
Definition of small business Code amendment proposal

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To TaskForce <TaskForce@ea.govt.nz>

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My name is Ivo and I am a structural engineer living in Christchurch. I, like many others, am excited by the potential of better empowering consumers who are fundamentally reshaping our energy future.

I am considering an upgrade to my house, installing solar and batteries. I think the more we encourage users such as myself to export excess power, and those with larger systems, the better for New Zealand - making a more resilient and sustainable electricity network.

I **agree with the stated aim** of encouraging customers to supply power to the network when it's needed and rewarding them when the power they supply at peak times benefits the network. Incentivising storage alongside solar investment for all customers through a peak distribution export tariff which provides a fair payment that reflects the long run cost of avoided network investment would increase benefits to all customers.

However, I **do not agree** with the Task Force's limit on what constitutes a small business.

The 45kVA connection limit or 45kW maximum generation capacity limit would restrict many small 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 around half of 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 using very little land 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 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 for a fair deal, but would exclude utility generators and large industrial customers.

Thanks

Ivo de Vocht

