

17 February 2026

Electricity Authority
PO Box 10041
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Submitted via email to policyconsult@ea.govt.nz

Supplementary consultation paper: Evolving multiple trading relationships and switching

1. Orion welcomes the opportunity to submit on the supplementary consultation paper: Evolving multiple trading relationships and switching (Consultation Paper).
2. Orion owns and operates the electricity distribution infrastructure in central Canterbury, including Ōtautahi Christchurch City and Selwyn District. The network is both rural and urban and extends over 8,000 square kilometres from the Waimakariri River in the north to the Rakaia River in the south; from the Canterbury coast to Arthur's Pass. Orion delivers electricity to more than 233,000 homes and businesses and is New Zealand's third largest Electricity Distribution Business (EDB).
3. In 2025 the Electricity Authority (Authority) consulted on proposals to enable multiple trading relationships (MTRs) and improve switching processes (Initial Consultation). Orion raised significant concerns in feedback to the Authority on this Initial Consultation. In relation to MTRs, the proposal was premature, poorly justified, and likely to impose disproportionate costs on those consumers who are unable to participate in an MTR, while delivering uncertain benefits. With regards to the switching process, Orion submitted that rather than implementing incremental improvements to the Electricity Registry (Registry), the Authority should prioritise a comprehensive Registry replacement. The current Consultation Paper seeks feedback on a revised proposal for an alternative MTR operating model and does not recommend any changes to the initial switching processes proposals.
4. Orion is supportive of the Authority considering submitters' feedback and revising its MTR proposal. However, even with the proposed alternative operating model, Orion is concerned that the case for MTRs in New Zealand (at this time) is not sufficiently justified.

5. The assertion that the revised approach is simpler and lower cost is incorrect and the suggestion that manual workarounds or subsidiary systems could be used in the near-term until MTR ICPs reach critical mass is not a viable option. Exceptions always require more effort and leave processes open to a higher risk of human error. Even if some of the changes required to Orion's registry and billing tools were done as a manual process, the revised approach makes no changes to the costs associated with internal resourcing, required updates to pricing methodology, and personnel costs to support the changes.
6. In the context of everyday consumers facing increasingly high electricity bills, spending consumer money needs to be carefully considered. The Authority needs to be confident that MTRs are going to provide widespread benefits. The cost-benefit analysis (CBA)¹ undertaken by Sapere for the Consultation Paper does not sufficiently provide confidence that the benefits will be achieved or that even if achieved, they could be attributed to the MTR operating model.
7. In Orion's response to the Authority's Initial Consultation concerns were raised that no provision had been made for a mechanism for distributors to levy or enforce payment from generation traders. Generation traders could simply refuse to pay, leaving distributors with no recourse beyond Code breach proceedings that do not create payment obligations. This issue has not been addressed in the Consultation Paper and needs to be considered before any MTR is implemented.
8. See Appendix A below for further detail of Orion's concerns.

Yours sincerely,

Grace Burtin
Regulatory Lead -Electricity Authority

¹ https://www.ea.govt.nz/documents/9206/Appendix_A_Sapere_Cost_benefit_analysis_for_Multiple_Trading.pdf

Appendix A

Questions	Comments
Q1. Do you have any comments on our revised proposal for MTRs?	<p>Whilst Orion is supportive of the Authority undertaking further analysis to revise the MTR proposal from the Initial Consultation, the analysis is still not sufficiently convincing to justify industry expenditure.</p> <p>The revised approach makes no significant changes to the costs for distributors. Implementation costs, internal resourcing, updates to pricing methodology, and personnel costs to support the changes would still be required. Manual workarounds are laborious and prone to human error and therefore are not a viable option in a modern business environment, even as a short-term solution. Given “short-term” is undefined in this context and it is unlikely MTRs will reach critical mass in the near future, any workarounds would likely persist causing ongoing costs.</p> <p>Cost aside, Orion is concerned that the benefits are not adequately understood and this is elaborated on in question 3 below. The Authority still has not demonstrated that a lack of MTRs is preventing highly engaged prosumers, or consumers more generally, from connecting their distributed energy resources or benefiting from their investments. Defining that there is a clear problem that needs to be addressed is a fundamental first step that has not been undertaken.</p> <p>Furthermore, the Consultation Paper does not address the concerns raised that there would be no mechanism for distributors to levy or enforce payment from generation traders. ENA’s submission to the Initial Consultation provides work from Chapman Tripp² highlighting that “only retailers are obliged by the Code to enter into a DDA [Default Distributor Agreement] with a distributor. A generation trader is not so obliged by the current Code arrangements.” This is a glaring gap that still needs to be addressed.</p>

² https://www.ea.govt.nz/documents/8092/ENA_MTR_submission_Redacted.pdf

<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?</p>	<p>See response to Q3.</p>
<p>Q3. Do you agree the benefits of the proposed Code amendments are likely to outweigh the costs? If not, please explain why not.</p>	<p>No.</p> <p>Whilst assumptions are inherent in all analysis, within the context of an industry that is facing significant increases in electricity prices, the spending of consumer money needs to be well justified. Any analysis needs to confidently show that there will be widespread benefits to consumers, which Orion does not feel the CBA does.</p> <p>The arguments provided in the CBA as to why MTRs have not been found to be viable internationally but could still be in New Zealand focus on the potential cost differences with New Zealand (e.g. MTR complexity, smart meter penetration). The CBA however, does not sufficiently go into the analysis that has been undertaken around the lack of benefits e.g. a MTR operating model did not proceed in Australia because it “would be unlikely to better enable customers to access new, or better manage existing, energy services.”³ To the point raised in question one, the problem that MTRs is trying to solve has not been adequately defined nor assessed whether other mechanisms are available to better provide a solution.</p> <p>The CBA is also uncertain given it shows that the net economic benefits can only be realised if “an additional 0.36 to 1.77 per cent (or more) of existing and planned residential battery installations are fully deployed in response to MTR incentives to reduce peak consumption”. The CBA does not satisfactorily show whether these figures are achievable or if they are, whether they can be attributed to MTR solely. Given they underpin the break-</p>

³ <https://www.aemc.gov.au/sites/default/files/content/d37688a5-d16d-442b-80f5-e7fa51d64ab7/Multiple-Trading-Relationships-Final-Rule-Determination.pdf>

	<p>even point for which MTRs will be beneficial, the Authority needs to carry out the work to be confident that they are realistic.</p> <p>To go ahead without this confidence is to completely disregard the pressures that every day New Zealanders are facing with increasing electricity prices. It is incredibly telling that in Consumer NZ's submission⁴ to the Authority's Initial Consultation it makes it very clear that MTRs are not what the vast majority of consumers are asking for. Consumer NZ is focussed on advocating for the everyday electricity consumer, not just the few highly engaged prosumers and therefore significant weight needs to be given to its concerns.</p>
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⁴ https://www.ea.govt.nz/documents/8086/Consumer_NZ_MTR_submission.pdf