Snapshot of 2026 power price increases and key drivers

In April 2026, the Electricity Authority collected information from retailers on electricity price changes for households and small businesses. The findings provide a snapshot of pricing changes between 1 November 2025 and 30 June 2026.

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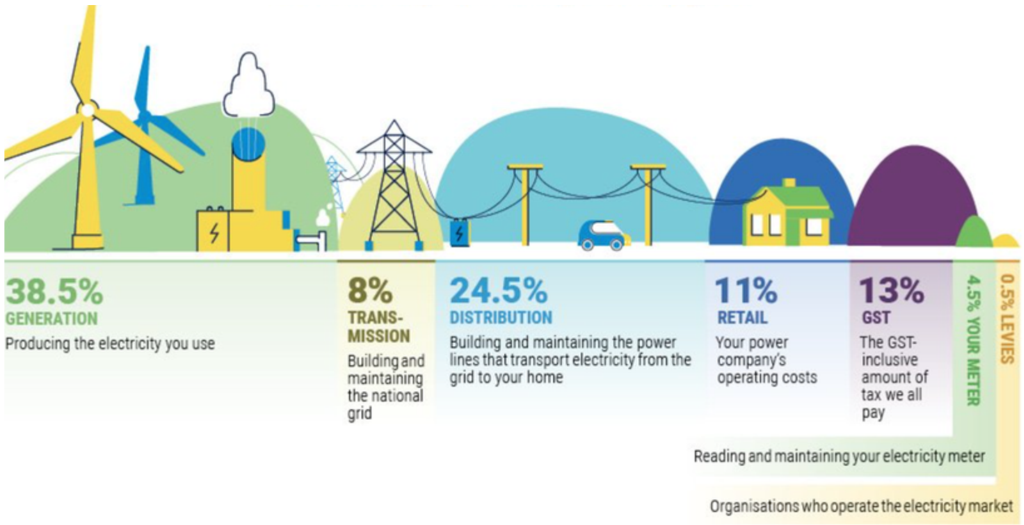
What an average household power bill pays for



Key findings

6.8%
average increase across all households and small businesses

78%
households affected

66%
small businesses affected

54%
due to higher lines charges

21%
due to higher generation costs
(see disclaimer below)

5.7-10.8%
increases varied by region, from 5.7% (Buller) to 10.8% (Queenstown)

9%
increase for low users compared to 8.3% for standard users

What we asked for

- Retailers were asked to break down their price changes in categories including: energy costs (generation costs), lines charges (transmission and distribution costs), retailing costs, margins, levies and metering.
- Any other drivers of price changes were reported as 'other'.
- Information was requested from all retailers with more than 1% market share.

Overall, the data received is consistent with network charges, wholesale conditions, and the timing of price setting

