Appendix A: Submission form

Transmission Pricing Methodology amendments 2026

Please email your submission to networkpricing@ea.govt.nz by 5pm, 24 July 2026.

Submitter	IEGA

#	Question	Response
Chapter 3: Context and approach		
1	Do you agree with the assessment approach and criteria set out in this chapter? Please explain your reasons.	Support the assessment approach and criteria.
2	Do you consider an alternative approach or assessment criteria should be used? If so, please describe these and explain why these would be better.	See response to Q1
Chapter 4: BBC simple method treatment of battery storage		
3	Do you agree that offtake by battery storage should be exempt from the Demand Factor? Please explain your reasons.	The IEGA understands the proposal means the battery is to be about the same power flow quantity in both the regional supply group and the regional demand group (including losses) in the Simple Methodology region. The outcome is a higher allocation of transmission costs to generation in the Simple Method region than the status quo.
4	Do you prefer any of the alternative options discussed for the treatment of battery storage under the simple method? Please explain your reasons.	See response to Q3.
5	Do you agree that the proposed amendment for battery storage offtake should be made ahead of Transpower's next phase of its operational review, when it will review the simple method? Please explain your reasons.	Yes, the new BESS capacity are already 'adjustment events' resulting in allocation of transmission costs from the date of commissioning.
6	Do you have any comment on the drafting of the amendment to the treatment of battery storage in Appendix C?	No
Chapter 6: Applying updated WACC without a lag		
13	Do you agree with the Authority's assessment of the consequences of	The IEGA understands that the WACC lag was adopted to allow BBCs to be based on actual audited asset values to avoid the need for wash-

	the WACC lag? Please provide your reasons.	ups between forecast asset values and actual values. Analysis of the value of the difference between forecast and actual asset values is also relevant. Is the $m value from applying the updated WACC to forecast asset values more than applying a lagged WACC to actual asset values over an RCP period? That is, is there an efficiency gain? Footnote 40 describes the provisions of the TPM in more detail. There seems to also be an issue with the TPM requiring use of the opening asset value in the preceding financial year. Its unclear if the proposed Code amendment addresses this issue.
14	Do you agree that, because the efficiency impacts will likely grow over time, the Authority should address this WACC lag issue now? Please explain your reasons.	The marked change in the WACC between RCP3 and RCP4 is magnifying the issue but this magnitude of change may not occur again. See response to Q13.
15	Do you have any comment on the drafting of the amendment to address the WACC lag in Appendix C?	No
Chapter 7: Batching BBC adjustment events		
16	Do you agree with the proposal to allow Transpower to batch and process BBC adjustment events at a single annual date? Please provide your reasons.	The IEGA supports this proposal.
17	Do you agree that the causing customer should be charged from the batching date, with any adjustments for other customers to be applied in the subsequent pricing year? Please state your reasons.	The IEGA does not agree with charging the causing customer from the batching date and leaving other customers charges unchanged until the start of the pricing year. It would result in Transpower over-recovering benefit-based charges as the causing customer is being allocated costs currently being paid by existing customers whose charges are not being adjusted downward. This also impacts competitive neutrality. This Authority's preferred approach is a half-way house between the current approach – which is causing confusion, complexity and uncertainty – and Transpower's preferred option to apply changes only in the following pricing year (no backdating of charges or wash-ups). We suggest the Authority consider in more detail the impact on existing customers of the proposal to have different timing for changes to charges for existing customers and the causing customer.
18	Do you consider it more efficient if, instead of the proposal mentioned in Q17, adjusted charges for both the	The IEGA suggests Transpower has detailed operational experience of implementing the TPM and made a reasonable case for their preferred

