

Network connections project (stage one)

Decision paper

9 September 2025

Executive summary

Connecting to distribution networks is an essential part of developing new housing, electrifying our energy use and growing the New Zealand economy. Without the right rules in place, we risk higher up-front costs, more inefficiencies, less investment, fewer developments – and all New Zealanders losing out in the long run.

To date, distributors have largely set their own policies and processes when connecting businesses, housing, industrial plant, public transport and other critical services to the network. This has produced a wide range of practices across New Zealand's 29 distributors.

Late last year, the Electricity Authority Te Mana Hiko (the Authority) launched two consultations in parallel, proposing rule changes for connecting to the network – one on pricing methodologies and the other on the application process. Recognising the scale, complexity and impact on distributors of full reform, in both cases we proposed a staged approach.

We have now made decisions on both sets of proposals and will seek technical feedback on the detailed drafting of the rules, set out in the Electricity Industry Participation Code 2010 (the Code). This paper details our decisions on removing barriers and creating efficiencies for distributed generation and large loads connecting to distribution networks. It should be reviewed alongside our decisions on pricing methodologies.

We have decided on eight Code amendments to improve network connections

We have decided to implement eight of our nine proposals¹, many in an amended form in response to submitter feedback and input from the independent [Network Connections Technical Group](#). We have decided to withdraw the proposal to introduce regulated and prescribed terms for load applicants.

Instead, the Authority is implementing an approach that provides flexibility for distributors to design and manage their own connection processes, such as through the development of an industry-led queuing and management policy and 'clock stop/start' mechanism. While an industry approach will not be specified in the Code, the Authority expects industry to work with consumers (directly or through access-seekers) when developing these processes. The Authority will monitor whether the industry-developed processes provide standardisation and improvements for consumers and will consider further regulation if those benefits are not forthcoming.

We expect all New Zealanders will benefit from the changes, which are designed to ensure easier, faster, more equitable and more consistent application processes. Benefits include, for example:

- (a) Distributors – can better prioritise applications that are ready to connect. This will help distributors prioritise limited network capacity on new connections that more efficiently use their internal resources.
- (b) Access seekers – will have more certainty on connection requirements and when their applications will be processed. This can support securing investment and managing the development and delivery of their projects, further encouraging more investment.

¹ See Table 1 on page 8.

- (c) All New Zealanders – benefit as the changes streamline processes for more businesses and infrastructure, such as public EV chargers, and more distributed generation, such as wind and solar farms. Over time, consumers benefit from more choice, improved network resilience, faster decarbonisation and downward pressure on electricity costs.

We made changes to the proposals as a result of submissions

We have made changes to the proposals in response to submissions to improve workability and reduce implementation costs. However, there are two areas where we received a lot of feedback. These were on the distributors' obligation to connect and 'deemed approval'.

Deemed approval

The existing Part 1A application process for distributed generation in Part 6 of the Code includes the concept of 'deemed approval'. That is, if a connection applicant does not receive notice from a distributor by the date specified in the Code, the application is deemed to be approved. We proposed adding 'deemed approval' for all initial and interim large distributed generation and load applications.

However, we acknowledge that a 'deemed approval' could lead to negative outcomes because it may cause applications to be rejected rather than the underlying issues being resolved. We also note that finite timeframes may sometimes be impractical. Therefore, we are not including deemed approval in new connection processes for distributed generation and load that have a medium or large capacity. To foster rapid application processing, we have retained the proposed timeframes, allowed for a clock stop/start mechanism and clarified applicants can use the existing dispute resolution process for distributed generation applications if these timeframes are exceeded. We will consider dispute resolution for load processes at a later stage of the Network connections project.

Obligation to connect

We note that adding load application processes to Part 6 of the Code creates an 'obligation to connect' if an application complies with Part 6 and the distributor's connection conditions. However, submitters noted, approving all applications may be problematic if the connections would be uneconomic for the distributor or lead to undesirable network conditions.

We consider there should be obligations on distributors to connect those who seek it. This is a common feature of access arrangements for networks that both provide an essential service and have strong monopoly characteristics. However, we acknowledge distributors' concerns that such obligations should be properly demarcated to ensure they are not onerous. We have considered the issues raised by submitters and decided to consider potential modifications to requirements involving an obligation to connect. We will consult further on this matter.

Industry technical group has assisted

The Network Connections Technical Group (NCTG) is a group of industry and consumer technical subject matter experts. NCTG members provide input as independent advisors, and in the interests of the industry as a whole.

The NCTG has supported the Authority by providing advice in the assessment of submissions and to allow the Authority to test the workability of its proposed decisions. The NCTG has been involved at all stages of the project, including providing advice to assist the identification of the issues and options and in the development of the consultation and

decision papers, including providing advice on submissions. The Authority thanks the NCTG for this assistance.

Next steps

To implement the stage one decisions, we intend to:

- (a) release an exposure draft of the proposed Code amendments for comment in August 2025.
- (b) hold workshops with distributors and access seekers to support the implementation of the new rules. We will provide more details in the coming weeks.

As noted above, we will undertake consultation on requirements involving an obligation to connect alongside the 'reliance limit' which is discussed in the companion paper also released today. This will help ensure obligations are clear and well-integrated with related elements of the network access framework, including connection pricing.

We will also start work on stage two of the project which will consider some revised proposals as indicated in this decision paper together with other issues, such as application processes for residential solar and the fees that access seekers pay for distributors to process their applications. We welcome other proposals to include in future stages of work that would improve network connection processes further.

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Errata

On 9 September 2025 a revised version of the decision paper was published to make three corrections to the text that were identified after the original paper was published. The corrections are:

1. The heading of Table 2 has been amended to reflect the table includes decisions on all DG applications.
2. The footnote to paragraph 6.13(a) of the decision paper has been deleted, to reflect that the text of the footnote was inconsistent with the views expressed by the Authority elsewhere in the paper and the decisions that were made by the Authority.
3. “Disagree” has been amended to “agree” in paragraph 16.9(k) to correct a typing error that implied that the Authority’s views relating to submissions were inconsistent with the Authority’s decision.

1. Introduction

- 1.1. Part 6 (*Connection of distributed generation*) of the Electricity Industry Participation Code 2010 (the Code) originated from the Electricity Governance (Connection of Distributed Generation) Regulations 2007. Part 6 is largely unchanged since it was incorporated into the Code in 2010. However, technology and the needs of industry participants, applicants, and consumers have evolved significantly since 2007.
- 1.2. The increase in the installation of distributed generation (DG) and the accelerating shift towards decarbonisation are placing increasing pressure on networks to efficiently accommodate new connections for both generation and load. This causes delays and increased costs for consumers, especially for non-residential consumers, and the applicants seeking connection to the networks on their behalf.
- 1.3. This surge in connections, driven by integrating renewable energy sources, energy conversions and electric vehicle charging infrastructure, underscores the need to improve the regulatory framework. This is to ensure as efficient and effective network access for all consumers as practically possible.
- 1.4. To address this situation, on 25 October 2024, the Authority released the consultation paper: Network connections project: stage one amendments. The paper proposed nine changes to Part 6 ‘Connection of distributed generation’ of the Code as set out in Table 1 below.²

Table 1: Proposed changes to Part 6 of the Code

	Issue	Decision	Page
A	Amend application processes for larger-capacity distributed generation (DG) applications	We have decided to implement an amended form of the proposal	27
B	Add application processes for larger-capacity load to the Code (> 69kVA)	We have decided to implement an amended form of the proposal	51
C	Require distributors to publish a network connections pipeline for large-capacity DG and load, and provide information on this pipeline to the Authority	We have decided to implement an amended form of the proposal	65
D	Require distributors to provide more information on network capacity	We have decided to implement an amended form of the proposal	75
E	Update the regulated terms for distributed generation	We have decided to implement an amended form of the proposal	86
F	Add regulated and prescribed terms for load applications to the Code and amend dispute resolution requirements	We have decided not to proceed with implementing the proposal	92

² We also proposed new and revised definitions in Part 1 ‘Preliminary provisions’ of the Code.

G	Increase record keeping requirements for distributors	We have decided to implement the proposal without change	99
H	Introduce new Part 1 definitions, and amend existing definitions	We have decided to implement an amended form of the proposal	102
I	Make minor and incidental amendments to the Code	We have decided to implement the proposal without change	105

- 1.5. The Authority is progressing eight of the nine proposals, some in an amended form in response to submitter feedback. The Authority is not currently implementing Proposal F, to add regulated terms and prescribed terms for load applications to the Code and related amendments to the dispute resolution requirements.³ However, we have implemented the proposal for distributors to attempt to resolve disputes with non-participants in good faith and within 20 business days.
- 1.6. These decisions are the first tranche of changes from the Network connections project. More detail on that project, including the October 2024 consultation paper, is available on the Authority's website.⁴
- 1.7. To ensure the Code accurately reflects the decisions we have made, we will be releasing an exposure draft of the proposed Code amendments. This is to give stakeholders an opportunity to provide feedback on the Code drafting to ensure it accurately reflects the decisions and implementation is as smooth as possible.
- 1.8. These amendments will come into force 12 months after the Code change is gazetted, likely in October 2026. The transitional arrangements in section 15 of this paper set out how the transition will apply. All the proposed arrangements will come into effect at that time, with the exception of the load application processes. Load application processes will come into effect six months later. This is to allow industry sufficient time to implement the changes to the load application processes.

Updating regulatory settings for distribution networks

- 1.9. The decisions in this paper are part of the Authority's broader 'Updating regulatory settings for distribution networks' work programme. This work programme aims to increase the efficiency, effectiveness and reliability of distribution networks for consumers' benefit.
- 1.10. The work programme also includes improving network visibility through more efficient data use to optimise networks, more flexible electricity use, and supporting industry innovation. A consultation paper on this topic is also now open for feedback.
- 1.11. Other relevant work includes improving the visibility of distributed generation investment and review of Part 8 of the Code 'Common quality'.⁵

³ Note that some changes are proposed to the dispute resolution provisions in Part 6 in the related Distribution connection pricing decision paper.

⁴ <https://www.ea.govt.nz/projects/all/network-connections/consultation/network-connections-project-stage-one>

⁵ <https://www.ea.govt.nz/news/general-news/consultation-open-on-common-quality-information-requirements/>

2. The Authority's approach for network connection processes

- 2.1. This section sets out why we are reviewing network connection processes and our approach to co-development of some processes with industry and stakeholders.

We are focused on long-term benefit to consumers

- 2.2. The Authority proposed these changes to Part 6 of the Code to address issues with connection to distribution networks. The distribution sector is changing as more parties look to connect or to upgrade their connections. DG applications are increasing in number, size and complexity as the country electrifies. There is rising demand for load connections (eg, for electric vehicles, data centres) and competition for available capacity. Access seekers, who are the consumer or are acting on behalf of the consumer, are also competing for distributor resources. Further, there is concern about increasing electricity costs.
- 2.3. Part 6 needs to change to address these challenges and deliver long-term benefits to consumers. It has not kept pace with sector changes and is largely unchanged since its introduction in 2007. In the same period, overseas jurisdictions, facing many of the same challenges as New Zealand, have made significant amendments to their regulatory environment.
- 2.4. The Authority has considered the issues facing the sector now, and how it is evolving over time. We have split the Network connections project into multiple stages and have addressed the most urgent of these issues in this decision paper. Further change is needed, and this will occur in future stages of the project. The decisions in this paper address current challenges but should also ensure the sector is better prepared for the future.

We have considered the views of all parties and made changes

- 2.5. To date, Part 6 has not been focussed on detailed or standardised end to end processes. Distributors have had flexibility to develop their own application processes for connecting to their networks.⁶ This has led to a range of different industry processes and inconsistency among distributors. In some instances, these application processes may not serve access seekers as well as they could. Although some of the proposed amendments retain flexibility for distributors, we consider the amendments provide a better balance and more certainty for applicants.
- 2.6. The Authority considers the views of all parties and wider societal effects when making decisions. We have considered information received over time, feedback on previous consultations, and the submissions received on the October 2024 consultation paper.
- 2.7. The consultation on stage one of the Network connections project proposed significant change. Although we are implementing all but one of the proposals, we

⁶ For example, prioritisation of applications, preapplication processes.

have made changes within proposals in response to submissions. We have also noted some issues we will consider in later stages of the project.

We are improving the Code but are open to new approaches from industry

- 2.8. The Authority seeks change to drive efficient outcomes and deliver long-term consumer benefit. We are making substantial changes to Part 6 to achieve this, and plan further changes in the next stages of the project. The Authority welcomes proposals (including Code drafting) from industry on further improvements to Part 6 to include in these stages. We have noted some areas where this might occur in this paper (eg, complex applications processes).
- 2.9. Industry proposals will be best able to be considered and potentially implemented if they are co-developed with affected stakeholders, detailed and complete, and in a form that can be readily considered for Part 6. Proposals will be considered as the project progresses, as time allows.

