

29 July 2025



Electricity Authority
By e-mail: policyconsult@ea.govt.nz

Consultation: Evolving multiple retailing and switching

Waipā Networks welcomes the opportunity to make this submission.

We broadly support the proposals regarding switching however have concerns around the proposal for multiple trading relationships (MTR). These are detailed in the attached responses to the consultation document questions.

In addition to those outlined in the attached, we also have concerns around the legal relationship between distributors and generation traders should the proposal be implemented. The paper implies there would be no DDA-like agreement, yet it also proposes distributors would be responsible for billing generation traders and communicating with them regarding outages (as opposed to these being done via the consumption retailer). We question how this would work in practice and believe the Authority should do further work and consultation in addressing the practicalities of the arrangement.

Yours sincerely



Kerry Watson
Pricing & Compliance Manager

Evolving multiple retailing and switching - Format for submissions

Submitter	Kerry Watson
Submitter's Organisation	Waipā Networks

Submissions should be emailed to policyconsult@ea.govt.nz with "Consultation Paper— Evolving multiple retailing and switching" in the subject line by 5pm, Tuesday 229 July 2025.

Questions	Comments
Questions on the Authority's vision	
<p>Q1. Do you agree that multiple trading relationships and improved switching are key components of consumer mobility? If not, what would you change and why?</p> <p>Q1. (Paragraph 2.20) Do you agree with the Authority's vision for consumer mobility? If not, what would you change and why?</p>	<p>(Note – Q1 in the consultation document is different to Q1 in this submission template so we have addressed both.)</p> <p>Waipā Networks does not believe multiple trading relationships are a "key" component in mobility. This is because the percentage of consumers who have technology such as distributed generation is relatively low. The number of customers who materially export is even lower.</p> <p>We also note that the paper refers to "active participants" as being those likely to partake in MTR. However, we would argue that such participants are more likely to take a holistic view of their electrical profile and already shop around for the best retail plan for their circumstances.</p> <p>Improved switching can benefit all customers however and is more likely to improve mobility for all customers.</p> <p>We disagree with 2.11 (b) that MTR will reduce distributor costs. Administration costs will increase from MTR and the Authority has not demonstrated how there will be any cost reduction for distributors.</p> <p>We also disagree with 2.12 that distributed generation improves regional resiliency. Whilst battery storage can improve resiliency for the individual connection, safety systems prevent the generation from entering the distribution grid during outages.</p>
Q2. (2.20) Do you have any comments regarding future stages of multiple trading, whether the proposal	<p>Waipā Networks agrees that any proposal for changes now should provide optionality for potential future stages. In saying that, we do not support the introduction of MTR</p>

provides optionality for the potential future stages, and the options the Authority should consider?	due to the reasons stated in Q1 above nor do we have a view on what future options the Authority should consider.
Questions on Multiple trading	
Q3. (3.26) Do you agree with the proposed solutions? If not, what would you change and why?	Waipā Networks disagrees with the proposed solutions as these introduce complexity, costs, and more scope for human error into the ICP process for very little demonstrated benefit.
Q4.(3.26) 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?	Waipā Networks believes there could be some potential benefit to the small number of consumers who have distributed generation and who export a material amount of generation back into a network. However, this number is so small compared to the balance of connections that the associated costs will ultimately be borne by consumers without distributed generation. As of July 2025 5% of Waipā Networks 30,000 or so commissioned ICPs have Distributed Generation. When excluding those with solar only whose generation would be negligible during network peaks, this leaves around 0.75% of ICPs. We do not currently receive DG TOU data from Retailers (aggregate only) so do not know which ICPs inject into the network during peaks, however expect that number to be much lower again.
Q5. (3.26) Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	<p>It is difficult to quantify costs without comprehensive system/process testing and analysis. At a high level these will be system upgrade and maintenance costs, as well as billing administrative costs which would include additional debtor management. Given we would expect a higher level of human error from traders (for example switching the wrong meter registers) this will result in an increase in manual corrections and follow ups from our billing team.</p> <p>We also note that in the proposed solution much of the retail administrative burden falls on the consumption trader eg any disconnection or metering change required must be initiated through the consumption trader. However, in 3.14c (vi) the proposal requires Distributors to notify “all relevant traders” for planned and unplanned outages, rather than just notifying the consumption trader who could then notify the generation trader. This seems inconsistent and adds complexity as well as costs.</p>

Q6. (3.47) Do you agree options 2 and 3 are not preferred? If not, why not and how would you overcome the disadvantages?	Waipā Networks agrees that options 2 & 3 should not be preferred, for the reasons outlined in the paper.
Q7. (3.47) Do you agree that option 1 is the preferred option over options 2 and 3 and the reasons for preferring option 1? If not, why not?	Waipā Networks agrees that option 1 is preferred over the other two options, however our preferred option is the status quo.
Questions on trader switching	
Q8. (4.55(q)) Should the provision of the average daily consumption remain mandatory, or should it be optional? If optional, please explain why?	No comment.
Q9. (4.55(q)) Do you agree with the proposal to align timeframes to a maximum of two business days for NT and AN notifications, and to reduce timeframes for the CS file?	No comment.
Q10. (4.55(q)) Do you agree with the proposed solutions? If not, what would you change and why?	No comment.
Q11. (4.55(q)) 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?	No comment.
Q12. (4.55(q)) Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	No comment.
Questions on MEP switching	
Q13. (5.34) Are there any other files that should be added to this list?	No comment.

