

Exemption Application: Meridian clause 2.20 (FLCK code)

Decision paper

11 August 2025

Executive Summary

Exemption

The Electricity Authority Te Mana Hiko (Authority) has approved an application for an exemption under section 11 of the Electricity Industry Act 2010 (Act). The exemption is from the requirement under clause 2.20(1) of the Electricity Industry Participation Code 2010 (Code) to comply with the Retail Market Monitoring Notice (RMM Notice) published under clause 2.16 of the Code on 16 March 2025.¹

Applicants

The applicant is Meridian Energy Limited (Meridian).

Summary of application

Meridian's application is for an exemption from the requirement to comply with parts of the RMM Notice in respect of the FLCK participation code (FLCK code) which it purchased from Flick Electric Limited (Flick) together with certain other Flick assets on 22 July 2025.

The RMM Notice requires retailers to report the domestic and small business customer information outlined in Tables 1 - 8 of the RMM Notice. Data for the period 1 January 2025 to 31 July 2025 is to be provided by 31 August 2025, and then on a monthly basis.

Meridian is seeking a limited exemption from requirements in the RMM Notice:

- for three data items in Table 3: Billing data for data covering 1 January 2025 to 31 July 2025 and the month of August 2025
- Tables 1 - 7 for data after 31 August 2025.

Meridian submits that the exemption sought will enable the Flick team to focus on a smooth and effective transition of customers over to Meridian, reducing the risk of additional costs being incurred through the transition period which may be passed on to consumers and/or disruption to the transition process.

Summary of final decision

The Authority's decision is to grant Meridian's application for an exemption from the obligation under clause 2.20(1) of the Code to comply with the RMM Notice for FLCK code customer data subject to the following conditions:

- (a) the exemption applies to FLCK Code customer data only
- (b) Meridian will comply with the requirements of the RMM Notice for FLCK code customer data with the exception of:
 - (i) T 3.7, T 3.20 and T 3.21 of Table 3 for data covering the period 1 January to 31 July 2025 and the month of August 2025
 - (ii) Tables 1 - 7 for data from 1 September 2025 subject to the condition the transitional services agreement (TSA) between Meridian and Flick is not extended beyond 30 September 2025
- (c) The exemption expires when the RMM Notice ceases to be in effect or if either of the requirements in (a)(i) or (ii) above are earlier removed from the RMM Notice.

¹ [Retail Market Monitoring Notice](#) (revised version was published 1 August 2025).

The Authority notes the unique circumstances of this exemption application, including Meridian's purchase of Flick and its intention to transition all customers on the FLCK code to an alternate Meridian participant code over August and September 2025.

Without an exemption there is real risk that the TSA will need to be extended beyond 30 September 2025 at considerable additional cost (\$1.65 million) and/or the transition of the FLCK code will be affected with adverse impacts on customers.

The Authority has concluded that the exemption application meets the statutory test on the basis, that compliance with the T3.7, T3.20 and T3.21 and Tables 1 - 7 after August 2025, is not necessary for the purpose of meeting its objectives under the Act. Granting the exemption would result in some improvements in efficiency and protection of small consumers. Granting the exemption would have a minimal negative impact on competition and would have no impact on reliability.

A copy of the draft gazette notice is attached as **Appendix B**.

Date of final decision

The final decision on the Meridian exemption application was made on 13 August 2025.

Next steps

The Authority will publish the exemption in the *New Zealand Gazette*. The exemption will take effect from the day after it is published.

The Authority notes that all exemptions are decided on a case-by-case basis and may only be granted where the Authority is satisfied that the statutory test in section 11 of the Act has been met.

Contents

Executive Summary	2
1. Purpose.....	5
2. Summary	5
3. Legal Framework	6
4. Meridian’s application for an exemption	7
5. Authority’s analysis	9
6. The exemption meets the tests in the Act and Code	12
7. Attachments	13
Appendix A Meridian’s exemption application	14
Appendix B Draft gazette notice.....	15

1. Purpose

- 1.1 This paper sets out the Authority's final decision on an application by Meridian for an exemption from the requirement under clause 2.20(1) of the Code to comply with the RMM Notice in relation to the FLCK code customer data.