We have given industry more scope to determine connection processes

- 2.10. Internationally, some regulators have moved to a 'shared model' for efficient network connections.⁷ The regulator sets the base rules, and industry provides the detailed operational policy. This model leverages the expertise of all parties, is more flexible for complex installations, and is easier to update should change be needed as technology progresses.⁸
- 2.11. The Authority proposed this model in the October 2024 consultation paper. After further consideration and in response to submissions, we have decided to move additional provisions to industry-led policy rather than include these in Part 6 (eg, the managing of competing applications, the application of timeframes when parties are waiting on information from third parties). We consider these provisions are better addressed through industry policy in the first instance.
- 2.12. The Authority has also adopted the proposal for industry to develop a queuing and management policy for the management of all Part 6 applications. In addition, we have included provision for a separate clock stop/start mechanism, to operate similarly to that used in the United Kingdom and proposed by stakeholders.
- 2.13. The Authority will:
- (a) require distributors to have a queuing and management policy and separate clock stop/start mechanism for all Part 6 applications and to apply and publish the policy on their website
 - (b) prescribe when this clock stop/start mechanism can be used, namely when parties are waiting on information from third parties.
- 2.14. While not prescribed in the Code at this stage, the Authority expects the industry-developed queuing and management policy and clock stop/start mechanism (referred to as 'the policy' below) to be adopted and applied by all distributors - specifically, the Authority expects:

⁷ For example, the UK and Australia.

⁸ For example, it is much easier to change industry processes than regulations.

- (a) the policy to be developed via the Streamlining connections programme (discussed at paragraph 2.19 below and outlined in Appendix B), with Electricity Networks Aotearoa (ENA) leading this work
 - (b) access seekers (eg, Drive Electric) to help co-develop the policy
 - (c) the queueing and management policy to meet the purpose of Part 6 and includes, as a minimum, the content set out in paragraph 6.133 below
 - (d) the clock stop/start mechanism to meet the purpose of Part 6 and include similar detail to that prescribed in the UK Ofgem policy⁹
 - (e) the policy to be developed and complete at least three months before the DG Part 6 changes come into effect
 - (f) the ENA to provide the Authority with monthly progress reports and significant working drafts, including a final draft for Authority review.
- 2.15. The Authority will consider codifying the policy in Part 6 (including any changes we think necessary) if we consider:
- (a) the policy is not completed before the timelines in paragraph 2.14(e) above
 - (b) the policy has not been developed with sufficient access seeker input and does not fairly represent, or continue to represent, the interests of access seekers
 - (c) any distributor does not adopt the policy or departs from its terms (where the policy doesn't allow for this).
- 2.16. The Authority has discussed development timelines with the ENA and understands that the required timelines are achievable. As the Authority is releasing an exposure draft of the Code for feedback, industry will have some additional months to develop the required policy. However, we encourage industry to complete the work urgently, to allow distributors sufficient time to accommodate change in their systems.
- 2.17. The ENA has assured the Authority it will undertake a co-development approach that includes non-distributors. This approach is intended to ensure access seekers are intimately involved in the development process, so their interests are represented.
- 2.18. The Authority expects the industry-developed policy to represent best practice and deliver greater consistency across regions.

We will continue to engage with industry on required and complementary measures

- 2.19. The Authority is engaging with ENA and the Electrical Engineers Association (EEA) on the work to develop industry best practice guidelines and policies, called the Streamlining connections programme. Further detail on the Streamlining connections programme is contained in Appendix B. The programme should:
- (a) ensure industry processes are aligned with the Code, standardised and complementary
 - (b) better address barriers to connection (eg, less variation in distributor processes, fewer process gaps)

⁹ See www.ofgem.gov.uk/sites/default/files/docs/2010/09/connections-gsop-guidance-sept_0809.pdf

- (c) allow industry to co-create or adopt processes that are considered best practice (eg, by adopting a distributor process that distributors and applicants consider most efficient)
- (d) allow for faster change and greater flexibility, as industry can respond more readily to connection challenges than the Authority.

We will continue to improve Part 6

- 2.20. The decisions in this paper are stage one of changes to Part 6. They respond to the Authority's focus on improving large DG application processes, bringing load application processes into the Code, and improving the visibility of network capacity and applications to connect.
- 2.21. The Authority will do further work on Part 6. In the October 2024 consultation paper, we signalled some issues we may address next, including reviewing small-scale DG application processes (both the standard and streamlined processes) and processing fees. This stage two will go ahead, although there are some issues we need to consider first (see 'We will re-consult on the obligation to connect load' in paragraphs 5.4-5.14).

We will actively monitor the sector to identify areas for improvement

- 2.22. The Authority is implementing a significant number of changes to Part 6. We will actively monitor the sector to determine the effectiveness of these changes, and to identify where further change should occur. We have implemented stronger record keeping requirements, including that distributors must provide information on Part 6 applications to us. This information will be published to ensure transparency of distributor's compliance with the requirements.
- 2.23. As noted above, we expect industry developed guidelines and policy to include access seeker representation in their development. We encourage and expect distributors to use these guidelines and policies, and as a result we expect improvements in current practice, benefits to the consumer and an increase in consumer satisfaction. If these benefits are not forthcoming through voluntary development and uptake, we will consider further regulation in these areas.

3. Overview of submissions

Submitters

- 3.1. The Authority received 52 submissions and 17 cross-submissions on the consultation paper, from 54 submitters. Distributors provided most of the submissions, but we also received submissions from access seekers, industry organisations and other stakeholders.
- 3.2. The submissions in full are available from our website – [Network connections project – stage one | Our consultations | Our projects | Electricity Authority](#).
- 3.3. Appendix A provides a list of submitters.

We received a diverse range of submissions

- 3.4. We received a diverse range of submissions. Most submissions either:
 - (a) supported the Authority's proposals, or supported the proposals subject to amendments being made; or
 - (b) opposed the proposals or saw no issue to address.
- 3.5. Changes to the proposed Code amendments have been made in response to many of the submissions.
- 3.6. Some submissions fell outside the project's scope and may be considered in a future stage of the Network connections project or referred to another relevant initiative.
- 3.7. The Network Connections Technical Group (NCTG)¹⁰ has reviewed the submissions and provided advice to the Authority on our response.
- 3.8. Table 3 in Appendix A summarises our assessment of the responses to specific questions in the consultation paper.¹¹ However, as noted above, this table does not include general submissions that discussed issues without reference to a question.
- 3.9. In addition, general themes raised by submitters are set out in section 5, and responses from submitters on Proposals A to I are noted in sections 6 to 14.

¹⁰ See <https://www.ea.govt.nz/about-us/our-people/our-advisory-and-technical-groups/network-connections-technical-group>

¹¹ The Authority has used its best endeavours to assess whether a submission supports a proposal or not. This may require judgement in some instances

4. The amendments are consistent with our statutory objectives and requirements in the Act

The amendments are consistent with the Authority's statutory objectives and either necessary or desirable to promote, or are consistent with, the Authority's statutory objectives and functions

- 4.1. After considering all submissions on the Code amendment proposal, the Authority has updated its regulatory statement in accordance with section 39 of the Act. The Authority considers the final Code amendments are consistent with its objectives and are necessary and desirable to promote competition in the electricity industry, reliable supply of electricity to consumers, efficient operation of the electricity industry and the Authority's performance of its functions.

The benefits of the proposals are greater than the costs

- 4.2. The Authority has assessed the economic benefits and costs of the amendments, and each of them delivers a net economic benefit. The consultation paper describes the costs and benefits of the proposal in more detail. Additional considerations arising from submissions are set out in the decision for each proposal (as needed).
- 4.3. The primary economic benefit is a reduction in transaction costs across the electricity industry, which is a productive efficiency benefit. Having said this, many of the proposals promote the competition and reliability limbs of the Authority's main objective.
- 4.4. The Authority notes a clear, predictable and up-to-date set of industry rules is good regulatory practice and can facilitate increased participation in the electricity markets. This in turn might be expected to facilitate all three limbs of the Authority's main statutory objective and provide both static and dynamic efficiency benefits to the economy.

Objectives of the proposed amendment

- 4.5. The proposed amendments are consistent with the Authority's statutory objective to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers.
- 4.6. This main objective for stage one of the 'Network connections project' is 'to make connecting to networks, and amending existing connections, more efficient (eg, easier, faster, more equitable and more consistent across distribution networks)'.
- 4.7. The Authority has consulted on the amendments that it considered were necessary or desirable to achieve these objectives and considered submissions. The Authority has made changes to the original proposals as a result of submissions. Where changes have been made, they are explained in this decision paper. The Authority considers the objective and regulatory statement in the consultation paper remain applicable to this final decision.

The amendment complies with section 32(1) of the Act

- 4.8. The Authority's main objective under section 15(1) of the Act is to promote competition in, reliable supply by, and efficient operation of, the electricity industry for the long-term benefit of consumers.
- 4.9. Section 32(1) of the Act says the Code may contain any provisions that are consistent with the Authority's objectives and are necessary or desirable to promote any or all of the matters listed in section 32(1).
- 4.10. The Authority considers the amendments, both overall and at an individual level, are necessary or desirable to promote:
- (a) competition in the electricity industry – for example, by reducing the ability of speculative DG applications to hinder firm applications
 - (b) the reliable supply of electricity to consumers – for example, by strengthening the application processes so distributors can better address the operation of DG affecting power quality
 - (c) the efficient operation of the electricity industry – for example, by requiring distributors to provide more information on capacity and publish a network connections pipeline, driving more efficient investment decisions
 - (d) the performance by the Authority of its functions – for example, by increasing the record-keeping requirements for distributors so the Authority can better monitor sector performance on network connections and upgrades.

Submitters' views of the regulatory statement generally support the Authority's analysis of the costs and benefits

- 4.11. The Authority received five submissions on the questions in the regulatory statement in the consultation paper. Submissions were in support, or generally supportive with comments.

5. General themes raised by submitters

- 5.1. This section discusses general themes arising from submissions and our response. The themes relate to our approach to developing the proposals and the consultation, and to broader implications of the package of proposals. The general themes section covers the areas of:
- (a) Obligation to connect all load
 - (b) Deemed approval of applications
 - (c) Prioritisation based on the long-term benefit to consumers
 - (d) Evidence of a problem (satisfying the requirement of section 32(1) of the Act)
 - (e) Benefits outweigh the costs
 - (f) Capacity rights
 - (g) Timeframe management
 - (h) Exposure draft of the Code wording.
- 5.2. Discussion of our specific proposals, submissions and our responses, are in section 6 below.

We will undertake a further consultation on the obligation to connect load

- 5.3. The existing framework for DG access requires a distributor to approve applications that comply with the Code and any connection requirements set by the distributor.
- 5.4. In the consultation paper the Authority set out its view that:
- (a) the obligation to approve a connection implies a further obligation on distributors to provide the necessary infrastructure to enable connection
 - (b) the obligation does not impose time limits for delivering connection infrastructure
 - (c) proposed amendments to include larger (>69 kVA) load applications would carry across these same obligations to these load applications.
- 5.5. In its parallel consultation on connection pricing¹², the Authority also proposed a set of pricing methodologies for new and enlarged connections including:
- (a) an enhancement cost allocation requirement that requires distributors to set prices with reference to a 'minimum scheme' with the cost of any distributor-selected enhancements allocated to the distributor (not the connection applicant)
 - (b) a capacity costing requirement requiring any distributor recovering upstream capacity costs from connection applicants to do so using pre-published (posted) rates that recover costs as capacity is consumed (rather than as it is built)
 - (c) an obligation when updating connection pricing methodologies to ensure capital contributions are unlikely to exceed defined 'reliance limits' (where

¹² See <https://www.ea.govt.nz/projects/all/distribution-connection-pricing-reform/>

reliance refers to the portion of growth capex funded through capital contributions).¹³

- 5.6. The enhancement and capacity pricing methodologies could constrain connection charges for some connections. The reliance limits impose an overall restraint on a distributor's ability to allocate the financing burden for new assets to connection applicants.

Submissions

- 5.7. The consultation paper attracted opposition from submitters regarding an obligation to connect load. Key arguments were that proposed Code amendments would:
- (a) reverse policy implemented through primary legislation – the Electricity Industry Act 1992 had a sunset clause that repealed provisions dealing with licensing of electricity suppliers, which included a 'duty to supply'
 - (b) amount to an obligation to invest, which may sometimes be onerous for distributors – particularly if they are prevented from recovering build costs up-front, or if a connection has high operating costs
 - (c) sometimes be detrimental to existing customers – either financially (if costs are not fully recovered from the connection applicant), or through adverse impacts on power quality, congestion, or security of supply
 - (d) sometimes be impractical or impossible to implement, for example where land access is challenging or work to reconfigure and upgrade the network is too significant to deliver quickly
 - (e) risk encouraging inefficient network access outcomes – for example, not connecting to the nearest distribution network or connecting at distribution level when transmission connection would be more efficient.
- 5.8. The parallel connection pricing consultation similarly received criticism from submitters on proposed reliance limits. This is related because distributors are concerned that an obligation to connect combined with restrictions on capital contributions could result in unduly onerous obligations and cross subsidisation from existing consumers (at least for some high-cost connections).

