Improving pricing plan options for consumers: Time-varying retail pricing for electricity consumption and supply

Decision paper

16 July 2025

Electricity Authority
Te Mana Hiko

Executive summary

Time-varying pricing plans (also referred to as time-of-use plans) offer cheaper power at off-peak times, encouraging consumers to shift their use away from peak times. They also offer higher buy-back rates during peak periods to encourage consumers with solar energy systems and batteries (or other small-scale power generation) to supply power when it's most needed.

Those who choose to shift their power use away from peak times, or invest in rooftop solar and batteries, will become important contributors to a more sustainable and dynamic electricity system. We will all benefit from lower power costs over time as consumers help to reduce demand and boost supply at peak times, reducing the need for new generation and keeping the lines costs we all pay for through our power bills to a minimum.

Time-varying pricing plans incentivise consumers to shift their power use and/or supply behaviours in ways that contribute to our electricity system while also reducing their power costs. We think these plans are important, but currently most consumers don't have access to either of these types of time-varying plans through their retailer. To build consumer awareness, we are running a campaign highlighting the benefits of time-varying pricing plans and the cost savings they can deliver to those willing and able to shift their power use away from peak times.

In February 2025, the Electricity Authority Te Mana Hiko (Authority) consulted on two proposals relating to initiatives identified by the Energy Competition Task Force (Task Force) to provide more options for consumers.

This paper outlines our decision on our proposal to improve pricing plan options for consumers for electricity consumption and supply (Task Force Initiatives 2B and 2C). We have published a separate paper outlining our decision to require distributors to pay a rebate (negative charge) when consumers supply electricity at peak times (Initiative 2A).

These changes are intended to give consumers more choices while we also work on bigger, long-term improvements to the electricity market.

We have decided that some retailers must do more to empower and incentivise consumers to use and supply power in ways that benefit everyone

We have decided to change the industry rules so that large retailers[1] must:

- offer time-varying pricing plans to consumers for electricity use and supply
- make these plans available on their websites and any electricity plan comparison platform prescribed by the Authority (where the platform is capable of presenting them).

Large retailers that haven't made material progress in offering time-varying pricing plans to customers before 1 July 2026 will be subject to further regulation, including additional promotion requirements and quarterly reporting.

These changes are intended to give consumers more choices while we also work on bigger, long-term improvements to the electricity market.

We have also decided to improve how billing works between retailers and distributors, but we have amended our original proposal to make the process simpler.

[1] 'Large retailers' in this paper refers to retailers with more than 5% market share.

Submitters generally supported our proposal's objective, but we have revised our approach to reflect feedback

Under our initial proposal, all large retailers would have been required to offer time-varying pricing plans for both electricity use and supply by 1 January 2026. We also proposed that these retailers would have to proactively offer these plans to customers who would likely benefit, and to report on their compliance annually.

Most submitters supported the intent of our proposal, to provide consumers with greater choice and help to minimise the costs of the electricity system.

Some submitters suggested that our efforts would be better focused on more fundamental, longer-term changes to drive greater retail competition and consumer choice.

The Authority is addressing these challenges through its broader work programme, but it is important we also give consumers more options for keeping their power bills down in the near-term.

Alongside our work on consumer choices, comparison and switching, we are also considering changes to wholesale market settings to support greater investment in generation and competition, changing network settings, and enabling regulatory mechanisms such as digitalisation. We also have multiple initiatives underway to support a more flexible electricity system.

Short-term measures are critical – peak demand is growing and pushing up costs for consumers. Large retailers are not currently doing enough to encourage consumers to shift their power use away from peak times, or to supply power from their solar system at these times, to help ease pressure on our system.

Some retailers indicated that they recently have upgraded, or currently are upgrading, the IT systems that have prevented them from offering more innovative price plans and expressed concerns about our proposed implementation timeframes. We have therefore decided to give large retailers some additional time to demonstrate the progress they can make without our involvement.

We expect this approach will encourage retailers to make material progress before 1 July 2026. If they don't, the rule changes we are making will ensure most consumers will have more flexible pricing plans to choose from by 1 October 2026.

This change enables us to better target the new rule so that it only applies where needed. We have also identified ways to reduce compliance costs for the retailers required to follow it. This in turn reduces the risk that retailers' costs to comply are passed on to consumers.

We have also made changes to our related proposal requiring retailers to provide more accurate data to distributors for billing purposes, which improves incentives for retailers to provide time-varying prices. We have decided to proceed with this rule change, but with some amendments to make it easier and less costly for retailers and distributors to comply.

Next steps

We will work with the large retailers over the coming months to provide further guidance on the changes we are making, and how they might interact with other measures the Authority is taking to support greater retail competition and consumer choice.

Contents

1. Purpose

1.1. This paper sets out the Electricity Authority Te Mana Hiko's (Authority's) decision to amend the Electricity Industry Participation Code 2010 (Code) to strengthen incentives for retailers to provide more price plan options to consumers. This follows our February 2026 consultation paper *Improving pricing plan options for consumers: Time-varying retail pricing for electricity consumption and supply*.

1.2. This paper:

(a) sets out the Authority's final decision to amend the Code to strengthen incentives for retailers to provide more price plan options to consumers;

(b) explains the origin of the project, what the consultation paper proposed, and identifies the submissions we received;

(c) explains why we continue to consider there is a need for progress on price plan availability;

(d) explains why we continue to consider that our proposal, with the amendments discussed in this paper, is preferable to alternatives;

(e) discusses the changes we have made to the proposal having considered points raised by submitters;

(f) discusses how our decision supports our statutory objectives;

(g) outlines the next steps; and

(h) sets out the final Code amendment.

2. We have decided to amend the Code to strengthen incentives for retailers to provide more price plan options to consumers

2.1. This section sets out our final decision. Specifically, it explains that:

(a) We are amending the Code so large retailers will do more to support consumer choice

(b) We are progressing our proposal regarding distribution billing with some amendments.

2.2. It also includes a summary table of the new requirements, who they apply to, and the relevant compliance timeframes.

2.3. In addition to the changes discussed in this paper, we are also making changes requiring distributors to introduce negative charges for electricity supplied by residential and small business customers at peak times. Those changes are discussed in our parallel decision paper "Requiring distributors to pay a rebate when consumers supply electricity at peak times".

We are amending the Code so large retailers will do more to support consumer choice

2.4. We are progressing an amended version of the proposal, set out in our February 2025 consultation paper, that would have required all large retailers to offer time-varying price plans for consumption and injection.

2.5. We have decided to amend the Code to require all large retailers to make time-varying price plans available. However, having considered submissions:

(a) We have decided that no additional requirements will apply to large retailers that are already offering these plans to their customers before 1 July 2026—and continue to do so thereafter.

(b) We have amended what is required of retailers to whom the additional requirements apply.

Code requirements will apply to a sub-section of retailers ('Category B')

2.6. Retailers will be categorised as either 'Category A' or 'Category B', based on whether they meet the criteria below before 1 July 2026.

2.7. Category A retailers are retail traders that:

(a) had a market share of less than 5% of all Installation Control Points (ICPs) on the previous 30 June (ie, 2025); or

(b) had a market share of 5% or more of all ICPs on the previous 30 June (ie, 2025), and

(i) provide their residential and small business customers with one or more time-varying price plan options for consumption and injection (either separately or in the same plan)—being any plan where the rates charged vary, and that reward customers whose consumption or injection patterns reduce pressure on system costs; and

(ii) advertise the options via their website and any electricity plan comparison platform prescribed by the Authority (where the platform is capable of presenting them). We note the Consumer Care Obligations (CCOs) should ensure that the retailer is providing sufficient information to enable informed consumer choice between the price plan options presented.

2.8. We will utilise registry data and data provided under the Retail Market Monitoring Notices to monitor which retailers have met the Category A criteria in the first instance, supplemented by further investigation and enquiry.

2.9. No additional Code requirements will apply to Category A retailers as long as they remain in Category A (except for those requirements relating to distribution settlement, discussed below at paragraph 2.19-2.20). They must meet the criteria in paragraph 2.7(b)(i) and (ii) continuously in order to remain in Category A.

2.10. All other retailers are Category B retailers. A retailer can be Category B for consumption but not injection, and vice versa.

2.11. Category B retailers will be required to offer time-varying price plans, and to meet promotion and reporting requirements in the Code. We have amended these requirements since consultation to take on submitter feedback (discussed further below). Category B retailers will need to meet these requirements by 1 October 2026.

2.12. Once a Category B retailer has met the requirements for a year, they will become Category A retailers, removing them from ongoing Code obligations. The expectations for Category A retailers apply on an ongoing basis. If a retailer that has been classified as Category A no longer meets the necessary criteria, it will be reclassified as a Category B retailer and become subject to the Code obligations to offer, promote, and report on time-varying price plans.[2]

2.13. These new Code amendments will expire on 30 June 2031. The Category A and B designations and associated requirements will no longer apply from this date.

Category B retailers must offer time-varying price plans

2.14. Category B retailers will need to offer time-varying price plans, for both consumption and injection, to all residential and small business customers that have a communicating smart meter.

2.15. A time-varying price plan is defined as a pricing plan for which the rates charged for electricity supplied to the customer:

(a) vary in respect of consumption or injection depending on when that consumption or injection occurs; and

(b) vary in a way that provides a reward for consumption and injection patterns that reduce pressure on system costs.

Category B retailers must promote the price plans

2.16. Category B retailers must publish the new plans on their website and on any electricity plan comparison platform prescribed by the Authority, where the platform is capable of presenting them. The CCOs will ensure that the retailer is providing

[2] The Authority will rely on information in Retail Market Monitoring notices, retailer websites and plan comparison platforms to monitor compliance with the Category A criteria in the first instance.

sufficient information to enable informed consumer choice between the price plan options presented.

2.17. Category B retailers will also be required to notify eligible customers of the new price plans, via the annual notices they must provide under the CCOs. They will also be required to report against uptake targets they set, as below.

Category B retailers must provide quarterly reports about the price plan

2.18. Category B retailers will be required to provide quarterly reports to the Authority. We will provide further guidance on the form of these reports, which will need to include the following information:

(a) The name of the plan, and the number of customers on the plan.

(b) The structure of, and prices available under, the plan, and if relevant, a high-level summary of how the plan is tailored for different customers.

(c) Changes made to the plan since previous reports, and the timing and rationale for those changes.

(d) Explanation of how prices have been determined and how they relate to the underlying costs of supply.

(e) Sufficient information and commentary to enable the Authority to understand how the plan rewards customers for consumption / injection patterns that put downward pressure on system costs, and hence meets the requirements for plan design.

(f) The target customers for the plan, including characteristics of their consumption / injection that mean they would be expected to benefit from the plan.

(g) Target levels of uptake, discussion of how actual uptake compares against the targets, and the activities the retailer is undertaking to achieve the targets.

We are progressing our proposal regarding distribution billing with some amendments

2.19. We are ensuring all retailers see the full costs of their contribution to peak demand by introducing changes to the Code regarding distribution billing. This will ensure that retailers can clearly see the network benefit of cost-reducing decisions made by their customers, making them more likely to encourage and reward such behaviour.

2.20. These changes have been amended from the consultation proposal in response to submitter feedback. The new Code changes require that:

(a) Distributors must charge in accordance with time-varying charges where they offer them and where the consumer has a communicating smart meter. This requirement will apply starting on 1 April 2026.

(b) Retailers must submit information to distributors for billing purposes that is sufficiently granular to allow the distributor to accurately invoice based on its charges, for all ICPs for which there is complete and accurate data. This requirement will apply starting on 1 July 2026.

(c) Distributors must charge retailers using the data they receive. This requirement will apply starting on 1 July 2026.

Summary of new requirements

Table 1: Summary of new Code requirements under this decision

Affected participants	What	Starting
Supporting consumer choice		
Category A Retailers only	• Meets criteria for Category A • No additional requirements	Before 1 July 2026
Category B Retailers only	• Requirement to offer time-varying price plans to all residential and small business consumers with communicating smart meters • Promotion requirements • Quarterly reporting requirements	1 October 2026
Distribution billing		
All retailers	• Provide data for distribution billing that distinguishes pricing periods	1 July 2026
All distributors	• Charge based on TOU where they have it • Use the data provided by the retailer for billing	1 April 2026 1 July 2026

3. We consulted on proposed Code changes and have considered the submissions received

3.1. This section sets out the origin of this decision. Specifically, it explains that:

(a) The Energy Competition Task Force (Task Force) proposed that we consider requiring retailers to provide time-varying price plans.

