



31 July 2025

Electricity Authority
PO Box 10041
Wellington 6143

Via email: policyconsult@ea.govt.nz

Consultation Paper – Evolving multiple retailing and switching

WEL Networks appreciates the opportunity to provide feedback on the proposed changes detailed in this consultation paper

WEL Networks (WEL) is New Zealand's sixth largest electricity distribution company and is 100% owned by our community through our sole shareholder, WEL Energy Trust. Our guiding statement of strategic intent is to be leading Waikato's energy future, and we work to ensure that our customers have access to reliable, affordable, and environmentally sustainable energy.

Due to the range of changes presented in this paper, WEL has limited our response to those that affect our operation as a distributor. In general we also support the ENA's submission and the associated Chapman Tripp commentary on the changes proposed.

WEL is supportive of operational changes that increase the efficiency of the industry and as such agree with the semi-automation of distributor switching. The changes to trader and MEP switching appear to be in the same vein, but we leave comments on the specifics to retailers and MEPs.

We are less convinced of the merits of pursuing multiple traders on single ICPs. Particularly as at this time there are more pressing issues for the industry to focus on.

Our responses to the specific questions sought by the Authority are attached and should you require clarification on any part of this submission, please do not hesitate to contact me.

Yours sincerely

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Andrew Maseyk
Regulatory Specialist

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Submitter	WEL Networks
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Questions	Comments
Questions on the Authority's vision	
Q1. (Paragraph 2.20) Do you agree with the Authority's vision for consumer mobility? If not, what would you change and why?	<p>While there may be some theoretical merit in a consumer being able to separate retailers for load and generation, care should be taken that the long term costs for maintaining such ability is not socialised across all consumers. Also we note that other jurisdictions around the world (notably Australia) have also considered such a market structure but found it not to be beneficial overall. We urge the Authority, before making a decision, to carefully analyse these decisions and clearly articulate why they believe the New Zealand electricity market, given its much smaller potential customer base, is so different that it would merit proceeding.</p> <p>WEL has concerns that no analysis on whether multiple traders at a single consumer ICP is realistically going to be sustainable long term. Could the introduction of a second set of operational costs (i.e. billing system, registry interface, customer relations, support systems, operational profit etc) that would need to be recovered, merely be offset by the value of the injection volumes potentially leaving the consumer in net worse position.</p>
Q2. (2.20) Do you have any comments regarding future stages of multiple trading, whether the proposal provides optionality for the potential future stages, and the 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?	<p>Switch process: There seems to be no mention of a withdrawal process of a secondary trader switch (either separation or combining). We take it that is simply one of the processes not yet mapped.</p> <p>New Connections: There is no need to accommodate the potential second trader in the new connections process in the Registry as only load exists at the time of creating a connection to a network – generally a builder's supply. It is this builder's supply that goes through the NEW – READY – ACTIVE stages. By the time a consumer is in a position to assign a second</p>



	<p>trader for the DG (i.e. there is physically a building to install DG onto), the ICP will already be permanent and ACTIVE. Thus the switch process would then be used to add the second trader. The Code amendments seem to support this methodology with new connection clauses referencing the 'responsible trader'.</p> <p>We note that <i>Part 12A Distributor agreements arrangements, and other provisions</i> has not been altered. While we agree with this as it requires the generation traders (by reading that they are subset of 'trader') to enter into a distributor agreement, we feel it can be strengthened by altering the definition of 'trader' in Part 1 to make it clear that, where used alone, 'trader' encompasses both generation trader and responsible trader terms. It is important that generation traders enter into distributor agreements as that is the mechanism by which compliance with operational requirements such as timing of billing data, obligations to pay charges/receive feed-in rebates, outage notifications and network connection standards etc are maintained.</p>
<p>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?</p>	<p>While the proposed solution does allow customers to have separate traders it does not set the foundations for further MTR stages as future MTR services are unlikely to be separated by meter channel. The industry may need to accept that future additional services provided at an ICP (such as load aggregation) will simply not be visible in the Registry and nor is there a strong argument that they should be.</p> <p>The preferred proposal mitigates the risks highlighted in the proposal as many of these are created by the fact of having multiple traders.</p>
<p>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>	<p>Yes, the new connections system, retailer billing and registry interfaces will all need to be altered to accommodate the possibility that an ICP may have two traders. Estimation of this work is that it will be extensive for as well as building in identifications at the channel level, all logic in the systems will need to be reviewed to account for the change from ICP centric to channel centric data and then changes made to accommodate divergent paths (single/multi trader).</p>