The Authority's response

- 5.9. Having analysed submissions, the Authority considers it should defer any decision on this proposal and further consult on proposals relating to obligations to connect and reliance limits (associated with its parallel distribution connection pricing work).
- 5.10. In practice, this means:
- (a) the proposed amendments to Part 6 will omit the clauses from the load application processes (Process 4 and Process 5) specifying load must be connected on prescribed terms if a connection contract is not negotiated¹⁴

¹³ Capital contributions are the main form of connection charge. The reliance level refers to the sum of capital contributions for consumer connections and system growth, divided by the sum of capital expenditure on consumer connections and system growth.

¹⁴ Clause 15 of Appendix 4 and clause 20 of Appendix 5.

- (b) provisions relating to application processes for load (ie, steps preceding the post-approval process) will operate to allow distributors to impose technical requirements and negotiate the resultant costs, or decline the application
 - (c) the post-approval process will not prescribe terms where terms are not negotiated
 - (d) the amended Code will omit Schedule 6.2A Regulated terms and Schedule 6.2B Prescribed terms which were the terms that applied to load applications if a connection contract is not negotiated.
- 5.11. This approach provides the opportunity for the Authority to consider how proposals may be improved, whether alternative approaches are more fit-for-purpose, and to fully develop links between price and non-price access requirements (particularly the extent of a distributor's obligation to connect). It is also an opportunity for the Authority to better understand any potential impacts and further consult on robust proposals that clearly:
- (a) demarcate distributor obligations to connect
 - (b) set out interactions with related obligations and restrictions (including in relation to connection pricing).
- 5.12. As set out in our parallel decision paper on connection pricing, the Authority considers it prudent to further consider potential modifications to the reliance limits as well as a range of other options and re-consult on this matter alongside the related issue of distributor obligations to connect, for the reasons set out in that paper.
- 5.13. The Authority's current view is that a properly demarcated obligation to connect is appropriate for electricity distribution networks. This is a common element of regulatory access regimes for electricity networks because electricity is an essential service and electricity distribution services have strong monopoly characteristics.
- 5.14. However, we acknowledge concern from distributors that we should ensure obligations are properly demarcated. As such, we intend to develop proposals that more fully establish:
- (a) the distinction between obligations to:
 - (i) build a network extension, or ensure such work is sufficiently contestable
 - (ii) live in a new connection
 - (iii) invest in upstream capacity to accommodate a new connection
 - (iv) protect existing users from congestion caused by new connections
 - (v) provide continuance of supply (ie, incur investment and operating costs to sustain service to existing connections)
 - (b) that connection pricing requirements:
 - (vi) will not make connection obligations unduly onerous
 - (vii) provide cost-reflectivity that promotes efficient investment (in network connection or alternative arrangements)

- (c) the interplay between connection obligations, network standards, contestability and congestion policies.

We are not proceeding with the requirement for approval to be deemed

- 5.15. The existing streamlined small-scale DG application process (Part 1A of schedule 6.1) allows for 'deemed approval' should a distributor fail to meet its required timeframes for approval. That is, if a distributed generator does not receive a notice from a distributor by the date specified in the Code, the distributor is deemed to have given notice of final approval.
- 5.16. Our proposals were based on the streamlined process and would mean that approval would potentially be deemed for all DG and load applications if the distributor did not meet approval timeframes.

Submissions

- 5.17. Many submissions recommended removal of deemed approval. They argued the approach is unreasonable and could lead to connections that are unsafe and/or could interfere with the rights of other consumers. Submitters considered If deemed approval was implemented, distributors would be more likely to decline applications prior to the timeframe expiring or ask for more information to extend timeframes.
- 5.18. Several submitters argued deemed approval should be replaced by dispute resolution.

The Authority's response

- 5.19. The Authority acknowledges that:
 - (a) A single 'deemed' event could present a significant risk to a distributor's customers and agrees a less prescriptive approach could be trialled.
 - (b) Deemed approval may encourage distributors to reject applications when faced with a pressing deadline, rather than work with an applicant to resolve issues.¹⁵ Rejecting an application has consequences on the applicant's position in the network connection pipeline.
 - (c) Larger DG and load applications can be complex, and finite timelines may not always be practical. Certain work (eg, network studies) must be completed before an application can advance. In some instances, completing this work by in a specified period may be beyond the control of the distributor.¹⁶ In these instances, deemed approval could lead to inefficient outcomes and increased risk.
- 5.20. Given the above, we have decided to not provide for deemed approval in Processes 2 (medium) and 3 (large) for DG and Processes 4 (medium) and 5 (large) for load in Part 6.¹⁷ To foster rapid application processing, we have retained the proposed timeframes (see paragraphs 6.44 to 6.50 for details) and clarified applicants can use the existing dispute resolution provision for DG applications if these timeframes are exceeded and parties do not then negotiate in good faith. We will consider

¹⁵ To reduce this risk, the Authority proposed access seekers could allow distributors to defer their decision to a later date

¹⁶ For example, external technical consultants may not be readily available.

¹⁷ Deemed approval for the streamlined small-scale DG process remains (currently Part 1A).

dispute resolution for load processes in a later stage of the Network connections project We will consider dispute resolution for load processes in a later stage of the Network connections project (see paragraphs 11.21 to 11.45 for details).

- 5.21. The Authority has decided to amend the Code to replace the ‘deemed’ provisions in Schedule 6.1 Appendices 2, 3, 4, and 5 with a process that provides for initial negotiation between parties when timeframes are not met. For DG applications, there is access to dispute resolution under the existing dispute resolution provisions – this will be clarified in the Code. The Authority will also:
- (a) separately consider a requirement for distributors to report on Part 6 processing performance annually, using a notice under clause 2.16 (Part 2-Availability of information) of the Code, and strengthen the record keeping requirements to support this
 - (b) monitor the number of times a breach of timeline requirements is triggered (the Authority may revisit ‘deemed approval’ should issues arise).

We are not proceeding with prioritisation of applications based on long-term benefit to consumers

- 5.22. The Authority proposed distributors prioritise applications based on long-term benefit to consumers. This was done to strengthen the purpose of Part 6 and to encourage the connection of applications of greater value to New Zealand (eg, hospitals). Transpower takes a similar approach. It considers the societal value of load connections, among other criteria, when prioritising applications to connect to the grid.

Submissions

- 5.23. Distributors opposed the proposal to prioritise applications based on the long-term benefit to consumers. They see their role as connecting as many consumers as possible, as quickly as possible. They argue they are not expert at evaluating the long-term benefit of different application types to consumers.

The Authority’s response

- 5.24. The Authority has decided not to proceed at this time with the obligation to prioritise applications based on the long-term benefits to consumers as:
- (a) a key objective of the Network connections project is to increase the speed of processing network applications. This includes focusing on applications that are more ‘connection ready’. Prioritising an application with high consumer benefit could slow the overall rate of connecting, if that application is far from ready to connect
 - (b) there is significant potential for any network application to slow or stall, so prioritising certain applications over others, without the ability to reprioritise or place applications in a ‘holding pen’ is inefficient
 - (c) determining the societal value of different types of network applications is inherently difficult and distributors are not expert at determining which applications are of greatest value to New Zealand. Without guiding principles or more detailed guidance from the Authority, distributors are likely to adopt

an inconsistent approach and face criticism from access seekers who disagree with their approach.

The Authority has provided sufficient evidence of a problem

- 5.25. Some submitters, primarily distributors, raised concerns that the Authority has not provided sufficient evidence of a problem that requires the proposed regulatory interventions.

Submissions

- 5.26. Few submitters responded to questions 1 to 5 in the consultation paper. Question 5 was “Do you agree the Authority’s proposed amendments comply with section 32(1) of the Act?”
- 5.27. From the responses provided, four submitters agreed the proposed amendments comply with s32(1) of the Act.
- 5.28. No submitters directly disagreed in response to the question. However, within the introduction or general discussion of their submissions, electricity trusts and a few distributors considered the proposals did not meet good regulatory practice. They considered insufficient evidence had been provided to support the proposed amendments. However, several access seekers provided evidence of barriers/issues in their submissions and cross submissions.

The Authority’s response

- 5.29. The Authority monitors the performance of the electricity sector. We actively engage with parties from across the sector, on an ongoing basis, to promote competition, efficiency and reliability in the industry for the long-term benefit of consumers. These parties share information with the Authority that they would not share with others. This gives us insight into how the sector is operating.
- 5.30. The Authority has noted submissions from access seekers that set out the challenges they face to connect. One stated in their cross submission:

“It is disappointing to note that some parties who are crucial to the successful implementation of the Authority’s proposals, are of the view that there isn’t evidence of an issue to be remedied by the proposed regulation...”

The barriers facing access seekers, including charge point operators (CPOs), have been well documented by Drive Electric through expert analysis and industry consultation (including with ENA and the network distribution companies). The challenges faced by parties wishing to connect to electricity networks, and recommendations for improvements, has been shared with ENA and many EDBs and can be found here: <https://driveelectric.org.nz/charge-point-operators/>.”

- 5.31. In addition to current challenges, the Authority must also consider longer-term effects. This includes proactively addressing issues before they have a significant ongoing impact on the sector.
- 5.32. Given the essential role of electrification in achieving New Zealand’s decarbonisation goals, the Authority considers that the proposed Code

amendments offer distributors the necessary flexibility to manage connection applications. It also offers applicants the surety that their application will be addressed in a timely manner through triaging and prioritisation practices (some of which submissions indicate are already in use by distributors). The Authority views the proposed Code as providing a consistent framework that reduces inefficiencies and fragmentation. In contrast, the counterfactual – disparate and inconsistent processes – creates significant barriers for access seekers and hinder the integration of new technologies.

5.33. The Authority considers:

- (a) the proposed amendments comply with section 32(1) of the Act
- (b) it has provided sufficient evidence for change as:
 - (i) access seekers say they face ongoing challenges to connect and to update connections - these challenges were noted in the Authority's October 2024 consultation paper and reaffirmed through submissions
 - (ii) the sector has openly acknowledged Part 6 change is necessary¹⁸ - the rules have not kept pace with the changing connections environment
 - (iii) overseas jurisdictions face similar challenges to those in New Zealand and have implemented similar initiatives.

The benefits of the proposals outweigh the cost

5.34. Some submitters, mostly distributors, questioned the Authority's position that the benefits of the proposals outweigh the costs.

Submissions

5.35. In general, the access seekers that commented thought the benefits outweighed the costs, noting the wider societal value of the proposals.

5.36. In contrast, distributors were concerned about the cost impact for network users. They questioned whether problems exist, considered implementation costs to be significant, and sought more detailed economic analysis.

The Authority's response

5.37. The Authority acknowledges the challenges in quantifying the benefits and costs of more efficient connections of load and DG. However, the cost of failing to efficiently connect such load and generation could be substantial, impacting New Zealand's future long-term economic performance, including international competitiveness and GDP.

5.38. Any cost-benefit analysis that supports the proposed approach must adhere to the following principles:

- (a) Long-term consumer value: The analysis must emphasise the long-term benefits to consumers, acknowledging that the advantages of decarbonisation extend far beyond immediate improvements to connection processes. While

¹⁸ For example, see submissions to previous Authority consultation in 2022: Regulatory settings to support non-network solutions and flexibility services | Our consultations | Our projects | Electricity Authority

short-term efficiencies are important, the broader focus should include sustained benefits associated with transitioning to a low-emissions economy, such as reduced operational costs, enhanced grid reliability, and improved access and reliability of electricity supply.

- (b) Sectoral evolution: The analysis must also account for the dynamic nature of the energy sector, recognising that technological advancements, regulatory shifts, and evolving consumer demands will impact the sector over time. Consideration should be given in cost benefit analysis on how these changes may influence the costs and benefits of the proposed approach over time, particularly in the context of increasing electrification, distributed energy resources, and the integration of new technology.
- 5.39. The Authority must consider the benefits and costs of the proposals, including wider sector and societal impacts. However, as noted above, the proposals do not readily lend themselves to quantitative analysis.
- 5.40. The Authority believes the benefits of the proposals outweigh the costs as:
- (a) We are proposing change that has, in many instances, been implemented in other jurisdictions facing similar network challenges.
 - (b) The proposals will drive greater consistency of application processes, delivering clear efficiency gains for the sector.
 - (c) Many of the proposals require distributors to amend their current processes (eg, DG changes), rather than create completely new business products.
 - (d) Although distributors face some implementation cost, they also get clear benefits (eg, fewer speculative applications).
 - (e) Where distributors face data related costs for some new initiatives, these costs are reduced as they hold much of the data already or will source it for other reasons (eg, to support distribution system operator functions). For example:
 - (i) Network capacity data – distributors are increasingly sourcing this data for their own network management and planning reasons. However, in this decision paper, the Authority has only imposed an obligation to publish this data if it is held by the distributor, there is no requirement at this time for distributors to seek it out. Where distributors choose to do so, they have greater ability to fund the data access following recent changes to the Commerce Commission’s Default Price Path regime, so any costs are not a result of this decision paper.
 - (ii) Network connections pipeline – distributors already hold and manage detailed information on applications on their network.
 - (f) By allowing industry to develop its own processes (eg, for queueing and managing applications) and not prescribing requirements in detail, distributors have flexibility to implement change using lowest cost options, provided the required Code obligations are met.
- 5.41. Further, the Authority has made changes to many of the proposals after considering submissions from the October 2024 consultation paper, reducing the overall cost burden on distributors.