(b) We consulted on Code changes because we think some retailers should be doing more to engage consumers.

3.2. It then outlines the submissions we received in response to our consultation.

3.3. Subsequent sections of this paper explain that submissions have not changed our view of the need for progress, or that a short-term intervention to require new price plan offers is the appropriate way to achieve it. However, submissions have led us to revise some elements of our approach.

The Task Force proposed that we consider requiring time-varying price plans

3.4. The Authority and the Commerce Commission Te Komihana Tauhokohoko jointly established the Task Force in the context of the fuel shortage and period of sustained high wholesale electricity prices in August 2024, to investigate ways to improve the performance of the electricity market.[3] This was in addition to a number of immediate steps the Authority, and others, took to help manage security of supply and bring prices down during this period.

3.5. Initiatives under the Task Force work programme focus on two core outcomes:

(a) enabling new generators and independent retailers to enter, and better compete, in the market (package one); and

(b) providing more options for end-users of electricity (package two).

3.6. These outcomes will encourage more and faster investment in new generation, boost competition, enable homes and businesses and industrials to better manage their own electricity use and costs, and put downward pressure on prices.

3.7. This decision paper relates to two initiatives under the second outcome:

(a) require retailers to offer time-varying consumption pricing (2B); and

(b) require retailers to better reward consumers for supplying power (2C).

3.8. These initiatives, in concert with an initiative requiring distributors to pay when consumers supply power (2A),[4] seek to:

(a) provide consumers with more options for managing their energy costs through better signalling and rewarding of consumption and injection behaviours that reduce pressure on system costs; and

(b) ultimately benefit all consumers by reducing the need for generation and network (poles and wires) investment over time.

[3] With Ministry of Business, Innovation and Employment (MBIE) representatives as observers.

[4] This was the subject of a parallel consultation paper, *Requiring distributors to pay a rebate when consumers supply electricity at peak times*, and is also the subject of a parallel decision, www.ea.govt.nz/distributorrebates/decisionpaper.pdf

We consulted on Code changes because we think some retailers should be doing more to engage consumers

Our consultation paper identified low availability of time-varying price plans and four issues that may be causing this

3.9. Our consultation paper highlighted that some retailers are already offering consumers the opportunity to reduce their costs through time-varying prices. It included analysis that showed around 19% of all price plans in the market today are time-of-use (the main form of time-varying price plan).

3.10. However, that proportion had not materially changed in the six years for which we had data. Furthermore, some plans are not publicly advertised or are only available to select consumers (eg, those with an electric vehicle). We asked retailers for more information about the plans they offer and found that, with the exception of Contact Energy, the largest retailers do not routinely give consumers the option of a time-varying price plan.

3.11. We also found that most retailers only offer plans that pay a single fixed price for all electricity injected back into the network, regardless of when that injection occurs, despite it being more valuable at certain times. Only three smaller retailers are known to offer more dynamic price plans for injection.

3.12. We identified four issues that may be preventing a wider range of price plan options being provided to consumers:

(a) Low consumer familiarity with time-varying price plans, and hence low awareness of the potential benefits they can provide to some consumers.

(b) Low switching rates, limiting both the uptake of time-varying price plans and the competitive discipline on retailers to innovate.

(c) Retailer or customer-specific factors – specifically, weaker incentive for some retailers with generation to engage demand-side flexibility compared to those without generation; and reduced competition for consumers with distributed generation, as not all retailers can manage the residual consumption profile of these customers.

(d) Retailers not facing accurate costs of their contribution to peak demand when they settle their bills for wholesale energy and network use.

It discussed our concern about the harms low availability of time-varying price plans may cause, and the need for action

3.13. The consultation paper discussed the Authority's concerns that:

(a) Many consumers are not being offered price plans which encourage choices that reduce system costs—like using non-essential appliances during off-peak times or investing in appliances with delay-start functions—by making those choices the cheaper option.

(b) There are insufficient price signals for consumers to invest in the capability to inject excess generation at higher value times, leading to a lack of incentive to invest in, or efficiently use this capability.

3.14. We considered that both issues will inevitably drive higher peak demand and therefore higher system costs than might be efficient, and that this is a particular concern given the rapid scale and pace at which the electricity system is transforming. We considered that some retailers have been slow to respond to the changing environment.

3.15. We outlined a range of work we are currently progressing that is likely to improve outcomes in the longer term, but considered that change is likely to take time. There is the potential for consumers to face significant costs in meeting growing peak demand in the interim. We therefore considered that solving these issues requires direct action.

It outlined a four-part proposal to address the issues

3.16. We consulted on a four-part proposal to overcome the issues:

(a) Retailers with over 5% market share would be required to offer time-varying price plans to all their customers, for both consumption and injection.

(b) They would need to proactively offer those plans to customers that would likely benefit from being on them.

(c) They would need to report to us each year about their compliance with these requirements.

(d) All distributors would need to charge retailers for network use based on time-of-use charges, and all retailers would need to provide accurate half-hour data to determine what they owed the distributor as a result of those charges. We noted that similar wholesale reconciliation issues would be addressed through a future review of Part 15 of the Code.

3.17. We expected the proposal to have strong efficiency benefits by improving the extent to which price signals are being sent to those who can act on them. We noted some costs and risks, but considered that the proposal contained sufficient mitigations to ensure that these were outweighed by the benefits.

We received submissions from a range of stakeholders

3.18. We received 142 submissions and 10 cross-submissions on our consultation paper. These are listed in Table 2.

Table 2: List of submitters

Category:	
Consumers / distributed generation owners	85 written submissions 13 consumer survey responses
Distributors and associations	Electricity Networks Aotearoa (ENA), Horizon Energy, Orion, Powerco, The Lines Company (TLC), Unison and Centralines, Waipa Networks, WEL Networks, Wellington Electricity
Retailers and associations	2Degrees, Contact Energy, Ecotricity, Electricity Retailers' Association of NZ (ERANZ), Electric Kiwi, Flick Electric, Genesis Energy, Mercury, Meridian Energy, Nova Energy, Octopus Energy, Our Energy, Paua to the People, Pulse Energy

Other	Business NZ Energy Council (BEC), Common Grace Aotearoa, Community Energy Taranaki, Consumer NZ, Electricity Engineers' Association (EEA), Electrify Wanaka, Flex-able, FlexForum, Harvest Electronics, Lastmyle, Lyttelton Energy Transition Society, Lightforce Solar, Local Energy, Lodestone Energy, Nelson Tasman Climate, New Zealand Centre for Sustainable Cities, Rewiring Aotearoa, Sustainable Energy Association NZ (SEANZ), Supa Energy, TWS Energy Controls, Utilities Disputes (UDL)
Cross submissions	Counties Energy, Flick Electric, Graeme Weston, Lyndon Haugh, Mark Robinson, Mercury, Powerco, Pulse Energy, Unison and Centralines, Vector

3.19. Most submitters agreed with the objective of the proposal: to provide consumers with more options for managing their costs, consumption and investment decisions, leading to lower costs for all consumers through more efficient generation and network investment. Some submitters also supported our proposed approach, but many industry participants suggested there were better ways to achieve the objective.

3.20. During the consultation period, Rewiring Aotearoa encouraged people to make submissions on our proposals. It released its own consultation guide and both a simple and a more detailed submission template that included Rewiring Aotearoa's key arguments. We received:

(a) 49 submissions that used Rewiring Aotearoa's simple four bullet-point template.

(b) 29 submissions that largely followed Rewiring Aotearoa's more detailed template. Many submitters added useful context about their own electrification journeys and the impact they would expect Rewiring Aotearoa's proposed solution to have on their investment decisions and the decisions of others wanting to electrify.

3.21. We had follow-up discussions with some submitters who would have been captured by our proposal and had indicated implementation challenges, which we sought to better understand.

3.22. We set out the key points raised by submitters in the following sections, along with our response to them and how these considerations are reflected in our final decision.

4. Submissions have not changed our view that there is a need for price plan progress

4.1. This section discusses our response to submissions about the need to intervene. Specifically, it discusses why:

(a) We remain of the view that there are issues that need to be resolved.

(b) We still consider there is a need for short-term action while longer-term solutions are put in place.

(c) We consider that concerns for retail competition justify a measured approach, but do not justify doing nothing.

(d) We do not consider it premature to require injection plans, due to the need to get ahead of investment.

What we said

4.2. As discussed in paragraphs 3.9-3.15, our consultation paper:

(a) identified low availability of time-varying price plans, particularly for injection, and four issues that may be preventing more of these being offered; and

(b) discussed our concerns that this would ultimately lead to higher costs for consumers due to growing peak demand.

Submitters had divergent views on the issues we identified

4.3. A broad range of submitters—including EEA, Octopus and several consumers—agreed that there are issues preventing consumers from being offered more price plan options that incentivise lower-cost electricity use, and that it is important we address them now.

4.4. These submitters suggested that the lack of price signals to consumers limits their role in the market, and that their engagement is important for a resilient, consumer-centric system. It was suggested that consumers are major contributors to peak demand but do not see the price of that, and there are many small things consumers can do to reduce their contribution to peak demand and save themselves money.

4.5. Most consumers that submitted, as well as companies involved in the solar industry, were particularly concerned that efficient price signals for injection are currently lacking in the market, and that this would impact the efficiency of investment in distributed generation technologies.

4.6. Other submitters—including ERANZ, some retailers and some distributors—suggested there is not a problem to solve. Some argued that intervention is unnecessary to improve price plan options that incentivise lower-cost electricity use, as they believe there is no underlying problem to address or that it does not meet the threshold for intervention. Specifically, they suggested:

(a) There are already a significant number of time-varying consumption price plans available in the market for consumers that want them, and no barriers to switching to those plans.[5]

[5] ERANZ, Genesis, Meridian.

(b) The lack of uptake of time-varying price plans simply reflects that consumers do not want these plans. Consumers prefer to use energy when they like, and where they do change behaviour in response to price signals, they tend to revert to their normal habits after a short time.[6]

(c) Electricity prices in New Zealand have historically been stable, so the savings from responding to time-varying price plans have been modest, and meeting peak demand with generation has been lower cost than engaging consumer demand response.[7]

Our assessment

4.7. The Authority recognises that not all consumers will want to engage with time-varying price plans or will benefit from doing so. Many consumers will prefer the simplicity and risk management value of a single fixed price.

4.8. However, even if only a relatively small group of consumers adopts time-varying price plans, the choices they make to reduce their own costs can help to avoid or defer investment in network upgrades and flexible generation—costs that are ultimately borne by all consumers. In this way, the actions of a few can help place downward pressure on prices for everyone.

4.9. Furthermore, the averaging of retail pricing across large numbers of customers means some pay less than the true costs they contribute to, while others pay more. Some consumers naturally consume less at peak times than others. They do not necessarily need to change their behaviour to benefit from a time-varying price plan.

4.10. The success of some existing time-varying price plans indicates that certain consumers do value these offerings and adjust their behaviour in response to price signals. We also agree with submitters that suggested there are potential benefits from broader awareness that electricity costs more during peak periods—even if awareness itself does not immediately lead to significant behavioural change.

4.11. The Authority does not agree that time-varying price plans are widely available, given the eligibility restrictions on many existing offers. Three of the large retailers—supplying over half of all consumers[8]—have told us that their IT systems have prevented them from being able to offer these plans widely.

4.12. While the benefits of such plans may, historically, have been modest, the importance of demand-side flexibility in a highly renewable electricity system has been recognised for some time, and is becoming urgent. There has been little response from some of the large retailers to the introduction of these plans by others. As the pace of change in the electricity sector accelerates, retailers must become more agile and proactive. Consumers face high costs if they wait years for retailers to react to each stimulus. We believe some retailers have been too slow to adapt, failing to offer consumers pricing options that reflect the evolving landscape and deliver tangible benefits.

[6] ENA, Nova, Unison.
[7] Genesis.
[8] EMI data.

We still consider there is a need for short-term action while longer-term solutions are put in place

What we said

4.13. As discussed in paragraphs 3.9-3.15, our consultation paper explained our view that it is important for us to directly address the issues we have identified now, as the electricity system rapidly transforms. We are also working on more fundamental changes that will help retail competition to thrive, but these changes will take time.

