Electricity Authority
Level 7, AON Centre
1 Willis Street
Wellington

30 July 2025

Climate Connect Aotearoa submission to the Electricity Authority Te Mana Hiko:

Evolving Multiple Retailing and Switching – Consultation Paper

Climate Connect Aotearoa welcomes the opportunity to provide feedback on the *Multiple Retailing and Switching Consultation* and strongly supports this step by Te Mana Hiko the Electricity Authority, along with other priority initiatives designed to achieve a more affordable, efficient and resilient electricity market.

Climate Connect Aotearoa is a climate innovation hub hosted at Auckland Council. We work to deliver the climate, economic and social wellbeing outcomes identified in *Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan.*

Climate Connect Aotearoa is working alongside its partners Ara Ake and Counties Energy to deliver a pilot that will provide a future model for deployment of Multiple Trading Relationships that is anticipated to deliver numerous benefits to the community, and the electricity sector.

We work with and support both prosumers, electricity customers equipped with solar generation and storage who seek to actively participate in peer-to-peer energy trading, as well as those in energy hardship, for whom affordability and equitable access to clean energy remains a systemic challenge.

Increasing electricity costs are leaving financially stretched households feeling disempowered and anxious. Addressing this urgent issue requires coordinated action across stakeholders. Recent reports, such as the Climate Commission's 2025 Monitoring Report, highlight how high energy prices are deepening affordability concerns, while the Electricity Authority's 2025/26 expectations emphasise the need for secure, equitable access to electricity.

The uptake of rooftop solar has been slow compared to similar jurisdictions like Australia. Barriers include upfront costs, lack of subsidies, limited network capacity, outdated inverter standards, and weak market incentives. The Sustainable Energy Association of New Zealand (SEANZ) has highlighted these challenges, noting that Australia's generous battery subsidies contrast sharply with New

Zealand's limited support[1]**.** This proposal by the Electricity Authority takes us a step closer to providing the market incentives consumers need to rethink about investing in solar.

New Zealand's economy requires new sources of clean electricity to help restore the competitive advantage once provided by abundant hydro-electricity. Rising demand and lower-than-usual hydro inflows have put pressure on this resource, impacting productivity and the cost of doing business. The Climate Commission's 2025 sector report highlights how underinvestment in new generation and declining gas supplies have contributed to industrial closures and energy affordability concerns.[2]

We believe one of the positive benefits of MTR will be greater uptake of rooftop solar, enabling more efficient use of locally generated energy. By keeping more energy within local network areas, this can ease pressure on the grid and improve overall system resilience.

When building a renewable energy system, every MW of distributed energy is important and the residential rooftops in a region the size of Auckland can contribute to that generation. Consumer-owned distributed energy resources have not yet seen an optimal uptake in this region. Although only 2.3% of Auckland homes currently have solar arrays, this figure could rise substantially if stronger incentives and supportive policies were introduced to encourage uptake.

As proposed in this consultation, a first stage of multiple trading which enables homes and businesses to trade through separate retailers for consumption and generation at their property will enable those customers to optimise the value they are getting for their purchased and traded electricity. We agree that enabling this market mechanism will allow retailers and other service providers (such as developing flexible demand providers) to offer innovative new products and services, increasing competition and downward pressure on prices.

Q3. Do you agree with the proposed solutions? If not, what would you change and why?

We agree with the proposed solutions. We are particularly interested in the subsequent stages that follow stage 1 Multiple Trading if approved by the Authority. The model being trialled in the Franklin Energy Sharing Pilot[3] is testing some of the more complex solutions that stage 1 would enable, for example peer-to-peer sharing of solar generation with family, friends and neighbours at different ICPs, and potentially nationally.

Q4. Do you agree with the benefits anticipated from the proposed solutions? Are there other benefits you can anticipate or improvements to operational effectiveness and efficiency? Can you quantify these benefits?

We agree with the benefits that have been identified from the proposed solution. We are particularly interested in outcomes such as how the resilience of local communities improves as a result of being

[1] https://www.seanz.org.nz/aus_battery_policy
[2] https://www.climatecommission.govt.nz/assets/Monitoring-and-reporting/ERM-2025/Monitoring-report-Emissions-reduction-Energy-and-Industry-sector-summary.pdf
[3] https://climateconnectnz.com/franklin-energy-sharing-pilot

able to maintain electricity supply during disruptions, and what this means within disaster emergency situations and large weather events.

This was well proven with Cyclone Gabriel on the East Coast[4], where residences with solar and batteries could have lighting[5], radio and refrigeration. It could also have provided medical support, assuming sufficient capacity was available.

Distributed generation also improves regional resilience by reducing reliance on the national grid at certain times. It can reduce grid demand during the daylight period, particularly in dry years, conserving hydro storage for the evening peaks. It enables local communities to maintain supply during a disruption and supports faster recovery after events like storms or earthquakes. This supports grid stability by balancing supply and demand closer to where electricity is used. By increasing the diversity of energy sources, these changes can create a more sustainable, affordable, and consumer-focused electricity system.

We commend Te Mana Hiko the Electricity Authority on this proposal and would welcome an opportunity to collaborate or provide further support as these initiatives to address cost and equity move forward.

Ngā mihi nui

[redacted]

Dr. Parin Rafiei-Thompson

Head of Sustainable and Resilient Business / Climate Connect Aotearoa

Auckland Council

[4] https://www.seanz.org.nz/resilience-in-wake-of-gabrielle

[5] https://comcom.govt.nz/__data/assets/pdf_file/0033/339774/Solar-Zero-additional-information-DPP4-issues-paper-submission-15-December-2023.pdf