



By email: connection.feedback@ea.govt.nz

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Distributed generation is important for empowering consumers and the efficient operation of the electricity industry

SUPA Energy (SUPA) supports removal of barriers to investment in distributed generation.

SUPA supports the Electricity Authority proposal to increase the default export limit allowed by Electricity Distribution Businesses (EDBs) from 5kW to 10kW and to standardise the methods EDBs must use to justify applying a lower limit.

SUPA agrees the 5 kW limit most EDBs currently use “may not reflect the network's capacity and be based on outdated standards”. We welcome that Aurora Energy has lifted its export limits for single-phase domestic connections to 10kW in August. With 29 EDBs this highlights the value of monitoring EDB performance and operation and championing examples best practice.

SUPA supports the Authority's proposals to:

- (i) prohibit EDBs from imposing any limits on the nameplate capacity of installed distributed generation,
- (ii) cite the latest equipment standards in the Electricity Industry Participation Code,
- (iii) require EDBs to publish their export limits, and
- (iv) mandate the use of an industry-developed methodology to determine export limits when the default 10kW limit is not appropriate, and for commercial and larger capacity DG applications.

We encourage the Authority to ensure the industry-led work is undertaken within a tight timeframe and is open to wider industry consultation and input.¹

¹ The processes that MDAG undertook provide good practice for Advisory/Working/Technical Group engagement with stakeholders.

Decentralisation

We agree with the Authority that “distributed generation will play an increasingly important role in New Zealand’s electricity system”, “localised, renewable energy sources strengthen our electricity system” and “They can also reduce emissions, and enable those who invest in residential solar, or other distributed generation, to reduce their own power bills and put downward pressure on electricity prices for everyone.” This commentary goes to the very core of SUPA’s business model.

Consumers are seeking alternative models.

Consumers who have the wherewithal to invest in rooftop solar and battery will mitigate their own risks, and that’s exactly what a rational consumer should do. It’s economically the best choice for them. The Authority has an important role to play to ensure regulatory (and technical) barriers are minimised or removed.

We also consider that the issues addressed in the consultation fit within the auspices of Authority’s decentralisation framework. The proposals will help enable and facilitate entry and growth of non-traditional and potentially disruptive supply options.

If successful decentralisation should result in greater localised energy solutions and less reliance on large generation investments across the national grid. This includes realisation of the potential benefits outlined in the consultation, such as more efficient network upgrades, improved investment in distributed energy resources (DER), and more efficient planning and investment by distributors.

Regulatory statement for the proposed amendments

SUPA agrees the benefits of the proposed amendments can reasonably be expected to outweigh the costs, and the proposals will promote the Authority’s statutory objective and are to the long-term benefit of consumers. SUPA also agrees the proposed amendments comply with section 32(1) of the Electricity Industry Act.

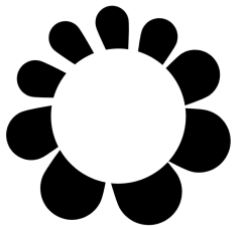
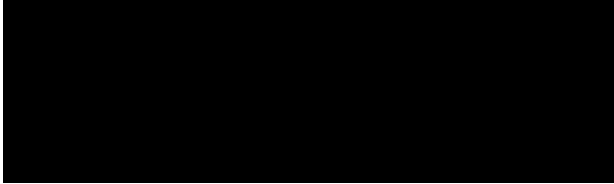
Concluding remarks

SUPA welcomes the opportunity to engage with the Electricity Authority.

The Authority has an important facilitative role in New Zealand’s energy future. As industry regulator, the Authority should make sure market rules and vested interests don’t impede competition from traditional and non-traditional sources. Markets work best when there is competition from a large number of suppliers with different business models, different product and services offerings, and different views on what consumers want and need.

We look forward to this consultation being progressed to Code change and the subsequent stages of the review of the rules for application processes and standards.

Yours sincerely,



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CEO

SUPA Energy



w. www.supa.energy