

Ara Ake submission to the Electricity Authority Te Mana Hiko: *Evolving multiple retailing and switching*, 29 July 2025

Tēnā koe,

Thank you for the opportunity to comment on this proposal to make changes to the Electricity Industry Participation Code (the Code) to enable multiple trading relationships (MTR). We support the proposal to separate retailers for consumption and generation at installation control points (ICPs) for households, businesses and organisations across Aotearoa New Zealand. We encourage the Authority to implement this change at pace and follow as ambitious a timeline as practicable for the Authority and the industry.

Our submission on this consultation paper, *Evolving multiple retailing and switching*, will cover:

1. Ara Ake's role in demonstrating multiple trading relationships via pilots
2. Regulatory sandboxes to enable innovation and inform regulatory change
3. Our support for the Authority's preferred solution to introduce MTR into the Code
4. Evidence that New Zealand consumers, particularly iwi Māori and community groups, have a strong interest in MTR solutions
5. Consideration of costs and future stages of MTR

Ara Ake shares the Electricity Authority's vision for a consumer-led energy future

Ara Ake's purpose is to accelerate the demonstration, commercialisation, and deployment of energy innovation to support New Zealand's transition to a more affordable, resilient and sustainable energy future. We provide commercialisation support to New Zealand innovators, set up testbeds and pilots, provide research and insights, adopt and adapt global innovations and carry out Ara Ake Challenges¹ to unlock impact.

Ara Ake is supportive of the Electricity Authority's vision for an electrified, decentralised and digitalised future energy system, as described in the executive summary (page 2):

This means households and businesses who are active participants, equipped with data and innovative tools to seamlessly compare and switch plans and providers, choose multiple providers for different services, and sell surplus power back to the grid, all with a few taps on a smart device.

This future will enable consumers to optimise costs, benefit from new technologies, and have more flexibility to choose the services that provide the best value for their needs – whether directly or through new providers and automated services.

This vision aligns with two of Ara Ake's strategic priorities: energy resilience and distributed flexibility. It also follows from our previous submissions on the Authority's 'decentralisation' green paper: *Working together to ensure our electricity system meets the future needs of all New*

¹ Working directly with industry, communities and energy-sector organisations to clearly articulate problems faced in the energy transition and collaborate with innovators to develop solutions to these problems. See: [EDB Challenge](#); [Queenstown Flex Challenge](#); [National Flex Discovery Challenge/Fund](#).

Zealanders, on 25 June 2025, and the ‘digitalisation’ green paper: *Our future is digital*, on 10 July 2025.

Ara Ake’s role in demonstrating multiple trading innovation

Multiple Trading Relationships are a part of a consumer-centric energy system. It’s an enabling step to unlock more consumer choice, accelerate the uptake of distributed energy resources and introduce innovative new products and services that meet consumers evolving energy needs.

Our work at Ara Ake sits alongside the Electricity Authority’s work programme and priorities. In setting up pilots, running Ara Ake Challenges or adopting new technologies, our stakeholders can encounter market and regulatory barriers that inhibit innovation. We have shared insights on these barriers as they are uncovered in the course of our work with the Authority.² Following the launch of the Authority’s Power Innovation Pathway late last year, Ara Ake has been able to collaborate even more closely and take advantage of a more seamless feedback loop with the Authority.

Multiple Trading Relationships is one of the regulatory barriers our stakeholders brought to our attention. Ara Ake has sought to accelerate the commercialisation and deployment of MTR solutions on behalf of innovators and community groups that we work with. Since 2021, Ara Ake has led a pilot programme trialling different MTR methodologies in the New Zealand electricity market.³ The two active trials we currently have underway are:

Kāinga Ora Multiple Trading Trial ⁴	Franklin Energy Sharing Trial ⁵
Separation of import and export registers at ICPs where solar has been installed on 160 Kāinga Ora properties in Wellington, allowing KO to capture the value of excess solar electricity being exported to the grid and benefit other customers facing energy hardship. This trial is enabled by regulatory exemptions granted by the Authority in 2023/24.	Off-market peer-to-peer trading to be enabled in Franklin region. Counties Energy has funded solar panels and a recycled community-scale battery at its headquarters to provide energy credits to local charitable organisations. A ‘customer agent’ manages energy transactions on behalf of participants. Regulatory exemptions are currently being considered by the Authority.

We support the Authority’s proposal to make MTR solutions more feasible and available across New Zealand by addressing barriers in the Code. This puts New Zealand at the forefront of MTR uptake and innovation globally. Our experience in running MTR trials has invited interest from overseas counterparts in the UK and Australia.

