

9 June 2026

Electricity Authority

By email: [distribution.feedback@ea.govt.nz](mailto:distribution.feedback@ea.govt.nz)

Tēnā koe,

## **Consultation – Code Review Programme #7 (CRP7-001, 005, 009, 013)**

We welcome the opportunity to respond to the Electricity Authority’s consultation on Code Review Programme #7.

Powerco is one of Aotearoa’s largest gas and electricity distributors, supplying around 360,000 electricity and 114,000 gas connections to urban and rural homes and businesses across the North Island. Our energy networks provide essential services and will be core to New Zealand achieving a net-zero economy in 2050. We support regulatory interventions that assist the energy transition and protect customers across New Zealand.

Overall, we support amendments that improve clarity and consistency in the Electricity Code and enable innovation where benefits are well demonstrated, and implementation impacts are appropriately considered. However, we consider that some proposals would benefit from more targeted drafting, clearer operational guidance, and further assessment of system-wide impacts to avoid unintended consequences.

Our key messages are:

### **CRP7-001: Terminology alignment is appropriate and low-cost**

- We support aligning terminology for “maximum export power” to improve clarity and consistency.
- The amendment is low-cost to implement and provides modest but positive benefits through reduced interpretation risk.
- However, care should be taken to ensure clarity in how related assumptions (e.g. minimum load) interact in operational settings.

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### **CRP7-005: ICP structure changes risk unintended system wide impacts**

- We do not consider a material problem has been sufficiently demonstrated to justify amendment.
- The proposal risks increasing ambiguity in what constitutes an ICP and may drive unintended ICP amalgamation over time.
- It departs from established system design assumptions (one ICP per point of connection), with potential impacts on registry integrity, pricing, switching, and customer processes.
- A more targeted approach and further industry engagement is essential before proceeding.

**CRP7-008: Support for improved flexibility in non-supply credits and ICP status changes**

- We support the proposed changes as they improve flexibility and reduce manual billing effort for supply interruptions.
  - Enabling distributors to revert ICP status to “Active” is a practical improvement that aligns better with operational reality.
  - Some timing misalignment between registry status changes and billing systems may remain and should be monitored post-implementation.
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**CRP7-009: Faster price code implementation supported, but consent and drafting issues need refinement**

- We support enabling faster implementation of distributor price codes, however this proposal requires further review and engagement.
  - Customer consent and implementation obligations require clearer allocation, particularly given distributors’ lack of direct customer relationship.
  - A retailer-led consent approach would better reflect operational reality and improve implementability.
  - Clarification is needed to avoid unintended compliance risk where price categories are registered but not applied to ICPs.
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**CRP7-013: Disconnection / access requirements should be more proportionate and outcomes-based**

- We support improving safe and efficient ICP disconnection outcomes.
- However, the proposal requires further assessment and engagement as it places obligations on matters (e.g. property access and ownership) that may change over time and are outside distributor’s control.
- The costs and operation impacts appear understated and may affect connection processes and standards.
- A simpler requirement focused on “reasonable access for disconnection” would better achieve the intent.

We are committed to working with the Authority and other organizations on reforms that will ensure a timely, least-cost transition. Our responses to the Authority’s specific consultation questions are tabulated below.

We are always keen to meet with the Authority to discuss and develop the ideas in our submissions. In the meantime, if you have any questions or would like to talk further on the points we have raised, please contact Jeremy Smith ([jeremy.smith@powerco.co.nz](mailto:jeremy.smith@powerco.co.nz)).

