

Kia ora,

Please find below our submission. Apologies as it should have gone through yesterday but we were awaiting some feedback from the community. Hopefully you can accept it as a late submission.

Nga mihi nui

Kate Hodgins



The Castlehill Community Energy project is aiming to create a resilient, reliable and low carbon energy system for the community assets in our remote village. Over the past year, we have worked with community, council and the lines company, Orion, to explore and formulate a possible solution that meets the needs of the community as well as supporting the council objectives. During the course of our work on this project we have learnt a great deal about the existing electricity system and its constraints. In terms of community-based, decentralised projects, there are a number of areas which would benefit from review:

- Funding for community based batteries needs to be looked at, especially in terms of their wider benefits (community owned batteries as well as community scale -not necessarily the same thing.)
- Currently lines companies have little incentive to support community energy projects despite objective benefits such as negating or delaying the requirement for expensive infrastructure upgrades with local systems/batteries enabling much better demand management.
- Lines companies cannot add batteries to their asset base (as they are counted as generation) which means that there is limited opportunity for them to invest or co-invest in these projects, even if batteries are enabling resilience and deferring otherwise costly network upgrades. This needs to be reconsidered.
- Lines companies need to be incentivized to encourage resilience ie. Supporting communities with hybrid inverters/batteries who can be safely islanded as required. Currently they are incentivized to maintain connections/maintain their network which skews their thinking around distributed energy solutions, where they can be regarded as a problem rather than part of the solution to achieving more reliable, affordable energy for all.

- The 5kw export limit needs to be reviewed, especially for community-based projects as this curtails communities' ability to benefit from these projects.
- The ability to buy and sell electricity to different providers should be facilitated across the country as soon as possible.
- Fairer feed-in tariffs for communities
- A greater ability to "share" power benefits at community level (not just behind the meter) without incurring multiple lines charges.
- Much greater clarity around lines and connection charges.

There is clearly a disconnect between many councils, EDBs and communities. Councils have a very important role to play in empowering communities to transition to distributed solutions, but there is often a very siloed, narrow approach within councils themselves to energy planning and investment. The EA could work more closely with councils to enable them to take a much more holistic view of the energy transition and enable their communities to understand the changes coming and how they can adapt.