

FN-26-08 Fortnightly report 30 April 2026

This report summarises items that may be of interest to the Minister for Energy and Associate Minister for Energy but do not require a formal briefing. Further information can be provided on request. Substantive items will be provided by briefing.

Electricity Authority contact: Sarah Gillies, Chief Executive

Mobile: s 9(2)(a)

1. Updates and upcoming publications

Improving visibility of distributors' connection pipelines	
Strategic outcome	Affordable
Purpose	The Authority is publishing a notice requiring distributors to provide information on load and generation projects wishing to connect to their networks. This will provide a more complete picture of new generation, reducing risk and cost for developers, ultimately leading to lower prices for consumers.
Action and timing	Publication: 12 May 2026 (subject to Board approval)

Addendum to decision paper with minor changes to CACTIS Code amendment	
Strategic outcome	Reliable
Purpose	The Authority is publishing an addendum to a decision paper in response to stakeholder feedback on the proposal to incorporate the Connected Asset Commissioning, Testing and Information Standard (CACTIS) into the Code. It makes minor changes to the Code amendment. The changes will strengthen intellectual property protections and allow distributors and direct consumers to begin providing the System Operator with controllable load indications. This will reduce the risk of unexpected power-system behaviour and outages, improving reliability for consumers.
Action and timing	Intended publication date: 19 May 2026 (subject to Board approval)

2. Future and current consultation

Consultation on some technical Code amendment proposals	
Strategic outcome	Reliable
Purpose	The Authority will consult on some small, discrete, technical Code amendment proposals to resolve ambiguities and gaps that have appeared as the industry evolves, including terminology alignment and audit requirements. They do not alter current policy settings or intent.

	The aim of the amendments is to ensure the Code is fit for purpose and continues to deliver beneficial outcomes for consumers through workable regulation.
Action and timing	Consultation: 4 weeks, 12 May to 9 June 2026, or 19 May to 16 June 2026 (subject to Board approval)

Consultation: Promoting reliable electricity supply – Options to address a harmonics issue

Strategic outcome	Reliable and affordable
Purpose	The Authority is publishing a consultation paper that proposes three options for updating the regulatory arrangements that govern the management of harmonics in New Zealand's power system. Harmonics are electrical disturbances that affect power quality. Effective power quality management helps appliances last longer, reduces the risk of faults, and avoids unnecessary costs across the power system, supporting affordability for consumers.
Action and timing	Consultation: 6 weeks, 19 May to 30 June 2026

Current consultation	Consultation period
Omnibus of common quality Code amendments	31 March - 12 May 2026
Reforming distributed generation pricing to promote efficient investment	2 April - 19 May 2026

Future consultation	Consultation period
Consultation on battery and hybrid integration into the electricity market	19 May to 30 June 2026
Consultation on improving information on high-voltage network capacity	5 May - mid-June 2026

3. Update on Authority's organisational design review

Key points:

- The Authority has released the KordaMentha organisational design report internally.
- The report finds the Authority is performing well, with strong leadership and foundations and a skilled and committed workforce delivering a significant programme of high-impact regulatory work, while identifying opportunities to further strengthen how it operates.
- An organisational improvement programme has been launched, with the KordaMentha findings supporting and reinforcing improvement work already underway.
- The Authority will develop and consult on a change proposal and considers the desired outcomes can be achieved without additional management complexity or overheads.

KordaMentha's organisational design report

- 3.1. As notified to your office on Wednesday 22 March, the Electricity Authority released the KordaMentha organisational design report internally to staff on Thursday 23 March (attached to the Fortnightly report for your information).
- 3.2. The report was commissioned by the Authority's Board, with KordaMentha selected following a competitive procurement process in December 2025. The review was undertaken in the context of the Government's response to the 2025 Frontier Economics Review of Electricity Market Performance and considered recent Electricity Authority baseline reviews, the 2024 organisational redesign, and improvement work already underway.
- 3.3. The purpose of the review was to provide advice on how the Authority could strengthen its effectiveness and efficiency, including in anticipation of potential additional powers signalled by the Government, while continuing to deliver its statutory objectives and regulatory responsibilities within its existing funding and workforce. This included assessing fit-for-purpose organisational and governance arrangements and outlining a high-level implementation pathway.
- 3.4. Overall, the review finds that the Authority is performing well. It concludes that the organisation has strong leadership and foundations, supported by a highly skilled and committed workforce, and is delivering a significant programme of complex and high-impact regulatory work for the benefit of consumers.
- 3.5. At the same time, the report notes that the scale, pace and increasing complexity of the Authority's work will require changes to aspects of the operating environment to ensure the organisation can continue to deliver sustainably into the future. Key areas identified for improvement include:
 - (a) stronger strategic and operational alignment
 - (b) reduced and more streamlined reporting
 - (c) improved prioritisation and allocation of work, and
 - (d) simpler and more efficient approval processes.

Next steps

- 3.6. Alongside the release of the design report, the Authority has launched an organisational improvement programme. This programme brings together the KordaMentha recommendations with work already underway, including earlier

initiatives following strategic baseline reviews, to support delivery of the Authority's strategy and priorities.

- 3.7. The programme is structured around six workstreams, each with a defined work plan and key actions, and collectively aimed at positioning the Authority as a future-fit, data-driven regulator enabled by technology:
- (a) Strategy and prioritisation
 - (b) Performance and reporting
 - (c) Governance and decision rights
 - (d) Digital, data and technology
 - (e) Communication, education and partnerships, and
 - (f) Culture, capability and ways of working.
- 3.8. The KordaMentha report includes a draft Tier Two structural "wire diagram", reflecting the consultant's independent view. As we have emphasised to staff, this diagram is not a decision and does not represent the Authority's preferred approach.
- 3.9. The Authority will develop and consult on its own change proposal as part of the next phase of work. At this stage, the Authority does not agree with all aspects of the consultant's recommendations and considers that the desired outcomes can be achieved without increasing management complexity or overheads.
- 3.10. In due course, we intend to publish the report on our website, noting it is likely to be requested under the Official Information Act. We will advise your office in advance of any external release.

4. Key Authority work programme deliverables

- 4.1. All of our work aims to ensure the electricity system delivers reliable electricity at lowest cost for New Zealand consumers. We are driving affordable, reliable electricity through our five strategic priorities:
- (a) **Strengthening the wholesale market** – consumers have confidence that the wholesale market is efficient, competitive, and gives clear signals to manage risk and invest in lowest-cost secure supply
 - (b) **Ensuring system security** – the power system can manage increasing intermittent, inverter-based and distributed energy resources to keep supply and demand matched and within safe operating limits at all times
 - (c) **Enabling flexibility** – unlocking efficient use of flexible resources and flexibility services to firm renewables and balance the system for both short periods (peaks) and longer durations (managing winters and dry years)
 - (d) **Supporting network efficiency** – standardisation of network policies, processes, and pricing and ensuring non-network solutions can compete efficiently to lower system costs over time
 - (e) **Acting as a strong, responsive regulator** – making, overseeing and enforcing the rules to ensure the system operates efficiently, competitively, and reliably for the long-term benefit of consumers.

s 9(2)(f)(iv)