2. Summary

- 2.1 The RMM Notice requires retailers to report domestic and small business customer data from 1 January 2025. The increase in volume and quality of information will improve retail market transparency and accountability and enable consumers to benefit from competition and take advantage of new products and services.
- 2.2 Meridian seeks the exemption because of the unique circumstances of its purchase of Flick customers and its intention to transition all customers on the FLCK code to an alternate Meridian participant code over August and September 2025. Meridian's key submissions are that:
- (a) while Flick is working to meet the RMM Notice requirements (and other Code obligations) on behalf of Meridian under the TSA, it is also supporting the smooth transfer of FLCK code customers to Meridian meaning its resourcing is uniquely stretched and in the context of its business closing down
 - (b) collating and providing the three requirements in Table 3 under the RMM notice is complex and resource intensive – without an exemption there is real risk that the TSA will need to be extended beyond 30 September 2025 at considerable additional cost: (\$1.65 million) and/or there could be adverse impacts on the transition of FLCK code customers
 - (c) for FLCK code consumer data covering the period after August 2025, the number of remaining FLCK code customers is likely to be small (less than 1,000 ICPs) with all customers intended to be transferred by the end of September 2025.
- 2.3 The Authority may grant the exemption if satisfied complying with the RMM Notice is not necessary for the purpose of meeting the Authority's objectives or that granting the exemption would better achieve the Authority's objectives. In assessing whether the relevant test is met, the Authority has assessed how granting the application affects its statutory objectives in the context of the intended benefits of the RMM Notice.
- 2.4 The Authority has concluded compliance with the T3.7, T3.20 and T3.21, and Tables 1 - 7 after August 2025, is not necessary for the purpose of meeting its objectives under the Act. Granting the exemption would result in some improvements in efficiency and protection of small consumers. Granting the exemption would have a minimal impact on competition and would have no impact on reliability.
- 2.5 While granting the exemption may result in less data provided under the RMM Notice:
- (a) Flick on behalf of Meridian will ultimately provide the Authority with the majority of the data required under the RMM Notice (Tables 1 - 8) covering the period 1 January 2025 to 31 August 2025, supporting the intended benefits of the RMM Notice
 - (b) if no exemption was granted the Authority is satisfied there is a risk of disruption to migration of customers with an associated risk of an extension of the TSA at considerable cost, which could be passed to consumers
 - (c) most customers would have transferred from the FLCK code to Meridian by mid-September 2025

- (d) in relation to the data omitted:
 - (i) analysis of the other Table 3 billing data is not dependent on T3.7 data (Opening balance);
 - (ii) T3.20 and T3.21 data may have less value for a retailer that is exiting the market;
 - (iii) data in Table 1 – 7 would be exempt for a short period time period when the FLCK code ICPs are likely to be less than 1,000 ICP
- (e) Overall, granting the exemption would improve efficiency and the additional objective of protection of small consumers outweighing the small negative impact on competition due to less data.

3. Legal Framework

Clause 2.16 notices

- 3.1 Clause 2.16 of the Code allows the Authority to publish a notice specifying information that a participant must provide, either on a regular basis or as a result of an identified event. Information may be required under clause 2.16 only for the purposes of one or more of the Authority's monitoring functions set out in section 16 of the Act.²
- 3.2 When issuing a clause 2.16 notice, the Authority is required by clauses 2.18 and 2.19 to specify the information request's purpose, cost and benefits and consult with impacted participants. Before publishing a notice, the Authority must be satisfied that benefits of the information requirements outweigh the costs and that the notice promotes one or more of the Authority's objectives.
- 3.3 Once a notice is published, clause 2.20 requires participants to comply with the requirements in a clause 2.16 notice, including collected and recording and collating the information and providing the information to the Authority.

Test under section 11 of the Act

- 3.4 The Authority may exempt a participant under section 11 of the Act from compliance with the Code, including clause 2.20(1), if satisfied that:
 - (a) it is not necessary, for the purpose of achieving the Authority's objectives under section 15, for the participant to comply with the Code or the specific provisions of the Code; or
 - (b) exempting the participant from the requirement to comply with the Code or the specific provisions of the Code would better achieve the Authority's objectives than requiring compliance.
- 3.5 The Authority may impose specific conditions where those conditions allow the Authority to be satisfied that the statutory criteria are met.
- 3.6 The Authority's main objective is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers. The additional objective in section 15(2) is to protect the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.
- 3.7 The relevant Authority objectives are competition and efficiency and the additional objective of protecting domestic consumers and small business consumers.

² The relevant functions are under section 16(1)(c), (f) and (g).

RMM Notice

- 3.8 In assessing the impact of Meridian's exemption on meeting its statutory objectives, the Authority has specifically considered the purpose and assessed benefits of the RMM Notice (as outlined in the Authority's [Retail market monitoring clause 2.16 information notice, Decision paper](#) (Decision paper) dated 17 March 2025).
- 3.9 The information received under RMM Notice is intended to fundamentally improve retail market transparency and accountability, benefiting all parties (including consumers) and reduce the need for multiple information requests in the future. The insights derived from the increase in the volume and quality of information will enable greater understanding of the retail market, better monitoring of the market, improved monitoring of policy interventions, and support better evidence-based decision-making in future.
- 3.10 Before finalising the RMM Notice, the Authority followed an extensive consultation and stakeholder engagement process commencing in 2023. The Authority developed and adjusted the RMM Notice in response to feedback received.
- 3.11 The Authority assessed costs of compliance against the intended benefits of the RMM Notice. It concluded the benefits significantly outweighed the costs. The Authority also noted that incremental benefits will increase substantially over time, while costs will decrease once the initial set up has been completed.³
- 3.12 The benefits that the dataset will provide rely on comprehensive and complete data across ICPs. Retailers with less than 1,000 ICPs are required to comply with only Table 8 in the RMM Notice (which covers Consumer Care Obligations data). Otherwise, all retailers are required to provide all information in Tables 1 - 8.
- 3.13 The first data submission is due no later than 31 August 2025, for data covering 1 January 2025 to 31 July 2025. From then on, information is to be submitted monthly on an ongoing basis, due on the last day of the following month. The due dates set out in the RMM Notice were determined to enable aggregated retail data and insights to be available towards the end of 2025.
- 3.14 The RMM Notice provides that the Authority may extend the deadlines set out but only in exceptional circumstances.

