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Submissions  
Electricity Authority  
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Via email: [policyconsult@ea.govt.nz](mailto:policyconsult@ea.govt.nz)

## **ERGANZ SUBMISSION ON MTRs & SWITCHING**

The Electricity Retailers' and Generators' Association of New Zealand ('ERGANZ') welcomes the opportunity to provide feedback on the Electricity Authority's consultation paper, 'Evolving multiple trading relationships and switching' from January 2026.

ERGANZ is the industry association representing companies that sell electricity to Kiwi households and businesses. Collectively, our members supply almost 90 per cent of New Zealand's electricity. We work for a competitive, fair, and sustainable electricity market that benefits consumers.

### **Summary**

ERGANZ supports the Authority's overall objectives of improving consumer choice, innovation, and easy switching. We acknowledge the new proposal has responded to previous feedback and is simpler and cheaper to implement. However, while the revised model may reduce some implementation costs, it does not remove operational complexity for retailers who must remain compliant, accurate, and scalable under the proposed dual-trader ICP model.

The Authority's MTR design choices disproportionately affect larger retailers because of the complexity and product breadth they have to deal with, while ensuring compliance with existing regulations. The change impact from MTRs is not confined to the subset of ICPs that choose to take it up. There are still fixed, 'whole-of-business' capabilities that retailers must implement to remain compliant. Therefore, even with the revised model, significant compliance costs remain.

ERGANZ recommends the Authority engage in more robust industry testing and proving of commercial demand, before any expansion beyond the pilot MTR scope.

## Submission points

ERGANZ supports reforms enabling innovation and consumer choice. However, reforms must be proportionate to the scale of the problem being addressed. In practice, that means adopting an incremental approach that delivers near-term value without imposing broad, irreversible complexity on participants or consumers.

For these multiple trading relationships reforms it is especially important to remember that the current population of potential consumers remains extremely limited. Our preferred pathway is one that is staged and evidence-led. ERGANZ recommends the Authority start with expanded trials exploring the minimum viable changes required to support genuine consumer needs, and only expand the regime as commercial uptake justifies it.

ERGANZ cautions that any new arrangements should minimise unintended cross-subsidies, especially where the primary benefits accrue to a narrow set of consumers or emerging service models. Even if only a small share of consumers choose to use MTRs initially, retailers must still build capability, train staff, update controls, manage exceptions, and ensure auditability. It is important to note these costs are shouldered by all consumers, not just those with rooftop solar or batteries that they can use to feed-in to the network.

In addition, there appears to be little policy analysis of how the proposed MTR regime would interact with time-of-use plans, a key priority for the Authority to advance recently. There is a risk that advancing an MTR regime produces an unintended consequence of harming time-of-use plan innovation.

ERGANZ notes that similar multiple-trading relationships reforms have been considered in both Australia and the United Kingdom. Both countries decided not to proceed with MTRs on the basis that the forecast benefits did not exceed the costs. Furthermore, the cost benefit analysis of the New Zealand proposal prepared for the Authority, Appendix A, explicitly notes: “This analysis has been undertaken over a tight timeframe with limitations in the data available from which to estimate costs and benefits.”

Retailers require clarity in the Code on who is accountable for ICP-level obligations under the MTR regime including customer communications, dispute handling, disconnection/reconnection processes, error correction, and compliance reporting. In addition, there must be clear processes for who can initiate an MTR designation, what authorisation is required, how disputes or errors are corrected, and what the exit process looks like.

## Consultation questions

Questions	Comments
Q1. Do you have any comments on our revised proposal for MTRs?	<p>ERGANZ supports the Authority’s objectives of enabling innovation and consumer choice. We acknowledge the material improvement in this revised proposal, particularly the move away from configuring meter-channel responsibility for all ICPs and toward a flagged MTR ICP approach.</p> <p>In principle, limiting MTR-specific processes to the subset of ICPs that genuinely require them should reduce the breadth of market-wide change, and may reduce the risk of unintended impacts on standard customers.</p> <p>However, ERGANZ is not yet persuaded that the revised design will, in practice, “reduce complexity” for retailers. Complexity in an MTR environment is comprehensive and includes retailer onboarding, billing and settlement, reconciliation, customer care and complaints handling, operational controls and auditability, exception management, and quality assurance. Even if MTR uptake is initially small, larger participants must still build and maintain a compliant “always-on” capability, including all the required systems changes.</p> <p>ERGANZ recommends the Authority adopt a staged implementation approach, beginning with more robust industry testing to prove commercial viability, and commit to explicit reviews before any expansion beyond the pilot MTR scope.</p>
Q2. Is there further information you can provide that may improve the evidence base for our assessment of (a) costs and/or (b) benefits?	N/A
Q3. Do you agree the benefits of the proposed Code amendments are likely to outweigh the costs?  If not, please explain why not.	<p>ERGANZ is not convinced the benefits are likely to outweigh the costs. We can support the direction of travel, but our support is conditional on clearer evidence of genuinely sustainable commercial demand.</p> <p>In particular, the current benefits case is sensitive to assumptions about uptake and behavioural response,</p>

	while a meaningful portion of retailer cost sits in fixed, whole-of-business capability that must be established irrespective of MTR volumes.
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## Conclusion

ERGANZ would like to thank the Authority for considering our submission.

If there are any outstanding questions or a need for further comments, please let me know.

Yours sincerely,

Kenny Clark  
Policy Consultant