	causing customers and other customers should apply from the following pricing year? Please provide your reasons.	revised approach of applying adjusted charges to both existing and causing customers from the start of the next pricing year.
19	Do you have any comment on the drafting of the amendment to enable batching of BBC adjustment events in Appendix D?	No
Chapter 8: Removing SSI adjustment event		
20	Do you agree with the proposal to remove the SSI adjustment event? Please provide your reasons.	The IEGA supports this proposal.
21	Do you have any comments on the drafting of the amendment to remove the SSI adjustment event in Appendix D?	No
Chapter 9: Simple method period 1 extension		
22	Do you agree with the proposal to extend the first simple method for up to two years (to end 31 March 2029 or 31 March 2030 if needed), so that Transpower can complete its operational review of its methods for benefit-based charging in a more timely manner? Please provide your reasons.	The IEGA supports this proposal.
23	Has the Authority correctly identified the risk that a delay may involve efficiency costs as historical allocators risk being less than a reasonable proxy for net private benefits? Please provide your reasons.	This is a risk but the allocators for all customers are being adjusted / updated for new customers. The question is: are power flows changing markedly? The methodology and policy intent is to use lagged power flow data. The first Simple Method Period data is for 5 years from 1 September 2016 to 31 August 2021 – and this was applied with a 1.5 year lag to prices from 1 April 2023. The proposal is to use 6 years of data (1 year extension) or 7 years of data (2-year extension) from 1 September 2022 to 31 August 2027 or 2028 for prices from 1 April 2029 or 1 April 2030 respectively. The 6 / 7 years of data results in a smoothed change in power flows. Transpower's analysis in Attachment C.1 reveals minimal change in the key beneficiaries using data from two years later than simple method period 1.
24	Do you agree that, if Transpower cannot convince the Authority that the review can be completed within a timeframe that would allow simple method allocators to be updated for the 2030/31 pricing year at the latest,	The proposed timeframes are inconsistent: • The Authority is seeking assurance from Transpower by 30 September 2026 that it will know any changes it is making to the simple method approach and be ready to start the

	then Transpower should first update the simple method allocators as currently required? Please provide your reasons.	analysis from August 2028 for use in the 2030/31 pricing year. • If Transpower can't convince the Authority or provide this assurance – the Authority is proposing no extension to the first Simple Method Period. Transpower's CAR[1] states if there is no extension it would need to start the analysis in August 2026. This is before the deadline the Authority has given. This implies the Authority has to grant a one-year extension, at a minimum.
25	Do you have any comments on the drafting of the amendment to extend the first simple method period in Appendix D?	No
Chapter 10: Drafting refinements		
26	The Authority is not consulting on technical and non-controversial drafting tidy-ups of the TPM, however, do you have any feedback on any potential re-drafting errors or additional suggestions?	No
Chapter 11: Fixing shard connection asset allocators		
27	Has the Authority correctly identified a potential issue with the current approach to determining customers' shares of cost at shared connection assets?	If a single asset was being used by two parties in a commercial arrangement it seems very unlikely the two parties would agree to fixing the allocation of costs into the future based on the use of the asset in one particular time period. The Authority can only propose this approach because the asset is provided / owned by a regulated monopoly.
28	Do you agree with the Authority's assessment that, while the immediate benefit of the proposal is likely marginal, it is nonetheless useful to address this issue to remove volatility in shares (and thus charges) and to protect against issues becoming bigger in future?	The IEGA does not agree with the Authority's proposal. If there is concern about year-to-year changes/volatility in connection charges (there doesn't appear to actually be much concern) these changes could be smoothed by using data over a rolling, say, 4 years.
29	Do you have any initial feedback on the Authority's current thinking to inform a possible amendment to the TPM (to be developed and consulted on in future) to: A: Fix cost shares at shared connection assets at those that applied in the 2026 pricing year? B: Fix the shares for a new customer at a shared connection asset based on Transpower's estimate given the	See response to Q27 and Q28.

[1] In text answering Question 1 of Code amendment request

	capacity and type of the customer's plant, or some other approach? C: Not make any provision for those fixed shares to adjust even when there is a material and enduring change in the AMDIC of one of the customers sharing the connection asset? D: Add a clause to clarify that shares will be recalculated when a change in AMDIC by one or more customers at the shared connection asset necessitates an upgrade?	
Chapter 12: Emerging connection charge and FMD issues		
30	The Authority is not consulting on proposals to address these emerging issues, but do you have any feedback or further information on these emerging issues and how these are being progressed?	Not at this stage.