4. Meridian's application for an exemption

Context - Meridian's purchase of Flick

- 4.1 Meridian purchased the FLCK code, all Flick and Z Energy branded electricity customers, the existing Flick hedge book and the Flick brand on 22 July 2025.
- 4.2 Meridian advises that it intends to transfer all Flick customers to an existing Meridian participant code by mid-September 2025. The majority of Flick customers are expected to be transferred to Meridian in large batches by the end of August 2025.
- 4.3 Meridian advises that:
- (a) under the TSA entered into with Flick, Flick will continue to serve Flick customers and uphold compliance obligations under the FLCK code on behalf of Meridian
 - (b) accordingly, Flick is obliged under the TSA to comply with the RMM Notice on behalf of Meridian. All the necessary data is held in Flick systems, and not all of this data will be transferred to Meridian

- (c) this TSA will cease on 30 September 2025 unless Meridian exercises its option to extend the TSA for an additional two months. Under the TSA, this option must be notified by 31 August 2025 and must be for the full two months extending the term of the TSA to 30 November 2025
- (d) the charges under the TSA are \$825,000 per month (excluding GST). Therefore, the additional cost to Meridian for a TSA extension to 30 November 2025 would be \$1.65m (excluding GST)

4.4 The indicative timeframe for migrating FLCK code customers to Meridian is as follows:

Table 1: Timeframe for migration of FLCK code customers

Week	18-22 Aug	25 – 29 Aug	1 – Sept
ICPs	15500	19740	Wash up (<1,000)
Cumulative	15500	35240	

Summary of Meridian's application

- 4.5 Meridian's application seeks an exemption, specific to the FLCK code, from the obligation under clause 2.20 of the Code to comply with the following requirements in the RMM Notice:
- (a) data requirements T3.7, T3.20 and T3.21 in Table 3 of the RMM Notice, applying to data reported for the period 1 January 2025 - 31 August 2025.
 - (b) Tables 1 - 8 for data covering the period after 31 August 2025 – meaning the last submission of data for the FLCK code would be by 30 September 2025 for the month of August 2025.
- 4.6 Meridian seeks an exemption from the specific data requirements in Table 3 because of the complexity of system enhancements required to compile the information, noting that:
- (a) the information required is not captured under Flick's specific billing systems and would require Flick to build additional functionality and undertake resource intensive re-calculations
 - (b) this is in a context where Flick is supporting customers migrating to Meridian and the fact Flick will be closing its operations at the end of the TSA period next month
 - (c) Flick has explored building the functionality to deliver all reporting requirements, but the significant resources required risk diverting its resources away from customer transition and/or triggering a two-month extension to the TSA at considerable cost (as above); and
 - (d) the specific complexities associated with Table 3 are set out in a table in Meridian's application and discussed in the Authority's analysis in section 5 below.
- 4.7 The exemption from compliance with Tables 1 - 8 under the RMM notice for periods after August 2025 is sought on the basis that Meridian's current planned migration is to switch all customers off the FLCK participant code by the end of September 2025. The vast majority of customers are expected to have migrated by the end of August 2025. There is likely insufficient time for Flick to report on the FLCK code for those ICPs remaining in September (due by 30 October 2025) before the end of the TSA on 30 September. Extending the TSA beyond 30 September 2025 to report for September would involve considerable cost relative to the small number of ICPs remaining.
- 4.8 Since applying for an exemption, Meridian has confirmed it is seeking the exemption from Tables 1 - 7 for information after August 2025 meaning Table 8 information for FLCK code

customers remaining in September 2025 will be provided by Meridian by the end of October 2025.

4.9 Meridian submits that the section 11 test is met because:

- (a) **Efficiency:** granting the exemption would likely have a minor but positive impact on the Authority's ability to promote efficiency for the long-term benefit of consumers as it would significantly reduce the cost of the reporting obligations and enable Flick resources to focus on a smooth customer migration process. In the absence of the exemption, there may be a consumer detriment due to:
 - (i) disruption to the migration process leading to consumer uncertainty, frustration, and increased enquiry and switching costs; and/or
 - (ii) costs of approximately \$1.65 million to Meridian to extend the TSA (because migration is delayed due to resources diverted to comply with Table 3 and / or to enable submission of September 2025 data in October 2025).
- (b) **Competition:** while it is difficult to assess the impacts on competition granting the exemption would lessen the impact of costly reporting obligations on a participant that is exiting the market. In the absence of the exemption, the imposition of significant costs could lessen competition in the retail market to the extent it deters new entrants.
- (c) **Reliability:** granting the exemption would not impact on the Authority's ability to promote reliability of supply.

