



Anna Kominik
Chair
Electricity Authority
PO Box 10041
WELLINGTON 6143

By email to: Anna.Kominik@ea.govt.nz

Dear Anna

Letter of Expectations for the Electricity Authority

I am writing to set out my expectations for the Electricity Authority (the Authority). The Authority should also continue to have regard to the enduring letter of expectations issued to statutory Crown entity boards in April 2024.

Government priorities

An efficient electricity system is vital for a competitive, growing economy, environmental sustainability, and social well-being. This Government wants to improve the security and affordability of electricity to ease the cost of living for New Zealanders and reduce a barrier to economic growth.

The Government's priorities for the electricity sector are set out in the Statement of Government Policy issued to the Electricity Authority in October 2024. The Government expects the electricity system to deliver reliable electricity at the lowest possible cost.

Entity-specific expectations

My specific expectations for the Authority are as follows:

- **Keep the lights on:** Promote secure and reliable electricity supply by ensuring market participants have incentives to build and operate the firm generation, fuel supplies, and energy storage systems needed to meet electricity demand and fill supply gaps from weather-dependent generation sources.
- **Make electricity more affordable through downward pressure on prices:** Ensure wholesale and retail markets are competitive and efficient, so that costs and prices are as low as possible.
- **Build trust and confidence:** Rigorously enforce compliance with market rules and regularly publish information about electricity market performance so that electricity buyers and sellers can invest with confidence in a level playing field.
- **Provide value for money:** Maintain focus on improving the efficiency and effectiveness of market service providers and the Authority's own activities. This includes the Authority having a robust understanding of its cost drivers, what is being delivered with the funding the Authority receives, and the impact of its work.

- Prepare an annual report that identifies trends in contracting, risk management behaviour and market performance for the New Zealand market starting from 2024/25.
- Implement a program with retailers to achieve “bill consistency” including a standardised bill with obligations to include certain information to make it easier to switch providers. I would like this to occur as soon as possible with a standardised bill available by 1 January 2026. This is aligned to the 2018 Electricity Price Review and will complement the Customer and Product Data Act 2025.
- Implement changes to harmonise and simplify/standardise electricity distribution businesses’ contractual terms/technical requirements for new connections.
- Enhance collaboration with other agencies and market participants such as the System Operator to support market monitoring functions.

Response

Your advice on how you propose to respond to the expectations set out in this letter would be appreciated. This includes how my expectations will be reflected as the Board finalises its 2025/26 Statement of Performance Expectations. Could you please provide your response by 1 May 2025.

I look forward to continuing our working relationship over the coming year.

Yours sincerely



Hon Simon Watts
Minister for Energy

Copy to: Sarah Gillies, Chief Executive, Electricity Authority Sarah.Gillies@ea.govt.nz