

Kia ora,

My name is Becks Smith, and I wear multiple hats within this conversation. I am a farmer in Ranfurly, Central Otago with a 55kW ground mount solar array on our sheep, beef and deer farm which allows us to offset some of our grid supply to our 30kW irrigation pump during the irrigation season, the summer months. I am also a solar installer having started Solayer NZ to support other farmers to install solar on their farms to offset power costs, but also to be able to contribute renewable energy supply to Aotearoa, New Zealand's grid, build community energy resilience and farm business energy resilience.

I, like many others, am excited by the potential of better empowering consumers who are fundamentally reshaping our energy future. While this applies to all consumers of energy, I want to speak specifically to the farming sector where we have the land area and the opportunity to contribute significantly to an alternative energy future, to support urban areas with electricity supply and to do so while reducing our business operating costs, increasing the renewable proportionation of our national grid, increasing community resilience and economically de-risking our businesses. This is a complete ESG solution. While these proposals are a step in the right direction, key changes are required to ensure the most resilient and equitable solution for our energy sector.

I **agree with the stated aim** of providing consumers with more options, and that flexible distribution generation can help drive down costs for everyone into the future.

I also **agree with the high-level problems** identified:

- A missing distribution price signal for injection
- Current injection plans tend to offer fixed rates only
- Low awareness of benefits of time-varying price plans.

I **agree** with the proposal to **require large retailers to offer Time of Use plans** as this empowers consumers to take better control of their impact on the electricity system and their own bills (2B).

Time of use plans may change farmer energy behaviour, ie. dairy farmers shifting heating/cooling patterns, rural irrigators shifting irrigation timing and time of use may assist with the transition from fossil fuel incumbent machinery due to incentivised charging times, further bringing down the cost of energy for machinery.

However, I **do not agree** that the Task Force's proposed solutions for 2A and 2C will address the problems and achieve what is required.

I agree with the addition of a new rule to "make sure power companies pay people who sell power to the network" (2C) and but that to do this the rule needs to be **explicitly extended beyond just "peak times"** and into:

1. Dry years and other extended periods of extra constrained supply
2. For all times, reflect the contribution of this power contribution to general supply and the role the energy is playing to reduce need for new generation assets, rather than just on the market value at peak times.

I agree that retailers should **be required to pass through benefits to consumers** from distributors paying a rebate for supply at peak times.

I support the addition of a requirement in the Code for distributors to pay a rebate when consumers supply electricity at peak times (2A). While I strongly support the objective of the proposed amendment, **I do not support the proposed solution of principles-based rebates.**

Principles-based rebates would likely provide too much flexibility, be difficult to monitor and enforce, and not achieve the desired result. The benefits of this proposed solution are unlikely to outweigh the costs.

Instead, I **support the alternative option of consumption-linked injection tariffs** (with adequate safety valves to ensure too much power does not flow back in). This would fairly apply similar pricing to both consumption and injection during peak times. I support this being a perfectly symmetrical export tariff, and not differential as suggested. This would also strongly encourage distributors to improve their consumption tariffs. As a consumer, a symmetrical tariff is far easier to understand, and a more fair way to price electricity, where my electricity is treated just as valuable as an energy company's energy export or reduction. This is especially important in recognition of the value of renewable energy into the grid where we are often priced below market rate for energy and not compared on the emissions footprint of that unit of energy. A fossil fuel derived electron should not be valued higher than or equal to a renewably generated electron.

These rebates should be apply to larger consumers and generators as well as mass-market consumers, as ensuring all are appropriately incentivised will lead to the lowest-cost possible distribution system for all consumers in the long-term.

Utilisation of batteries and offsetting the higher up front investment required for batteries into a PV generation system would be more viable if we were fairly rewarded for peak period injection. This would enable farmers like myself to be able to ease the burden at peaks due to being incentivised to store during the day and release as the national grid requires. The more batteries that are in community drive community resilience in the event of natural disasters as these PV generation sites coupled with batteries are now hubs with power supply offering further services to community.

Additional comment

A **strong monitoring and reporting regime** to ensure compliance and provide valuable insights is critical across all changes. Complementary Code changes should be undertaken to ease the process of solar and battery installation and upgrades for consumers, and enable them to maximise the size of their contribution to the system.

Kā mihi nui for your time,

Becks Smith

Solayer NZ

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