Nāku noa, nā,



**Emma Wilson**

Head of Regulatory, Policy and Markets

**POWERCO**

## Powerco response to consultation questions

<b>Proposal number</b>	<b>CRP7-001</b>
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<b>Questions</b>	<b>Comments</b>
<b>Q1. Do you agree the issue(s) identified by the Authority need attention? Any comments?</b>	Yes. We agree there is an inconsistency in the use of the term “maximum export power” across the Code and related documentation. While the differences appear largely semantic, inconsistent terminology can create unnecessary interpretation risk and inefficiency for participants applying the provisions in practice. We support alignment to a single defined term to improve clarity and consistency
<b>Q2. Do you agree with the objectives of the proposed amendment? Any comments?</b>	Yes. We agree with the objective of improving clarity and consistency in the Code by aligning terminology relating to distributed generation export limits. This supports easier interpretation and more consistent application of obligations across participants.
<b>Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Any comments?</b>	Yes. We consider the costs of implementation to be negligible, while the benefits of improved clarity and reduced interpretation effort are likely to be modest but positive. Overall, we agree the benefits outweigh the costs.
<b>Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority’s statutory objectives in section 15 of the Electricity Industry Act 2010.</b>	Yes. We agree the proposed approach of aligning terminology within Schedule 11.1 to the defined term “maximum export power” is the most efficient and proportionate option. It avoids introducing additional definitions or concepts and promotes consistency across the Code and related registry documentation.
<b>Q5. Do you have any comments on the drafting of the proposed amendment?</b>	We support the drafting approach to replace the descriptive wording with the defined term “maximum export power”. This improves consistency across the Code. We note, however, that care should be taken to ensure that the interaction with minimum load assumptions remains clear in application, particularly where these values may be used in connection assessments and approvals. There is a risk that inconsistent or overstated assumptions about minimum load could indirectly affect calculated export limits if not properly governed elsewhere.
<b>Q6. Do you have any further comments on the proposal?</b>	We support improved consistency across the Code and related registry documentation, including alignment of terminology used in operational

	guidance. While the change is primarily definitional, it is important that application in connection processes remains consistent to avoid variation in interpretation across participants.
<b>Q7. Is any part of your submission confidential? If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 2.5-2.6 of the consultation paper)</b>	No.

<b>Proposal number</b>	<b>CRP7-005</b>
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<b>Questions</b>	<b>Comments</b>
<b>Q1. Do you agree the issue(s) identified by the Authority need attention? Any comments?</b>	No. While Powerco acknowledges there are some edge cases where multiple physical connection points exist in relation to a single consumer, the Authority has not demonstrated that this represents a material issue requiring Code amendment. In practice, industry participants have developed systems and processes to manage such arrangements. The consultation paper does not quantify the scale of the issue or demonstrate that it results in material inefficiencies or consumer detriment. We also note that the proposal appears to rely on a narrow set of examples that do not, in our experience, reflect broader industry arrangements (including legacy and distributed unmetered load configurations).
<b>Q2. Do you agree with the objectives of the proposed amendment? Any comments?</b>	No. Powerco supports the general objective of reducing unnecessary complexity and improving customer experience. However, we do not agree that the proposed amendment will achieve this outcome. By explicitly allowing multiple points of connection to be associated with a single ICP identifier, the proposal risks increasing ambiguity as to what constitutes an ICP in practice. Rather than providing clarity, we expect it to create inconsistency in interpretation across participants and over time, particularly where different connection configurations exist across the network.
<b>Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Any comments?</b>	No. While implementation costs may be limited, the proposal has not adequately assessed broader system-wide impacts. In particular, impacts as a result of ambiguity in ICP definition and structure, with potential downstream effects on registry integrity, switching processes, pricing, and customer transfers. These impacts may accumulate over time and are not fully explored

	in the consultation.
<b>Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.</b>	No. Powerco's preferred option is that the proposal be postponed allowing further industry engagement and more detailed assessment of operational impacts. While the proposal is presented as a clarification, it effectively broadens the concept of an ICP from a single point of connection to potentially multiple points of connection. This represents a material change to established industry understanding and system design assumptions. An alternative approach would be for the Authority to work with industry participants to develop clearer principles or guidance on appropriate treatment of multiple connection configurations (including legacy arrangements such as distributed unmetered load), and to assess whether any targeted Code changes are required to address specific issues rather than adopting a general permissive approach.
<b>Q5. Do you have any comments on the drafting of the proposed amendment?</b>	The proposed drafting allows a single ICP identifier to relate to more than one point of connection where it is "practical in the circumstances". This introduces a subjective threshold that may result in inconsistent interpretation and application across participants. It also risks enabling a broader range of interpretations over time regarding what constitutes an ICP, particularly in situations where multiple connection points exist but are not physically or functionally identical. Powerco is also concerned that the drafting does not clearly distinguish between legitimate existing arrangements (such as distributed unmetered load) and other configurations where multiple connections may not be appropriate to combine under a single ICP. If the proposal proceeds, clearer criteria or constraints would be required to be incorporated into the drafting, to avoid unintended expansion in application.
<b>Q6. Do you have any further comments on the proposal?</b>	We are concerned that the proposal represents a structural shift in established ICP design assumptions without sufficient supporting analysis or industry testing. Existing arrangements (including legacy configurations) should be explicitly considered within any revised framework to avoid unintended reinterpretation in practice. Should this proposal proceed, further targeted industry engagement and review of approach is essential before finalising drafting and proceeding to a decision.
<b>Q7. Is any part of your submission confidential? If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 2.5-2.6 of the consultation paper)</b>	No.