Submitters' views

4.14. Several submitters—including Pulse, Flick, 2Degrees and Powerco—argued that the issue the Authority aims to address through this project is fundamentally a competition problem. They suggested that the appropriate solution lies in fostering stronger, more effective retail competition, rather than attempting to recreate the outcomes that a competitive market should deliver. Some also argued that vertical integration is inherently part of the problem.[9]

Our assessment

4.15. The Authority and the Task Force are already addressing broader competition concerns through the first package of Task Force initiatives, including proposed Level Playing Field measures and hedge market developments.

4.16. In addition, the Authority views its work to enhance price comparison tools as key to building greater competitive pressure on market participants to innovate and improve efficiency for the benefit of consumers.

4.17. We are working at pace on these initiatives. However, they may take time to deliver measurable impacts. The current proposal aims to ensure that consumers are not disadvantaged in the interim, by ensuring retailers begin to act now to provide consumers with more innovative offers and meaningful opportunities to manage their costs and preferences.

We consider that concerns for retail competition justify a measured approach but do not justify doing nothing

What we said

4.18. Our consultation paper recognised that our proposal contained some risks for retail competition, specifically that:

(a) Requiring some retailers to offer a particular price plan may undermine the competitive position of retailers who already offer those plans.

(b) Retailers captured by our proposal may deprioritise other innovations they were developing, in order to comply with the new requirements.

4.19. We considered the risks to be relatively low, as the retailers that have innovated around time-varying price plans are now innovating in other ways, and because the proposal expedites developments that may occur in time anyway.

[9] Electric Kiwi, Lyndon Haugh and Octopus.

Submitters' views

4.20. Some submitters—primarily independent retailers and some distributors—argued that our proposal was inconsistent with our main statutory objective because it could impact independent retailers' ability to compete.[10] They argued that requiring some retailers to provide new price plans would signal to those who already provide such plans that innovation will not be rewarded, by reducing the early mover advantage of those retailers.

4.21. These submitters were also concerned about the potential impacts of the proposal if they became captured by it. They suggested that pricing is a core part of an independent retailer's market strategy and risk management approach, and that any regulatory interference could hamper its core ability to compete.

4.22. A broader group of submitters that included some large retailers and BEC also suggested there are other risks to intervening in competitive markets we should be wary of, including the potential for prescriptive requirements to become outdated or to constrain retailers from offering products that benefit consumers.

Our assessment

4.23. The Authority's main statutory objective is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers. At times, we may need to make trade-offs between the three limbs of this objective. In this case, we do not consider that competition has led to fast enough uptake of initiatives that promote efficiency, which is the focus of our intervention.

4.24. This proposal complements broader efforts by the Authority and the Task Force to improve electricity market performance. These include initiatives to strengthen retail competition and market monitoring, enhance the wholesale market, and enable greater demand-side flexibility. We acknowledge that some retailers are finding it hard to compete in the current environment, and we are working at pace to address these challenges.

4.25. However, our proposal reflects our concern that consumers may face rising costs associated with growing peak demand while awaiting the impact of these broader reforms. We believe timely action is warranted.

4.26. We consider time-varying price plans should already be a staple of retail offers. If competition was working more effectively, these price plans would be ubiquitous and any early mover advantage would not have been sustained for as long as it has. Participants can expect the Authority to intervene where there are issues constraining development, as is the case here.

4.27. We note that this intervention may have competition benefits as well. More widespread availability of time-varying price plans could help to normalise these plans, making consumers more comfortable with accepting these offers from any retailer.

4.28. We have sought to mitigate any potential risks to innovation in the longer term by targeting our intervention to large retailers only, maintaining the need and ability for them to innovate within the basic requirements we have set, and the ability for all retailers to continue to innovate beyond those requirements.

[10] 2 Degrees, Electric Kiwi, Flick, Powerco, Pulse, WEL Networks.

4.29. We further note that our decision includes protections against the potential for the requirements to become outdated and an unintended constraint on the market's evolution. Specifically, it includes a sunset clause, which would see the Code changes relating to price plan offers expire after 5 years. The Authority can review the arrangements at any time, and remove them if we find they are no longer beneficial.

4.30. Further, our revised proposal has less prescription around the price plan design, and Code obligations are only placed on those not already offering the plans and only apply for a short period. This will allow retailers more flexibility to adjust and evolve their time-varying price plans over time.

We do not consider it premature to require injection plans due to the need to get ahead of investment

What we said

4.31. The consultation paper discussed our concern that there are insufficient price signals for consumers to invest in the capability to inject excess generation at higher value times, as most injection price plans offer a single fixed injection rate that does not reflect the variation in value. Just three small retailers offered a price plan with more granular pricing.

4.32. We identified a "chicken and egg" situation for more granular price signals for injection: there are low numbers of consumers that can respond to them, but the lack of more granular price signals may in turn be serving to supress investment.

4.33. Our proposal therefore would have required retailers to offer time-varying price plans for injection, to improve these important price signals.

Submitters' views

4.34. Some submitters—a mix of retailers, consumers and distributors—argued that existing time-varying injection offers are adequate to serve the relatively small number of customers that have solar and battery systems. They noted that the cost of developing tailored plans for this group would be spread over a limited customer base, who likely provide a small amount of energy (which would result in low prices for injection).

4.35. Some suggested that these customers tend to be less sensitive to price signals, making such signals less effective in influencing behaviour.[11] Additionally, this group was considered to be more engaged and therefore more likely to actively seek out the best available deals, so it is not a problem if only a few retailers offer them.[12]

4.36. A few submitters further suggested that allowing multiple trading relationships would support these consumers better than our intervention.[13] This would allow consumers to have more than one retailer for different services at their property (eg, for consumption and injection).

4.37. Multiple consumers and advocates for solar energy, including Rewiring Aotearoa, expressed strong support for the Authority's proposal to mandate that retailers offer time-varying injection plans. They emphasised the importance of providing accurate

[11] Meridian.
[12] Meridian, Octopus.
[13] BEC, Paua to the People, SEANZ.

price signals to ensure efficient investment in technologies such as solar panels, battery storage, and vehicle-to-grid systems.

4.38. Rewiring Aotearoa suggested that it was important to get the incentives for investment right, as consumers will adopt distributed generation technologies anyway, but they will do so more efficiently with the right incentives in place. They suggested it would be too late if we waited for overwhelming demand from consumers before clarifying the incentives.

4.39. Some consumers who submitted also suggested that current arrangements are resulting in an insufficient reward for distributed generation, that solar generation has broad benefits which are not being recognised, and improving the financial return on distributed generation would accelerate investment.

Our assessment

4.40. The Authority acknowledges that the number of customers that could benefit from time-varying injection plans is currently small.

4.41. However, the adoption of solar generation and storage technologies is accelerating. Consumers are making these investments now, and we agree with submitters who suggested the efficiency of those investments will be undermined if the value of distributed generation and storage is not appropriately signalled. The flat rates currently offered by large retailers do not adequately convey this value, which will lead to less efficient investment and use of these technologies.

4.42. Further, while many consumers investing in distributed generation actively shop around, many do not. In November 2024, the Authority requested data from retailers to support our February 2025 consultation paper. The information provided indicated that the proportion of customers with solar is relatively consistent across most retailers, despite there being significant variation in the buy-back rates they offer.

4.43. We note that buy-back and consumption rates cannot be considered in isolation and consumers may consider other, non-price-related factors when choosing a retailer, so this observation is not determinative. However, we consider it likely illustrates that adoption of distributed energy technologies is becoming increasingly mainstream.

4.44. We further note that other developments will likely increase the value of more sophisticated injection plans. Specifically:

(a) In parallel with this decision, we have also released our decision to amend the Code to require that distributors' pricing methodologies include negative charges for injection from mass market customers at peak times. These negative charges must reflect the long-run marginal cost of peak demand that can, on aggregate and over time, be avoided at peak times.[14] Distributors will need to comply with the new requirements from the pricing year beginning 1 April 2026.

(b) The Authority is currently consulting on rule changes that would allow multiple trading relationships. Rather than being a substitute for the proposal addressed by this decision paper, we consider that multiple trading relationships will complement our decision by improving the options available to consumers, and making them easier to compare.

[14] New ways to empower electricity consumers.

4.45. We acknowledge the suggestions from some submitters advocating for more granular injection price signals beyond within-day variations. However, we consider it more effective to allow a diversity of price plan options. Our approach allows retailers to offer spot-based injection pricing, but also allows them to offer options that provide a more stable injection price, which some consumers will value as it gives a more predictable return on investment.

4.46. Our primary objective is to ensure consumers have access to a range of options that incentivise efficient investment and usage decisions. Within-day price signals are particularly important given the daily solar generation cycle, and the significant difference that a battery can make to the use of solar output.

5. We consider our approach, as amended, is preferable to alternatives

5.1. As outlined in paragraph 3.16, we consulted on a four-part proposal. Our consultation paper identified five alternatives to that proposal:

(a) Relying on the status quo.

(b) Options with more prescriptive guidance for the price plan design.

(c) Making time-varying plans the default offer.

(d) Requiring retailers to offer control-based plans, in addition to, or instead of, time-varying price plans.

(e) A pared-back version of the proposal which included the changes to distribution billing and monitoring development of price plan offers, but did not include the requirement for retailers to offer, promote and report on time-varying price plans.

5.2. This section discusses our response to submissions on the suitability of our proposal relative to alternatives. Specifically, it explains why:

(a) We consider a lower level of intervention would not address the need for timely action.

(b) We do not consider greater levels of intervention appropriately reflect the role of a retailer.

(c) Other alternatives that submitters identified are not a substitute for our proposal.

We consider a lower level of intervention would not address the need for timely action

What we said

5.3. Of the five alternatives we identified in our consultation paper (paragraph 5.1), we consider that three involve lower levels of intervention: relying on the status quo (5.1(a)), allowing control-based plans (5.1(d)), and a pared-back version of the proposal (5.1(e)). None of these was our preferred option because:

(a) Relying on the status quo would not address the issues we identified.

(b) Control-based plans are not a substitute for time-varying price plans and would take more time to be rolled out widely.

(c) A pared-back approach would have a much slower effect than the proposal.

Submitters' views

5.4. Some large retailers and ERANZ considered the status quo to be preferable, either because they did not consider there to be a problem to be addressed, or because they were concerned about the impacts on retail competition.

5.5. Several submitters suggested we should allow control-based plans in the proposal.[15] In their view, behaviour change would be difficult for some consumers and time-varying price plans would be more likely to risk the formation of 'secondary peaks'

[15] Meridian, ENA, ERANZ, Nova, Our Energy.

from many consumers responding to price signals in the same way. They considered third party control would avoid this and be more effective in managing peak demand.

5.6. Ecotricity and Mercury suggested we reconsider the pared-back approach, as they considered it could achieve the same policy intent at lower cost.

Our response

5.7. We have already responded to views about whether there are issues to address, and the impacts on retail competition in section 4. We therefore continue to consider that retaining the status quo is not appropriate.

5.8. Regarding control-based plans, the Authority considers load and battery control to be an important part of demand-side management, which will be key for engaging large amounts of mass-market demand. We support retailers and other aggregators in pursuing these options.

5.9. However, we view load control plans as complementary to time-varying price plans, rather than substitutes. Both can coexist effectively. Time-varying price plans play a critical role in delivering price signals that help consumers better understand their energy usage and encourage more efficient behaviour and investments. These outcomes cannot be achieved as effectively through load control plans.

5.10. Moreover, time-varying price plans can be rolled out to a broader customer base more rapidly, offering the potential for a quicker and more immediate impact on peak demand—an outcome we believe is worth pursuing. The widespread existence of these signals could likely also support uptake of control options.

5.11. Retailers remain free to offer control options in addition to the time-varying price plans required under this intervention.

5.12. While we agree that the pared-back proposal could achieve a similar outcome to our proposal, it would likely do so over a much longer timeframe. A key motivation for this intervention is the risk that consumers may incur high costs to meet rising peak demand, particularly while broader reforms to enhance retail competition are still underway. For this reason, we consider the requirement for retailers to offer time-varying price plans to be a critical component of the intervention.

5.13. That said, we consider that it is important to strike an efficient balance between costs and benefits. Accordingly, we have revised the proposal to reduce compliance costs.

We do not consider greater intervention appropriately reflects the role of a retailer

What we said

5.14. Of the five alternatives we identified in our consultation paper (listed in paragraph 5.1), we consider that two of these would represent greater levels of intervention—providing more prescription around the plan design (5.1(b)) and making time-varying price plans the default offer (5.1(c)). Neither of these was our preferred option because:

(a) Imposing more prescriptive requirements on price plans could have unintended consequences:

(i) It could stifle valuable innovation in price plan design and risk becoming quickly outdated as technologies and consumer preferences evolve.