We have also carried out targeted research on MTR to understand how it is being advanced in overseas jurisdictions. We have supported a PhD on this topic at the University of Auckland. We would be happy to share this research with Authority staff. A summary of research findings will soon be published on our website.

² For example: [Barriers to flexibility uptake from the innovators' perspective](#)

³ <https://www.araake.co.nz/project/multiple-trading-relationships>

⁴ <https://www.araake.co.nz/project/kainga-ora-mtt>

⁵ <https://www.araake.co.nz/news/ara-ake-counties-energy-and-climate-connect-aotearoa-collaborate-on-community-energy-sharing-pilot>

Regulatory sandboxes and testbeds

We have worked closely with Authority staff to understand the issues surrounding multiple retailing and enable pilots within regulatory exempt trial environments. However, we have heard feedback that these are not true regulatory “sandboxes.”

As we detailed in our previous submission on the Authority’s ‘decentralisation’ green paper: *Working together to ensure our electricity system meets the future needs of all New Zealanders*, on 25 June 2025⁶, the Authority has indicated that it considers a regulatory sandbox to be a list of exemptions from the Code provided by innovators and project participants. Each electricity market participant involved is responsible for applying for exemptions from a subset of clauses in the Code. The Authority then provides feedback on whether the list is well-defined and complete. This is the process that was undertaken to enable the Kāinga Ora trial and is also being undertaken to enable the Franklin energy sharing trial.

However, this means that only a very small group of electricity market participants and energy innovators have an opportunity to participate in pilots within a regulatory exempt framework. This limits the opportunities to innovate and inform regulatory change. Also, obtaining regulatory exemptions for project collaborators remains a lengthy and resource-intensive experience – for both the Authority and project participants. It’s also quite bespoke.

We propose that the Authority now takes a more proactive approach, working with Ara Ake and key stakeholders to define a regulatory sandbox as a space where new business models, technologies and policies can be deployed and used in a way that is safe and responsible, including engaging with real-world consumers. This would be open to multiple innovators at any given time. For example, the Franklin energy sharing trial is a possible testbed for a range of new business models and solutions linked to multiple retailing to be tested and tried out by multiple players.

The UK has pioneered the use of sandboxes in many sectors to support innovation, including energy, transport and aviation.⁷ This provides useful examples we can draw on in the New Zealand context.

New retail solutions will create new electricity market players

The Franklin trial involves significantly more complexity than the Kāinga Ora trial. It also considers the role of a new player – a ‘customer appointed agent’ – that is not defined within the Code. Determining the roles and responsibilities of this player within the Franklin energy sharing pilot is still underway with support from the Power Innovation Pathway team at the Authority.

It’s an important question that could also shape how future business models including third-party reconciled energy sharing; virtual power plants; community-owned and operated batteries and flexibility service providers are regulated in the future. This potential for new business models was highlighted in this consultation paper (paragraph 2.17) and third-party reconciled energy sharing solutions were mentioned specifically (paragraph 3.6 and 3.22). A broader regulatory sandbox approach that invites in multiple innovators would help to explore these business models, and the roles and responsibilities of new electricity market players, in a controlled learning environment.

⁶ https://www.ea.govt.nz/documents/7698/Ara_Ake_-_Decentralisation_green_paper_submission_91Aylxd.pdf

⁷ <https://www.ofgem.gov.uk/energy-regulation-sandbox>

Third-party reconciled energy sharing is a business model that a number of Ara Ake innovators⁸ have explored, including Our Energy⁹, SolarSense¹⁰, Empower Energy¹¹ and Paua to the People¹². It's a solution that dozens of funding recipients from the Ministry of Business Innovation and Employment's community energy fund¹³, particularly marae trustees and papakāinga, have sought to implement despite the obstacles to doing so.

Consumer interest in MTR and energy sharing solutions is high

Ara Ake has often been inundated with requests for advice and support enabling consumers to achieve their multiple retailing or energy sharing goals since 2021, (including from the above-mentioned MBIE community energy fund.)¹⁴

Multiple retailing and energy sharing solutions are of great interest amongst our wider stakeholder community, represented by diverse groups, including but not limited to:

Indigenous groups	Social and community groups	Businesses
<ul style="list-style-type: none"> • Marae trustees • Papakāinga • Kaumātua housing • Hapū • Iwi • Māori land collectives 	<ul style="list-style-type: none"> • Social housing trusts • Community groups • Schools / Kura • Council organisations 	<ul style="list-style-type: none"> • Retirement homes • Small to large corporations including property developers • Retail stores (seeking to offer employee benefits in the form of energy credits from rooftop solar installations) • Electricity distributors

Please feel free to contact us to discuss any specific stakeholder/s and their aspirations in the above table. We would be happy to provide introductions.