<b>Proposal number</b>	<b>CRP7-008</b>
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<b>Questions</b>	<b>Comments</b>
<b>Q1. Do you agree the issue(s) identified by the Authority need attention? Any comments?</b>	Yes. We agree the issues identified are valid and reflect practical challenges in applying clause 9.10 of Schedule 12A.4, particularly where distributor billing systems and registry processes are not fully aligned. The current requirements can create unnecessary manual intervention and operational inefficiency when processing credits for extended outages
<b>Q2. Do you agree with the objectives of the proposed amendment? Any comments?</b>	Yes. We support the objective of reducing operational complexity and improving clarity around ICP status management and billing adjustments following extended supply interruptions. The proposed changes appropriately focus on improving efficiency and better aligning regulatory requirements with practical system capability.
<b>Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Any comments?</b>	Yes. We consider the benefits outweigh the costs. The amendment reduces manual processing and improves operational efficiency in managing non-supply credits and ICP status changes. It also better aligns registry processes with how distributor systems operate in practice.
<b>Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.</b>	Yes. The proposed amendment is preferable to the status quo as it better reflects how distributor systems operate in practice and reduces unnecessary process steps. We note however that there may still be a residual disconnect between "Inactive" ICP status and the timing of when credits are applied under billing systems. This may warrant further consideration in future system or Code refinements once implementation experience from these changes is available.
<b>Q5. Do you have any comments on the drafting of the proposed amendment?</b>	The drafting appropriately introduces flexibility in how distributors apply reductions under clause 9.10(b), which should reduce system constraints and manual workarounds. We also support the amendment enabling distributors to return ICP status to "Active" once supply is restored. However, the interaction between registry status timing (effective from 00:00) and billing system logic may still create minor timing misalignments in practice and may benefit from further clarification or guidance post-implementation.
<b>Q6. Do you have any further comments on the proposal?</b>	We support the intent of the amendment as a practical improvement. Implementation should be monitored to ensure that changes in ICP status and credit application timing do not create inconsistencies in customer outcomes across distributors, particularly where registry and billing systems operate on different cycles.

<p><b>Q7. Is any part of your submission confidential? If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 2.5-2.6 of the consultation paper)</b></p>	<p>No.</p>
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<p><b>Proposal number</b></p>	<p><b>CRP7-009</b></p>
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<p><b>Questions</b></p>	<p><b>Comments</b></p>
<p><b>Q1. Do you agree the issue(s) identified by the Authority need attention? Any comments?</b></p>	<p>Yes. We agree the current two-month minimum lead time can, in some cases, delay implementation of innovative tariff structures and associated consumer benefits. However, the issue appears relatively narrow and primarily arises in trial or voluntary innovation contexts rather than standard tariff changes.</p>
<p><b>Q2. Do you agree with the objectives of the proposed amendment? Any comments?</b></p>	<p>Yes. We support the objective of enabling earlier implementation of distributor price codes where this facilitates faster realisation of consumer benefits, provided appropriate safeguards remain.</p>
<p><b>Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Any comments?</b></p>	<p>Broadly yes. While we agree the benefits outweigh the costs, the proposal introduces implementation complexity, particularly around customer consent and lifecycle management of ICPs where retailers change over time. These practical constraints may limit the efficiency gains anticipated in the consultation.</p>
<p><b>Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.</b></p>	<p>No – alternative preferred. We support the intent but consider a retailer-consent-only model would better achieve the objective. Retailers are better positioned to identify affected ICPs, obtain and manage consent, and maintain records. We also expect the drafting of the proposed clause would create unintended compliance risk where a price category is registered with an effective date within two months but is not applied to any ICP. Clarification is required to ensure the restriction applies only where ICP assignment/use is intended.</p>
<p><b>Q5. Do you have any comments on the drafting of the proposed amendment?</b></p>	<p>Yes. We recommend:            (1) removing the requirement for customer consent and relying on retailer consent only;            (2) clarifying the interaction between subclauses (3), (4), and (6) to avoid</p>