5. Authority's analysis

Authority's approach

- 5.1 To grant an exemption under section 11, the Authority must be satisfied compliance is not necessary to promote the Authority's objectives or that the exemption will promote the Authority's objectives. The Authority has considered the impact of an exemption on meeting its objectives in the context of the RMM Notice.
- 5.2 The Authority considers the relevant objectives in the context of the RMM Notice are competition and efficiency and the additional objective of protecting domestic consumers and small businesses.
- 5.3 When assessing a section 11 exemption, the Authority usually considers a factual against a counterfactual to determine whether compliance is necessary to meet its objectives.
- 5.4 For this exemption application, the factual is Meridian complying with the specified Table 3 requirements in the RMM Notice, including for data for the month of September 2025. This is compared to a counterfactual where the exemption is granted and T3.7, T3.20 and T3.21 is omitted from the Authority's dataset.

The RMM Notice (competition and efficiency)

- 5.5 As noted above, the intended benefits of the RMM Notice rely on complete data across ICPs except for retailers with less than 1,000 ICPs. This information will provide valuable insights into how the market has delivered benefits to consumers over the relevant period, including through insights into consumption patterns, market changes and innovations, debt and disconnections, and customer care.
- 5.6 These insights will enable better monitoring, and support policy development and evidenced based decision making in the future, promoting competition and the protection of small consumers in their dealings with retailers.

- 5.7 The streamlining of information requests will help reduce retailer costs over time and promote the Authority's efficiency objective. The data itself will also enable the Authority to promote efficiency for the benefit of consumers by providing insights over time into consumer behaviour (e.g. time-varying price plans).
- 5.8 The Authority's cost benefit analysis concluded the benefits of the RMM Notice outweighed the costs (where costs of compliance were factored in). Accordingly, expected costs of compliance is not a factor in itself that would outweigh assessed benefits (in terms of competition and efficiency) for the purposes of the test under section 11 of the Act.

Is compliance with Table 3 and provision of September data required to promote the benefits of the RMM Notice benefits

- 5.9 Table 2 sets out a summary of the Authority's analysis. It shows that the exemption should be granted in the unique circumstances of Meridian's purchase of Flick because it reduces the risk of an extension of the TSA (and associated additional costs) and disruption to Flick customers while having a minimal negative impact on the intended benefits of the RMM Notice.

Table 2: Summary of analysis

	Factual: Meridan provides all FLCK data under the RMM Notice including for September 2025	Counterfactual: Meridan provide all FLCK data except for T3.7, T3.21 and T3.22 and data for September 2025
	No exemption	Exemption
Reliability	No impact	No impact
Efficiency	Negative impact on efficiency if TSA is extended (\$1.65 million) (TSA cost over and above anticipated costs of compliance) For compliance costs, upfront costs without benefit of reduced costs over time (existing market)	Improvement in efficiency as risk of TSA extension costs of \$1.65 million reduced
Competition	Small positive impact from complete data set	Small negative impact on competition and efficiency (noting most data will be provided)
Protection of small consumers	Negative impact because of potential disruption or delay to migrations process	Small improvement as less risk to migration process

Assessment of impact on statutory objectives for compliance with T3.7, T3.20 and T3.21

Impact on efficiency and protection of small consumers

- 5.10 The Authority considers that granting the exemption will have a positive impact on efficiency as it will reduce the risk of considerable costs associated with the extension of the TSA. The Authority considers that there will be a small improvement on protection of small consumers as the risk of disruption to a smooth transition to Meridian is reduced.

Table 3 requirements - Opening balance (T3.7)

- 5.11 The Authority understands that provision of Opening balance data (T3.7) involves additional complexity and re-calculations for Flick, as its systems do not align well with the information sought. For example, it does not follow a traditional billing model (it bills on a weekly basis)

and does not capture the information sought. This means Flick is required to undertake re-calculations and build a new system to enable it to provide the data in the required form.

- 5.12 However, in the context of the Meridian purchase, we accept that these additional complexities create unique risks for Meridian, including the risk it will need to extend the TSA at considerable cost (a cost not contemplated in the cost benefit analysis undertaken by the Authority) and disruption to consumer migration to Meridian. We note that:
- (a) Flick has confirmed it has explored what is required to build a system to provide the T3.7 information and estimates it would take at least three weeks to complete, and it would need to divert key personnel away from work on the migration of customers, creating a material risk that migration will not be completed by 30 September 2025;
 - (b) compliance with T3.7 in these circumstances risks delays to the migration of customers and the associated need for an extension of the TSA at an estimated cost of \$1.65 million. We accept that this is a real risk and that this risk would be significantly reduced if the exemption was granted. These costs would be incurred by Meridian and would likely flow through to customers;
 - (c) the T3.7 information is important for understanding where customers are in terms of payments, and to identify which customers are in payment difficulty, as well as to connect to other information such as disconnections. However, other billing information provided in Table 3 does provide valuable insights independently of the opening balance information.
- 5.13 It is also relevant that:
- (a) Flick is planning to close its operations on 30 September 2025. While it remains set up to comply with the TSA, it has less additional capacity and resource than an ongoing retail business would have. The extra resources required to comply with T3.7, T3.20 and T3.21 will be more challenging in these circumstances
 - (b) unlike retailers remaining in the market who benefit from reduced compliance costs over time (mitigating the impacts of the upfront cost), for Flick these benefits will not arise
 - (c) Meridian and Flick have made considerable efforts to meet the requirements of the RMM Notice to date, including engaging with the Authority on the issues faced and attending all Authority information sessions/webinars on how to comply with the RMM Notice and exploring alternative ways to comply.