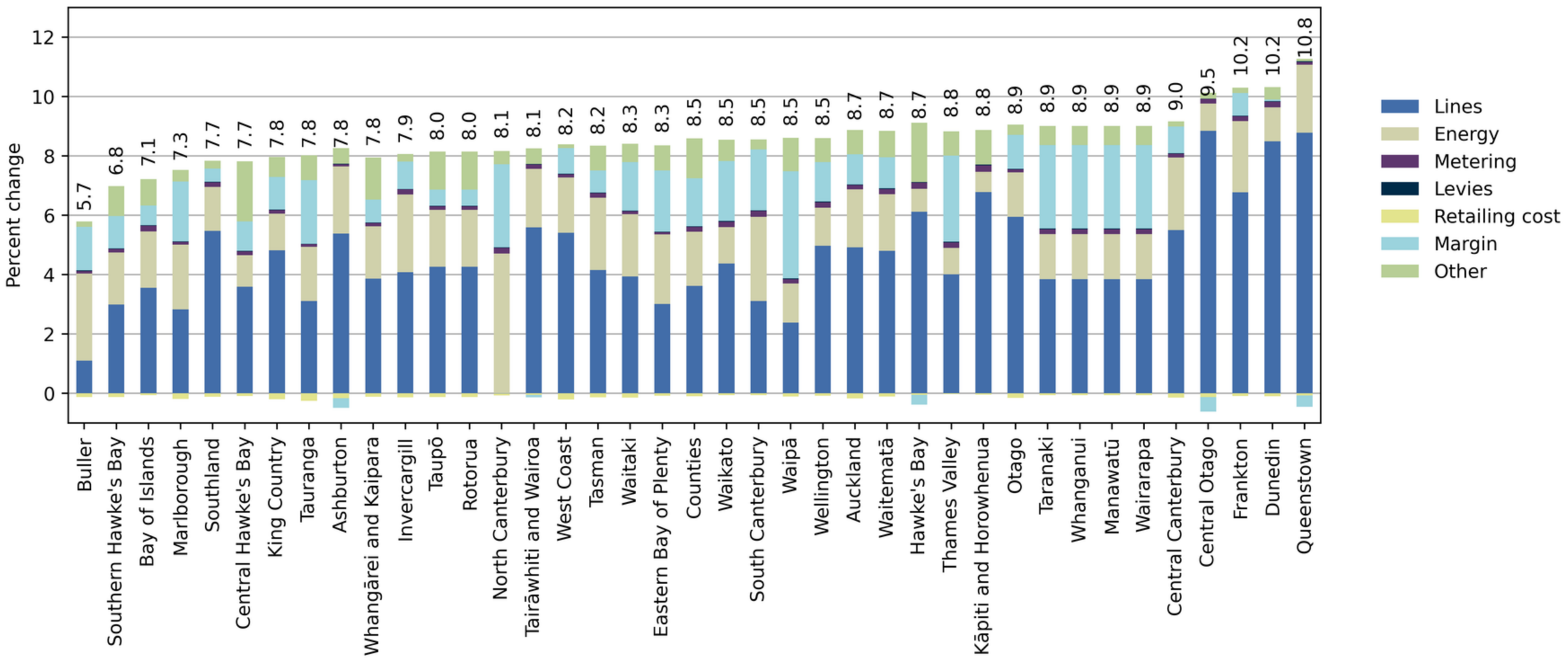
Disclaimers

The household power bill figures were correct as of mid-2025 and are scheduled to be updated in November 2026.

Gentailers generate and retail electricity, so their 'energy costs' and 'margins' are not well defined. This limits the accuracy of the data we received from gentailers about increases to their energy costs and margins. The Authority is addressing this with a more robust monitoring regime that has recently come into effect.

Components of retail electricity price increases by region

Average weighted by number of small businesses and households facing an increase by region.



Key insights

- There is wide variation between regions: 5.7% in Buller to 10.8% in Queenstown.
- The relative contribution of different factors also varied significantly between regions eg, lines charges on average contributed to 0 - 93% of increases, depending on the region.
- The regions with higher lines increases tended to have lower energy and margin increases.

Notes

The figures compare changes in prices experienced in the first half of 2026, rather than overall prices.

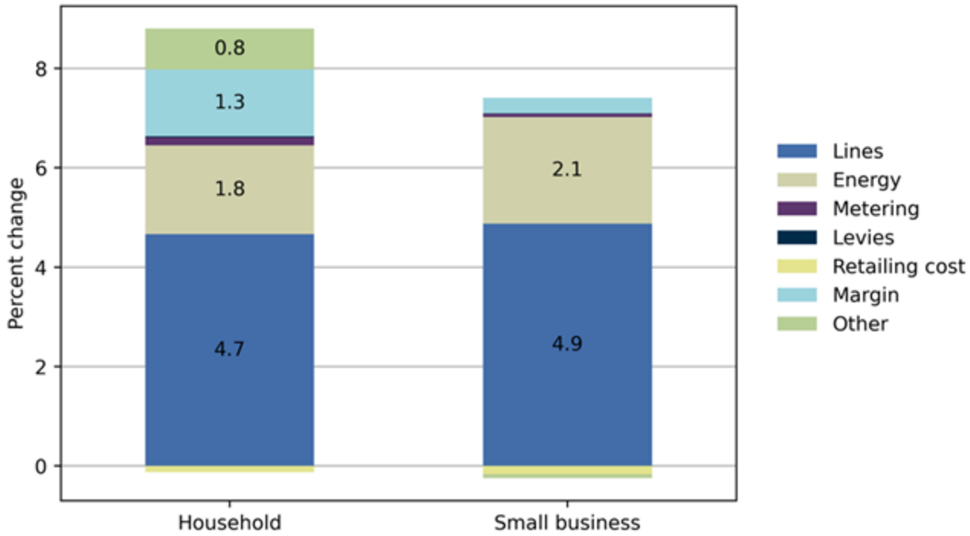
'Other' was mostly due to customers being moved from a lower-priced retail brand to the parent brand, resulting in higher prices for those customers.

Source: retailer information request for 1 November 2025 – 30 June 2026.