(ii) It may increase the risk of 'secondary peaks' in demand, and limit retailers' ability to adapt their offerings to mitigate these emerging issues.

(iii) For injection price plans, prescriptive rules could unintentionally create cross-subsidies.

(iv) It may not provide consumers with greater certainty around injection prices, which some are seeking, as retailers could simply restructure their price components to recover the same costs, with no net benefit for consumers. The Authority considers competition is the best way to discipline retail pricing.

(b) Mandating uptake of time-varying price plans removes consumer choice and could impact consumers who aren't well placed to respond.

Submitters' views

5.15. Many consumers who submitted considered that we should take a more prescriptive approach to injection pricing, so that retailers always pay a fairer price, including during dry and constrained periods, not just at times of peak demand. We have responded to these views in paragraph 4.45.

5.16. Some submitters—many of them distributors and some consumers—considered that our proposal did not go far enough, and that we should require retailers to pass through distribution price signals, and/or that time-varying price plans should be mandatory for all consumers.[16]

5.17. These submitters considered it important for consumers to see price signals to support efficient consumption decisions, which would result in improved system resilience and avoid generation and network investment costs. They suggested that a voluntary approach where consumers only take up time-varying price plans where they choose to could mean consumers that are contributing the most to peak costs would not be exposed to the impact of their consumption behaviour. It was suggested that an education programme could minimise negative impacts on consumers from a mandatory approach.

Our response

5.18. The Authority does not agree that time-of-use distribution prices need to be passed through directly to consumers.

5.19. However, we think it is important that distribution prices are accurately charged to retailers. It is a retailer's role to manage the risk associated with repackaging its input costs—including distribution charges—into the price plans it offers.

5.20. The prices that retailers develop by repackaging their input costs can be more efficient than passing through prices set by distributors. By considering multiple cost components holistically, retailers can incentivise behaviour that minimises total input costs, not just distribution costs. Retailers have a direct relationship with consumers, so are better positioned to design pricing structures that reflect diverse preferences

[16] Horizon Energy, Lyndon Haugh, Nu'uli'itia Andrew Redwood, Octopus, Peter Olorenshaw Nelson, Unison & Centralines, Waipa Networks, Wellington Electricity, Lodestone.

and behavioural responses, and offer simplicity or certainty where valued. Additionally, retailers manage price and volume risk across a diverse customer portfolio, resulting in more stable and effective pricing outcomes overall.

5.21. However, for retailers to offer plans that efficiently reflect costs, they must first receive cost-reflective input pricing. Currently, this is not always the case. We do not consider it appropriate that the distribution charge a consumer is assigned is sometimes determined by their retail plan. To address this, we are requiring that distributors charge retailers based on time-varying charges where they have them, regardless of the retail plans they offer.

5.22. The Authority also disagrees that time-varying price plans should be mandatory for all consumers, as efficient outcomes can still be achieved through a flat, single-rate price plan if it signals the marginal cost of consumption. As discussed in paragraph 4.7, many consumers value price certainty and may prefer a flat-rate plan even if it is more expensive. We consider that option should remain available to them.

5.23. We acknowledge that consumers with higher consumption at times of peak are less likely to choose a time-varying price plan, as it is likely to cost them more. Conversely, consumers with less consumption at peak times will likely benefit from a time-varying price plan. We do not consider this to be a problem.

5.24. When retailers offer just a single price plan option, costs are averaged across a very broad customer base. This leads to cross-subsidies, where some consumers pay less than the costs they cause, while others pay more. It also means consumers with higher-cost consumption habits can drive up prices for everyone.

5.25. Offering more price plan options can help to reduce this cross-subsidy. Consumers are more likely to find a plan that reflects both the costs they impose on the system and their willingness to pay those costs or take action to avoid them. It also allows cost signals to be more accurately directed toward those whose behaviour is driving system costs.

5.26. We therefore believe it is important for retailers to offer more options that reflect the varying degrees to which consumers contribute to costs, and the different ways to manage those costs. This is particularly important in a context where:

(a) consumers are gaining more tools and technologies to manage their consumption and injection; and

(b) peak demand is growing and placing increasing pressure on the system.

5.27. Our intervention is aimed at encouraging this broader set of options—not prescribing a specific design or level of uptake. We are intervening because we consider retailers have been too slow to respond to changing consumer capabilities and system conditions. Rather than mandate how price plans must look and which consumers they apply to, we are ensuring retailers face more cost-reflective inputs, and are held accountable for providing a range of options that better support efficient consumer choice.

Other alternatives that submitters identified are not a substitute for our proposal

Submitters' views

5.28. Submitters identified several alternative interventions that we had not identified. They considered that these could achieve the same (or similar) objective as our proposal, but at a lower cost. These suggestions included:

(a) Making it easier for consumers to take up time-varying price plans via:

(i) improving price comparison services;[17]

(ii) a consumer awareness campaign about the benefits of time-varying price plans;[18]

(iii) 'nudges' that make it easier for consumers to take up the opportunities or get on the best plan;[19] and

(iv) a benchmark time-of-use plan that all retailer offers could be compared against.[20]

(b) Other changes to support flexibility, including service contract templates, regulations for aggregators, a register of parties involved, or incentive programmes.[21]

(c) Other changes to support solar, batteries and smart chargers, including changes to the building code, and support for low-income households to access solar.[22]

Our response

5.29. The Authority agrees that many of these suggestions have merit. Many of these are being progressed through our work programmes. Specifically, our consumer mobility work programme includes:

(a) launching a next-generation comparison and switching service later this year to enable consumers to cut through complexity to get more control over their energy bills;

(b) standardising information and moving towards real-time access to data so consumers, or their agents, have better access to their electricity information. This work also supports a potential electricity Consumer Data Right designation;

(c) improvements to power bills and considering the merits of 'best plan' notices being provided to consumers;

(d) our Evolving Multiple Trading and Switching project, which will enable rule changes to allow consumers to have more than one retailer for different services at their property (multiple trading relationships);

[17] BEC, ENA, Flex Forum, TLC.
[18] Flick, Meridian, Liam Grey, Flex-able, Powerco.
[19] Powerco.
[20] Alister Gardiner.
[21] Orion, Ecotricity, Flex Forum, Graeme Weston.
[22] ENA, Anne Scott, Common Grance Aotearoa.

(e) supporting industry trials through the Power Innovation Pathway to identify and remove regulatory barriers, as well as to better understand and develop requirements for flexibility service providers to interact with the market; and

(f) improving coordination of distributed energy resources through our future system operations consultation. An issues paper on 'The future operation of New Zealand's power system' was published on 24 June 2025.

5.30. To further support flexibility, additional work includes:

(i) developing standardised hedge products that support flexibility, under the Energy Competition Task Force;

(ii) improving visibility of capacity and constraints on networks at all levels; and

(iii) making it faster and easier for distributed generation to connect to the network through the Network Connections Project.

5.31. We have also recently launched an awareness campaign about the benefits of time-varying price plans.

5.32. We note that suggestions from submitters that could enable greater uptake of solar and batteries through building code changes or targeted support are beyond the Authority's remit. This feedback has been passed on to MBIE for its consideration. We note the government has recently announced that it is proposing changes to the Building Act to clarify that building consents are not needed to install solar panels on existing buildings, and to accelerate consents for new homes that include solar panels.[23]

5.33. We do not think it is reasonable to place the onus on consumers to learn more. Rather, we consider the role of a retailer is to engage consumers who are willing to adopt more efficient behaviours. We consider retailers should proactively seek out these customers, rather than relying on them to initiate change. We are progressing measures to ensure that retailers have the underlying incentives to do so, but this decision aims to make progress and support improved outcomes in the shorter term.

[23] https://www.rnz.co.nz/news/political/564053/government-moves-to-boost-household-solar-power

6. We have revised our approach in response to points raised by submitters

6.1. This section discusses changes we have made to the proposal in response to points raised by submitters, as outlined above. Specifically, it sets out that:

(a) Retailers with more than 5% market share must offer time-varying price plans.

(b) Retailers that already provide time-varying price plans will have reduced requirements

(c) We have simplified the price plan design requirements.

(d) Tailored proactive offers are not required but the plans must be advertised equivalently, and consumers must be notified via the annual CCO notice.

(e) Reporting is required, but the requirements are less onerous.

(f) Retailers will need to meet the criteria to be Category A before 1 July 2026, and Category B retailers must offer time-varying price plans by 1 October 2026 at the latest.

(g) A sunset clause better reflects the temporary drivers of the issues than a formal review clause.

(h) Aggregated data can be used to settle distribution bills.

Retailers with more than 5% market share must offer time-varying price plans

Our decision

6.2. We have decided that requirements to make time-varying price plans available to consumers will apply to retail traders that have a market share of 5% or more of all ICPs, assessed on the previous 30 June.[24]

What we proposed

6.3. In our consultation paper, we identified the approach we have now adopted as our preferred option.

6.4. We also considered alternative thresholds, such as capturing retail traders with more than 1% market share, or all retail traders whose parent company holds more than 5% market share. However, we considered our proposed threshold of 5% by retail trader was appropriate because:

(a) It would ensure the largest retailers who serve the greatest number of customers offer the plans.

(b) Most of the retailers captured were not already offering the plans to all their residential and small business consumers. Conversely, many smaller retailers do offer the plans, and hence would face compliance costs for no additional consumer benefit.

[24] That is 30 June 2025 for the initial assessment of whether a retailer has met the Category A criteria before 1 July 2026.

(c) The larger retailers are more likely to have their own flexible generation assets, and therefore, potentially less incentive to discourage consumption or encourage injection at peak times.[25]

(d) It would allow innovation benefits that might come from retailers using subsidiaries to experiment with innovative offers distinct from the parent brand.

6.5. We therefore considered it achieved the best balance of costs and benefits.

Submitters' views

6.6. Submitters had mixed views on our proposal to target our intervention to retailers with greater than 5% market share:

(a) Several submitters agreed that targeting retailers with a market share greater than 5% was appropriate, as they were seen as the primary source of concern. Some submitters additionally suggested that these retailers should be captured because their generation portfolios reduce the incentive to offer time-varying price plans to customers, and they are advantaged by an uneven playing field.[26]

(b) Two submitters agreed that the proposal targeted the right group of retailers but suggested it would be more appropriate to either name those retailers explicitly, or set a slightly higher threshold (eg, 200,000 ICPs) to avoid capturing smaller retailers that may grow beyond 5% market share.[27]

(c) A mix of submitters including Ecotricity, ENA, UDL, Meridian, Rewiring Aotearoa, and some consumers, believed the requirements should apply to all retailers to maintain a level playing field across the sector, or because all retailers should have the capability.

(d) A few submitters supported a lower threshold, including our alternative 1% threshold, as they considered retailers above this size were capable of providing the offers.[28] Two submitters suggested a progressive approach, with reduced compliance requirements on smaller retailers, or extending to smaller retailers over time.[29] One submitter suggested a need to focus on vulnerable consumers, who are often served by smaller retailers.[30]

(e) There was little comment on the alternative option we proposed of assessing inclusion at the parent company level, though there was a suggestion that retailers could use subsidiaries to avoid the obligations.[31]

Our response

6.7. We acknowledge submissions that suggested that all retailers should be captured by our proposal and that our requirements should ensure a level playing field.

---

[25] This was raised by the Market Development Advisory Group in its final recommendations report in 2023. As the Market Development Advisory Group stated, this issue can reduce the incentives to engage demand-side flexibility, though it does not eliminate them. See https://www.ea.govt.nz/documents/4335/Appendix_A2_-_Final_recommendations_report.pdf, pp 117
[26] EEA, Nova, 2Degrees, Lyndon Haugh, 2Degrees, Rachel Posgate.
[27] 2Degrees, Pulse.
[28] Meridian, Wellington Electricity, SEANZ.
[29] Graeme Weston, Octopus.
[30] Sea Rotman.
[31] Pulse, Nu'uli'itia Andrew Redwood.

6.8. However:

(a) There are currently 48 retail traders, with 29 of these serving fewer than 1,000 customers (or ~0.05% market share).[32] We do not consider it practical or valuable to capture very small retailers given the compliance costs of doing so, and the negligible benefit it would provide. The 1% threshold we identified represents what we considered to be a practical minimum.

