissions and peak demand.

IrrigationNZ encourages the Authority to adopt a more practical limit of up to 1 MW of maximum deliverable generation capacity.

Regards

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Electricity Authority Definition of Small Business for Peak Export Tariffs

Requirement for distributors to pay negative charges when consumers supply electricity at peak times

Submitted by: Irrigation New Zealand (IrrigationNZ)

21 November 2025

To: Electricity Authority taskforce@ea.govt.nz

Overview

IrrigationNZ represents nearly 5000 members nationally, including growers, farmers, irrigation schemes, technology providers, and design consultants. Our sector is increasingly integrating on-farm and community-scale renewable generation and battery storage to support irrigation pumping operations, manage energy costs, and build resilience in the face of more frequent extreme weather events that often disrupt rural electricity networks.

We support the Authority's intent to reward peak-time exports that deliver real network value. However, **the proposed limits of 45 kVA connection capacity and 45 kW generation capacity will unintentionally exclude the vast majority of irrigated farming operations and rural enterprises**—despite these being the very “mass-market” customers the policy was designed to empower.

IrrigationNZ considers the threshold to be too low, too blunt, and disproportionately disadvantages rural innovators who are integrating solar and storage to reduce emissions, manage peak demand, and create new revenue streams.

IrrigationNZ encourages the Electricity Authority to adopt a 1 MW maximum deliverable generation capacity limit as a more appropriate and effective threshold.

Key Contact

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Information Sharing Statement

IrrigationNZ understands that this submission is subject to the Privacy Act 2020. We acknowledge that:

- The Electricity Authority may publish this submission, or a summary of it, on its website.
- This submission contains no confidential information withheld under section 9 of the Official Information Act 1982.
- This submission will inform the Authority's definitions development process and contribute to advice provided to Ministers.
- The submission (including identifying information) may be shared with other government agencies working on related policy areas.
- The Authority may contact IrrigationNZ directly for clarification or further information.

Context: What a 45kW Cut-off Means in Rural New Zealand

Across both pastoral and horticultural farming, irrigation pumps almost always exceed the proposed 45 kW threshold.

Orchards and vineyards using dripline irrigation commonly operate pumps in the **40–90 kW** range, even for modest block sizes. Pastoral systems—particularly those supplying pivots or lateral moves—typically require **75–200 kW** and often more. These are normal farm-scale loads, not large industrial operations.

Setting the generation limit at 45 kW would therefore exclude the vast majority of farms and orchards from accessing peak-export incentives, even though they are exactly the customers who cannot realistically negotiate bespoke arrangements with their Electricity Distribution Business (EDB).

A limit this low would prevent rural New Zealand from participating in, and contributing to, the outcomes the policy intends to encourage: reduced peak demand, lower network costs, and improved on-farm and community resilience.

The Authority's Rationale Does Not Hold in Rural Context

The consultation document suggests that customers above 45 kW “can negotiate bespoke deals” with their EDB. In practice:

- This is not realistic for individual farmers.
- EDBs hold far more technical, commercial, and operational information than rural customers.
- Transaction costs are prohibitive.
- Farmers and growers are not energy companies and cannot engage on an equal footing.

This contradicts the policy's stated goal of supporting customers who **cannot practically negotiate** favourable arrangements.

Recommended Position

IrrigationNZ encourages the Authority to ensure the final settings enable farmers and rural businesses to contribute to a lower-cost, more resilient, and more flexible national energy system.

We recommend that the Authority:

1. **Reject the 45 kVA / 45 kW limits** as unworkable for rural New Zealand.
2. **Adopt a limit of up to 1 MW maximum deliverable generation capacity.**
3. **Explicitly include rural and agricultural customers** within the definition of those eligible for peak export negative charges.
4. Address Transpower network capacity issues and “gentailer” coordination challenges **separately**, rather than by restricting rural distributed generation.
5. Support development of a **resilience-based framework** that recognises the national importance of distributed generation for food production, rural water security, and climate adaptation.

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