Q14. (5.38) Do you agree with the proposed solutions? If not, what would you change and why?	No comment.
Q15. (5.38) 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?	No comment.
Q16. (5.38) Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	No comment.
Questions on distributor switching	
Q17. (6.13) Do you agree with the proposed solutions? If not, what would you change and why?	Waipā Networks agrees with the proposed solutions. With reference to 6.11 (k) we believe it is a positive step to progress a switch if a trader has not responded. For a declined consent however, we believe it should be mandatory that the trader provide a reason it was declined (eg “no equivalent distribution price category”) so that the distributor can investigate and remedy if possible.
Q18. (6.13) 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?	Waipā Networks agrees with the proposed solutions. It is difficult to quantify the benefits however as distributor switching is not BAU administration. We have engaged in distributor switching twice in the past 7 years and found the most challenging process was to get permission from traders. Traders were generally not concerned about the switch itself but some gave it low priority or were unsure of the process which led to delays. Progressing a switch where a trader has not responded is therefore a positive step and will reduce administration costs.
Q19. (6.13) Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	Waipā Networks does not anticipate any material costs resulting from the proposed solutions.

Questions on implementation	
Q20. (7.4) Would you prefer a single implementation or a staged implementation? Please give reasons for your preference	If MTR proceeds, Waipā Networks supports a staged implementation. The same internal resources would need to be utilised for both proposals and therefore a staged approach would be more manageable.
Q21 (7.4) Do you agree with the suggested implementation timeframes? If not, please state your preferred timeframes and give reasons for your preference	We are concerned around the timing of implementation given the increased complexities that MTR would bring. We also note that for Waipā Networks, as it would be for many distributors, the internal resources needed for implementation are already involved with other Authority projects such as Generation Rebates, Connection Pricing & Network Connections. The Authority should be cognisant of the effects of the broader timing of its projects rather than viewing MTR in isolation when considering implementation timeframes.
Questions on the regulatory statement	
Q22. (8.6) Do you agree with the objectives of the proposed MTR amendments? If not, why not?	<p>With reference to 8.4, Waipā Networks does not believe the proposals demonstrate how efficiency or increased consumer participation would be achieved, nor how they would lead to increased integration of distributed energy resources. With reference to 8.5, we do not believe the proposals demonstrate how they will “ensure there is the lowest impact possible for participants and consumers that do not want to participate in a multiple trading arrangement.”. The proposals will lead to a significant increase in complexity for the switching process, when feedback to Waipā Networks from customers and Traders suggests customers favour simplicity. We believe MTR could be confusing for the vast majority of customers and have the opposite effect to encouraging switching. Instead, it could be more likely to entrench customers with their existing Trader.</p> <p>The added complexity that MTR would bring to Trader and Distributor systems and processes is concerning. More complex systems and processes will introduce a greater potential for switching errors and other input issues. These issues ultimately impact customers. The complexity and issues can’t be ringfenced for the small number of customers who may want to utilise MTR, so all customers will be impacted.</p>

	We note the proposals in the consultation document do not indicate how the Authority intends to reduce complexity for customers and the benefits this brings.
Q23 (8.11) Do you agree with the objectives of the proposed amendments to the switching process? If not, why not?	Waipā Networks agrees with the objectives other than 8.11 as we question the effectiveness of the proposals in terms of laying the foundation for future development of MTR.
Q24 (8.17(q)) Do you agree the benefits of the proposed amendment outweigh its costs?	For the switching components we agree the benefits look to outweigh the costs. For the MTR component however we do not believe the Authority has demonstrated this.
Q25. (8.21) Do have any comments on the preferred and alternative options discussed in the 2019 Issues paper?	No comment.
Q26. (8.22(d)) Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	With regards to MTR, Waipā Networks believes the status quo is preferable to the other options presented. The number of customers who could benefit from MTR is minimal, but the costs in establishing the systems and processes required would be borne by all customers. We believe this is likely contrary to the Electricity Act 2010 Section 15 (2) "to protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers."
Q27. (8.25) Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	With regards to MTR, Waipā Networks believes the proposed amendment does not comply with Electricity Industry Act 2010 Section 32 (1) (d) "the protection of the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers"
Question on Code drafting	
Q28. (Appendix A) Do you have any comments on the drafting of the proposed amendment?	Waipā Networks support the findings of Electricity Networks Aotearoa's legal review of the proposed amendment as outlined in their submission.