



Nelson Tasman Climate Forum

Submission on Empowering Electricity Consumers

26 March 2025

INTRODUCTION

This is a submission on behalf of the Submissions Group of the Nelson Tasman Climate Forum on the Energy Competition Task Force's Package Two initiatives 2A, 2B and 2C (Discussion Document).

The Nelson Tasman Climate Forum is a community-led initiative that aims to weave the Nelson Tasman communities together around urgent, strategic action on climate change

(<https://www.nelsontasmanclimateforum.nz/>).

This submission has been prepared by the Forum's Submissions Group (<https://www.nelsontasmanclimateforum.nz/system-change-submission-group/>). We are grateful for input from Rewiring Aotearoa.

Please note: whilst the Nelson City Council and Tasman District Council have both signed the Nelson Tasman Climate Forum Charter, this submission has been prepared completely independently of the Councils. This submission is in no way intended nor should be construed to represent the views of either Council in any way.

We thank you for the opportunity to present this submission and for your consideration of our contribution.

OUR SUBMISSION

While these proposals are a step in the right direction, key changes are needed to ensure individuals make decisions that lead to Aotearoa New Zealand building a more resilient – and fossil fuel - free electrical energy system.

We strongly feel that policies need to put in place to reduce consumer demand for electricity in order to create a more sustainable future, given the challenges of climate change. Whilst this may not be the remit of the Electricity Authority, we feel there are opportunities to collaborate with other organisations to encourage the adoption of policies that would reduce consumer energy demands. This would ensure the cheapest possible costs for consumers and reduce further the need (and associated financial, environmental and social cost) of additional energy infrastructure.

We **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.

We 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.

We **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).

Helping consumers to better understand their patterns of usage also provides an opportunity to provide advice on activities that could also reduce their overall energy use.

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

We agree with the addition of a new rule to “make sure power companies pay people who sell power to the network” (2C) 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.

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

We support the addition of a requirement in the Code for distributors to pay a rebate when consumers supply electricity at peak times (2A). However, **we 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, we **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. As a consumer, a similar tariff is far easier to understand, and a fairer way to price electricity, where an individual's electricity is treated just as valuable as an energy company's energy export or reduction.

These rebates should 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.

Without a fair and reasonable rebate, consumers are unlikely to invest in batteries and a significant opportunity would be lost to lower demands on our energy infrastructure. There is a growing global recognition that we need to evolve management solutions to ensure that renewable energy can be encouraged and used in an optimal manner into the future.

Concluding comments

1. 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.

2. We beseech that all analyses of the electricity sector recognise the transfer of costs to future generations when fossil fuels are used for electricity generation. Energy management policies need to strongly promote and incentivise the use of renewable energy such as solar power.