A key application of MTR might be to create 'energy hubs' with larger solar arrays and community-scale batteries based on marae or papakāinga where residential, community gathering, small businesses and primary industry elements converge. Multiple retailing would be enabled across multiple ICPs.

This aspiration to energy independence, energy sharing solutions and control over the means of renewable energy production and use on their whenua has been heard from a wide range of Māori stakeholders by Ara Ake staff over the past few years.¹⁵ It is often discussed at our annual Energy Resilience and Affordability Conference.¹⁶ This event is well attended by the energy industry as well as health sector, iwi, hardship support organisations and community representatives. The

⁸ <https://www.araake.co.nz/innovators>

⁹ <https://www.ourenergy.co.nz/community>

¹⁰ <https://www.solarsense.co.nz/>

¹¹ <https://www.araake.co.nz/news/new-platform-empowers-kiwis-to-alleviate-energy-hardship>

¹² <https://pauatothepeople.co.nz/>

¹³ <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/energy-efficiency-in-new-zealand/community-renewable-energy-fund>

¹⁴ <https://www.araake.co.nz/news/communities-leading-the-way-in-energy-resilience>

¹⁵ One example: <https://waikatotainui.com/wp-content/uploads/2024/03/Waikato-Tainui-Marae-Resilience-by-Solar-Sense.pdf>

¹⁶ <https://www.araake.co.nz/event/energy-resilience-conference>

Authority's staff is always welcome to attend – some have been engaged to present already. This year the conference falls on 8-9 October 2025, in Wellington.

In a further example, The Lines Company (TLC) is currently running an energy hardship initiative that shares value via network tariffs as a work-around in the absence of MTR enablement under the Code.¹⁷ This is another PIP project, but TLC has expressed a strong interest in applying the Franklin energy sharing model under development on Counties Energy network within their own network as soon as practicable.

The potential to scale MTR solutions within a few years, as enabling regulation is introduced, is very high. Ara Ake will continue to support innovators in the real-world demonstration and commercialisation of MTR solutions, working through the questions and issues that arise, and informing the regulatory process as required. We expect that as regulatory change is introduced, the need for demonstration will be reduced as industry steps in to develop the services and products consumers are seeking, and Ara Ake can move away from piloting to supporting pathways to commercialisation for innovators in this space.

Ara Ake supports assigning traders to meter channels to enable and future-proof MTR

Ara Ake supports the Authority's preferred option to introduce MTR into the New Zealand electricity market, in a staged manner, as described in Part 1 of the consultation paper.

We note the preferred option: assigning traders to meter channels for all installation control points – one for consumption and one for distributed generation (i.e. from solar panels and battery installations) – is a variation on the methodology used in the Kāinga Ora Multiple Trading Trial in Wellington. The trial methodology involved multiple ICP identifiers (option 3 in the consultation paper). This was appropriate in a trial environment, because it did not require any changes to the Electricity Registry or for market participants outside of the trial. We recognise it presents some risks and complexities if scaled up.

Hence, we support the Authority's proposed variation on the trial methodology (preferred option 1 in the consultation paper – page 15) as it allows for scaled-up and future-proofed MTR in the Code, mitigating risks and complexities that other options (2 & 3) present. Ara Ake recognises that this option is the first stage in enabling more complex multiple retailing and sets the foundation for future stages. We are highly supportive of this futureproofing.

In paragraph 2.17, the Authority sought feedback from potential innovators *“that would consider offering products and services under an expanded multiple trading regime.”* Through its research and engagement with local and global innovators, Ara Ake is aware of the following business models that might be unlocked by stage 1 and future stages of MTR:

- Peer-to-peer energy trading, donation or sharing of energy, including participation in community battery schemes¹⁸ – this may support energy hardship initiatives, or create secondary and localised markets for renewable energy enhancing local resilience.
- Virtual power plants, including community-run VPPs, that do not require customers to have their own solar or batteries, or change their primary consumption retailer to participate.

¹⁷ <https://www.ea.govt.nz/industry/power-innovation-pathway/tranche-1-initiatives/>

¹⁸ <https://climateconnectnz.com/news/report-unlocking-potential-community-batteries-new-zealand>

- Multiple appliance trading and automation or optimisation services for customers behind-the-meter (without needing to take responsibility for a customer's primary energy consumption as well).
- Flexibility service providers (or DER aggregators) managing behind-the-meter devices on behalf of customers, unlocking financial savings or revenues, and providing flexibility services to parties, such as distributors, that value them.