(b) We are currently considering wholesale market changes aimed at ensuring a level playing field for retailers, so that independent retailers can better compete with the generator-retailers. This intervention we are making now reflects our concern that the recent retail environment has not placed sufficient pressure on some retailers to innovate in ways that benefit consumers—resulting in limited availability of price plans that should by now be standard offerings. It is a targeted, short-term measure to make up lost ground, and is not expected to have long-term impacts on retailers' ability to compete on neutral terms.

6.9. For these reasons, submissions which advocated for a lower size threshold have not led us to change our approach.

6.10. We have considered arguments for a different type of threshold (eg, the number of ICPs, or named retailers), or a slightly higher one that avoids capturing retailers that might soon grow beyond 5%.

6.11. While these arguments have some merit, we maintain that a 5% threshold remains appropriate. This level of market share represents a substantial number of consumers, and any retailer with this many customers should reasonably be expected to offer a range of price plan options. We expect retailers that grow to this level will be innovative enough to already offer time-varying price plans. Additionally, we have introduced several refinements to the proposal to better target the intervention and reduce compliance costs. These changes reduce the need for a higher threshold. For similar reasons, we consider it sufficient to assess whether a retailer meets the threshold based on a simple, point in time measure (ie, the previous 30 June).

6.12. We consider it unlikely that the obligations we are introducing would create a perverse incentive for retailers to establish subsidiaries to avoid compliance. The recent trend has been for retail brands to be consolidated under parent companies. We therefore consider that the practical difference between applying the 5% threshold at the retail trader level or at parent company level is minimal.[33]

6.13. We have therefore decided to retain the threshold based on retail trader. This reflects our view that large retailers require stronger incentives to innovate. Subsidiaries can serve as a space for testing new approaches, and we are mindful not to introduce requirements that might discourage such innovation.

[32] https://www.emi.ea.govt.nz/Retail/Reports/R_MSS_C?_si=v|3 n.b. We have excluded Prime Energy from our figures, as they have recently ceased trading, though they are included in the EMI data.

[33] Recent consolidations mean that Glo Bug is the only subsidiary brand that would be affected by this decision. It had a market share of 0.74% of all ICPs on 30 April 2025.

Retailers that already provide time-varying price plans will have reduced requirements

Our decision

6.14. As outlined in section 2, we have decided that requirements to offer, promote and report on time-varying price plans will only apply to certain retailers:

(a) Retail traders that meet our classification of 'Category A' retailers will not need to meet the Code requirements. These are retail traders that *do not* meet the size threshold discussed in the previous section (5% of ICPs), or that *do* meet the size threshold but already offer and advertise time-varying price plans for consumption and injection before 1 July 2026.

(b) Retailers that do not meet the criteria to be 'Category A' retailers will be 'Category B' retailers. They will need to meet Code requirements to offer, promote and report on time-varying price plans that apply starting on 1 October 2026. If they do so for a continuous period of 12 months, they will then become 'Category A' retailers, meaning they will no longer need to meet the Code requirements around price plan offers, promotion and reporting.

6.15. Retailers must consistently meet the criteria to maintain 'Category A' status; failure to do so will result in reclassification as a 'Category B' retailer, in which case the Code obligations will apply.

6.16. A retailer can be Category B for consumption but not injection, and vice versa.

6.17. We will utilise registry data and data provided under the Retail Market Monitoring Notices to monitor which retailers have met the Category A criteria in the first instance, supplemented by further investigation and enquiry.

What we proposed

6.18. The proposal in our consultation paper would have meant the Code requirements apply to all retailers that met the size threshold, irrespective of whether they were already offering time-varying price plans.

Submitters' views

6.19. Contact Energy, who would have been captured by our proposal, submitted that the reasons we cited for excluding smaller retailers also apply to them—ie, that they already offer time-varying price plans and would therefore incur compliance costs with limited additional benefit. Multiple submitters commented on the compliance costs of our proposal, and recommended we find ways to reduce them.

6.20. In addition, we engaged with several retailers after the submission period, to better understand their feedback regarding our proposed implementation timeframe (discussed further starting at paragraph). These discussions revealed that the IT system constraints that had previously prevented some large retailers from offering more sophisticated price plans have either been recently addressed or are currently being resolved through system upgrades.

Our assessment

6.21. We acknowledge Contact Energy's point that our proposal would have subjected it to compliance costs even though it is already providing time-varying price plans. We note Contact Energy only offers time-varying consumption plans, not injection plans, so its inclusion was not unintentional. However, this point, and our discussions with retailers about timeframes, have led us to prefer a more targeted intervention, as set out in section 2.

6.22. We are encouraged by retailers' reports that IT system upgrades have been completed or are currently in progress, indicating that key barriers to offering more innovative price plans are being addressed. We consider this a potential turning point for the development and uptake of more dynamic and consumer-responsive retail price plans.

6.23. We also acknowledge that competitive pressures are generally more effective than prescriptive regulation in delivering better outcomes for consumers, and that even low-cost interventions carry some risks and trade-offs.

6.24. It would be hard to justify the costs and risks of intervening if the broad outcomes we sought were soon to be realised anyway through the retailers' voluntary action. While we have no assurances that meaningful progress was imminent in the absence of our intervention, the recent removal of the key barriers—related to IT systems as identified above—suggests retailers may be more willing and able to act than we had previously assessed. Although we consider the risks of inaction or slow progress sufficient to justify intervention, we recognise the need for a measured and cautious approach.

6.25. Our revised approach therefore allows time for the large retailers to demonstrate the value they can provide to consumers acting on their own accord. Where such progress occurs, retailers will not be subject to further Code requirements.

6.26. Our revised approach means that regulatory compliance costs are only incurred by large retailers that are not reasonably supporting consumer choice.

We have simplified the price plan design requirements

Our decision

6.27. Category B retailers must provide time-varying price plans for both consumption and injection. These need not be the same plan.

6.28. The time-varying price plan or plans are pricing plans for which the rates charged for electricity supplied to the customer:

(a) vary in respect of consumption or injection depending on when that consumption or injection occurs; and

(b) provide a financial benefit for consumption and injection patterns that reduce pressure on system costs.

6.29. We intend to publish further guidance, which will help participants understand the types of plans that we would expect to meet this definition.

What we proposed

6.30. We proposed that large retailers would need to provide time-varying price plans for both consumption and injection. These would not have to be the same plan.

6.31. Our proposal was principles-based. The time-varying price plan or plans:

(a) Would be pricing plans for which the rates charged for electricity supplied to the customer vary in respect of consumption or injection depending on when that consumption or injection occurs during a day;

(b) Would need to reflect the relative economic costs to the retailer of the customer's consumption of electricity during peak and off-peak times during a day;

(c) Would need to reflect the relative economic benefits to the retailer of the customer's injection of electricity (if any) during peak and off-peak times during a day;

(d) Would need to provide a financial benefit to each customer which is in proportion to the extent to which that customer's consumption or injection patterns reduce the retailer's economic costs; and

(e) Could have regard to transaction costs, consumer impacts and uptake incentives.

6.32. The consultation paper discussed that our concern was not with how retailers set their prices, but with the availability of offers that signal and support consumers to manage their own costs and the broader costs of growing peak demand. Our intention was to allow maximum space for retailers to innovate around the price plan design, while ensuring the plans meet the purpose of the intervention.

6.33. We questioned whether we should explicitly require pass-through of any negative charges arising from our parallel consultation proposal 'Requiring distributors to pay a rebate when consumers supply electricity at peak times (Task Force initiative 2A)'. These negative charges would apply to the retailers of distributed generation customers, who would then be expected to pass them through in their price plans to customers—including the time-varying injection price plans discussed in this paper. However, we did not propose to include an explicit pass-through requirement.

Submitters' views

6.34. Several submitters supported our principles-based approach, and some—such as Mercury—considered that the design principles we proposed provided reasonable flexibility so as not to significantly constrain retailers' ability to innovate around the plan design or set effective prices.

6.35. However, some submitters—particularly some smaller retailers—were concerned that the principles were more prescriptive than we had intended. They suggested that (were they to be captured by the proposal) the time-varying price plans they already offer would not be consistent with the requirements.[34]

6.36. This concern primarily stemmed from the references to "economic costs". They variously suggested that:

(a) Retailers set their prices based on commercial considerations rather than economic costs.

(b) The term was unclear, and would need more definition.

(c) It would be difficult for the Authority to determine whether a price plan complied with the requirements.

[34] Pulse, 2Degrees.

(d) Retailers may not see the financial benefits of changed behaviour for several years (eg, network cost savings), and hence the benefit passed on may not align with the underlying cost savings.[35]

6.37. EEA suggested that the price plan design should prioritise transparency and simplicity.

6.38. With respect to injection pricing, there were also suggestions from submitters that:

(a) The high-level principles would be insufficient to discipline injection pricing, so the new plans may not differ significantly from current pricing levels, which some considered too low.[36]

(b) The guidance could result in there being no reward for injection during off-peak times, despite this still having value.[37]

(c) We should further consider if the price plan design could better reward injection in dry years.[38]

6.39. There were polarised views as to whether we should include an explicit requirement for retailers to pass-through any negative charge from distributors that rewarded injection. Some submitters were strongly of the view that we should require pass-through, and that this should be explicit.[39] Others were of the view that retailers should have flexibility around whether or how to pass it through.[40] Some submitters suggested that providing transparency around pass-through should be sufficient,[41] or that it should be passed directly to consumers.[42]

Our response

6.40. Submissions have not changed our view that a principles-based approach, with more permissive design requirements, is preferable, given that our concern is more about availability of options and incentives than design or price. Our approach is intended to give retailers:

(a) broad scope to innovate around price plan design and to compete for customers;

(b) the ability to adapt to changing conditions as required;

(c) ongoing responsibility for managing the risks of repackaging prices into an offer that consumers value;

(d) the ability to integrate other incentives, rewards or controls in addition to time-varying price signals; and

(e) freedom to cater to specific niches.

6.41. However, it is a concern for us that some submitters considered our proposed guidance did not achieve this intended flexibility. We accept that "economic costs" may not be an input that retailers explicitly consider in their pricing approaches, and that we did not define this term. We had also considered that "transaction costs,

[35] Suggested by Genesis.
[36] Lightforce Solar, Rewiring Aotearoa, Lodestone, Margy-Jean Malcolm, David Petrie, SUPA Energy.
[37] Rewiring Aotearoa.
[38] Multiple consumers that used Rewiring Aotearoa's templates.
[39] Multiple consumers that used a Rewiring Aotearoa's template, Rewiring Aotearoa, Graeme Weston, Flex-able, Horizon Energy, Nu'uli'itia Andrew Redwood.
[40] Contact Energy, Octopus, SEANZ, TLC, WEL Networks, Mercury, Nova, Orion.
[41] EEA, Lastmyle, Mark Robinsons, Waipa Networks, Isaac Severinson.
[42] Our Energy, Peter Olorenshaw Nelson.

consumer impacts, and uptake incentives" would allow significant divergence from "economic costs" when designing retail plans, but this may have been interpreted differently by others.

6.42. Ultimately, our main concern is ensuring that the plans meet the objective of the intervention – that consumers are provided with options that can reward them for behaviour that puts downward pressure on system costs. We have therefore simplified the design requirements to more directly reflect that this is what these plans must do.

6.43. For both consumption and injection, we expect competition to play its role in disciplining pricing, and ensuring pass-through of any negative distribution charge for injection. However, we will also utilise the reporting regime to understand the cost-reflectivity of prices under the plans.

6.44. Regarding injection plans, as discussed in paragraph 4.45, our approach allows a diversity of price plan designs. This allows retailers to offer plans based on spot prices that would reflect real-time system conditions, or to offer 'hedged' prices that smooth out the lows and highs associated with wet or dry conditions. A diversity of price plans means consumers can choose an option that best suits their preferences.

Tailored proactive offers are not required but the plans must be advertised equivalently and consumers must be notified via the annual CCO notice

Our decision

6.45. Category B retailers must advertise their time-varying pricing plans on their websites and any electricity plan comparison platform prescribed by the Authority, if the platform is able to support this.

6.46. These retailers must also notify customers of the new plans via the annual notice required under the Consumer Care Obligations, and must report against targets for uptake.

6.47. Tailored proactive offers to consumers will not be required as we initially proposed.

What we proposed

6.48. We proposed that retailers provide a proactive offer of the consumption plan to all customers where it may be the most suitable product. The offer would have needed to:

(a) Identify the amount of electricity the customer consumed or injected during peak and off-peak times in the previous year.

(b) Explain the availability of the new price plan or plans (as applicable).

(c) Set out the main features of the plans, including any risks entailed by the plans.

(d) Quantify the potential benefits of being on the plan, based on their past consumption / injection.