Table 3 requirements - Net import lines charges/ Net export lines charges (T3.20 and T3.21)

- 5.14 The information required by T3.20 and T3.21 is not calculated by most retailers at a customer or billing level and compliance would involve building systems to retrospectively calculate the values. Flick is, accordingly, not unique in this respect.
- 5.15 However, we accept that the resources required to meet T3.21 and T3.22 risk delaying migration of customers beyond 30 September 2025 and the need to extend the TSA at considerable cost (particularly when coupled with the additional resources that would be required to meet T3.7).
- 5.16 We note that the main value in this information is providing insights into how distribution costs get passed to customers by retailers and may inform future policy decisions about how retailers are required to pass through these costs. As Flick is closing its business the insight from this data will be of less value.

Exemption from provision of data past September 2025

- 5.17 Meridan seeks an exemption from Tables 1 - 7 of the RMM Notice for data covering the period after September 2025, given it expects less than 1,000 ICP's to be remaining in September 2025 with these remaining ICPs transferred to Meridan before mid-September.
- 5.18 The Authority notes that the information required for September 2025 is due under the RMM Notice by 31 October 2025. We accept it may be difficult to provide all information a month earlier to fall within the term of the TSA (noting the Table 8 information can be provided within this timeframe). As noted above, extending the TSA beyond 30 September 2025 involves considerable additional cost (\$1.65 million).
- 5.19 The exemption sought would avoid the risk of additional costs where any impacts on the intended benefits of the RMM Notice would be modest (given the small number of ICPs and the limited time period involved). As for retailers with less than 1,000 ICPs, Flick on Meridan's behalf will provide the Table 8 information for the September 2025 period by 30 September 2025.

Impact on competition

- 5.20 The Authority considers that granting the exemption has a minimal negative impact on competition. This is because any impact on the benefits of the RMM Notice are likely to be modest given the small amount of data exempted for a limited time period (all FLCK code ICPs are intended to be transferred by mid-September 2025).
- 5.21 We have taken account of the following factors:
- (a) the FLCK code information over 2025 will provide valuable insights into the operation of the market (particularly due to its novel customer base) and contribute to the Authority's ability to undertake proactive, effective regulatory interventions to deliver long-term benefits for consumers
 - (b) Flick has over 38,000 ICPs and is the 9th largest retailer, so considerably above the 1,000 ICP threshold under RMM Notice which exempts retailers under 1,000 ICPs from complying with Tables 1 - 7 of the RMM Notice.
- 5.22 However, the vast majority of information sought under the RMM Notice for FLCK code customers will be provided to the Authority, enabling the intended benefits of the RMM Notice to be achieved.
- 5.23 The improvements in efficiency and the additional objective of protection of small consumers discussed above outweigh the small negative impact on competition.

Impact on reliability

- 5.24 The Authority considers that granting the exemption does not have an impact on reliability.

6. The exemption meets the tests in the Act and Code

- 6.1 The Authority has concluded that compliance with T3.7, T3.20 and T3.21 in Table 3 and compliance with Tables 1 - 7 for the period from September 2025 is not necessary for the purpose of the Authority meeting its statutory objectives. Accordingly, the exemption is granted under section 11(2)(a) of the Act.
- 6.2 In the unique circumstances of Meridan's purchase of Flick, the Authority is satisfied:
- (a) there is a risk compliance with these requirements in the RMM Notice will involve material additional costs (not contemplated in the cost benefit undertaken by the Authority) and disruption to the smooth transition of Flick customers to Meridan
 - (b) granting an exemption will have relatively minor impacts on the benefits that the RMM Notice is intended to provide, including because of the limited information that would be

omitted, the value of some of this information in the context of Flick exiting the market and the limited time periods involved.

- 6.3 For completeness, we considered whether granting the exemption would better achieve the Authority's objectives than requiring compliance (the test in section 11(2)(b) of the Act). This would require the Authority to be satisfied that the exemption would better promote efficiency and protection of small consumer objectives and that this outweighs competition and efficiency benefits in providing a complete dataset. Given our view the test in section 11(2)(a) of the Act is met, we consider it unnecessary to make a formal decision under section 11(2)(b) of the Act.

7. Attachments

- 7.1 The following appendices are attached to this paper:

Appendix A	Meridian's exemption application
Appendix B	Draft Gazette notice

Appendix A Meridian's exemption application

Application for an exemption from the Electricity Industry Participation Code 2010

Please complete and return to compliance@ea.govt.nz

Date: 23 July 2025

1. Who is the exemption for?

Give the full legal company (or otherwise) name and address of the participant seeking the exemption and the relevant details of the contact person for the exemption. The application must be made by the participant that the exemption will apply to, though other parties (participants or otherwise) may be involved in the process.