Addressing complexity and choice for consumers

The Authority has made clear in its consultation paper that consumers will have the right to opt in to MTR, if the proposal goes ahead, but it is not a requirement and will not be imposed on any consumers that are not asking for it. We are supportive of this approach that enhances consumer choice without imposing unnecessary burdens on other consumers that choose not to opt in.

A common argument against MTR is that consumers prefer the convenience of one power bill and that a single retailer can provide diverse, competitive offerings that meet all their needs. Yet, we see a significant gap when it comes to services like community energy sharing or peer-to-peer trading. There are very few meaningful opportunities to participate in such schemes on offer by retailers in New Zealand today.

There is also very limited growth in new business models like virtual power plants or flexibility aggregators that can access behind-the-meter flexibility and on-sell it to entities that value it (i.e. EDBs). This may be an indication that retailers may not be meeting the demand for these types of services or products, or failing to innovate at the pace required.

Bundling of utilities such as broadband and gas, alongside electricity is a common retail offering in New Zealand. Consumers do enjoy the convenience of one simplified utility bill and can benefit from discounts across a provider's multiple offerings. However, bundling does not always offer the best value for money, the Consumer Advocacy Council found in its research. It can also lock consumers into long-term contracts that do not evolve with their needs.¹⁹

Ara Ake supports the wider work the Authority has underway to improve retail switching and improve power plan comparison services to enable greater consumer mobility that is also explored in this consultation paper.

The unbundling of behind-the-meter electricity services at any given ICP is analogous to the unbundling of utilities like gas, broadband and electricity.²⁰ It offers greater consumer choice and will encourage new business models to emerge. Meter unbundling (or MTR) is an innovation enabler. But consumers retain the choice to keep their generation and consumption bundled behind-the-meter, if that remains their preference.

A key challenge of rolling-out MTR will be to inform and enable different consumer groups to engage with and benefit from this change, given the potential for community benefit or even some aspects of energy hardship to be addressed by MTR solutions. We would advise the Authority to engage proactively with consumer and community groups, and iwi Māori in this space. Ara Ake also has a

¹⁹ <https://www.mbie.govt.nz/dmsdocument/29737-cac-research-energy-hardship-and-the-consumer-care-guidelines-pdf>

²⁰ <https://bsgip.com/research/meter-unbundling-conceptual-analysis/>

role to play in supporting the commercialisation of innovative new services to meet the needs of all consumer groups.

Consideration of costs in enabling multiple trading innovation

Ara Ake considers the estimated costs for updates to the Electricity Registry to enable multiple retailing and improved switching processes (\$700,000 estimated by Authority in paragraph 8.16) a reasonable investment in innovation and futureproofing for future MTR changes. We cannot directly comment on or quantify the changes for traders, MEPs or distributors, but understand these vary. However, we are aware of small retailers and innovators that we have worked with that have already made investments in improved billing systems and internal processes that will provide for MTR services for consumers. Such businesses are positioned to offer the innovative alternatives that consumers are asking for and should be rewarded for their agility in a competitive retail environment. This kind of healthy competition will encourage other industry players to innovate, ultimately resulting in better services and products for consumers.

Thank you for this opportunity to provide feedback.

Evolving multiple retailing and switching - Format for submissions

Submitter	Briony Bennett Senior Energy Innovation Manager [REDACTED]
Submitter's Organisation	Ara Ake

Submissions should be emailed to policyconsult@ea.govt.nz with "Consultation Paper— Evolving multiple retailing and switching" in the subject line by 5pm, Tuesday 29 July 2025.

Questions	Comments
Questions on the Authority's vision	
Q1. (Paragraph 2.20) Do you agree with the Authority's vision for consumer mobility? If not, what would you change and why?	Yes, we agree that multiple trading relationships and improved switching are key components of electricity consumer mobility.
Q2. (2.20) Do you have any comments regarding future stages of multiple trading, whether the proposal provides optionality for the potential future stages, and the options the Authority should consider?	Yes – please see our attachment to this form.
Questions on Multiple trading	
Q3. (3.26) Do you agree with the proposed solutions? If not, what would you change and why?	Yes.
Q4.(3.26) Do you agree with the benefits anticipated from the proposed solutions? Are there other benefits you can anticipate or improvements to operational effectiveness and efficiency? Can you quantify these benefits?	Yes.
Q5. (3.26) Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a	Ara Ake considers the estimated costs for updates to the Registry to enable multiple retailing and improved switching processes (\$700,000) a reasonable investment in innovation and future-proofing for future MTR changes. We cannot directly comment on or quantify the changes