	At the initial introduction of the MTR scheme there will be additional work required to network pricing changes, so we strongly recommend that introduction is aligned to the industry 1 April pricing years. That these changes would constitute a structural change to network pricing also means that the longer consultation timeframes will need to be accounted for.
Q6. (3.47) Do you agree options 2 and 3 are not preferred? If not, why not and how would you overcome the disadvantages?	The only observation we would make is that issues highlighted with multiple ICPs at an installation already exist (e.g. farms with house/pump/shed ICPs) and are handled by participants currently.
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?	
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-	No comment



level description of the changes that need to be made?	
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?	<p>The issues noted in 6.8 seem to be in the wrong part of the proposal as they do not relate to distributor switching, but to general Registry status update issues due to the current whole day event dating.</p> <p>WEL believes it would be useful to include the ability for the distributors involved in the switch to request reporting from the Registry so as to monitor and proactively manage trader acceptance.</p>
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?	Yes
Q19. (6.13) Do you anticipate the proposed solutions will introduce cost	Yes. System changes to accommodate Intra-day eventing within the Registry while un-costed, are



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?	likely to be extensive given the amount of inter-dependencies generated. In addition there will need to be procedural changes to ensure times are gathered where required to feed to the Registry.
Questions on implementation	
Q20. (7.4) Would you prefer a single implementation or a staged implementation? Please give reasons for your preference	WEL would prefer a staged implementation to reduce risk and complication of multiple changes across systems.
Q21 (7.4) Do you agree with the suggested implementation timeframes? If not, please state your preferred timeframes and give reasons for your preference	Yes
Questions on the regulatory statement	
Q22. (8.6) Do you agree with the objectives of the proposed MTR amendments? If not, why not?	WEL does not believe that the introduction of multiple traders will improve efficiency and customer participation in the electrical industry. We cannot see how the introduction of multiple trading on an ICP along with the associated costs of operating will materially impact the economics of installing DG to such an extent that more customers would engage.
Q23 (8.11) Do you agree with the objectives of the proposed amendments to the switching process? If not, why not?	Yes
Q24 (8.17(q)) Do you agree the benefits of the proposed amendment outweigh its costs?	While the CBA of the total package of changes is deemed positive, we are not sure that this would be the case for multiple traders as a standalone change. Even disregarding system changes being incorporated into other Registry improvements, we do not see that splitting into multiple providers can be a long term sustainable model.
Q25. (8.21) Do have any comments on the preferred and alternative options discussed in the 2019 Issues paper?	No
Q26. (8.22(d)) Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain	Yes



your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	
Q27. (8.25) Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	Only in as far as the Authority can evidence that the proposed changes are in fact necessary or desirable to promote competition.
Question on Code drafting	
Q28. (Appendix A) Do you have any comments on the drafting of the proposed amendment?	<p>The relationship and interactions between the newly defined entities 'responsible trader', 'generation trader', the existing 'trader/s' (used elsewhere in the Code e.g. Part 12A), and the distributor, is not completely clear and does not reconcile well with sections of the paper that indicate that a commercial and contractual relationship would be formed between a distributor and the generation traders.</p> <p>Additionally it seems that recent impacts of the recent Taskforce decisions (2A, 2B and 2C) have not been incorporated in the Code drafting.</p> <p>These are important considerations as they will define how the parties will make the Code work operationally, so need to be resolved prior to implementation of the changes.</p>