Meridian Energy Limited
Level 2, 98 Customhouse Quay
Wellington 6011

Sam Fleming
Manager Regulatory and Government Relations
021 732 398
sam.fleming@meridianenergy.co.nz

2. When is the exemption required?

Specify the date when a decision is needed and when any exemption granted would need to be gazetted (active). For all non-urgent applications, please [refer to the Authority's instructions](#). If the application is urgent, please include the reasons for seeking urgent consideration.

The exemption would be required from 31 August 2025, the date that obligations under the Retail Market Monitoring Notice published under clause 2.16 of the Code (*the Notice*) take effect. We would appreciate the Authority considering this application as soon as possible to give Meridian and Flick certainty regarding next steps.

Urgent consideration is requested given the context of Meridian's purchase of Flick assets, including the FLCK participant code. Flick Energy Limited will be shutting down its systems and will no longer have people to support the provision of information after the Transition Services Agreement period with Meridian, which at this stage is planned for 30 September 2025. Granting an urgent exemption will enable Flick to focus resources on the smooth transition of customers over to Meridian.

3. What do you want an exemption from?

Give the provisions of the Code from which the exemption is sought.

We are seeking two exemptions specific to the FLCK participant code as follows:

- A limited exemption from submitting three specific pieces of data requested in Table 3 of the Notice. Specifically, data requirements 3.7, 3.20 and 3.21. This exemption would apply to data reported for the period 1 Jan 2025 – 31 August 2025.
- A full exemption from the Notice in respect of the FLCK participant code for periods after August 2025. This would mean the last submission of data for the FLCK participant code would be in September 2025 for the month of August 2025.

These would be limited exemptions from clause 2.20 of the Code, which requires each participant to whom a notice applies to provide to the Authority the information specified in the notice.

4. Why are you seeking this exemption?

Please specify the problem that the exemption would resolve, reasons for the problem arising, and how the exemption would address this problem.

This exemption is sought under the exceptional circumstances of Meridian's purchase of Flick assets, and its intention to transition all customers on the FLCK code to an alternate Meridian participant code over August and September 2025.

For context:

- On 12 May 2025, Flick entered into an agreement with Meridian for the sale of its assets (hedges, customers, and brand).
- The completion date for the deal is 22 July 2025. On this date Flick will transfer its participant code (FLCK) to Meridian.
- A Transition Services Agreement (TSA) is in place whereby Flick will continue to serve Flick customers and uphold compliance obligations under the FLCK code on behalf of Meridian. This services agreement will cease on 30 September 2025 unless Meridian exercise their option to extend for an additional 2 months.
- It is intended that all Flick customers will be transferred to a Meridian participant code during the TSA period. Migration is expected to be in large batches throughout August with a potential wash up of remaining ICPs in the first half of September 2025 (see indicative migration timeline below).
- While the obligation for reporting under the Notice for the FLCK code now sits with Meridian, Flick is obliged under the TSA to report this information on behalf of Meridian. All the necessary data is held in Flick systems, and not all will be transferred to Meridian.

Both exemptions sought will enable the Flick team to focus on a smooth and effective transition of customers over to Meridian, reducing the risk of additional costs being incurred through the transition period which may be passed on to consumers.

Indicative customer migration timeline as of 23 July 2025:

Week	18-22 Aug	25-29 Aug	1-5 Sept
ICPs	15500	19740	Wash up (<1000)
Cumulative	15500	35240	

Exemption sought for the specific data requirements in Table 3

The exemption sought for the specific data requirements in Table 3 is sought due to the complexity of system enhancements required to compile the information, coupled with the fact that Flick will be shutting down operations and systems at the cessation of the TSA period. The complexities in respect of this information are summarised below:

Data requirement	Complexity
<p>T3.7 – Opening Balance</p> <p>Balance at start of the payment cycle (or start of month for prepay customers). For example, if the customer owes \$100 total at start of the payment cycle set this field to '100'. If the customer does not owe any amount eg, if they paid their last bill on time, set this field to '0'. If the customer is in credit (eg, prepay or overpaid previous month) indicate this with a negative sign eg, if the</p>	<p>Producing this data would require a fundamental change in the Flick billing engine. Opening balances are calculated as a running balance at the time an invoice is generated, this value is not stored in the Flick systems.</p> <p>To back-calculate these opening balances would require using billing and transaction data far prior to 2025 to ensure historic balances were carried through to the current periods, recalculating every</p>

