

Our Energy



Electricity Authority

26 March 2025

Submitted via email: taskforce@ea.govt.nz

Submission on the consultation, *New ways to empower electricity consumers,* associated with the Energy Competition Task Force initiatives 2A, 2B and 2C

Our Energy welcomes the opportunity to provide input into these consultations where the Authority is considering how to give New Zealanders better control over their power usage and costs, including incentivising consumer demand response at peak times.

With respect to 2A, which requires distributors to pay a rebate when consumers supply electricity at peak times, Our Energy is supportive of this proposal in principle. However, our queries are associated with the actual application of the rebate and why the distributors wouldn't be able to apply that rebate directly to consumers and/or flexibility service providers / aggregators that may not necessarily be retailers.

This proposal, in conjunction with 2C, requires the rebate to travel through retailers before reaching the consumer and our concern would be that including retailers in this mix muddies the signal when you actually want distributors to provide the incentive and make that available to customers directly. We also think there are potential competition benefits from enabling such rebates to not be exclusively provided via retailers. Rebates to reflect the value of, for example, local distribution constraints are a different part of the flexibility value stack from the wholesale electricity market.

Regarding the 2B Task Force proposal, time-of-use (TOU) pricing – again, Our Energy is supportive of this proposal in principle as the industry needs ways to be able to flex demand, but we aren't sure whether requiring TOU pricing is the appropriate way of achieving that. From our previous experience as a retailer, we think that, if you ask most consumers what they want, they'd say they want less choice and less complexity to navigate an already complex system. Will requiring all retailers to offer a TOU plan achieve that?

Understanding that the 2B proposal only requires retailers to offer a TOU plan, a key question we have is if it is worth the effort when considering the cost benefit of implementing such a proposal and the fact that some innovative retailers are already

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doing this by default. Will this actually deliver the outcomes the Authority would like to see or should something else be considered? After all, TOU plans are just one potential way of achieving the desired outcome and what can be referred to as price-based flexibility. Contracted flexibility, such as what is presumably envisaged under proposal 2A, can substitute and/or potentially complement TOU pricing.

We appreciate the opportunity to provide our perspective and welcome questions from the Authority on this submission at <u>team@ourenergy.co.nz</u>

John Campbell CEO & Founder, Our Energy

About Our Energy

Our Energy is an energy technology company created for people and communities producing their own electricity because they have restricted choice, control and transparency over who their energy is shared with. Our Energy has two main products:

1. Granular, time and location matching of clean energy supply and demand that supports energy communities and 'virtual rooftop' plans for retailers and renewable energy developers and their customers; and

2. Market operations and market development for Aotearoa New Zealand's first local flexibility market.

Our Energy has applied to the Power Innovation Pathway, the Authority's open front door for innovators to access regulatory advice and support to accelerate the introduction of new products and services to market which can deliver significant consumer benefits.

This submission has been completed at the request of the Power Innovation Pathway Manager to ensure that more innovator perspectives are incorporated into the Authority's consultations and regulatory functions.