We are not currently considering capacity rights

Submissions

- 5.42. The October 2024 consultation paper included discussion on ‘capacity rights’¹⁹ (but not proposals) and how these might operate with proposed milestones. Many respondents, particularly distributors, strongly opposed the Authority discussing the concept of capacity rights and these being included in Part 6 of the Code.

The Authority’s response

- 5.43. The Authority has further considered this issue. The October 2024 consultation paper referred to capacity rights in the discussion section only, when more accurately it should have used the term ‘priority position’. The draft Code we provided did not refer to capacity rights. It proposed access seekers meet milestones to maintain their priority position in the network connections pipeline.
- 5.44. The Authority is introducing a Code requirement for distributors to publish a queueing and management policy. This will enable industry to set its preferred approach for managing the priority position of applications. As noted in paragraph 2.14 above, the Authority expects industry to co-develop this policy with access seekers.
- 5.45. The Authority is not actively considering the management of network capacity at this stage. However, it may be considered as the Network connections project progresses. Currently there is little scrutiny of how network capacity is reserved/allocated for Part 6 applications and how allocated capacity is managed over time, especially if it is not used or fully utilised. The Authority seeks outcomes that are efficient, reliable and drive long-term benefits for consumers.

We have introduced clock stop/start to support all parties to meet prescribed timeframes

- 5.46. The Authority has decided to amend Part 6 to increase the speed of processing applications. We proposed finite timeframes to encourage this, and we have made changes to those proposed timeframes in response to submissions.
- 5.47. We recognise that some tasks are undertaken by external parties and are beyond the control of applicants and distributors (eg, network studies). There are times when progress cannot be made as the relevant information has not yet been provided. It is not fair to set finite timeframes when this is so.
- 5.48. The Authority has decided to set finite timeframes, but we have also introduced a ‘clock stop/start’ mechanism. The Code will prescribe when this mechanism can be used (eg when parties are waiting on information from third parties). The detail of how the stop/start process applies will be set out in an industry-developed document.

¹⁹ ‘Capacity rights’ are the extent to which an applicant is guaranteed access to the network. This includes ‘reserving’ capacity while the application is being processed, and ongoing access up to the approved capacity once approved. The regulatory framework is currently silent on capacity rights, meaning distributors are able to determine their own policy.

- 5.49. The United Kingdom uses a clock stop/start mechanism.²⁰ We want New Zealand industry to develop a similar mechanism to work in conjunction with the queueing and management policy. The clock stop/start mechanism sets out when and how timeframes pause, what is required to restart the clock, and the responsibilities of parties to enable this. Working in conjunction with the queueing and management policy, it will ensure applications are fairly treated and prioritised.
- 5.50. The Authority will monitor the progress of applications against the timeframes. This information will provide an evidence base should further Part 6 changes be needed to reflect best practice.

We will release an exposure draft of the Code amendments for sector feedback

Submissions

- 5.51. Overall, the Authority received little comment on the Code drafting itself. Some submitters noted they did not review the Code as they did not support some of the underlying proposals.

The Authority's response

- 5.52. Although not obliged to, the Authority has decided to release an exposure draft of the Code amendments for further stakeholder feedback as:
- (a) the connection processes and pricing work, in combination, proposed many changes and a significant amount of Code drafting for stakeholders to consider although the Authority provided a time extension that allowed sufficient time to respond
 - (b) we have made changes to the proposals in the consultation paper.
- 5.53. The exposure draft provides a further opportunity for stakeholders to review Code drafting in detail, following final decisions from the Authority to ensure the drafting of the Code amendments correctly implements the decisions in this decision paper. We seek comment on Code drafting issues such as errors, corrections, inconsistencies and omissions. The exposure draft does not provide an opportunity to revisit decisions.

²⁰ See www.ofgem.gov.uk/sites/default/files/docs/2010/09/connections-gsop-guidance-sept_0809.pdf

6. Proposal A: Amend the application processes for larger-capacity DG applications in the Code

- 6.1. This section sets out our proposal, stakeholders' submissions, the Authority's responses, and decisions on proposed changes to the distributed generation processes. The key element of the Authority's decision is to split the current 'Part 2' application process to connect DG over 10kW into separate medium and large processes, and tailor these to more appropriately deal with the requirements of applications.
- 6.2. This will benefit consumers and applicants by ensuring the application and assessment process is more appropriate for their application. This will make the process more efficient, giving prospective large generation applicants more visibility to help develop their proposals and applications.
- 6.3. The Authority proposed 13 changes to DG application processes in Part 6. The following table summarises the proposal and our decision on each:

Table 2: Changes for DG applications

	Proposal	Decision
All DG applications		
A1	Change the DG size thresholds from <i>nameplate capacity</i> to <i>maximum export power</i>	We have decided to implement the proposal without change
DG applications with maximum export power >10kW		
A2	Implement separate application processes for medium- and large-capacity DG applications (based on the current Part 2 process in Schedule 6.1)	We have decided to implement the proposal without change
Medium-capacity DG applications (>10kw and <300kW)		
A3	Require distributors to approve or decline initial and final applications within finite timeframes	<p>We have decided to implement an amended form of the proposal</p> <p>The amendments are:</p> <ul style="list-style-type: none"> • Require distributors to act reasonably and process applications without undue delay • Allow a distributor to use a clock stop/start mechanism when Part 6 allows • Limit the use of extensions • When timeframes are exceeded, the DG applicant (that is a participant) can initiate the dispute process in Schedule 6.3 (see discussion starting at paragraph 11.34 for Proposal F).

		<ul style="list-style-type: none"> • Require distributors to approve/decline the initial application • Clarify that if nameplate capacity is increased, or components replaced, a new application for connection must be made • Allow distributors greater latitude around timeframes for DG interim and final applications of 1.5MW and above.
A4	Provide more detail on how medium-capacity DG applications should be prioritised	<p>We have decided to implement an amended form of the proposal:</p> <p>The amendments are</p> <ul style="list-style-type: none"> • Delete the requirement to prioritise applications based on the long-term benefit to consumers • Require distributors to manage priority through the queuing and management policy
Large-capacity DG applications (≥ 300kW)		
A5	Require applicants to pay an initial application fee that is non-refundable and non-transferable, unless the distributor agrees otherwise	We have decided to implement the proposal without change
A6	Require distributors to approve or decline an initial application within a finite timeframe	Refer to A3
A7	Allow applicants to resubmit initial, interim and final applications at no cost	<p>We have decided to implement an amended form of the proposal</p> <p>The amendments are:</p> <ul style="list-style-type: none"> • Resubmission of an application at no additional cost only applies where there is: <ul style="list-style-type: none"> ○ No increase in either nameplate capacity or maximum export power ○ No change to the location or the applicant.
A8	Add an interim stage to the application process for large-capacity DG where most of the technical analysis is completed	We have decided to implement the proposal without change
A9	Amend the conditions under which a distributed generator must make a final application	We have decided to implement the proposal without change
A10	Require applications to meet external conditions to be eligible for final approval	<p>We have decided to implement an amended form of the proposal</p> <p>The amendment is:</p>

		<ul style="list-style-type: none"> Delete the requirement for the distributor to consider project investment decision and overseas investment office approval from the distributor's decision on final applications.
A11	Change the prioritisation clause to encourage more collaboration of final applications that might otherwise compete	<p>We have decided to implement an amended form of the proposal</p> <p>The amendment is:</p> <ul style="list-style-type: none"> Not proceed with the proposed changes related to coordinating applications
A12	Require distributors to approve or decline a final application within finite timeframes	Refer to proposal A3
A13	Require approved final applications to meet project milestones to retain position in a distributor's network connections pipeline	<p>We have decided to implement an amended form of the proposal</p> <p>The amendments are:</p> <ul style="list-style-type: none"> Allow a distributor to require an application to be resubmitted, when, due to the applicant's actions: <ul style="list-style-type: none"> the application has not met its agreed milestones. construction has not been completed within two years of final approval. Allow a distributor and applicant to include medium DG and load applications within the network connections pipeline if both agree.

6.4. The Authority put forward similar proposals for medium and large DG proposals and received similar feedback. As such, and to avoid duplication, we have combined our discussion below for medium and large DG applications, unless noted otherwise.

Proposal A1: Change the DG size thresholds from nameplate capacity to maximum export power

6.5. Currently DG size thresholds in Part 6 use 'nameplate capacity' to determine which application process must be used.²¹ Nameplate capacity is the maximum export possible from a DG installation.

6.6. The Authority proposed to use 'maximum export power' instead of nameplate capacity for DG size thresholds.²² This would require DG applications to be considered on the electricity exported through a point of connection into a network, rather than their maximum potential to export.

6.7. The consultation paper noted nameplate capacity would continue to be provided by the applicant and recorded in the registry.

²¹ See Part 1 of the Code for a definition of nameplate capacity (https://www.ea.govt.nz/documents/7011/1_April_2025_-_Part_1_-_Preliminary_provisions.pdf).

²² See Part 1 of the Code for a definition of maximum export power. The Authority proposed a revised definition for maximum export power in the consultation paper.

Submissions

- 6.8. There was mixed reaction from submitters, although the majority agreed:
- (a) Fourteen submitters agreed with the proposal.
 - (b) Six submitters agreed with conditions.
 - (c) Five submitters disagreed.
- 6.9. Those that agreed with conditions, or disagreed, raised several technical concerns:
- (a) DG affects networks beyond the amount of electricity they export. Network studies require nameplate capacity to determine these effects
 - (b) guidance is needed on how to determine maximum export power
 - (c) distributors need to consider any change in a connection's maximum export power over time (eg, during faults, as onsite consumption changes)
 - (d) without export-limiting devices, distributors may need to monitor export levels and intervene when limits are exceeded. The costs to control export levels and to monitor/resolve breaches may outweigh the benefits of the proposal
 - (e) distributors would have little visibility of equipment changes (eg, inverters) that could substantively increase generation and affect network protection systems.
- 6.10. A few distributors sought clarity on how the proposal would work:
- (a) with dynamic operating envelopes, which require ongoing adjustments to be effective
 - (b) as hosting capacity becomes increasingly constrained on networks.

The Authority's decision

- 6.11. Most submitters supported the proposal, including some distributors.
- 6.12. The Authority believes the technical concerns raised by some distributors can be managed:
- (a) The Authority recognises distributors need to consider more than maximum export power in network studies.²³ Nameplate capacity is essential information, and the Authority has added this to the information that applicants must provide.²⁴
 - (b) Distributors and applicants can liaise on the best and least cost way to manage export levels. Options include using nameplate capacity (if both parties agree), installing export-limiting devices, undertaking periodic monitoring of export levels and testing of export controllers, and/or other means.

²³ For example, voltage fluctuations and fault current issues.

²⁴ The consultation paper noted nameplate capacity would still be provided if the proposal is adopted. Also, Part 6 already gives distributors the power to require information from applicants that is reasonably needed.

- (c) Distributors and applicants can manage operational export levels, including potential breaches and for dynamic operating envelopes, through connection contracts and connection conditions.
 - (d) The definition of maximum export power applies to operation under normal and abnormal operating conditions (eg, instances when load trips should all DG output be exported needs to be considered).
 - (e) An industry guide, if developed, could determine how to calculate maximum export power, including when operating conditions are abnormal.²⁵
 - (f) The proposal has no impact on the distributor's visibility of equipment changes behind the meter.
- 6.13. The Authority has decided to:
- (a) adopt DG application thresholds for Process 2 and Process 3 based on maximum export power²⁶
 - (b) amend the proposed Code so applicants must provide maximum export power and nameplate capacity for Process 2 and Process 3 DG applications
 - (c) recommend industry develops a guide for calculating maximum export power and providing protection against excess export. This work could be led by the EEA as part of the Streamlining connections programme.
- 6.14. The Authority will monitor the effectiveness of the change as part of its wider industry performance review.