customer has \$50 credit remaining on their account set this field to '-50'	<p>transaction and bill over the required timeframe. The structure of the Flick platform makes this prospect extremely resource intense.</p> <p>Balances would be further confused by the Flick Bill Smoother product, which can result in credit being held on an account. The Flick system does not differentiate this credit from other types of credit held in the system, so is unable to be stripped out.</p>
<p>T3.20 – Net import lines charges</p> <p>Portion of total billed that is to cover the costs of connection to the distribution network in order to import electricity to the ICP(s) associated with this account.</p> <p>Import line charges should be net of any distributor discounts and dividend payments. The definition of discount is consistent with the definition of discount and customer rebate for EDBs given by the Commerce Commission</p>	<p>These are not calculated at a customer or billing level within Flick systems. To meet this obligation, we will therefore have to build a full 'shadow' billing engine to retrospectively calculate each of these values at a half hour level, given Flick retail offerings typically differ from networks' pricing structures.</p> <p>Beyond this, distributor discounts and dividends add further complexity on a month-to-month basis to incorporate, these are not held within the Flick billing engine and are handled by a stand-alone process.</p>
<p>T3.21 – Net export lines charges</p> <p>Estimate of the portion of total billed that is to cover the costs of connection to the distribution network in order to export electricity from the ICP(s) associated with this account.</p> <p>Export line charges should be net of any distributor discounts and dividend payments. The definition of discount is consistent with the definition of discount and customer rebate for EDBs given by the Commerce Commission.</p>	<p>As above, however we note the majority of networks do not charge additional rates for solar export.</p>

Exemption for periods after August 2025

The exemption for periods after August 2025 is sought on the basis that our current planned migration is to switch all customers off the FLCK code by the end of September with the vast majority migrated by the end of August 2025. We do not consider the information for a small subset of FLCK customers for a part month material for the purpose of achieving the Electricity Authority's objectives under the Act and the Notice. Further, provision of data for the September period by FLCK in October would necessitate an extension of the TSA period, resulting in significant cost to Meridian (outlined further in 6(c) below).

Currently we anticipate less than 1,000 customers remaining on the FLCK code at the start of September with the intention to migrate them over to a Meridian code in a final wash up early in the month. These customers will be included in Meridian's reporting for September from the date they are migrated. Information for these customers will be included in Meridian's reporting for the September period.

5. What alternatives to the exemption have been explored?

Please list the alternative solutions that have been explored and give details of why they are not suitable to address the problem.

Exemption for the specific data requirements in Table 3

We have explored building the functionality to deliver all reporting requirements under the Notice – this may be plausible; however, it would add significant additional cost and effort for Flick Energy Limited (a party exiting the market) and there is a risk that if resources are diverted away from the customer transition to ensure compliance the migration could be delayed. A delay in migration could trigger a 2-month extension to the TSA at significant cost to Meridian. Those costs may ultimately flow through to consumers over time.

We have also considered other methods of providing approximations of the data requested under the Notice. For example, for 3.20 and 3.21 we could derive the numbers from EIEP1 reporting. This would be imperfect data and would lead to several anomalies (for example when a customer switches during the period) and would not include dividends from networks. We are open to further discussing such an approach with the Authority.

Exemption for periods after August 2025

We have considered bringing Flick's data into Meridian's systems to enable submission – this is not a plausible approach given the differences in systems being used and how the data is stored.

We have explored Flick preparing the reporting after all customers have switched out and been billed, but prior to the end of the TSA period. This approach is plausible, but as with all software projects there is an element of timeline risk to the project, and we do not consider that there is enough time from the final customer switching out, Flick receiving metering data and producing final bills to enable this information to be produced by the end of September.

6. What effects will granting the exemption have on achieving the Authority's statutory objectives?

The Electricity Industry Act 2010 (Act) only permits the Authority to grant an exemption if it is satisfied that (a) it is not necessary, for the purpose of achieving the Authority's objectives under section 15, for the participant to comply with the Code or the specific provisions of the Code or (b) exempting the participant from the requirement to comply with the Code or the specific provisions of the Code would better achieve the Authority's objectives than requiring compliance.

To enable the Authority to be satisfied that compliance with the Code is not necessary to achieve the Authority's objectives under section 15, or that an exemption would better achieve the Authority's objectives than requiring compliance, please address the following questions:

- a) *Please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to promote competition in the electricity industry for the long-term benefit of consumers?*

Given the large volume of data covered by the request, and uncertainty regarding the Authority's use of the data collected, it is difficult to assess the impact an exemption would have on the Authority's ability to promote competition. However, we note that granting the exemption would lessen the impact of costly reporting obligations on a participant that is exiting the market. In the absence of the exemption, the imposition of significant costs could lessen competition in the retail market to the extent it deters new entrants.

We also make the following observations related to the specific exemptions we are seeking:

3.7 – Opening Balance: While we understand that tracking customer overall balances may provide insight into customer hardship, this can be clouded by the application of hardship credits, promotional credits, network credits and other non-standard activity on accounts. It will be difficult to draw significant insights from this data point. Regardless, this data would only be absent from the retrospective elements of the Notice. Going forward, the Authority would have a complete data set.

3.20 - Net import lines charges: Distribution charges should be consistent across the industry on a per kWh basis within networks. If this information was deemed necessary, the Authority could create a reasonably accurate estimate based on the wider data set without impacting their ability to meet objectives.

