
Re: Feedback invited on Code change requiring distributors to pay negative charges (definition of small business)

From Mark Hughes [REDACTED]
Date Tue 4/11/2025 11:01 AM
To TaskForce <TaskForce@ea.govt.nz>

[REDACTED]
Sounds sensible to me.

Regards

Mark Hughes
Paua to the People Limited

On Mon, 3 Nov 2025 at 11:01, TaskForce <TaskForce@ea.govt.nz> wrote:
Tēnā koe

In July this year the Electricity Authority Te Mana Hiko introduced a requirement that, from 1 April 2026, electricity distribution businesses will need to pay negative charges to reward households and small businesses for supplying power to the network at peak times, helping to keep the network resilient and affordable.

Since introducing the requirement, we have found that distributors are facing challenges in applying the definition of “small business consumer” (defined in the Electricity Industry Act 2010 as those using less than 40MWh per year) because they generally work with connection capacity (kVA), not annual consumption.

We have also identified that some large generators could qualify for the negative charge, even though the new rules were intended to apply to mass market consumers (households and small businesses) rather than large generators.

We are now [consulting on a proposal](#) to remove the reference to “small business consumers”, and instead require that the negative charge is applied to:

- price categories targeting business consumers with a connection capacity of 45kVA or less
- distributed generation systems where the maximum deliverable generation capacity is 45kW or below.

We consider that, together, these changes would make the policy clearer and easier to apply, ensuring that the negative charge applies to the mass market consumers we intended to target.

We welcome your feedback on this consultation by 5pm on Friday 21 November. Please email your feedback to taskforce@ea.govt.nz with ‘Definition of small business – Code amendment proposal’ in the subject line by 5pm, 21 November 2025.

If you cannot send your submission electronically, please contact the Authority at taskforce@ea.govt.nz or call 04 280 3499 to discuss alternative arrangements.

Visit the [Energy Competition Task Force webpage](#) for more information about this initiative.

We anticipate announcing a decision on this consultation later this year or early in 2026.

Nāku noa, nā

The Energy Competition Task Force team



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