

## Electricity Industry Participation Code Amendment (Injection Payment Requirements) 2025

Under section 38 of the Electricity Industry Act 2010, and having complied with section 39 of that Act, I make the following amendment to the Electricity Industry Participation Code 2010.

At Wellington on the 15<sup>th</sup> day of July 2025



Anna Kominik  
Chair  
Electricity Authority

Certified in order for signature:



Nicholai Mumford  
Senior Legal Counsel  
Electricity Authority

2 July 2025



Rachael Brown  
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2 July 2025

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### Amendment

- 1 Title**  
This is the Electricity Industry Participation Code Amendment (Injection Payment Requirements) 2025.
- 2 Commencement**  
This amendment comes into force on 1 September 2025.
- 3 Code amended**  
This amendment amends the Electricity Industry Participation Code 2010.
- 4 New clause 12A.7 inserted (Payments for injection)**  
After clause 12A.6, insert:

**"12A.7 Payments for injection**

- "(1) A **distributor's** pricing methodology must, for any **price category** that has eligibility criteria that are designed to target residential or small business consumers, include a negative charge for injection of **electricity** into the **distributor's network** that:
- "(a) applies at times when demand in the region where the **ICPs** in that **price category** are located is likely to, on average and over time, drive future network investment; and
  - "(b) is based on either—
    - "(i) the long-run marginal cost of peak demand that can, on average and over time, be avoided by injection that occurs at the times identified in paragraph (a) from **ICPs** in that **price category**; or
    - "(ii) for the pricing year beginning 1 April 2026, the difference between the peak charge and off-peak charge for consumption of **electricity** for **ICPs** in that **price category**; and
  - "(c) has regard to transaction costs, consumer impacts, uptake incentives and network stability.
- "(2) A payment resulting from subclause (1) may be met by way of a credit against any amount owed to the **distributor** by the **distributor's** customer.
- "(3) A **distributor's** pricing methodology must disclose:
- "(a) how any long-run marginal cost in subclause (1)(b)(i)—
    - "(i) has been calculated; and
    - "(ii) has been converted into a negative charge for injection (including any adjustment to account for the specific characteristics of injection); and
  - "(b) how any differential between the peak charge and off-peak charge in subclause (1)(b)(ii) has been converted into a negative charge for injection (including any adjustment to account for the specific characteristics of injection); and
  - "(c) the form of the negative charge and the time periods or circumstances in which it applies; and
  - "(d) any important assumptions relied upon.
- "(4) A **distributor** must not use charges from a regulated distributor tariff option (as defined in regulation 4 of the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004) for the purposes of subclause (1)(b)(ii).
- "(5) This clause applies—
- "(a) to **distributors'** pricing methodologies that apply on and after 1 April 2026; and
  - "(b) despite anything contrary in any agreement or the **regulated terms**."

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**Explanatory Note**

*This note is not part of the amendment, but is intended to indicate its general effect.*

This amendment to the Electricity Industry Participation Code 2010 ("Code") comes into force on 1 September 2025.

The amendment amends Part 12A of the Code to give effect to Electricity Authority decisions relating to the Energy Competition Task Force's package 2A initiative. The amendment requires distributors' pricing methodologies to include a negative charge for injection of electricity at peak times.

More information about the amendment is available on the Electricity Authority's website <https://www.ea.govt.nz/>

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