
EA taskforce submission

From Gavin Hodder [REDACTED]
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To TaskForce <TaskForce@ea.govt.nz>
Cc Gavin Hodder [REDACTED]

 1 attachment (18 KB)

EA submission export incentives .docx;

[REDACTED]
Good afternoon

Attached is our submission. We took the risk based on our assessment about 4 years ago to move into solar self generation for a new factory we were building.

We are pleased with the result.....and would like very much to see a greater justification for battery storage...however under the current proposal the limit set is far too low and administratively burden is likely to be heavy for seller and buyer at the micro end.

Regards

Gavin Hodder

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Founding Director

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My name is Gavin Hodder, and I'm a business owner from Kerepehi, in Hauraki District.

I, like many others, am excited by the potential of better empowering consumers who are fundamentally reshaping our energy future.

We invested in Solar for two reasons (1) being the ability to ultimately reduce our use costs (2) Prove we could sustainably manage our electricity usage. We could not get the commercial outcome we wanted with battery storage but that remains an open option.

I agree with the stated aim of encouraging mini solar systems to supply power to the network when it's needed and rewarding them when the power they supply at all times (including peak times) benefits the network. Incentivising storage alongside solar investment for all such investors 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....and challenge the validity of the standing charges levied on every consumer of electricity.

However, **I do not agree** with the Task Force's limit on what constitutes a small business. If anything the limit set does injustice to the opportunity presented to lower consumer costs and reduce that impact on the cost of living and in the inflation bundle calculations. This is a fantastic opportunity to drive out costs from distribution.

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.

Small producers will have limited ability negotiate rates one/one and the administration burden may dissuade participation at this low output level for both seller and buyer.

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. Almost every person I discuss this element of pricing with simply does not comprehend the price points and

reducing load (saving power) is hardly an incentive when so much cost is loaded into fixed charges. Fixed charges are difficult to understand.

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 with capacity to invest at their own risk - based on their own assessment.

With the right framework we would consider adding battery storage capacity -not only for our solar generated surplus but to also store hydro spill generation for release at peak demand times.

Thank you for considering this input as we have hands on experience in dealing with lines companies and the business model they adopt as part of their monopolistic model which is flawed as there is no measurement of customer satisfaction nor of efficient asset investment. This cost-plus model is avoidable with a willingness to address the root causes of cost and utilisation of soft technology that is available now.

Yours Faithfully

Gavin Hodder
Founding Director
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