Proposal A2: Implement separate application processes for medium- and large-capacity DG applications

- 6.15. Part 6 currently has a single application process for DG applications greater than 10kW. The Authority proposed changing this to two application processes, one for medium and another for large DG applications. The Authority has previously consulted on this with general support from industry.
- 6.16. The proposal recognised there is variation in the complexity of assessing different-sized DG applications:
- (a) Large applications may require detailed network studies, changes to the proposed generation once studies have been completed and analysed, upgrades to upstream infrastructure, and Transpower's involvement as the grid owner.
 - (b) Medium-sized DG applications are less likely to require these steps unless the addition of the generation is at the margin of the networks operating envelope.
- 6.17. Consequently, the Authority proposed moving from two to three capacity bands, with processing requirements increasing as size capacity increases:
- (a) Small (Process 1) $\leq 10\text{kW}$
 - (b) Medium (Process 2) $> 10\text{kW}$ but $\leq 300\text{kW}$
 - (c) Large (Process 3) $> 300\text{kW}$.

²⁵ This guide should be added to connection and operation standards.

²⁶ Footnote deleted, see Errata on Page 7.

- 6.18. Only Processes 2 and 3 were included in the consultation. Process 1 (currently Part 1 and Part 1A applications) will be the subject of separate consultation in stage 2 of the Network connections project.
- 6.19. For this proposal, the Authority sought feedback on:
- (a) whether a medium and large DG application process is appropriate and, if so, what size thresholds should apply
 - (b) whether complexity should determine the application process to be used, rather than application size
 - (c) whether the proposed balance of requirements for medium and large applications should change
 - (d) appropriate timeframes to process applications (discussed in paragraphs 6.36-6.50 on Proposals A3, A6 and A12).

Submissions

Should medium and large DG application processes apply?

- 6.20. There was general support for a medium and large DG application process. However, some submitters argued for application processes based on complexity that would not use a medium and large category.
- 6.21. There was some support for a very large DG category and for flexibility to apply given these applications are likely to be more complex.

What size thresholds should apply?

- 6.22. There was support for the proposed medium and large DG thresholds developed following discussions with the NCTG.²⁷ Some submissions recommended a change of the upper threshold for medium DG (300kW proposed), however views were mixed, ranging lower and higher, either 200kW, 500kW or 1MW. Some of the reasons included:
- (a) using the meter categories in the Code
 - (b) aligning with the 1MW DG disclosure requirements to the system operator
 - (c) aligning the DG with the load size thresholds (which submitters also suggested should increase)
 - (d) aligning with the technical requirements in the inverter installation standard
 - (e) increasing the threshold to reduce the administrative burden on distributors.
- 6.23. The Authority notes these suggestions.
- 6.24. There was strong support to review the Part 1 and Part 1A size threshold of 10kW. The Authority notes this is out of scope of this consultation and will be considered in Stage Two of the Network connections project.

²⁷ One submitter recommended the Authority periodically review the thresholds to ensure they remain fit for purpose.

Should Part 6 use size or complexity thresholds?

- 6.25. A range of submitters supported using generation capacity (kW thresholds) to determine which application process must be used in Part 6. This is the incumbent approach and less ambiguous than using the complexity of the proposed connection to determine which process to use.
- 6.26. However, some submitters supported a complexity-based approach.²⁸ They noted this responds better to the actual work required to process an application, making connecting more efficient for both access seekers and distributors. Submitters noted industry would need to develop the appropriate complexity guidelines for this to occur.
- 6.27. The Authority notes these suggestions.

Other measures identified by submitters

- 6.28. One submitter suggested an interim stage for Process 2, much like that proposed for Process 3. This stage could be bypassed if the application does not require network studies.
- 6.29. One submitter recommended the Authority introduce requirements for network studies. This included:
- (a) requiring the distributor to provide the scope for studies, and parties to agree to these, within a given timeframe
 - (b) ensuring the distributor cannot unreasonably expand the scope of studies or add additional studies later in the process.
- 6.30. The Authority will consider these suggestions for Stage 2 of the Network connections project.
- 6.31. One submitter recommended applicants should not need to demonstrate full compliance with a distributor's connection and operations standards (COPS) at the initial application stage.
- 6.32. The Authority notes Part 6 requires distributors to publish their COPS, so these are available to access seekers before an application is made. A distributor can choose to process an application that doesn't meet their COPS under Part 6, but the approved final application must meet it to comply with the Code.

The Authority's decision

- 6.33. The Authority has considered the contrasting views provided in submissions and also asked the NCTG for its views. We have decided:
- (a) We will implement a medium and large DG application process using the proposed maximum export capacity thresholds. The thresholds are unambiguous and represent a reasonable proxy for complexity. The 300kW threshold represents a balance between delivering value (eg, through the network connections pipeline) and associated costs. The Authority notes that

²⁸ A complexity-based approach responds to how difficult it is to connect an application. For example, it may be easy to connect large DG in an area where there is existing infrastructure, significant capacity and no affected network users. In contrast, more processing could be required to connect much smaller DG where the network is constrained.

the proposed Code allows distributors to develop standardised industry-wide definitions and tranches for complexity within each threshold, and triage applications into those tranches for management, handling and approval of applications.

- (b) We will continue to review the appropriateness of the DG size thresholds through our annual review of Part 6 performance.
- 6.34. The Authority acknowledges there may be advantages to processing applications based on their complexity. However, there are currently no guidelines on how to do this. Industry could work with stakeholders to develop guidelines for processing applications based on complexity, potentially as part of the Streamlining connections programme, and approach the Authority about whether it would be minded to consult on a Code change to embed this approach in the Code.
- 6.35. The Authority may consider introducing a 'very large' DG application process in future. Given connections for very large DG installations can be substantially more complex than smaller DG installations, the process could include greater flexibility around timeframes. However, this application process may not be needed if industry develops a complexity-based approach.

Proposals A3, A6 and A12: Require distributors to approve or decline initial and final applications within finite timeframes

- 6.36. Part 6 currently sets timeframes to process DG applications. However, distributors can request multiple time extensions, and the distributed generator cannot unreasonably withhold its consent. It is unlikely that applicants would refuse consent as they need to maintain working relationships with distributors. The Authority has not received notification of an alleged Code breach of Part 6 timeframes to date.
- 6.37. The concept of finite timeframes is not new in the Code and has worked well. For Part 6, we proposed finite timeframes by:
- (a) revising the existing timeframes for some tasks
 - (b) setting timeframes for new proposed tasks (eg, approving an interim application)
 - (c) limiting the number of extensions that can be used.

Submissions

- 6.38. There were many submissions on timeframes. Most access seekers recommended shorter timeframes, while distributors recommended longer timeframes, or in some cases, non-specific 'reasonable' timeframes.
- 6.39. The following issues were raised by access seekers:
- (a) Using the maximum allowable timeframes under Part 6, could have a detrimental effect on applications.

The Authority reiterates that timeframes are maximums and not targets.
 - (b) Some submitters wanted the Authority to develop fast-track processes for homogeneous connection types.

The Authority notes that the proposed Code does not prevent distributors providing a fast-tracked application approval process where a distributor considers that the connection poses no risk to existing consumers or its network. The proposed Code allows for the following, provided the applicant agrees:

- (i) medium DG applications where the initial application could be treated as the final application; and
- (ii) large DG applications where the initial application could be treated as the interim application, and the interim application could be treated as the final application.

6.40. The following issues were raised mostly by distributors:

- (a) Distributors were concerned that working to regulated timeframes would slow down relatively simple connections, and cause distributors to breach the Code on more complex connections.

The Authority notes Part 6 has always included regulated timeframes.

- (b) Some submitters sought a principles-based approach rather than prescribed timeframes for Part 6.

The Authority does not support this approach as it would fail to provide the certainty needed for investment. It would also allow distributors to focus on tasks other than connections, which may not always be in the best interest of consumers.

- (c) Some submitters argued that a complexity-based approach would better manage consumer expectations and be more efficient (eg, access seekers would accept that more flexible timeframes are needed for 'complex' applications).

The Authority considers that the proposed Code allows distributors to adopt complexity-based approaches, provided that the finite timeframes are not exceeded.

- (d) Many distributors said some applications may take longer than the time allowed, and some form of exemption will be required. They sought greater flexibility, with longer timeframes for large and complex applications.

The Authority considers the proposed Part 6 timeframes and extensions process largely deliver this.

- (e) Many distributors and Transpower drew attention to delays in obtaining external services for complex applications and will typically need more than 40 business days for a decision when network studies are required. There is a limited number of providers and demand for their services is high.

The Authority notes this issue.

- (f) There was strong distributor support for Part 6 to adopt a stop/start methodology like that used in the United Kingdom, and for this to apply when parties are waiting on information for a decision (eg, network study). This change would allow greater flexibility for distributors when needed.

The Authority notes that the proposed Code included a provision that clock could be paused when the distributor is awaiting information from the applicant that was missing from their interim or final application. The medium DG application process included a pause on the final application approval, and the large DG application process included a pause on the interim and final DG application approval. However, the Authority has noted from submissions that these clauses do not work as intended when the distributor is the party that is waiting for information from the grid owner, or where the distributor is the party that contracts or carries out the network studies.

- (g) The ENA suggested industry could develop appropriate timeframes for processing DG and load applications, rather than the Authority, and implement these in a common connection contract.

The Authority notes this suggestion.

- (h) Some submitters suggested a single timeframe for final approval, rather than timeframes for individual steps.

The Authority believes this approach would be less effective than the proposed approach.

- 6.41. Several submitters argued for the ability to short-circuit the initial, interim and final application pathway (eg, skip the interim application stage). This would make it easier to meet timeframes. Part 6 already allows this to some extent and the Authority is not proposing to amend those clauses. Also, some submitters did not support a distributor making a decision on an initial application, saying this would lead to delays.
- 6.42. Some distributors sought timeframe concessions:
 - (a) Some submitters suggested percentage compliance with timeframes (eg, 85% in Year 1) with compliance levels to improve over time.
 - (b) Some distributors want Part 6 to allow more time if many applications are received at the same time.
 - (c) Some distributors recommended concessions for smaller distributors who typically have fewer resources than larger distributors.
- 6.43. The Authority wants Part 6 to deliver a consistent, minimum level of performance for consumers. The three suggestions above do not support this and could lead to slower processing of network applications.

The Authority's decision

- 6.44. To support electrification, security of supply and faster decarbonisation of the economy, the Authority proposed finite timeframes to focus sector resources on applications to connect and upgrade.²⁹ Without time limits, some applications may take longer to process.
- 6.45. The Authority recognises it is difficult to set time limits for what can sometimes be a complex and challenging process, particularly for larger DG applications. For the

²⁹ To further assist with meeting timeframes, the Streamlining connections programme is developing complementary measures (eg, best practice pre-application stage).

proposed timelines, the Authority worked closely with the NCTG, drawing on their sector expertise.

- 6.46. There was significant feedback on timeframes and submitters raised many good points. In response, for all application processing timeframes, the Authority has decided to amend the Code to:
- (a) require distributors to act reasonably and process applications without undue delay
 - (b) allow a distributor, acting reasonably, to pause the clock where a lack of availability of external information means a distributor cannot progress an application until the information is available, using the industry developed 'clock stop/start' mechanism
 - (c) limit use of extensions to where zone substation works are required, and/or Transpower input is needed
 - (d) when timeframes are exceeded, allow the DG applicant (participant or non-participant) to initiate the dispute process (see discussion starting at paragraph 11.21 for Proposal F).
- 6.47. In addition, for Process 2 (>10kW and <300kW) and Process 3 (≥ 300 kW) applications, the Authority has decided to amend the Code to:
- (a) require a distributor to approve/decline the initial application - this provides a clear indication to both parties that this stage is complete, and the next stage can commence with timeframes confirmed
 - (b) clarify that if nameplate capacity is increased, or components replaced, regardless of whether there is any change to nameplate capacity or maximum export power, a new application for connection must be made
 - (c) allow distributors greater latitude around timeframes for DG interim and final applications of 1.5MW and above, by allowing an additional two extensions to the timeframe by agreement with the applicant (where this extension is not agreed by the applicant, the distributor can use the dispute resolution provisions proposed in the consultation)
 - (d) recommend that a balanced group of industry stakeholders (distributors and access seekers) develop best practice guidelines for triaging and managing medium and large DG applications (this work could inform the development of the queueing and management policy).
- 6.48. As noted in paragraph 6.34, the Authority is open to industry developing a complexity-based approach for network applications. This approach, if adopted, may require the Authority to consult on different timeframes to those the Authority has implemented.
- 6.49. The Authority stresses that the specified timeframes in the Code are maximums and not targets. Distributors should process applications as quickly as possible and not wait for the maximum time to expire. The Code does not prevent distributors from developing internal fast-track application processes and approvals processes as long as those processes are not inconsistent with the Code processes.
- 6.50. We will monitor the management of Part 6 timeframes. This will provide information on best practice and areas where the Code can improve.

Proposal A4: Provide more detail on how medium-capacity DG applications should be prioritised

- 6.51. The Authority proposed that distributors prioritise applications based on the long-term benefit to consumers.