3.21 – Net export lines charges: Very few networks currently have specific charges related to export and FLCK only services approximately 1,500 customers with export capable meters, therefore the impact of this information is likely to be negligible.

b) *Please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to promote reliability of supply for the long-term benefit of consumers?*

Granting the exemption would not impact the Authority's ability to promote reliability of supply for the long-term benefit of consumers. The information we are applying to be exempt from providing is not relevant to reliability of supply.

c) *Please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to promote efficiency for the long-term benefit of consumers?*

Granting the exemption would likely have minor but positive impact on the Authority's ability to promote efficiency for the long-term benefit of consumers. Granting the exemption would significantly reduce the cost of the reporting obligations and enable Flick resources to focus on a smooth customer migration process. In the absence of the exemption, there may be a consumer detriment due to:

- disruption to the migration process leading to consumer uncertainty, frustration, and increased enquiry and switching costs; and/or
- costs of \$1.8 million to Meridian to extend the TSA to enable submission of September 2025 data in October 2025 in respect of a small number of ICPs that may need to be washed up (the cost per ICP would be significant and may ultimately be passed on to consumers in some form).

The absence of the exempt information would not likely impact the Authority's ability to promote efficiency due to the limited data set covering a small number of ICPs. Going forward, the Authority will have a complete data set and will have no less ability to promote efficiency.

d) *If applicable to your application, please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers?*

None.

7. In your opinion, should the exemption be granted with terms or conditions? In your opinion, what terms or conditions would reasonably be considered necessary?

For the exemption for periods beyond August 2025 – it may be reasonable to grant this on the condition of the TSA ceasing at the end of September 2025. Meridian has until the end of August 2025 to trigger an extension of the TSA.

8. Are there any previous similar exemptions?

Identify any previous exemptions you have been granted, or that you are aware have been granted to other participants, that are similar to the exemption you seek, and which may provide a guide to how your application could be considered. State how the other exemptions are similar to, and different from, the exemption you are seeking.

None that we are aware of.

9. What impact will granting the exemption have on the overall scheme of the Code?

Explain what impact, in your opinion, the granting of the exemption will have on your, and other participants', ability to comply with other provisions of the Code.

None.

10. What effects will there be on other participants?

Describe who may be affected by the granting of the exemption and how they might be affected, including market operation service providers, and any costs and benefits to them (for example, whether there will be any financial or commercial effect on other participants or, if this exemption was granted to another participant, the effect it would have on you).

None.

11. How long do you need the exemption for?

Bearing in mind that an exemption is intended to be an interim measure until a permanent solution is implemented, specify how long you are seeking the exemption for. Additionally, please include details if there is a specific event (such as a substation upgrade, or the customer switches to another trader etc) that may mean that the exemption could end sooner. Give reasons for the period that you specify.

We are seeking exemptions for the FLCK participant code only. The requested exemption for specific Table 3 data for the period 1 January 2025 to 31 August 2025 is a one-off exemption at a point in time. The requested exemption from the Notice in its entirety for periods after August 2025 may cease after the end of the month following the migration of the last ICP from the FLCK participant code. Meridian will continue to provide the requested information for all other Meridian participant codes.

Appendix B Draft gazette notice

DRAFT

Exemption Under Section 11(1) of the Electricity Industry Act 2010 to Exemption No. 356 (Meridian Energy Limited)

In accordance with section 11(1) of the Electricity Industry Act 2010 (“Act”), the Electricity Authority (“Authority”) gives the following notice.

Notice

1. **Exemption**—The following persons are exempted from the requirement in clause 20(1) of the Electricity Industry Participation Code 2010 (“Code”) to comply with the Retail Market Monitoring Notice (“RMM Notice”) published by the Authority
 - a. Meridian Energy Limited (“Meridian”)
2. **Conditions**—
 - a. this exemption applies to FLCK participant code customer data only
 - b. Meridian will comply with all requirements of the RMM Notice for FLCK participant code customer data with the exception of the following:
 - i. T 3.7, T 3.20 and T 3.21 of Table 3 of the RMM Notice for data covering the period 1 January to 31 July 2025 and the month of August 2025;
 - ii. Tables 1 to 7 of the RMM Notice for data from 1 September 2025 subject to the condition the transitional services agreement (“TSA”) between Meridian and Flick Electric Limited (“Flick”) is not extended beyond 30 September 2025
 - c. This exemption expires when the RMM Notice ceases to be in effect or if the requirements in (i) and (ii) are earlier removed from the RMM Notice
3. The reasons for granting exemption on 11 August 2025 under section 11(2) of the Act are:
 - a. Meridian purchased the FLCK participant code from Flick on 22 July 2025 and intends to transfer all FLCK participant code installation connection points (ICPs) to existing Meridian participation codes by the end of September 2025. Under the TSA, Flick is responsible for meeting the RMM Notice obligations for FLCK participation code customer data and migrating the FLCK participation code customers to Meridian.
 - b. The Authority is satisfied that it is not necessary for the purpose of achieving the Authority’s objectives under section 15 of the Act for Meridian to comply with clause 20(1) in respect of the parts of the RMM Notice referred to in paragraph 2(b)i and ii above because granting the exemption will:
 - i. improve efficiency
 - ii. have a small positive impact on protection of domestic consumers and small businesses
 - iii. have a minimal negative impact on competition
 - iv. reliability is not expected to be affected by granting of the amendment

Dated at Wellington this day of August 2025
For and on behalf of the Authority:

ANNA KOMINIK, Chair,
Electricity Authority