

Definition of small business Code amendment proposal



My name is Jeff Nicholas, and I'm a dairy farmer from Kaponga, Taranaki. I, like many others, am excited by the potential of better empowering consumers who are fundamentally reshaping our energy future.

As a farmer with solar we have seen the benefits for our business, the environment and see the vision for benefiting our community. We have directly reduced peak usage already especially in the evenings and therefore high carbon electricity generation during these periods. It has also focused us on electrifying what we can on the farm. We have switched to EVs and are now excited about developments that will increase our electrification.

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.

We are a below average sized dairy farm with 340 cows. We have a 100 kva connection to meet our farm's needs which immediately excludes us under the proposal, therefore already excludes most dairy farmers. Our main focus is dairy farming efficiently, productively and sustainably. Our current 75kw solar only system is helping us do this. However, energy distribution is not our expertise or our main reason for installing solar and we do not have time or ability to negotiate (or even understand that negotiating with an EDB an option). We are one of hundreds of farmers in our region and I don't believe our EDB would have any interest in negotiating with us individually, considering we are

not 'solar farmers' and sometimes wait weeks or months just to get approval to make any changes.

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.

Personally as we have installed solar, we are considering installing batteries for all the benefits they provide. Our main barrier is the payback period on a battery. A peak distribution export tariff would greatly incentivise us to look at installing a battery and was one of the reasons we were looking at installing one. However we do not have the time or expertise to negotiate getting better terms or do we believe that this is an option. We are not in the business of exporting electricity, we are just consumers of products

that fit into our system. There are already too many barriers to installing solar and as farmers we need simple solutions.

Kind regards,

Jeff Nicholas