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Submissions
Electricity Authority
Level 7, AON Centre
1 Willis Street
Wellington 6011

Via email: wholesaleconsultation@ea.govt.nz

ERGANZ SUBMISSION ON HALF-HOURLY DATA FOR WHOLESALE RECONCILITATION

The Electricity Retailers' and Generators' Association of New Zealand ('ERGANZ') welcomes the opportunity to provide feedback on the Electricity Authority's consultation paper, 'Requiring the use of half-hourly data for reconciliation' from 10 October 2025.

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.

Executive summary

We support the Electricity Authority's objective to increase demand-side flexibility and agree that, in principle, the use of half-hourly data for reconciliation would contribute towards this goal. The proposals give effect to recommendation 18 of the Market Development Advisory Group's '*Price discovery in a renewables-based system*' paper. This recommendation was supported by ERGANZ members during the MDAG consultation process.

However, at the time, MDAG's proposal to "Sunset profiling where available" lacked significant details of specific Code changes and how they would be implemented. **ERGANZ is concerned that the proposals, as written, place an undue compliance burden on retailers that the Authority should address.**

Support for demand side flexibility

Our members are committed to enabling demand-side flexibility through time-of-use and other innovative pricing plans, as well as products for electric vehicles, distributed generation, batteries and other flexible loads. Reliable half-hourly data supports these offerings while ensuring retailers can prudently manage the associated wholesale market risk.

We agree that more accurate half-hourly data would deliver wider benefits for the electricity sector. The recent *Energy to Grow* report by Boston Consulting Group, commissioned by ERGANZ members¹, confirms that New Zealand's energy needs will increasingly depend on a more flexible, smart electricity system, in which demand response plays a central role. The report estimates smart system initiatives like demand response and distributed energy resources will reduce load at peak times by an effective 0.8 GW by 2035.²

ERGANZ supports measures to increase flexibility where the benefits outweigh the costs.

Submission points

The Authority's proposals on half-hourly reconciliation should be viewed in the context of a congested work programme of wider energy sector reforms. Many of these proposals impose an additional compliance burden on sector participants, and the Authority should give consideration to the cumulative impact of these costs.

Retailers will face significant costs to implement disaggregated half-hourly data at scale, manage larger data volumes, and adjust business processes. Larger retailers will carry most of this burden, though these costs may be particularly material for smaller and newer retailers. ERGANZ submits these costs may not have been fully accounted for by the Authority.

Processing and validating half-hourly data to the proposed standard will require a substantial increase in overheads, including the upgrade of systems and staffing costs. One member estimates FTE levels for staff assigned to manage this data will need to increase 200%. This materially changes the cost-benefit analysis, with implementation and ongoing resource costs unlikely to be offset by benefits.

It is important that the Authority's final decisions on timing and detailed Code requirements recognise this and provide sufficient lead time and implementation flexibility. Specific concerns are addressed below.

Challenges of disaggregated data from individual ICPs

Members question the Authority's estimate that 96% of ICPs are smart meters capable of communicating half-hourly data. Miscategorising the capabilities of ICPs increases the risk of unwarranted technical breaches. Some leniency should be built into the Code for technical data issues, which could be the result of malfunctioning ICPs, customers switching off mains power, or smart meters where the AMI flag is not Y. In these situations, individual half-hourly data may not be captured and will need to be estimated instead.

Opting to implement Alternative B in the Authority's consultation document, instead of requiring disaggregated data, may also address this issue. Requiring aggregated half-hourly quantities at an NSP level, instead of disaggregated data from individual ISPs, would achieve many of the Authority's objectives for more accurate settlement at vastly reduced implementation costs.

¹ Specifically, Contact Energy, Genesis Energy, Mercury and Meridian Energy

² [Boston Consulting Group, *Energy to Grow*](#), November 2025, p.104

Deadlines for reconciliation data

Members have significant concerns with the proposal to bring forward initial data submission deadlines from business day 4 to business day 3. ERGANZ recognises larger volumes of data will require additional work for the reconciliation manager, but this proposal fails to account for the significant increase in data processing requirements for retailers. We do not support the shift from BD4 to BD3 and submit the status quo should be retained.

Wash-up cycles

Proposals to change the wash-up cycle also introduce risk for retailers, particularly the change from R3 to R5, which could see parties carrying costs from incorrect R1 submissions for an additional two months. R1 data is inherently subject to inaccuracies due to the limited time between initial submissions and revision. We submit that either retaining the R3 wash-up, or moving R1 to R2, would help address this elevated risk.

Summary

While ERGANZ supports the Authority's objective to increase demand-side flexibility through half-hourly reconciliation data, the current proposals introduce unnecessary cost that the Authority should address.

We consider that addressing these implementation issues – while retaining the core move to half-hourly reconciliation – will help ensure the transition is workable for participants and delivers the intended long-term benefits for consumers.

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