

26 March 2025

Energy Competition Task Force Submission

My name is Andrew Parkin, and I'm a 54-year-old CEO of a food manufacturing business from Levin, NZ. I, like many others, am excited by the potential of better empowering consumers who are fundamentally reshaping our energy future. While these proposals are a step in the right direction, key changes will ensure individuals make decisions that lead to Aotearoa New Zealand building out the cheapest yet most resilient energy system possible.

I **agree with the stated aim** of providing consumers with more options, and that flexible distribution generation can help drive down costs for everyone into the future.

I also **agree with the high-level problems** identified:

- A missing distribution price signal for injection
- Current injection plans tend to offer fixed rates only
- Low awareness of benefits of time-varying price plans.

I **agree** with the proposal to **require large retailers to offer Time of Use plans** as this empowers consumers to take better control of their impact on the electricity system and their own bills (2B).

However, I **do not agree** that the Task Force's proposed solutions for 2A and 2C will address the problems and achieve what is required.

I agree with the addition of a new rule to "make sure power companies pay people who sell power to the network" (2C) and but that to do this the rule needs to be **explicitly extended beyond just "peak times"** and into:

1. Dry years and other extended periods of extra constrained supply
2. For all times, reflect the contribution of this power contribution to general supply and the role the energy is playing to reduce need for new generation assets, rather than just on the market value at peak times.

I agree that retailers should **be required to pass through benefits to consumers** from distributors paying a rebate for supply at peak times.

I support the addition of a requirement in the Code for distributors to pay a rebate when consumers supply electricity at peak times (2A). While I strongly support the objective of the proposed amendment, **I do not support the proposed solution of principles-based rebates.**

Principles-based rebates would likely provide too much flexibility, be difficult to monitor and enforce, and not achieve the desired result. The benefits of this proposed solution are unlikely to outweigh the costs.

Instead, I **support the alternative option of consumption-linked injection tariffs** (with adequate safety valves to ensure too much power does not flow back in). This would fairly apply similar pricing to both consumption and injection during peak times. I support this being a perfectly symmetrical export tariff, and not differential as suggested. This would also strongly encourage distributors to improve their consumption tariffs. As a consumer, a symmetrical tariff is far easier to understand,

and a fairer way to price electricity, where my electricity is treated just as valuable as an energy company's energy export or reduction.

These rebates should be applied to larger consumers and generators as well as mass-market consumers, as ensuring all are appropriately incentivised will lead to the lowest-cost possible distribution system for all consumers in the long-term.

Additional comment

A **strong monitoring and reporting regime** to ensure compliance and provide valuable insights is critical across all changes. Complementary Code changes should be undertaken to ease the process of solar and battery installation and upgrades for consumers, and enable them to maximise the size of their contribution to the system.

Regards

Andrew Parkin

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