



Chairman: Ben Gibson, [REDACTED]
Secretary: David Inch, [REDACTED]

9 February 2026

Energy Competition Task Force
c/- Electricity Authority
By email: levelplayingfield@ea.govt.nz

Dear team,

Re: Feedback on Task Force open letter

The Independent Electricity Generators Association Inc. (IEGA) appreciates the opportunity to provide feedback on potential projects to be progressed by the Task Force during 2026, as detailed in the 15 December 2025 Open letter.¹

The following project proposed in the Open letter is of particular interest to the IEGA:

Role of non-network solutions in Grid Exit Point (GXP) upgrades	<ul style="list-style-type: none">• There is a potential regulatory gap in the process to agree GXP upgrades between Transpower and EDBs. With no oversight from the Authority or Commerce Commission on timing, cost or whether alternatives have been considered.• Potential project scope: Assess the pipeline of GXP upgrades to understand whether EDBs are adequately considering alternatives, at the right cadence, and identifying ways to encourage more competition in the solutions considered.
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From the information above we understand the potential scope is to “understand whether EDBs are adequately considering alternatives, at the right cadence, and identifying ways to encourage competition in the solutions considered”.

The IEGA suggests this scope is too narrow.

By the nature of the asset, a GXP is an exit point for offtake from the transmission grid. Any upgrade involves both an EDB and Transpower. A GXP upgrade is usually triggered by a request from a Transpower customer, eg. an EDB identifies the need to increase capacity at a particular GXP due to demand growth within the EDB’s network.

There are existing regulatory requirements that are relevant:

- EDBs are required, by the Commerce Commission’s Information Disclosure regime, to consider alternatives / Non-Traditional Solutions (NTS); include commentary on this consideration in its

¹ The Committee who represents the IEGA has signed off this submission on behalf of members.

Asset Management Plan; and contract with an NTS provider if this is more economically efficient than the 'traditional' distribution network investment. The NTS defers or avoids traditional network investment by the EDB.

- The process or relationship between Transpower and the EDB for a GXP upgrade is governed by the Benchmark Agreement.
- The Commerce Commission's Individual Price Path regulation of Transpower also requires Transpower to consider, evaluate and contract for NTS if this is more economically efficient than the 'traditional' transmission network investment. The NTS defers or avoids traditional transmission investment by Transpower.

In the IECA's view, the issue or problem definition is that there may be limited or no co-ordination between Transpower and EDBs in considering NTS that can provide services across both the distribution and transmission networks that are relevant for a particular GXP.

The IECA suggests the ECTF should test the incentives on both EDBs and Transpower to co-ordinate NTS discovery and contracting.

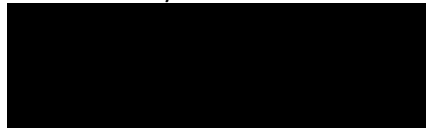
It appears that Transpower and Powerco are actively aware of the value of 'orchestrated flexibility' and Transpower has committed to work with Powerco to reassess the requirements of a transmission level NTS for their Western Bay of Plenty Major Capital Project if an NTS solution on Powerco's network would help avoid constraints at the transmission network level. However, evidence of coordination at other locations is patchy. For example, it's unclear if any co-ordination or discussion has or might occur between Transpower and Network Tasman in relation to Transpower's Upper South Island Major Capital Project and Network Tasman's new GXP at Brightwater.

The IECA submits the ECTF's proposed project on the "*Role of non-network solutions in Grid Exit Point (GXP) upgrades*" meets the Task Force criteria. Testing the incentives on both EDBs and Transpower to co-ordinate NTS discovery and contracting, improving the oversight of planning and design of upgrades at the interface of distribution and transmission networks will:

- foster investment in new generation, innovation and competition in the market; and
- support a system that delivers sustainable downward pressure on prices.

We would welcome the opportunity to discuss this project scope in more detail with the Task Force. Nothing in this submission is confidential.

Yours sincerely



Ben Gibson
Chair