high-level description of the changes that need to be made?	<p>for traders, MEPs or distributors, but understand these vary.</p> <p>However, we are aware of small retailers and innovators that have already made investments in improved billing systems and internal processes that will provide for MTR services to consumers.</p> <p>Such businesses are positioned to offer the innovative alternatives that consumers are asking for and should be rewarded for their agility in a competitive retail environment. This kind of healthy competition will encourage other industry players to innovate, ultimately resulting in better services and products for consumers.</p>
Q6. (3.47) Do you agree options 2 and 3 are not preferred? If not, why not and how would you overcome the disadvantages?	Yes
Q7. (3.47) Do you agree that option 1 is the preferred option over options 2 and 3 and the reasons for preferring option 1? If not, why not?	<p>Yes we understand that option 2 and 3 introduce complexities and risks that option 1 mitigates. We support option 1.</p> <p>We note that option 3 was deployed in the Wellington MTR trial that we have enabled. In this limited trial environment, some of the risks and complexities could be monitored and managed. It was an appropriate model for the trial.</p> <p>Option 1 will enable multiple retailing to be scaled up across the wider electricity market with less risk and complexity. We are supportive of this, including providing the foundation for future stages of MTR.</p>
Questions on trader switching	
Q8. (4.55(q)) Should the provision of the average daily consumption remain mandatory, or should it be optional? If optional, please explain why?	n/a
Q9. (4.55(q)) Do you agree with the proposal to align timeframes to a maximum of two business days for NT and AN notifications, and to reduce timeframes for the CS file?	n/a

Q10. (4.55(q)) Do you agree with the proposed solutions? If not, what would you change and why?	n/a
Q11. (4.55(q)) Do you agree with the benefits anticipated from the proposed solutions? Are there other benefits you can anticipate or improvements to operational effectiveness and efficiency? Can you quantify these benefits?	n/a
Q12. (4.55(q)) Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	n/a
Questions on MEP switching	
Q13. (5.34) Are there any other files that should be added to this list?	n/a
Q14. (5.38) Do you agree with the proposed solutions? If not, what would you change and why?	n/a
Q15. (5.38) Do you agree with the benefits anticipated from the proposed solutions? Are there other benefits you can anticipate or improvements to operational effectiveness and efficiency? Can you quantify these benefits?	n/a
Q16. (5.38) Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	n/a
Questions on distributor switching	
Q17. (6.13) Do you agree with the proposed solutions? If not, what would you change and why?	n/a

Q18. (6.13) Do you agree with the benefits anticipated from the proposed solutions? Are there other benefits you can anticipate or improvements to operational effectiveness and efficiency? Can you quantify these benefits?	n/a
Q19. (6.13) Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	n/a
Questions on implementation	
Q20. (7.4) Would you prefer a single implementation or a staged implementation? Please give reasons for your preference	We prefer a single implementation for simplicity. In informing community groups and innovators about the change and advising these stakeholders with regards to their multiple retailing or energy sharing aspirations, a straightforward single implementation would be preferable as its simpler to communicate.
Q21 (7.4) Do you agree with the suggested implementation timeframes? If not, please state your preferred timeframes and give reasons for your preference	<p>Yes, Ara Ake supports moving at pace to implement this change and would encourage as ambitious a timeline as practicable for the Authority and the industry.</p> <p>We have provided advice and guidance to stakeholders on this issue since 2021. The Authority previously considered such changes in 2019.</p> <p>Since amendments have already been drafted, it would be feasible to gazette the Code changes in Q4 2025. The implementation timeline in the consultation paper indicated gazetted changes would be effective 18 months later, therefore in mid to late 2027. This would be a great outcome from our point of view.</p>
Questions on the regulatory statement	
Q22. (8.6) Do you agree with the objectives of the proposed MTR amendments? If not, why not?	Yes
Q23 (8.11) Do you agree with the objectives of the proposed amendments to the switching process? If not, why not?	Yes

Q24. (8.17(q)) Do you agree the benefits of the proposed amendment outweigh its costs?	Yes
Q25. (8.21) Do have any comments on the preferred and alternative options discussed in the 2019 Issues paper?	No
Q26. (8.22(d)) Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	Yes
Q27. (8.25) Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	Yes
Question on Code drafting	
Q28. (Appendix A) Do you have any comments on the drafting of the proposed amendment?	No