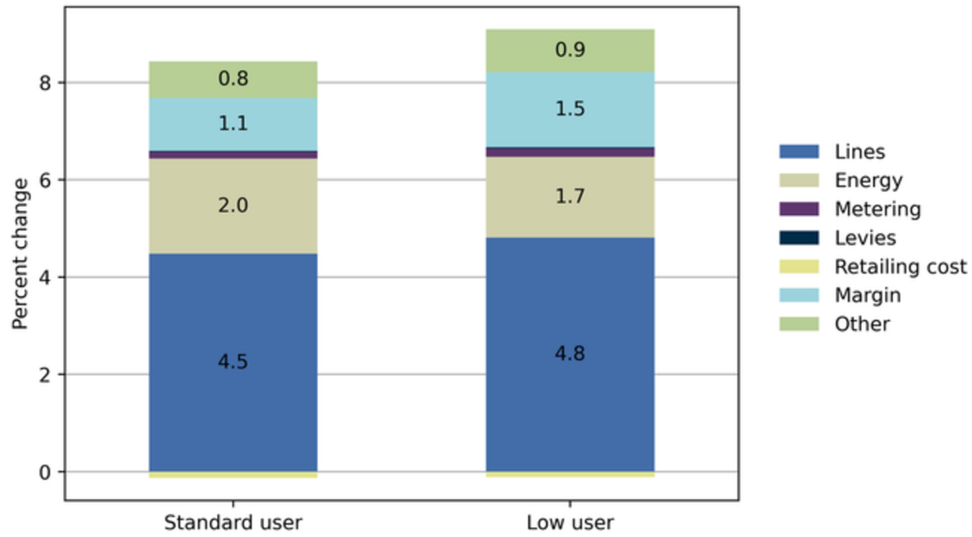
Components of retail electricity price increases by user

Average weighted by number of households and small businesses facing an increase.

Average weighted by number of households and small businesses facing an increase



Average weighted by number of households facing an increase, by standard and low user



Key insights

- For small businesses that faced higher charges, the average increase was 7.2% compared with 8.7% for households.
- On average, a power bill of $350 last winter would be $380 this year for a household, or $375 for a small business.
- Both saw small decreases in retailing costs and minor increases in metering.

Key insights

- Households on standard-use plans saw a slightly smaller increase (8.3%) compared to those on low-use plans (9%).
- This reflects the ongoing phase-out of cross-subsidies for low-use plans, that is due to be completed in 2027.
- Both standard users and low users benefitted from slightly reduced retailer operating costs on average.

Broader snapshot

Retail prices are influenced by a range of factors, including electricity prices on the wholesale market and higher lines charges each year from 2025 to 2030, following Commerce Commission decisions*.

'Long-dated futures' prices reflect the anticipated wholesale cost of electricity.

Key insights and actions

- Lines charges continue to push retail prices higher. While retailer hedging helps insulate consumers from wholesale price shocks, it delays the pass-through of lower wholesale prices to their power bills.
- The Electricity Authority has called on lines companies to ensure they're taking all opportunities to reduce the costs on consumers.
- The Authority, with other regulators, urged lines companies to actively consider lower-cost alternatives to building more expensive infrastructure and supporting more flexible electricity use and supply to improve network efficiency and reduce costs.

**The Commerce Commission sets the maximum revenue lines companies can recover.*
Lines companies then decide what to charge retailers, who decide how that is passed onto their customers.

Addressing the causes and impacts of higher prices

The Electricity Authority is taking the following actions to help consumers make more informed choices and boost consumer protections, while strengthening competition, enabling more generation, and improving efficiencies for a lower-cost electricity system.

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Protecting consumers

- Monitoring retailers' compliance with the Consumer Care Obligations that help consumers stay connected and manage their power bills
- Limiting most back bills to a maximum of 6 months to reduce the risk of unexpected bill shock

Helping consumers find better plans

- Promoting *Billy* as a practical tool to manage energy costs
- Requiring retailers to provide an annual better plan check

Increasing transparency

- Publishing average regional prices through the regional power prices dashboard every month

Making prices easier to understand

- Publishing guidance on time-of-use and flexibility options – supports requirements for large retailers to offer time-of-use plans
- Requiring retailers to make power bills clearer, more consistent and easier to compare

Improving access and choice

- Seeking feedback on barriers to accessing electricity and choosing the best pricing plan through the improving consumer access and choice consultation

Promoting competition and encouraging new generation

- Improving availability of hedge contracts
- Improving wholesale market arrangements to facilitate participation by large-scale batteries
- Implementing non-discrimination obligations and retail price consistency assessments to strengthen competitive pressure
- Providing greater transparency through the Generation Investment Pipeline to support more informed investment decisions in new generation

Rewarding consumer flexibility

- Increasing availability of time-of-use pricing
- Better rewarding consumers sending surplus solar power to networks at peak times

Making distribution networks more efficient

- Requiring more efficient export limits that enable more rooftop solar power to supply networks
- Developing a work programme to incentivise flexibility to reduce system costs
- Encouraging lines companies to use lower-cost alternatives to more infrastructure to grow networks, in conjunction with the Commerce Commission

Strengthening retailer accountability

- Increasing monitoring of compliance with price-change communication guidelines so information is clear and understandable

Enabling innovation

- Enabling trials through the Power Innovation Pathway