(e) Explain how consumers could get the greatest benefit from being on the plan.

(f) Check in with consumers after a year to confirm benefits.

6.49. This proposal aimed to support robust uptake of the plans, and targeted consumer benefits. Retailers are uniquely positioned to provide information to consumers on the best plan for them, given the consumption data they hold for their customers.

Submitters' views

6.50. Consumers and consumer representatives that submitted on our proposal were generally supportive of the promotion requirements, including the need to proactively offer the plan to customers that would likely benefit. Some suggested that the requirement should extend to all plans, not just the time-varying price plans we are requiring.[43] However, there was also some concern that the retailer's and customer's interests may not align, and so consumers could have plans promoted to them that would cost them more.[44]

6.51. Retailers were strongly opposed to the proposal, variously citing: [45]

(a) High costs to analyse individual customer consumption / injection and to develop their systems to produce the required notices.

(b) Costs and risks to them in needing to ensure notices comply with the Fair Trading Act 1986, as the notices would indicate savings that could not be guaranteed since they would be:

(i) Based on past consumption, which may not reflect future consumption; and

(ii) Potentially dependent on the customer changing its behaviour.

(c) Risks to consumers from taking up the offer based on an indication of savings that might not be realised.

(d) The potential for consumers to become disengaged or confused from poorly timed messaging.

6.52. Mercury and Unison suggested that it is in the retailers' interest to attract consumers onto the plans, given they will have incurred costs to develop them, and that prescriptive promotion requirements are therefore unnecessary.

6.53. We also received several suggestions from submitters on the content of the notices, their frequency, or who they should be provided to.[46]

Our assessment

6.54. We consider that the level of consumer support for this proposal indicates that there is a need for retailers to do more to help their customers get on the best plan. We also acknowledge that retailers may not always have strong commercial incentives to proactively invite consumer cost savings, which may explain some of their resistance to this proposal.

6.55. A capable comparison and switching service is the first-best way to help consumers find an appropriate plan. This would help them find the best plan amongst all retailers, not just their own. As outlined above, the Authority is launching a next-generation comparison and switching service later this year.

[43] UDL, Lyndon Haugh, Rachel Posgate, Samuel Warmerdam.
[44] Lyndon Haugh.
[45] Contact Energy, Ecotricity, ERANZ, Genesis, Meridian.
[46] UDL, EEA, Rewiring Aotearoa, Common Grace Aotearoa, BEC.

6.56. Our consumer mobility work programme will also standardise information and moving towards real-time access to data so consumers, or their agents, have better access to their electricity information. This work also supports a potential electricity Consumer Data Right designation, which could add material value to the service.

6.57. Our work to simplify power bills will also consider potential requirements for 'best plan' notices. This will include whether retailers should proactively inform customers of any price plan they offer that may better suit the customer's circumstances. We have decided that it is preferable to explore the full potential and implications of best plan notices through this project. This approach avoids locking in development costs for a narrower, short-term measure, instead allowing for a more comprehensive assessment of the best way to improve consumer engagement and plan suitability.

6.58. However, promotion requirements are important to ensure that the plans do not sit idle just to meet the Code requirements. If plans are more visible, it is more likely that retailers will put effort into developing good quality plans that can provide meaningful benefit, and into ensuring a positive customer experience through targeted uptake.

6.59. We note that the new CCOs have two protections that reduce the likelihood that consumers will take up a plan when it is not in their interest. Specifically, they require retailers to ensure consumers can identify—or are supported to identify—the most suitable option for their household circumstances:

(a) before signing up a residential consumer as a new customer; and

(b) when a customer enquires about changing their price plan or signing up to a different product offering.

6.60. We consider these protections sufficient to minimise the risk of consumers adopting the new plans when they are not well suited. However, consumers will still need a prompt to consider signing up with a new retailer or to consider changing plans. Therefore, we will require that Category B retailers:

(a) Include in the annual notices required under the CCOs a notification for eligible customers about the new plans, and direction on where to find more information.

(b) Set and report on targets for uptake, and the promotion activities they are undertaking to support achievement of the targets (discussed further below).

Reporting is required, but the requirements are less onerous

Our decision

6.61. For each price plan required by the Code, Category B retailers will need to provide a report at the start of each calendar quarter covering the following:

(a) The name of the plan, and number of customers on the plan.

(b) The structure of, and prices set out in, the plan, and if relevant, a high-level summary of how the plan is tailored for different customers.

(c) Changes made to the plan since previous reports, and the timing and rationale for those changes.

(d) Explanation of how prices have been determined and how they relate to the underlying costs of supply.

(e) Sufficient information and commentary to enable the Authority to understand how the price plan rewards consumers for consumption / injection patterns that put downward pressure on system costs, and hence meets the requirements for the plan design.

(f) The target customers for the plan, including characteristics of their consumption that mean they would be expected to benefit from the plan.

(g) Target levels of uptake, discussion of how actual uptake compares against the targets, and the activities the retailer is undertaking to achieve the targets.

What we proposed

6.62. In our consultation paper, we proposed requiring large retailers to report to the Authority by 1 August each year to:

(a) demonstrate their plans comply with the design requirements; and

(b) demonstrate they have complied with the proactive offer requirements.

6.63. We proposed that the Authority could require the information to be provided in a prescribed form. We sought feedback on what content might be appropriate for the reporting, but suggested it could take a similar form to the pricing methodology documents that distributors prepare under Part 4 of the Commerce Act 1986—albeit tailored to the different context.

Submitters' views

6.64. The feedback we received on the potential content of the reporting regime suggested it should focus on consumer outcomes and the effectiveness of the implementation against the objectives. It suggested that this could be tracked via metrics such as:

(a) Plan uptake – including by different consumer groups.

(b) Load shifting and network impacts.

(c) Avoided costs.

(d) Customer satisfaction.[47]

6.65. Some industry participants expressed concern that the proposal appeared overly burdensome, with compliance costs likely to outweigh benefits. They recommended integrating reporting requirements into existing frameworks wherever possible, with the Retail Data Notice specifically suggested as a suitable mechanism.[48]

Our assessment

6.66. We agree with the views of submitters that we should seek to minimise compliance costs of the reporting regime to the extent possible, and that the information we seek should be deliberate and focussed.

6.67. The purpose of reporting is to:

(a) encourage retailers to engage meaningfully with the Code requirements;

(b) help us to ensure the intent of the intervention is being met; and

[47] Nu'uli'iita Andrew Redwood, Lyndon Haugh.
[48] ERANZ, Mercury, Octopus, Meridian, SEANZ, Genesis.

(c) provide context for our monitoring observations and help to inform any need for further action from us.

6.68. On the point at paragraph 6.61(b), we expect the reporting requirements to provide assurance that time-varying price plans will reach consumers who are most likely to benefit, which our original proposal provided through tailored pro-active offers. In response to submitter concerns, we have amended the reporting regime so that it is more frequent, but lighter touch. Much of the information will only be necessary to report once, or if things change.

6.69. We considered incorporating our reporting into the Retail Market Monitoring Notices. However, those notices are focussed on quantitative or statistical information, whereas we are seeking more qualitative information through this process.

6.70. We note that many of the metrics suggested by submitters for the reporting regime will be available through the Retail Market Monitoring Notice, and are better suited to analysis through the Authority's monitoring than through retailer reporting. We consider the value of reporting is in more qualitative information that will not be gained from metrics alone.

Retailers will need to meet the criteria to be Category A before 1 July 2026, and Category B retailers must offer time-varying price plans by 1 October 2026

Our decision

6.71. Retailers will be considered Category A retailers if they meet the requirements to be Category A before 1 July 2026 (ie, have time-varying plans which are available and published before that date). The criteria must be met on an ongoing basis to remain in Category A.

6.72. Retailers that do not meet these criteria before 1 July 2026 will be Category B retailers and will need to comply with the Code obligations that apply starting on 1 October 2026. The first reports under the reporting regime will be due that same day.

What we proposed

6.73. Our consultation paper proposed that large retailers must offer time-varying price plans to all its mass market customers by 1 January 2026. We also considered an alternative option of 1 April 2026, but did not consider this as the preferred option as it would delay consumer benefits.

Submitters' views

6.74. Some submitters—consumers and their advocates, amongst others—agreed that a January 2026 implementation date appropriately prioritised consumer benefits, and that there was no reason to delay.

6.75. Some retailers and distributors suggested that an April 2026 implementation date would be preferable.[49] They considered it preferable to align with distributors' price re-sets, as otherwise it was likely that the plans would be launched and then subject to price rises after three months. It was also suggested that an April implementation

[49] Ecotricity, Mercury, EEA, Waipa Networks, Nova.

date would be more streamlined for retailers to implement, and that there could be staffing challenges to launching a new plan during the Christmas holiday period.

6.76. The large retailers who would be caught by the proposal raised concerns about either date. Specifically:

(a) Genesis Energy submitted that it was currently upgrading its IT systems and would not be able to implement the proposal in the timeframes we proposed.

(b) Meridian Energy submitted that a July 2026 implementation date would be preferable to allow for changes to their systems.

(c) Contact Energy and Mercury both suggested an October 2026 implementation date would be preferable for time-varying injection plans, given other demands on resources.

6.77. We had follow-up conversations with each of these retailers to better understand the constraints they had identified.

Our assessment

6.78. We agree with those submitters who suggested we should not delay initiatives that could provide consumer benefits any longer than is necessary. Our preference is for early implementation, particularly in an environment of increasing electricity prices, where a different price plan option could potentially provide some consumers with valuable relief on their bills.

6.79. However, we consider that there is limited value in an implementation date that participants could not practically meet. Under either of the implementation dates we initially proposed, we expect some retailers would have sought exemptions from compliance, given the state of readiness of their systems to implement the requirements.

6.80. There are also risks for consumers from a hurried implementation, even where system upgrades are not a binding constraint. Specifically:

(a) We agree with submitters that the potential for April price changes soon after signing on to a new plan in January could create confusion for consumers.

(b) Similarly, there is the potential for price increases in April to “muddy the waters” if customers were to start on a new price plan at the same time, creating confusion about the causes of changes to a consumer’s bill.

(c) With less time to develop the plans, there is a greater risk that they will be poorly designed and priced, with the potential for adverse impacts on consumers that take up the plans.

6.81. These factors lead to the potential for poor customer experiences that may affect the perception of time-varying price plans more generally, which could impact the effectiveness of the initiative and have longer-term efficiency implications.

6.82. Balancing these factors, we consider that retailers can be reasonably expected to make material progress in offering new plans before 1 July 2026 and from that date on an ongoing basis.

6.83. Where retailers do not have time-varying price plans and made them available on their websites and any prescribed plan comparison platform by that date, they will become subject to Code obligations to offer, promote and report on time-varying price plans that apply starting on 1 October 2026. It is possible some participants may still struggle to meet this timeframe due to IT systems presenting barriers. The exemption process in the Electricity Industry Act 2010 can be used where a participant considers it will not be able to comply by 1 October2026. However, exemptions may only be granted in specific circumstances (where doing so would better achieve the Authority's objectives, or where compliance with the requirements is not necessary to achieve the objectives), and may be subject to any terms or conditions that we reasonably consider are necessary. Exemptions cannot be granted lightly.

A sunset clause better reflects the temporary drivers of the issues than a formal review clause

Our decision

6.84. We have decided to include a sunset clause, under which the rules categorising retailers as 'A' or 'B'—along with the associated requirements for 'Category B' retailers—will expire on 30 June 2031.

What we proposed

6.85. Our consultation paper proposed that we include either a sunset clause or a formal review provision. We expressed a preference for a sunset clause after 5 years of the requirements coming into effect.

6.86. We stated that the requirements could be maintained under either approach, but that a sunset clause would better reflect the risks of the requirements becoming out-dated or a barrier to change as the market continues to evolve.

Submitters' views

6.87. Submitters had mixed views on our proposal:

(a) Many of those who commented preferred a review provision, rather than a sunset clause, as they expected the requirements to have ongoing merit.[50]

(b) Several preferred a sunset clause, reflecting their concerns about the risks of the requirements becoming outdated.[51] Meridian suggested five years was too long for a sunset clause, and that the requirements should expire after three years.

(c) Some expressed a preference for both a sunset clause and a review provision (eg, after three years) that would see the requirements extended if they were adding value.[52]

Our assessment

6.88. Submitters did not present any new information that has led us to alter our view that a sunset clause better reflects the balance of risks and short-term drivers of this intervention.

