

31 July 2025

Electricity Authority

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By E- Mail: [policyconsult@ea.govt.nz](mailto:policyconsult@ea.govt.nz)

### **Re: A regulatory roadmap for battery energy storage systems**

Counties Energy Limited (**CEL**) welcomes the opportunity to comment on the Electricity Authority's (**EA's**) 'A Regulatory roadmap for battery energy storage systems' paper.

CEL supports the potential opportunities that Battery Energy Storage Systems (**BESS**) can bring to consumers. Given its improving technology and cost economics, BESS presents a range of possibilities and opportunities to support our growing and changing electricity system. This is why, as a registered electricity distributor under the Electricity Industry Participation Code 2010 (**the Code**), we actively consider opportunities to more efficiently build and manage our network by exploring flexibility solutions, including battery and demand response solutions.

CEL welcomes the EA's regulatory roadmap for BESS. This provides the sector with greater visibility of upcoming step-changes to the regulatory framework to support BESS in the coming years. For CEL, we consider the goal should be to design a system that supports efficient investment in, and efficient use of, new and emerging technologies. The system needs to enable investors and participants alike to determine and demonstrate the full value of these types of technologies. The key aspects to achieve this include:

- Enabling BESS, and other distributed technologies, to participate in value streams and/or markets where they have the technical and operational capability to do so (e.g. BESS participating in frequency keeping);
- Enhancing the current security constrained economic dispatch system to better reflect the value of both grid- and distributed-connected resources. This includes consideration of the value that Distributed Energy Resources (**DERs**), such as BESS and vehicle-to-grid technologies, provides to the system;



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- Review common quality requirements for distributed-connected assets to more fairly allocate technical responsibilities to relevant asset owners to help maintain system stability; and
- Review existing (load and distributed generation) pricing principles and connection processes to ensure a level-playing field between both distributed- and grid-connected assets and to support more efficient competition in the market.

As noted in the EA's paper, most of these changes will be considered within the next two years. The EA's regulatory roadmap provides a valuable resource to signal the direction ahead. As the industry works through these changes, it may be challenging given BESS offers value across the electricity supply chain, for different use cases, such as for network support services, renewable firming, load shifting, and system security. We expect this will be a dynamic and evolving process as the technology continues to mature at rapid pace, and market dynamics change.

We look forward to working with the EA and its relevant teams as it develops its BESS-related work further. CEL would be happy to discuss any aspect of this submission further.

Yours sincerely



Marcus Sin  
Senior Regulatory Manager