

9 February 2024

Electricity Authority
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By email to: policyconsult@ea.govt.nz

Submission to the Electricity Authority (Authority) on Code amendment omnibus two: December 2023 (Consultation Paper)

Northpower Limited (Northpower) owns and operates the electricity distribution networks in the Whangārei and Kaipara districts and also owns a 5 MW hydro station, with more distributed generation under construction.

Distribution businesses such as Northpower are well-placed, through their community owned structures, knowledge of the industry and established business models to provide an important contribution to Aotearoa's decarbonisation and renewable energy goals, including through building, owning and operating distributed generation.

Northpower does not have any specific comments to provide on the Authority's proposals to:

- (a) amend Part 6A to include all generation technology;
- (b) make a permanent Code amendment to clarify use and availability of controllable load; and
- (c) update and clarify the scope and effect of Part 6A obligations.

We note the Authority's comments throughout the Consultation Paper that distributed generation technology has changed from when the part 6A obligations were originally written and in particular that at the time the obligations were written, "*grid scale solar or batteries were rare*"¹. Given the increase in grid-scale solar and batteries and in distributed generation more generally, we believe the Authority should consider reviewing Part 6A further to reflect the evolved distributed generation market and to remove barriers to entry.

¹ 2.14 Consultation Paper

We support the Electricity Networks Aotearoa submission that “*The Authority should conduct a thorough review of the Code to ensure that the definitions and description of generation appropriately cover inverter-based generation and distributed energy resources more broadly.*”

We acknowledge such a review is outside of the scope of the Consultation Paper. However, we support this submission and suggest further that a full review of the suitability of the Part 6A rules is required in order to ensure it is fit for purpose, ensure it is reflective of the modern energy environment and encourage increased investment in distributed generation by as wide a range of participants as possible, including distribution businesses. A review should consider:

- lifting thresholds such as the 50 MW threshold in 6A.3 of the Code; and
- whether the corporate separation and arm’s-length rules create unnecessary inefficiency and discourage investment in distributed generation.

Such changes to the Code are entirely consistent with the Authority’s objectives including promoting competition and the efficient operation of the electricity for the long-term benefit of consumers.

We would be happy to discuss any aspects of this submission with you further.



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