6.89. As discussed, this intervention aims to ensure that consumers do not face significant costs in the short term from growing peak demand, while more fundamental changes

[50] Alister Gardiner, ENA, Genesis, Lastmyle, Nu'uli'itia Andrew Redwood, Rewiring Aotearoa, SEANZ, Waipa Networks.
[51] Meridian, SEANZ, Horizon Energy.
[52] EEA, Mercury.

are put in place to support retail competition. In the longer-term, we consider retail competition should ensure consumers are provided with valuable price plan options.

6.90. We note that the Authority can undertake a review at any time to consider the ongoing need for the requirements and/or changes to them. This need not be a formal requirement, and an informal approach gives the Authority flexibility to undertake a review at any time.

Aggregated data can be used to settle distribution bills

Our decision

6.91. We will introduce three new requirements in the Code:

(a) Distributors must charge in accordance with time-varying charges where they offer them and where the consumer has a communicating smart meter. This requirement will apply starting on 1 April 2026.

(b) Retailers must provide distributors with sufficient data to distinguish consumption during the distributor's time-of-use periods, for all consumers for which they hold complete and accurate information, for billing purposes. This requirement will apply starting on 1 July 2026.

(c) Distributors must charge retailers based on the data provided by retailers—this requirement also applies starting on 1 July 2026.

What we proposed

6.92. We proposed that:

(a) distributors must charge in accordance with time-varying charges where they offer them and where the consumer has a smart meter;

(b) retailers must provide distributors with half-hourly data, where it exists, for billing purposes; and

(c) distributors must charge retailers based on half-hourly data, where provided by retailers.

6.93. We proposed that these changes would come into effect on 1 January 2026.

Submitters' views

6.94. There was broad support from submitters for the intent of this proposal.[53]

6.95. Some distributors were supportive of receiving half-hour data, as it would allow them to receive data that they did not have access to and had broader uses for.[54] Genesis noted that it currently charges distributors for this data.

6.96. Other distributors opposed the requirement to exchange half-hour data, or to use it for invoicing. Some suggested this would require them to handle and process a lot of data for no additional value. They suggested they currently receive data that is aggregated, but distinguishes between consumption during peak and off-peak periods, and that this meets the same intent as our proposal but at lower cost.[55]

[53] Lyndon Haugh, Mark Robinson, Octopus, Unison, SEANZ, WEL Networks, EEA, Wellington Electricity.
[54] Horizon Energy, Unison & Centralines, Waipa Networks, WEL Networks, Wellington Electricity.
[55] ENA, Orion, Horizon Energy, Waipa Networks.

6.97. Some submitters also raised concerns about the drafting of these provisions, and the use of an ‘override’ clause, which could introduce confusion in interpreting the rules.[56]

Our assessment

6.98. We consider our original proposal was unintentionally broad in some respects. In solving one problem, it was not our intent to provide a free transfer of half-hour data for the distributor’s general use. Rather, our intent was limited to ensuring accurate data is provided for invoicing and settlement, where it exists.

6.99. We agree with distributors that approaches that achieve the intent at lower cost should be accommodated. We have therefore amended the requirements to reflect the purpose without dictating the approach, as set out in paragraph 6.90(b) above. We expect retailers and distributors to continue to agree the specific approach to data transfer under the terms of the Default Distributor Agreement (DDA).

6.100. We are including these requirements in the Code to prevent parties from contracting around them and to strengthen oversight of non-compliance. In so doing, we have refined the drafting to reduce concerns about interpretation of the rules. There may be opportunities to refine the DDA to ensure distribution agreements better reflect the Code requirement we are proceeding with, or the Electricity Information Exchange Protocols (EIEPs). We will consider this in any future review of the DDA or EIEPs.

6.101. We have amended the implementation date for these requirements.

6.102. We have decided that the requirement for distributors to charge in accordance with time-varying charges where they offer them will apply starting on 1 April 2026. This aligns with the distribution pricing year. It ensures tariff re-assignment coincides with other changes that distributors may make to their prices, so that maximum revenue limits can be respected and price changes are kept to a minimum.

6.103. The requirements around data will apply starting on 1 July 2026, to align with our other changes, and to provide participants with more time to implement the changes.

6.104. It is possible some participants may still struggle to meet this timeframe due to IT systems presenting barriers. The exemption process in the Electricity Industry Act 2010 can be used where a participant considers it will not be able to comply by 1 July 2026. However, exemptions may only be granted in specific circumstances (where doing so would better achieve the Authority’s objectives, or where compliance with the requirements is not necessary to achieve the objectives), and may be subject to any terms or conditions that we reasonably consider are necessary Exemptions cannot be granted lightly.

[56] ENA, Orion.

7. Our decision supports our statutory objectives

7.1. The Authority's main statutory objective is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers.

7.2. The Authority's additional statutory objective is to protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers. The additional objective applies only to the Authority's activities in relation to the dealings of industry participants with domestic consumers and small business consumers.

7.3. This section discusses that:

(a) We expected our initial proposal would support our main statutory objective.

(b) Some submitters disagreed with our assessment because of the compliance costs and risks for retail competition.

(c) We consider our revised proposal better supports our main statutory objective as it more targeted, flexible and lower cost.

(d) We also consider our proposal is consistent with our additional statutory objective.

We expected our initial proposal would support our main statutory objective

7.4. In our consultation paper, we discussed our expectation that the proposal would support all three limbs of the main statutory objective.

7.5. Most significantly, we expected the proposal would improve efficiency by improving the extent to which price signals are being sent to those who can act on them. Specifically:

(a) It would improve the extent to which wholesale and distribution price signals are received by consumers, who could then make better decisions about their electricity consumption, injection, and associated investments.

(b) It would improve the extent to which distribution price signals are received by retailers, who could then ensure these signals are passed through to consumers in an effective way.

7.6. This improved signalling would result in strong efficiency benefits because:

(a) It would help to reduce peak demand and could flatten the overall demand profile. This would reduce the need for higher cost resources to meet demand and would defer generation and network investments in the longer term.

(b) It would ensure that future investments in generation and networks better reflect consumers' willingness and ability to pay for those investments, and that costs would be recovered from those that contribute to them.

(c) It would support more efficient investment decisions by consumers, based on a better understanding of the costs and benefits.

7.7. We also expected that our proposal would increase competition for consumers that are willing and able to shift their consumption or injection. We thought it would have some reliability benefits from greater investment in batteries and reduced peak demand, with lower risk of shortage due to constrained networks or supply.

Some submitters disagreed with our assessment because of the compliance costs and risks for retail competition

What submitters said

7.8. Some submitters—including Rewiring Aotearoa, solar advocates, and many consumers—agreed that the benefits of our proposed amendment were likely to outweigh the costs. Others—such as Octopus—agreed, but considered that other changes would have greater benefits, such as the Level Playing Field measures.

7.9. However, some submitters disagreed with the benefits we identified, or suggested that benefits would be outweighed by the implementation costs. For example:

(a) ERANZ disagreed that there would be benefits given time-varying price plans are already available, and the number of consumers that could benefit from time-varying injection plans is low.

(b) Genesis Energy disagreed that there would be competition benefits, and suggested we had excluded the negative impacts on efficiency from consumers having more complex choices, and the opportunity costs of consuming at peak.

(c) 2Degrees did not agree that risks to retail competition would be low, and noted high compliance costs.

7.10. Genesis, and others including 2Degrees and Nova, suggested we had not provided sufficient information to determine net benefits, and encouraged us to undertake a full cost-benefit analysis.

7.11. Distributors—including Orion and Waipā Networks—suggested the costs of our proposal regarding distribution settlement would outweigh the benefits, given the need for them to handle a lot of new data for no value, as they have an existing approach to getting data at the required level of detail.

Our assessment

7.12. We acknowledge submissions disagreeing with the benefits we identified.

7.13. As discussed in paragraphs 4.10-4.11, we disagree that time-varying price plans are widely available and accessible, and that consumers do not value these plans. Consumers have a diversity of needs and preferences, and we would expect retailers' offers to reflect this, particularly where aligning with those preferences can help deliver wider system benefits. Furthermore, consumers that submitted on the proposal also disagreed that such plans are widely available and accessible.

7.14. We agree that the compliance costs of what we proposed may have been high, as the promotion requirements would have required retailers to develop systems that may not have ongoing benefit, and the reporting could have been onerous. We have amended these aspects of the proposal in response, as set out in section 6.

7.15. We do not consider that there are significant costs associated with the requirement to offer time-varying price plans, as this is bringing forward costs that we expect would be incurred in time anyway.

7.16. We do not consider a quantitative assessment of costs and benefits is meaningful, as this would necessarily rely on a large number of assumptions that are uncertain or not easily quantified. Specifically:

(a) The outcomes or behaviours being assessed (eg, uptake and consumer response to new pricing structures) are too uncertain or speculative to assign reliable numerical values.

(b) Many of the key benefits—such as increased consumer choice, innovation, and improved cost signalling—are difficult to quantify reliably.

(c) The costs largely reflect investments that retailers would make over time regardless, and it is difficult to determine the specific extent to which this intervention simply brings those costs forward.

7.17. We consider a numerical estimate would risk being misleading and may undervalue the longer-term system impacts that this intervention is designed to support.

We consider our revised proposal better supports our main statutory objective as it more targeted, flexible and lower cost

7.18. We consider that our final Code amendment better supports our main statutory objective than our initial proposal. This is because:

(a) The revised proposal will still ensure consumers have access to more price plan options, as per the original proposal.

(b) The costs of the revised proposal are more targeted, as promotion and reporting costs are limited to retailers that do not make progress in providing new offers in a reasonable time, and will only be required for 12 months if compliance is maintained.

(c) We have made several changes to reduce the compliance costs for retailers in meeting the Code requirements, including by removing the requirement to develop tailored pro-active offers to consumers.

(d) We have made changes to the proposal around distribution settlement to better reflect the intent of the proposal, and ensure costs are not incurred without benefit.

7.19. On the other hand, removing the need for retailers to provide tailored offers to consumers is likely to result in lower uptake of the plans, which may reduce the efficiency benefits relative to our original proposal.

7.20. However, on balance, we expect the revised approach to deliver broadly similar benefits, albeit at a lower scale, but with significantly reduced implementation costs.

We consider our revised proposal supports our additional objective

7.21. We also consider that the revised proposal still supports our additional objective of protecting the interests of domestic consumers and small businesses consumers, by improving these consumers' visibility of and access to plans that enable them to manage their electricity costs.

We consider our revised proposal complies with section 32(1)

7.22. Section 32(1) of the Electricity Industry Act 2010 (Act) provides that the Code may contain any provisions that are consistent with the Authority's objectives and are necessary or desirable to promote any or all of the items set out in Table 3.

7.23. In supporting our statutory objectives, we consider the revised proposal meets the requirements of section 32(1) of the Act.

Table 3: How the proposed amendments promote the items in section 32(1) of the Act

Item	How the proposed amendments promote the item
Competition in the electricity industry	The proposed amendments aim to increase the price plan options available for consumers, which can increase competition around those plans, including customer engagement with competitive offers.
The reliable supply of electricity to consumers	The proposed amendments aim to increase load shifting to manage peak demand, reducing constraints around the sufficiency of supply at these times and the resulting risks to reliability.
The efficient operation of the electricity industry	The proposed amendments improve price signalling, and provide efficiency benefits by better incentivising parties that can respond to prices to do so. This will reduce the need for higher cost resources to meet demand and defer investments in generation and networks. It will also improve the efficiency of consumption, injection and investment, ensuring it reflects consumers' willingness and ability to pay, and that costs are recovered from those that contribute to them.
The protection of the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers	The proposed amendments protect the interests of domestic consumers and small businesses by improving their access and uptake of price plan options that give them more choice about how they manage their electricity costs. They also provide access to Code breach dispute resolution processes which ensure requirements are enforceable.
The performance by the Authority of its functions	The proposed amendments support the Authority's function to undertake measures aimed at protecting the interests of domestic consumers and small businesses (16(1)(ia)). The proposed monitoring and reporting obligations support the Authority's compliance and investigation functions (16(1)(c) and (d)), as well as its industry monitoring function (16(1)(g)).
Any other matter specifically referred to in this Act as a matter for inclusion in the Code	n/a

8. Next steps

8.1. The Authority has amended the Code to give effect to this decision.

8.2. There are three key implementation dates:

(a) 1 April 2026: Starting on this date, the Code amendment requiring distributors to charge based on time time-varying charges where they offer them will apply.