Submissions

- 6.52. In general, submitters wanted to retain prioritisation based on the proposed Part 6 purpose, connecting distributed generation and load when the connection is consistent with distributor's connection conditions. Further, submitters generally supported industry developed policies for prioritisation and queuing management that would set out clear processes but enable greater distributor discretion.
- 6.53. There was strong opposition to distributors prioritising applications based on the long-term benefit to consumers, and that prioritisation should be an objective technical assessment. This opposition came from both distributors and access seekers. The proposed approach was thought to be outside the core expertise of distributors. Other related points included that it would:
- (a) be contrary to distributors' business models
 - (b) risk inconsistency across regions
 - (c) create greater risk of disputes
 - (d) require distributors to make their own interpretation of the Authority's statutory obligation across different but equally valid applications
 - (e) create uncertainty for applicants about how their projects will be evaluated
 - (f) compromise the efficiency of connections and network use.
- 6.54. Some submitters conditionally supported the proposal provided the Authority provided guiding principles covering connection priority and application removal. Others thought the queueing and management policy should address this issue.

The Authority's response

- 6.55. The Authority noted the strong preference for an industry-led approach to determine prioritisation measures. We consider industry co-development of processes and procedures offers greater benefit, where appropriate, particularly given the rapidly changing nature of the industry due to innovation and new technology. An industry developed queueing and management policy can include processes for managing complementary and/or competing applications.
- 6.56. The Authority also noted strong distributor opposition to prioritising applications based on a long-term benefit to consumers. Distributors viewed their role primarily as facilitating the fastest possible connection for the greatest number of applicants, and expressed concerns that assessing long-term consumer benefits falls outside their area of expertise. The Authority agrees and has removed that criterion from the proposed Code.

The Authority's decision

- 6.57. The Authority has decided to:
- (a) amend the Code to require, as proposed, distributors to develop, publish and adopt a queueing and management policy setting out how all Part 6 applications will be managed
 - (b) recommend that industry develop guidelines to help applicants understand the queueing and management policy and how it impacts the network connections pipeline
 - (c) not proceed with the proposal for distributors to prioritise applications based on the long-term benefit of consumers.
- 6.58. As noted in the consultation paper, the Authority expects all distributors to adopt the industry developed queueing and management policy.
- 6.59. The Authority will monitor applications to ensure they are being managed in accordance with the queueing and management policy and network connections pipeline. We may consider Code obligations in the future, if issues arise.

Proposal A5: Require applicants to pay an initial application fee that is non-refundable and non-transferable, unless the distributor agrees otherwise

- 6.60. The Code currently allows distributors to charge fees for processing DG applications, up to the maximum specified in Schedule 6.5 of Part 6 (Prescribed maximum fees). Fees enable distributors to recoup their costs to process DG applications.
- 6.61. As the large DG application process is new, the Authority consulted on providing distributors with the ability to charge a fee for the initial, interim, and final applications, provided that the total does not exceed the cap set in Schedule 6.5.
- 6.62. The consultation paper proposed that distributors have discretion on when they request fees from distributed generators. Some may require a single upfront fee, while others may not charge until the process is underway. This means applicants who have not paid an up-front fee can withdraw their application after the process has started, without losing money. If this occurs, the distributor may not be able to recoup its costs to that point, and the associated loss might be passed onto the consumer.
- 6.63. The Authority proposed to permit distributors to charge interim application fees for large DG, and final application fees for both medium and large DG applications (Processes 2 and 3). The proposed DG fees were set out in the proposed Schedule 6.5, attached to the consultation paper.
- 6.64. We noted that we will comprehensively consider fees in stage 2 of the Network connection project and sought feedback on whether we should wait to progress the fees proposals until then.

Submissions

- 6.65. The Authority noted that:
- (a) Nine submitters agreed with the proposal.
 - (b) One submitter conditionally agreed and suggested a tiered system.

- (c) One submitter disagreed.
- 6.66. Most submitters agreed with the principle of charging fees (including interim and final) for processing DG applications noting this should deter speculative 'placeholder' applications. Several submitters further noted that the fee levels should be commensurate with the scale of the DG.
- 6.67. One submitter expressed there should be meaningful, non-refundable, fees applied to each stage of the connection process, reflecting the cost to adequately resource the various application stages. This would both reduce speculative interests and draw on resources and increase funding for adequately resourcing connections.
- 6.68. Two submitters also explicitly supported allowing discretion for distributors to refund fees where appropriate.
- 6.69. However, several submitters noted that the maximum fees in Schedule 6.5 (despite the CPI updates) were insufficient to cover the costs of processing large-scale or complex applications. This meant existing load customers would pay these costs.
- 6.70. One submitter suggested future fees linked to MW capacity for larger DG. One distributor indicated it covered these situations through separate service agreements with customers to recover the additional costs. Submitters welcomed the Authority's future fees review.
- 6.71. One distributor suggested introducing a tiered application fee system with different levels for Processes 2, 3, 4, and 5. to align costs with each process's administrative and technical workload. This would also ensure fairness and proportionality for both distributors and applicants and incentivise applicants to provide accurate and complete submissions, minimising the need for revisions and reducing administrative bottlenecks.
- 6.72. One submitter, in its cross-submission, supported regulated application fees for each stage. It referenced Lodestone's proposed \$/capacity fee for initial, interim and final applications. This is with the substantially higher final application fee being reimbursed by the distributor on a staged basis if/as the generation plant is commissioned. Payment of the final application fee would secure capacity, with the milestone approach unnecessary.
- 6.73. One submitter disagreed with introducing fees (unless detailed assessment work was required), did not consider it solved the underlying issue of a lack of network visibility that forces access seekers to engage in distributor application processes.

The Authority's response

- 6.74. The Authority noted the near unanimous support for the proposed application fees, and for these to be non-refundable and non-transferable unless the distributor agrees otherwise. We have also noted the range of ideas on how to implement fees provided by respondents.

The Authority's decision

- 6.75. The Authority has decided to:
- (a) retain the current fee structure and fee amounts set out in Schedule 6.5 at this time
 - (b) implement the proposed Code fee obligations without amendment.

- 6.76. The Authority will undertake a comprehensive review of fees in Stage two of the Network connections project, starting in late 2025.

Proposal A6: See paragraph 6.36

Proposal A7: Allow applicants to resubmit initial, interim, and final applications at no cost

- 6.77. Part 6 of the Code currently does not permit a large DG applicant to resubmit their application if network studies indicate that changes are required to the proposed installation or capacity. In such cases, the applicant may be forced to submit a new application – incurring additional fees and potentially losing their place in the proposed network connections pipeline.
- 6.78. To address this issue, the Authority consulted on a proposed amendment to allow applicants to resubmit their initial, interim, or final applications without incurring additional fees or forfeiting their position in the network connections pipeline. This change is intended to support a more flexible and efficient connection process, particularly for complex or evolving projects.

Submissions

- 6.79. The Authority noted:
- (a) Five submitters agreed with the proposal.
 - (b) Two submitters conditionally agreed.
 - (c) No submitters disagreed.
- 6.80. Most submitters agreed with the proposal, noting that studies may reveal more or less capacity is available than first thought, or discover new information. Flexibility is therefore needed. Submitters also noted applications require individualised responses, and concept solutions can require multiple option studies and modelling, which is highly dependent on location.
- 6.81. Three submitters considered that resubmissions should only be for substantially similar proposals. For example, resubmissions should not include any change to location (site or address) or material change to the characteristics of the installation.

The Authority's response

- 6.82. The Authority has noted:
- (a) Support for applicants to resubmit applications at no cost.
 - (b) The submission from an access seeker that the requirement should apply only if there is no change to a specific site address or location. The Authority agrees with this submission as a change to address or location would require additional work from the distributor.
 - (c) The submission from a distributor that the requirement should apply only if there is no material change to the characteristics of the installation being applied for. The Authority agrees with this submission, but only if the resubmission does not increase the capacity, as that would require additional work from the distributor.

- 6.83. The Authority agrees:
- (a) Applicants should be able to resubmit an application if circumstances change during the approval process, particularly if network studies identify either a problem or a more economic solution, without losing their place in the network connection pipeline.
 - (b) The requirement in the proposed Code should be clear that resubmission of an application at no cost applies only for the same location, applicant, and if nameplate capacity and maximum export power do not increase.

The Authority's decision

- 6.84. The Authority has decided to amend the Code so resubmission of an application at no additional cost only applies where there is:
- (a) no increase in either nameplate capacity or maximum export power
 - (b) no change to the location of the proposed DG, or the applicant making the application.

Proposal A8: Add an interim stage to the application process for large-capacity DG where most of the technical analysis is completed

- 6.85. Part 6 of the Code currently sets out a two-stage application process for DG systems above 10kW, comprising an initial application stage followed by a final application stage.
- 6.86. In practice, much of the analysis for large DG applications occurs in the period between these two stages rather than within either stage itself. After submitting an initial application and receiving the results of network studies, applicants and distributors often engage in detailed discussions regarding design, connection arrangements, and operational parameters.
- 6.87. This may include changes to the proposed nameplate capacity, maximum export power, or the specific point of connection. These negotiations can be complex and time-consuming, sometimes requiring further studies and resulting in significant delays before a final application is submitted.
- 6.88. To address this, the Authority proposed introducing an interim application stage for large DG applications. This interim stage would preserve an applicant's place in the network connection pipeline following initial approval, while providing a structured framework for ongoing engagement with the distributor. It would facilitate the completion of technical analysis and allow both parties to agree on connection studies, arrangements, and final conditions prior to the submission of a final application.

Submissions

- 6.89. The Authority noted:
- (a) Six submitters agreed with the proposal.
 - (b) One submitter conditionally agreed.
 - (c) Four submitters disagreed.

- 6.90. Most submitters supported the proposal, with one submitter noting it would be beneficial as it would prevent distributors from delaying approval to the final application. Another submitter noted it recognised the value of impact assessment studies, which help inform feasibility, identify additional connection requirements early in the process and provides the basis for assessing final application.
- 6.91. However, submitters commented on timing of the interim phase, suggesting the Authority should monitor the timeliness of applicant's progress, or that the timeframe from interim to final application was too long.
- 6.92. One submitter considered it more practical to notify third parties only when the final application is submitted, rather than at the interim stage. This approach would reduce unnecessary notifications for projects that may not proceed.
- 6.93. Submitter views were mixed on overall application periods with some submitters noting 40 days overall seemed appropriate. Others considered this would typically be insufficient (even for medium DG) as network studies can have long lead times due to external resource dependency like consultants. Therefore, medium DG applications should also have an optional interim phase.
- 6.94. Of the submitters not supporting the proposal, reasons included:
- (a) It may introduce further delay to the connection process and greater project uncertainty as the final approval is later in the process.
 - (b) A simplified application process would better meet customer expectations and improve efficiency. Proposals focusing on sequential stages (initial, interim, and final stages) rather than parallel processing require greater resource allocation for monitoring milestones and managing overlapping timelines for multiple applications.

The Authority's response

- 6.95. The Authority noted:
- (a) Of the submitters that commented on this proposal most supported the introduction of an interim stage for large DG applications
 - (b) There were no issues raised with the proposed Code amendment by submitters.
- 6.96. The proposed Code amendment allowed a distributor and applicant to agree to streamline the Part 6 processes by moving applications straight into the next stage of the process where appropriate.

The Authority's decision

- 6.97. The Authority has decided to:
- (a) implement the proposed interim stage for large DG applications
 - (b) monitor the application and effectiveness of the interim stage as part of our Part 6 monitoring regime
 - (c) not introduce, as part of this decision, an interim stage for medium DG applications - although the Authority notes that some submitters suggested this approach, the Authority does not consider these applications are complex enough to warrant an additional application stage.

Proposal A9: Amend the conditions a distributed generator must meet for a final application

- 6.98. The Authority proposed changes to the conditions a large DG applicant must meet to make a final application, to reflect the addition of an interim application stage.
- 6.99. The Authority proposed that final applications must be submitted within 90 business days of an approved interim application or the resolution of any dispute. Distributors have the discretion to extend this timeframe if appropriate. By the interim application stage, the Authority expects that most network studies should have been completed and negotiations on connection arrangements substantially resolved.
- 6.100. The proposed Code also introduced a requirement for applicants to provide evidence of meeting external conditions, further discussed under Proposal A10 below. At this stage, the key details of the application should already be confirmed, and significant changes should not occur during the final application stage.
- 6.101. In its consultation, the Authority noted this clause could inadvertently introduce a process loop that may slow down application processing. However, distributed generators maintain the right to dispute any conditions proposed by the distributor at either the interim or final approval stages.

Submissions

- 6.102. The Authority noted that there were no submissions that directly agreed, conditionally agreed or disagreed with the proposal.

The Authority's decision

- 6.103. The Authority has decided to implement the proposal without change.