	ambiguity between registry entry, effective date, and ICP assignment; and (3) clarifying whether the two-month restriction applies to non-assigned price categories in the registry.
<b>Q6. Do you have any further comments on the proposal?</b>	We support enabling faster implementation of pricing innovation. However, the design should avoid creating unnecessary compliance or administrative burden. In particular, clearer allocation of consent responsibility and alignment between registry processes and ICP application would better support implementability and reduce operational uncertainty. This proposal requires further assessment and engagement before proceeding.
<b>Q7. Is any part of your submission confidential? If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 2.5-2.6 of the consultation paper)</b>	No.

<b>Proposal number</b>	<b>CRP7-013</b>
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<b>Questions</b>	<b>Comments</b>
<b>Q1. Do you agree the issue(s) identified by the Authority need attention? Any comments?</b>	Yes. Powerco agrees that ICPs should be capable of being independently disconnected and that reasonable access to disconnection points is desirable. However, the examples provided by the Authority often relate to circumstances that arise from property ownership, tenancy arrangements, building modifications, or access restrictions that may occur after an ICP has been created. These matters are frequently outside the distributor's control and can change over time. We therefore consider the issue requires careful consideration to ensure any regulatory response is proportionate and places obligations on the parties best able to manage the relevant risks.
<b>Q2. Do you agree with the objectives of the proposed amendment? Any comments?</b>	Yes. Powerco agrees with the objective of reducing operational inefficiencies associated with disconnecting ICPs and minimising the risk of unintended disconnections. However, any amendment should focus on outcomes that distributors can reasonably influence and monitor throughout the life of the connection.
<b>Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Any</b>	No. We do not consider the costs to be negligible. The proposal may require changes to connection standards, application processes, and operational procedures, as well as ongoing assessment of property access and ownership-

<b>comments?</b>	<p>related conditions that are outside distributor control. Such obligations would create unintended complexity for new and existing connections, particularly in multi-occupancy developments.</p>
<b>Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.</b>	<p>No. Powerco considers a more proportionate approach would be to amend clause 3(1)(c) to require only that "there is reasonable access to enable the ICP to be electrically disconnected". This would directly address the identified issue while avoiding the additional requirements contained in proposed clauses 3(1)(c)(i) and (ii). The proposed location and ownership-related requirements extend beyond the problem identified and create compliance risks for distributors in circumstances where property ownership, occupancy and access arrangements may change after connection. A simpler access-based requirement would better promote efficient industry operation by addressing disconnection concerns without imposing obligations that distributors cannot practically verify or continuously monitor.</p>
<b>Q5. Do you have any comments on the drafting of the proposed amendment?</b>	<p>Powerco recommends retaining only proposed clause 3(1)(c), requiring reasonable access to enable an ICP to be electrically disconnected, and deleting proposed clauses 3(1)(c)(i) and (ii). The concepts of ICP location, premises ownership and rights of access introduce uncertainty and practical implementation challenges. Distributors are not generally well placed to verify legal access rights or monitor changes in ownership and access arrangements over time. The drafting may also create ambiguity regarding how compliance is assessed where buildings are subdivided, sold, leased, reconfigured or otherwise altered after the ICP is established.</p>
<b>Q6. Do you have any further comments on the proposal?</b>	<p>We consider the proposal may place ongoing obligations on factors that are not stable over time, such as ownership and access arrangements, which can change after connection establishment. Existing processes already address situations where disconnection access issues arise. A more targeted, outcome-based approach focused on reasonable access would better address the issue without introducing additional compliance uncertainty. This proposal requires further assessment and engagement before proceeding.</p>
<b>Q7. Is any part of your submission confidential? If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 2.5-2.6 of the consultation paper)</b>	<p>No.</p>