(b) 1 July 2026: Starting on this date, the Code amendment requiring retailers to provide accurate data for billing purposes, and for distributors to use it will apply. Further, before this date retailers will need to have met the criteria to be considered ‘Category A’ retailers, or will otherwise be considered ‘Category B’ retailers.

(c) 1 October 2026: Category B retailers must meet the Code requirements to offer, promote and report on time-varying price plans that apply starting on this date. They must provide their first report on this date.

8.3. We will work with the large retailers over the coming months to develop the reporting framework and provide further guidance on the changes we have made, and how they might interact with other related policy work.

8.4. The Authority will continue its related work on initiatives to strengthen retail competition and market monitoring, enhance the wholesale market, and enable greater demand-side flexibility.

9. Attachments

9.0. The following appendix is attached to this paper:

Appendix A Code amendment

Appendix A Code amendment

1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

smart meter means a **meter** that is able to communicate information about the consumption and injection of **electricity** during peak versus off-peak times during a day

standard contract has the meaning given to it in the Electricity Distribution Information Disclosure Determination 2012 made under Part 4 of the Commerce Act 1986, as amended from time to time

time-varying pricing plan means a pricing plan for which the rates charged for **electricity** supplied to the customer vary in respect of consumption or injection depending on when that consumption or injection occurs ~~during a day~~ and, in respect of a pricing plan offered by a **retailer**, in a manner that provides a financial benefit to each customer for consumption and injection patterns that reduce pressure on system costs

11A.1 Purpose of this Part

The purpose of this Part is to impose a set of minimum standards on **retailers** requiring them to:

(a) adopt behaviours and processes that foster positive relationships with residential consumers;

(b) support residential consumers in accessing and maintaining an affordable and constant **electricity** supply suitable for their needs; and

(c) help minimise harm to residential consumers caused by insufficient access to **electricity** or by payment difficulties; and

(d) provide **time-varying pricing plans** for consumption and injection.

11A.2 Interpretation

In this Part, unless the context otherwise requires,—

category A retailer means a **retailer**—

(a) whose customers made up less than 5% of the total number of **ICPs** in New Zealand on the previous 30 June; or

(b) who has a **time-varying pricing plan** or plans available to all of its residential and small business consumer customers that have **smart meters** that applies or apply (either separately or in the same plan) to consumption and injection and which is or are published on its website and an **electricity plan comparison platform** (where supported), either—

(i) by 30 June 2026 and subsequently continues to do so; or

(ii) after 30 June 2026 for a continuous period of 12 months and subsequently continues to do so

category B retailer means a **retailer** that is not a **category A retailer**

Retailer pricing plan requirements

11A.12~~R~~Category B retailers must offer time-varying pricing plans

~~(1) This clause applies to **retailers** whose customers made up 5% or more of the total number of **ICPs** in New Zealand at the start of the previous calendar year.~~

~~(2)~~(1) ~~Subject to subclause (4), a~~A **category B retailer** must make available to all of its residential and small business consumer customers that have **smart meters** ~~**mass market customers** by 1 January 2026~~ one or more **time-varying pricing plans** that individually or together apply to consumption and injection ~~comply with the requirements in subclause (3)~~.

~~(3) The requirements for the pricing plan or plans required by subclause (2) are that it or they must set prices for each customer which:~~

~~(a) reflect the relative economic costs to the **retailer** of the customer's consumption of **electricity** during peak versus off-peak times during a day; and~~

~~(b) reflect the relative economic benefits to the **retailer** of the customer's injection of electricity (if any) during peak versus off-peak times during a day; and~~

~~(c) provide a financial benefit to each customer which is in proportion to the extent to which that customer's consumption or injection patterns reduce the **retailer's** economic costs; and~~

~~(d) have regard to transaction costs, consumer impacts and uptake incentives.~~

~~(4) A **retailer** is not required to make the pricing plan or plans required by subclause (2) available to a customer whose premises do not have a **meter** that is able to communicate information about the customer's consumption and injection of **electricity** during peak versus off-peak times during a day to the **retailer**.~~

(2) A **category B retailer** is not required to comply with subclause (1)—

(a) in respect of a **time-varying pricing plan** for consumption if it meets the definition of a **category A retailer** in respect of consumption but not injection; and

(b) in respect of a **time-varying pricing plan** for injection if it meets the definition of a **category A retailer** in respect of injection but not consumption.

(3) This clause applies from 1 October 2026.

11A.13~~R~~Category B retailers must promote time-varying pricing plans

(1) A **category B retailer** must—

(a) publish ~~advertise~~ a ~~pricing plan~~ **time-varying pricing plan** offered in accordance with clause 11A.12~~(2)~~(1) on its website and an **electricity plan comparison platform** (where supported); and

(b) when contacting a customer as required by clause 16 of Schedule 11A.1, advise the customer of the existence of all **time-varying pricing plans** offered in accordance with clause 11A.12(1) that might be relevant to the customer. ~~at the same time, and in the same manner, as it advertises any other pricing plan which the customer may be eligible for.~~

~~(2) A **retailer** must promote a pricing plan offered in accordance with clause [00.1](2) by giving, within 6 months of the plan first being made available and at least once in every 12 months thereafter, a notice of a kind described in subclause (3) to each **mass market customer** to whom it currently supplies **electricity** and who is not currently on a pricing plan offered in accordance with clause [00.1](2) but for whom that plan may be the most suitable product offering.~~

~~(3) The notice given under subclause (2) must—~~

~~(a) identify the amount of **electricity** the customer has consumed or injected in the previous 12 months during peak and off peak periods during a day , where that information is held by the **retailer**; and~~

~~(b) explain that one or more pricing plans offered in accordance with clause [00.1](2) are available; and~~

~~(c) explain, and quantify as a dollar value, based on the customer's consumption or injection patterns over the previous 12 months, what benefits, if any, there would be for the customer if it was on the pricing plan offered in accordance with clause [00.1](2) assuming the customer's past consumption or injection patterns continued; and~~

~~(d) set out the main features of the pricing plan offered in accordance with clause [00.1](2); and~~

~~(e) information about the conditions the customer would need to meet in order to obtain the greatest benefit from the pricing plan and any drawbacks or risks of the pricing plan.~~

~~(4) After a customer has been on a **time-varying pricing plan** for 12 months, the **retailer** must disclose to that customer the actual savings or losses the customer has made, relative to if the customer had continued on their previous plan or the most likely alternative pricing plan.~~

11A.14 Time-varying p~~P~~ricing plan information must be provided to Authority

(1) Each **category B retailer** must provide the **Authority**, on the first day of each quarter beginning 1 January, 1 April, 1 July, and 1 October, ~~in each year by 1 August each year~~ the following information about the **time-varying pricing plan** or plans offered in accordance with clause ~~00.1~~11A.12(1) ~~in the preceding year ending 30 June~~:

(a) the name of the plan:

(b) the structure of, and prices available under, the plan, how those have been determined, and how they relate to the underlying cost of supply:

(c) the number of customers on the plan:

(d) sufficient information and commentary to enable the **Authority** to understand how the plan complies with the requirement~~s~~ to provide a financial benefit to each customer for consumption and injection patterns that reduce pressure on system costs~~in clause [00.1](3)~~:

(e) if relevant, a high-level summary of how the plan is tailored for different customers:

(f) any changes made to the plan since the previous quarter, and the timing and rationale for those changes:

(g) the target customer for the plan, including characteristics of their consumption and/or injection that mean they would be expected to benefit from the plan:

(h) target levels of uptake, discussion of how actual uptake compares against the targets, and the activities the retailer is undertaking to achieve the targets.

~~(e) information about how the **retailer** has complied with the requirement to promote the plan under clause [00.2]~~

(2) The **Authority** may require that the information listed in subclause (1) be provided in the **prescribed form**.

(3) Except as permitted or required by law, the **Authority** will not disclose information provided under subclause (1).

(4) Subclause (3) does not apply to information disclosed in an aggregated and anonymised form.

11A.16 Clauses to expire

Clauses 11A.12~~00.1~~ to 11A.14~~00.3~~ expire on ~~31 December 2030~~30 June 2031.

Distributor requirements

12A.4 Distributors must use ~~half-hourly data~~ information provided to calculate charges

Despite anything contrary ~~else in this Code or~~ in a **distributor agreement**, on and after 1 July 2026, **distributors** must calculate **distribution** services charges payable by a **retailer** using any information provided by **retailers** under clause 5 of Schedule 12A.2 ~~[00.4]~~.

12A.5 Distributors must charge in accordance with time-varying pricing plans where offered

(1) Subject to subclause (2), if a **distributor** offers one or more **time-varying pricing plans**, it may only charge a customer on a **standard contract** in accordance with that plan or plans, and may not charge that customer in accordance with any plan that is not a **time-varying pricing plan**.

(2) A **distributor** is not required to comply with subclause (1) in respect of any premises that does not have a **smart** **meter** ~~that is able to communicate information about the consumption and injection of **electricity** during peak versus off-peak times during a day~~.

(3) This clause applies on and after 1 April 2026.

Schedule 12A.2 cl 12A.2(1)

Other provisions applying to distributor and participant arrangements

1 Content and application of this Schedule

This Schedule sets out provisions that apply to each **distributor** described in a row in column 1 below, and each **participant** described in column 2 of the row:

Row	Column 1 – Distributor	Column 2 – Participant
1	Each **distributor** that owns or operates a **local network**, and has an **interposed arrangement** with 1 or more **traders** trading on the **local network**	Each **trader** that is a **retailer**, and is trading or wishes to trade at an **ICP** on the **network** of a **distributor** described in column 1 of this row
2	Each **distributor** that owns or operates an **embedded network**, and has an **interposed arrangement** with 1 or more **traders** trading on the **embedded network**	Each **trader** that is a **retailer**, and is trading or wishes to trade at an **ICP** on the **network** of a **distributor** described in column 1 of this row

Exchange of information

2 Authority may prescribe EIEPs that must be used

(1) The **Authority** may prescribe 1 or more **EIEPs** that set out standard formats that the **distributors** and **participants** specified in the **EIEP** must use when exchanging information.

(2) The **Authority** must **publish** an **EIEP** that it prescribes under subclause (1).

(3) When prescribing an **EIEP** under subclause (1), the **Authority** must specify the date on which the **EIEP** will come into effect.

(4) Before the **Authority** prescribes an **EIEP** under subclause (1), or amends an **EIEP** it has prescribed under subclause (1), it must consult with the **participants** that the **Authority** considers are likely to be affected by the **EIEP**.

(5) The **Authority** need not comply with subclause (4) if it proposes to amend an **EIEP** prescribed under subclause (1) if the **Authority** is satisfied that—

(a) the nature of the amendment is technical and non-controversial; or

(b) there has been adequate prior consultation so that the **Authority** has considered all relevant views.

3 Distributors and participants to comply with EIEPs

(1) If the **Authority** prescribes an **EIEP** under clause 2, the **distributor** and each **participant** to which the **EIEP** applies must, when exchanging information to which the **EIEP** relates, comply with the **EIEP** from the date on which the **EIEP** comes into effect.

(2) However, a **distributor** and a **participant** may, after the **Authority** prescribes an **EIEP**, agree to exchange information other than in accordance with the **EIEP**, by recording the agreement in the **distributor agreement** between the **distributor** and the participant.

(3) An agreement to exchange information other than in accordance with an **EIEP** is not effective in relieving a **distributor** and a **participant** of the obligation to comply with subclause (1), unless the agreement comes into effect on or after the date on which the relevant **EIEP** comes into effect.

(4) An agreement under subclause (2) is not affected by the **Authority** prescribing an amendment to the **EIEP**.

4 Transitional provision relating to EIEPs

Any **EIEP** that a **distributor** or a **participant** was required to comply with immediately before this clause came into force is deemed to be an **EIEP** prescribed under clause 2.

5 Participants~~Retailers~~ must supply information ~~half-hourly data~~ to distributors where available

Despite clauses 1 to 4 or anything contrary in a **distributor agreement**, on and after 1 July 2026, a **participant** must supply the **distributor**, as soon as practicable following the end of a month~~Each **retailer** must supply to each relevant **distributor**~~—

(a) the quantity of **electricity** consumed or injected ~~in each **half hour**~~ during ~~a~~ that month, for all metered **ICPs** on the **distributor's distribution network** for which the ~~**retailer**~~ **participant** holds complete and accurate information~~, as soon as practicable following the end of that month~~; and

(b) in a form that enables the **distributor** to accurately invoice based on the structure of its charges.