Proposal A10: Require applications to meet external conditions for final approval

- 6.104. Following final approval, and before a project can physically connect to the network, it must often complete several additional steps. This includes steps such as securing environmental consents, making a final investment decision, and obtaining financing. These processes can be lengthy, sometimes taking years.
- 6.105. If a project has final approval but has not met these conditions, it may progress slowly or stall entirely, or the project may be 'banked' awaiting an investor or a purchaser. In the meantime, it continues to affect distributor resources and prioritisation, which can delay other, more connection-ready applications. This issue is explored further in relation to Proposal A13 'Require approved final applications to meet project milestones to retain position in a distributor's network connections pipeline' in paragraphs 6.131-6.132.
- 6.106. While existing regulated terms in Part 6 of the Code offer some protection—such as Clause 3(6) of Schedule 6.2, which requires construction to begin within 18 months

of final approval³⁰ —there is currently no obligation for distributors to include such timeframes in negotiated connection contracts.

- 6.107. To address these concerns, the Authority proposed that large DG applicants must have secured a project investment decision (PID), and, where applicable, Overseas Investment Office (OIO) approval under relevant legislation, prior to submitting their final application. These requirements would only apply if such approvals are relevant to the project.
- 6.108. The Authority considered that securing investment approval is a reasonable proxy for project readiness, offering distributors greater confidence that the DG project will move forward toward connection in a timely manner.

Submissions

- 6.109. The Authority noted:
- (a) No submitters agreed with the proposal outright.
 - (b) One submitter conditionally agreed and suggested that "...a project investment decision could instead be required as part of the connection agreement stage as a condition to connect."
 - (c) Three submitters disagreed with the proposal.
- 6.110. In short, while acknowledging this issue of capacity 'banking', submitters considered requiring a PID for final approval was unworkable and did not follow standard governance or commercial practices. As distributed generators often rely on receiving final connection approval from distributors before confirmed financing is given, the proposal creates a circular dependency. It may also deter DG investment, favour smaller projects over larger projects, or favour projects involving fuel types that have lower investment complexity.
- 6.111. One submitter questioned what constituted a PID and who would determine the suitability of a PID document.
- 6.112. Another submitter suggested revising this clause to allow greater flexibility. For example, evidence of a PID could instead be required as part of the connection agreement stage as a condition to connect, where it is more appropriate and aligns with practical workflows for distributed generators.
- 6.113. Some submitters also considered this issue could be better addressed as a milestone in the proposed queueing and management policy (with one submitter recommending a common policy). It was thought some distributors could more strictly apply the 18-month timeframe to address speculative projects.
- 6.114. One submitter considered the Authority needed to provide more surety of priority connection rights for DG or load connections for a set period (eg 18 months). This is as investors were more likely to invest when risks were minimised. Alternatively, if the PID is mandatory for final approval then the application process should be transferable/able to be novated.

³⁰ Note that the 18-month timeframe is being removed by this decision and is being replaced by milestone management and lapsing of final approval under certain conditions as part of this decision paper.

The Authority's response

6.115. The Authority noted:

- (a) Submitters may not have noted that the proposed Code drafting included a requirement for "...evidence of a project investment decision and Overseas Investment Office approval, if available...". This was intended to ensure the requirement would not become a barrier to a large DG application when a PID is not available.
- (b) Large DG applicants will typically have financing arrangements in place before incurring the costs associated with network studies and legal services required for the interim and final stages. However, they may be unable to obtain final approval of funding until after final connection application approval is granted. We acknowledge this creates a circular condition.
- (c) Relocating the requirement to another part of the process may still cause the circular outcome noted above.
- (d) We did not receive any comment on the proposal to require applicants to provide evidence of Overseas Investment Office (OIO) approval if applicable.

The Authority's decision

6.116. The Authority has decided to:

- (a) implement the proposal for applications to meet external conditions but not to require evidence of a PID and OIO approval where required
- (b) recommend industry consider these issues as milestones in the queueing and management policy.

Proposal A11: Change the prioritisation clause to encourage more collaboration on final applications that might otherwise compete

6.117. Currently, clause 17 of Schedule 6.1 allows distributors to treat final applications received within 20 business days of each other as competitive bids. This means a distributor can prioritise one application over another.

6.118. The Authority proposed an amendment to this prioritisation clause to require distributors and DG applicants to first work together for a mutual solution, so all applications can advance if possible. Where parties cannot agree on a suitable compromise, the current competitive prioritisation process will apply.

Submissions

6.119. The Authority noted:

- (a) Two submitters agreed with the proposal.
- (b) No submitters conditionally agreed.
- (c) One submitter disagreed.

6.120. Submitters supporting the proposal either agreed that distributors should use their best endeavours for mutual gain so that both applicants can be connected or suggested that competing DG proposals should collaborate to share capacity to avoid a stalemate where neither go ahead.

6.121. The submitter that disagreed acknowledged there have been situations where customers could have combined projects to reduce outages, minimise roadwork disruptions, and improve project safety outcomes. But this submitter considered the proposal ‘... creates unnecessary complexity and delay in what should be straightforward commercial decisions, while ignoring the reality that applicants will typically pursue independent connection arrangements to maintain commercial control and protect their interests...’.

The Authority’s response

6.122. The Authority has decided this issue can be better addressed through industry-developed policy.

The Authority’s decision

6.123. The Authority has decided to:

- (a) not proceed with the proposed changes related to coordinating applications received within 20 business days to the same part of the network
- (b) require industry to address this issue as part of the queueing and management policy - the policy should include recommendations for applicants as well as distributors to coordinate their applications where appropriate.

6.124. The Authority will monitor the passage of applications through the network connections pipeline to ensure they are managed in accordance with the queueing and management policy.³¹ The Authority may consider consulting on Code obligations in the future, if issues arise.

Proposal A12: See paragraph 6.36

Proposal A13: Require approved final applications to meet project milestones to retain position in a distributor’s network connections pipeline

6.125. The Authority proposed large DG projects must meet milestones to maintain their priority position in a distributor’s network connections pipeline. This includes requirements if milestones are missed when other approved projects are waiting to connect. This approach has also been proposed for large load applications.

Submissions

6.126. There was mixed reaction in submissions. This issue is also covered in part by responses to Proposal C (Network connections pipeline):

- (a) Four submitters agreed with the proposal.
- (b) Four submitters agreed with the proposal, but with conditions.
- (c) No submitter outright disagreed.

6.127. Submitters agreeing with the proposal noted it would help prevent speculative projects taking up resource and slowing other projects.

³¹ For example, whether the queueing and management policy is being applied consistently, correctly and fairly.

- 6.128. Several submitters noted the benefit of publishing milestones for better transparency and accountability, and unambiguous application removal principles, with one indicating it is already doing this.
- 6.129. Support was also expressed for the ability to set additional milestones in the queuing and management policy, giving crucial flexibility as these may need to vary across participants. The Authority considers the proposed Code drafting that was consulted on allows this.
- 6.130. Those that agreed with conditions raised some technical concerns:
- (a) Removing the 18-month construction requirement from Schedule 6.2, combined with proposing allowing applicants to retain queue positions despite missing milestones, risks creating capacity hoarding. Without clear requirements and enforcement mechanisms, developers may reserve capacity indefinitely without progressing projects.
 - (b) One submitter noted the proposal should only apply at thresholds greater than 300kW for DG and 1MVA for load. For smaller connections, capacity maps and clear disclosures of the connection process, including timeframes, current stage, and next steps, would provide sufficient information.
 - (c) The milestone-based approach for DG projects does not prevent projects from starting construction. Therefore, the option to connect should have an expiry date, which could be facilitated by two options:
 - (i) insert a new clause (suggested as 21A of appendix 3) to enable distributors to remove applications from distributed generators that consistently fail to meet milestones from the network connection pipeline, or
 - (ii) specify that a distributor is able to define the framework for removing projects that are not progressing within the definition of the queuing and management policy.
 - (d) One submitter expressed strong support for the ENA's Streamlining connections programme to develop a queuing and management policy that is universally adopted by all distributors. However, another submitter noted the 'industry' should include a range of stakeholders (not be limited to distributors).
 - (e) A timeframe is needed in the Code relating to the distributor re-negotiating with an applicant that has failed to meet a milestone (where another final application has been approved for the same part of the network).
 - (f) A few submitters raised concerns about milestones and capacity rights. However, as noted in paragraph 5.455.44, the Authority is not currently considering capacity rights in the Network connections project.

The Authority's response

6.131. The Authority has noted:

- (a) There was no objection to milestone management of the network connection pipeline, to be determined through a queueing and management policy.³²
- (b) There was universal agreement industry should develop the queueing and management policy. However, some submitters wanted this to be developed by a range of stakeholders, not solely by distributors.
- (c) That all distributors should adopt the ENA-led queueing and management policy to ensure a consistent and best practice approach across regions.
- (d) The queueing and management policy should be able to remove applications that are stalled or are not being built.

6.132. After considering submissions, the Authority agrees:

- (a) There is a potential risk to the management and operation of a distribution network if a project remains incomplete and the distributor is unable to progress other network configurations that could benefit consumers.
- (b) A project that continually fails its milestones or fails to commence should not remain in the network connections pipeline, and the final approval should lapse back to interim approval. To progress to final approval, an applicant would need to submit another application, and this would require final approval assessment by the distributor.
- (c) Distributors should have the ability to lapse a final approval for medium and large DG and load applications, even if there is no alternate project in the network connections pipeline.
- (d) Distributors should include in their queuing and management policy the process that they would use for removing approval of a final application.

The Authority's decision

6.133. The Authority has decided to:

- (a) add a clause to Part 6 requiring distributors and participants to act reasonably when negotiating and renegotiating milestones
- (b) require, as proposed, distributors to have a queueing and management policy that sets out how all Part 6 applications will be managed, including milestones (the queueing and management policy must adhere to the requirements in Part 6, including timeframes). As noted in paragraph 2.14, the policy will be developed by industry and must include:
 - (i) a clear set of principles for managing applications
 - (ii) how the queueing and management policy determines the priority position of applications in the network connections pipeline

³² Powerco noted "We are already implementing this at a high level. We maintain a pipeline and publish relevant aspects on our website. However, we have yet to establish well-defined key milestones to ensure that projects in progress are actively advancing...."

- (iii) a core set of milestones that apply to most applications, with the ability to add additional milestones only where required
 - (iv) indicative timing to achieve each milestone, including the interim steps that need to be completed to reach that milestone
 - (v) whose responsibility it is to achieve the milestone, and what each party must do
 - (vi) how the clock stop/start mechanism operates with the queueing and management policy
 - (vii) how tolerances will be applied for distributor and applicant tasks
 - (viii) how applications will be managed when milestones are not achieved
 - (ix) how milestones will be renegotiated, both for projects that meet and do not meet milestones, and where network conditions change so final approval is no longer valid
 - (x) how potentially competing applications will be managed, and how the distributor may encourage complementary applications
 - (xi) the process that the distributor would use for removing approval of a final application
 - (xii) how disputes will be managed in accordance with Part 6
- (c) amend the proposal to allow a distributor to require an application to be resubmitted³³ at the initial application stage, should it choose, when:
- (i) the application has not met its agreed milestones post final approval due to the actions of the applicant
 - (ii) construction has not been completed within two years of final approval, due to the actions of the applicant
- (d) amend the proposal to allow a distributor and applicant to include medium DG (Process 2) and medium load (Process 4) applications within the network connections pipeline if both agree.

6.134. The Authority will monitor the industry to ensure that milestones are set fairly and managed. The Authority may consult on Code obligations in the future, if issues arise.

³³ The requirements for resubmitting applications at no cost would apply. Otherwise, the distributor can consider the application as a new application.

7. Proposal B: Add application processes for larger-capacity load to the Code

- 7.1. This section sets out our proposal, stakeholders' submissions, the Authority's responses, and decisions on the inclusion of two new load application processes into Part 6 of the Code:
- a streamlined application process for medium loads between 69kVA and less than 300kVA
 - a more complex application process for large loads of 300kVA and above.
- The Authority has increased the size threshold from 300kVA to 500kVA in response to stakeholder feedback and a recommendation from the NCTG.
- 7.2. These changes will benefit consumers and applicants by introducing a consistent and fit-for-purpose application and assessment framework, complete with defined finite timeframes. This will improve the overall efficiency of the load connection process and provide greater transparency and certainty for prospective applicants, supporting them in the development of their proposals and applications.
- 7.3. The Authority made five proposals related to load application processes in Part 6:

Table 3: Proposal to add application processes for larger-capacity load to the Code

	Proposal	Decision
All load applications		
B1	Add larger-capacity load application processes to Part 6	We have decided to implement an amended form of the proposal, with the changes set out in B4 and B5 below
B2	Base the load application processes on the proposed DG processes, with amendments for load as necessary	We have decided to implement an amended form of the proposal, with the changes set out in B4 and B5 below
B3	Add two load application processes, one for medium and another for large load connections	We have decided to implement an amended form of the proposal, with the changes set out in B4 and B5 below
Medium-capacity load applications (>69kVA and <500kVA)		
B4	Add an application process to connect, or amend an existing connection, for medium-capacity load applications (based on the current Part 2 process in Schedule 6.1)	<p>We have decided to implement an amended form of the proposal</p> <p>The amendment for proposal B4 only is:</p> <ul style="list-style-type: none"> Limit the use of extensions to where zone substation works are required, and/or Transpower input is needed <p>The amendments for proposal B4 and B5 are:</p> <ul style="list-style-type: none"> Require distributors to act reasonably and process applications without undue delay

	Proposal	Decision
		<ul style="list-style-type: none"> • Allow a distributor to pause the clock where a lack of availability of external information means a distributor cannot progress an application • When timeframes are exceeded, the DG applicant (participant) can initiate the dispute process (see discussion starting at paragraph 11.34 for Proposal F). • Require conditions where a distributor and an applicant agree a simpler process • Require that distributors must treat all connection applications in a fair, consistent, and non-discriminatory manner • Increase the threshold from 300kVA to 500kVA • Require the initial application to comply with the distributor's connection and operation standards • Place conditions on when an application fee applies for resubmitted applications • Clarify that a resubmitted applications restarts the time frame that applies to the application • Amend the requirement for a distributor to notify other applicants of an application received • Delete the requirement to prioritise applications based on the long term benefit to consumers • Require distributors to manage priority through their queuing and management policy • Allow distributors to impose conditions on an approval where the connection poses significant challenges to network stability, safety, or operational viability • Increase the time to negotiate a connection contract from 30 to 40 business days • Defer prescribed terms to Stage 2 of this project • Include a provision that a final approval lapses if connection is not made within the later of 2 years or the agreed connection date.

	Proposal	Decision
Large-capacity DG applications ($\geq 500\text{kVA}$)		
B5	Add an application process to connect, or amend an existing connection, for large-capacity load	<p>We have decided to implement an amended form of the proposal</p> <p>The amendments noted in B4 above also apply to proposal B5</p> <p>The additional amendments for proposal B5 only are:</p> <ul style="list-style-type: none"> • Delete the requirement for the distributor to consider project investment decision and overseas investment office approval • Require that time frame extensions can be used only where zone substation works are required, and up to two extensions may be agreed for installations greater than 1.5MW • Require that a distributor and a participant must act reasonably when agreeing milestones

What we proposed

- 7.4. There are currently no prescribed application processes for load in the Code. The absence of specific load requirements means:
- Load applicants do not get baseline Code protections such as timeframes for distributors to approve or decline an application, capped fees, information they require from distributors, and 'arm's length' provisions.
 - Application processes can vary between distribution networks. Access seekers who operate across the country say variations in distributor processes make the process to connect frustrating, slower, more costly and therefore less efficient.
 - Application processes are less clear and accessible for applicants, reducing efficiency and creating project uncertainty (eg, for investors, product supply).
 - Distributors can prioritise other work that may be in their interest over applications to connect load.
- 7.5. The industrial and commercial sector is a large user of energy, including fossil fuels for process heat (eg, coal boilers) and transport fuels. Many energy users are seeking to reduce their carbon emissions through a transition to electricity.
- 7.6. The Authority proposed two load application processes for Part 6 of the Code:
- Medium-load process ($>69\text{kVA}$ and $<300\text{kVA}$) (Process 4).
 - Large load process ($\geq 300\text{kVA}$) (Process 5).
- 7.7. Each load application process largely mirrors the equivalent process for DG, as both use similar size thresholds.

- 7.8. Submitters provided similar feedback for load and DG proposals. As such, there is some duplication between this section and the previous section in this paper, with some issues addressed more fully in the DG section.

Proposal B1 to B5: Load application processes

Submissions

- 7.9. There was mixed reaction in submissions.
- (a) Eight submitters agreed with the proposals.
 - (b) Fifteen submitters agreed with conditions or expressed concerns. Most conditions were recommendations on thresholds.
 - (c) Six submitters disagreed.

Support for proposals

- 7.10. Submitters supporting the proposals noted benefits including:
- (a) More prescriptive requirements will help discourage speculative applications that incur distributor cost, which is ultimately passed to consumers.
 - (b) Greater consistency between large DG and load applications and providing finite timeframes to respond to connection or upgrade requests will provide operational efficiencies.
 - (c) Standardising the application process for load seekers supports charge point operators (CPOs)³⁴ to achieve the Government's goal of installing 10,000 public EV chargers across New Zealand by 2030 and New Zealand's climate goals by enabling consumers to electrify and decarbonise.
 - (d) Certainty about information sharing and timeframes for applicants and distributors.
 - (e) Categorising load applications by size helps ensure the application process is proportional, enabling higher application standards for larger, more complex loads, while avoiding undue burden on small-to-medium load applications.
- 7.11. In general, access seekers supported the introduction of load application processes in the Code, for these to be consistent with the DG application processes, and to have separate categories for medium and large load applications.

Conditions and recommendations relating to thresholds

- 7.12. Submitter feedback on thresholds was mixed with some arguing for larger size thresholds and others saying the proposed thresholds are appropriate.
- 7.13. Submitters provided little specific comment on the proposed lower threshold for medium load (69kVA). There was significant comment on the proposed 300kVA lower threshold for large load. Several submitters argued increasing the 300kVA threshold would support streamlined processes, better align with industry standards and requirements, future-proof to match industry trends, and better focus resources.

³⁴ Charge point operators are companies that develop, construct and operate electric vehicle charging stations.

It would also reduce administrative burden for smaller-scale applications. More specifically, it would better align with:

- (a) transformer sizes and capacities typically deployed for medium connections
- (b) capacity at which connections typically begin to have significant impacts on network planning and operation
- (c) distributor pricing structures which tend to support major customers from 300kVA with more distributor advice and involvement.

- 7.14. Some submitters noted the proposal would not place burdensome and unnecessary rules on relatively straightforward connections such as dairy farms, light commercial and light industrial.
- 7.15. A few submitters noted 300kVA is in the middle of the product range for high-power EV chargers using the Combined Charging System Combo 2 connector standard. As this standard has a maximum power of 500kVA, it was argued the lower threshold for large load should exceed this value. Another submitter suggested 750kVA.
- 7.16. Some submitters thought the 300kVA threshold should be raised to $\geq 1\text{MW}/1\text{MVA}$, this being appropriate for managing a pipeline, with one submitter arguing that most EV charge point operator (CPO) deployments fall below this and do not need a complex application process.
- 7.17. A few submitters thought thresholds should be based on metering categories or high and low voltage. The Authority discussed this option with the NCTG, and this was not the preferred approach.
- 7.18. One submitter suggested a 'megaload' category above 2MW and these megaloads should be explicitly excluded from Part 6. The submitter expressed a view that these types of connections are not uncommon and, despite the Authority's view expressed in the consultation paper, have generally been well delivered by networks. These projects have a number of distinct characteristics that don't lend themselves to the proposed changes. They involve large, custom-designed network infrastructure that is only used to supply a specific customer.
- 7.19. A submitter supporting the proposed thresholds pointed out that connection in the 69kVA – 300kVA category would likely require a new kiosk to be installed to support the load. However, connections above 300kVA typically required a new distribution substation or transformers, or modifications or upgrades to existing assets. It noted its application data showed limited demand for larger connections in the New Zealand market. Between September 2023 and December 2024, it received only three CPO applications exceeding 300kVA connection capacity. This is compared to 41 applications below that threshold.
- 7.20. In its cross-submission, this submitter disagreed that connection applications below higher thresholds, as suggested by some submitters (eg, 500kVA-1MVA), are not complex. Reasons for this include location, capacity requirements and network constraints. It noted that urban regeneration projects involving multiple townhouse units can present significant complexity even in established network areas.
- 7.21. A submitter queried whether the connection voltage (to low or high) should influence the information required and more detailed process – rather than the kVA

capacity. The submitter suggested the medium load process should allow for HV connections under 300kVA.

Other general concerns and recommendations

- 7.22. Submitters' other concerns, observations and recommendations, while broadly agreeing with the proposals, are outlined below. These are followed by the Authority's response where appropriate.
- (a) The need to extend Part 6 requirements to connecting parties for load was questioned, but it was acknowledged the requirement did not appear to have any significant drawbacks.
 - (b) One submitter did not support a separate process for medium load applications, arguing these do not pose high technical difficulty. Another submitter noted – "A clear and efficient process for medium loads is essential to reducing delays, minimising administrative burdens, and ensuring timely access to network capacity for customers and stakeholders."
 - (c) The Authority has proposed load application processes to deliver a range of benefits, including consistency across regions and clear responsibilities and accountabilities for applicants and distributors.
 - (d) A submitter commented – "While process clarity and standardisation is beneficial, more standardised processes may disadvantage consumers needing flexibility, adding cost and delays. Flexibility (ability for case-by-case adjustments in timelines, thresholds, or requirements) is important to ensure the process works across different contexts and system configurations and allows for future changes." Another submitter commented – "For the large load application process, remove the interim stage and change the response time from one year to six months."

The Authority notes the proposal allows flexibility where both parties agree (eg, for interim stages to be skipped if the distributor and the applicant agree).

- 7.23. A submitter commented – "Ability for future changes in threshold sizes would guard against the threshold causing a particular size to be chosen during application, resulting in potentially inefficient investment."

The Authority will monitor applications to determine what issues arise, if any, with thresholds.

- 7.24. A submitter commented – "Standardisation will affect distributors' resources and capability, diverting resources from other parts of the business to process applications faster."

The Authority notes the faster processing of applications is an objective of the Network connections project. Also, the Part 6 changes will deliver overall efficiency gains for distributors.

- 7.25. A submitter commented – "Industry developed policy and guidelines outside the Code can be altered quickly as needed."

The Authority agrees and has enabled industry to set operational policy detail under a revised Part 6.

7.26. There were many comments on timeframes:

- (a) Flexibility should be introduced in meeting project timeframes (eg, initially 85%) or distributor response times (eg, 85% in five business days, 15% in 10 business days).

The Authority does not support this approach. We seek consistency in the processing of applications.

- (b) Ninety days for interim approval to final application may be insufficient for larger projects. Regulated timeframes for distributor responses on medium load applications are too long and the number of extensions should be reduced.

The Authority sought advice from the NCTG on the setting of timeframes and we have largely followed that advice. The NCTG comprises access seekers as well as distributors.

- (c) It is unclear if the 40 business days for initial approval start after the 30 business days distributors must give the applicant information and 10 business days the applicant has to request information.

The Authority notes the timeframe for initial application approval by a distributor starts on receipt of a completed initial application. The receipt of a completed application requires the distributor to release certain information within 30 business days. As a result of the information received from the distributor, the applicant may request additional information and the distributor must provide it within 10 business days. The additional information is used by the applicant for its interim or final application, and not the initial applications (which triggered the release of the information).

- (d) Finite timeframes may create a perverse outcome where they become targets.

The Authority is aware of this issue. As noted elsewhere in this paper, the Authority has decided to introduce finite timeframes and it does not consider these to be targets. Our monitoring of sector performance will highlight good practice.

- (e) The Code should include timeframes to build connection assets.

The Authority agrees and has decided to amend the Code to include timeframes to connect to the distribution network.

- (f) The Code should provide a dispensation for load applications above 5MW.

The Authority recognises that larger applications can be more complex. We have amended the proposal to provide two additional extensions for interim and final load applications greater than 1.5MW. We also have extended this to distributed generation applications above 1.5MW.

- (g) Additional clarity on the specific technical criteria and their consistency across distributors would be beneficial and help mitigate variability.

The Authority notes the EEA is developing technical guides to support network connections. The Authority expects all distributors to adopt these

guides as they are developed. Also, the Authority will consider connections and operation standards in a later stage of the Network connections project.

- (h) Enhanced customer communication and guidance would be valuable.

The Authority notes the Streamlining connections programme is delivering improvements in this area.

- (i) The Authority should undertake ongoing monitoring and reporting of compliance.

The Authority has committed to do this with annual reporting on Part 6 processing performance.

- (j) Extend certain processes for large load to medium load.

The Authority has noted this feedback. We will monitor the medium and large load application processes over time to determine whether further changes should be made between these processes.

- (k) Greater consideration should be given to the treatment of technologies that can both import and export electricity (eg, battery energy storage systems, vehicle-to-grid enabled EV chargers) to future-proof proposals.

The Authority has amended the Part 1 definitions as proposed to clarify these technologies are DG for the purposes of Part 6. However, we agree further work is required on definitions and we will consider this in a future stage of the Network connections project.

- (l) Some applicants undertake prospecting to find cost effective locations, requesting connection capacity and costs for several potential sites. This approach is inconsistent with the formal approach adopted by Part 6.

The Authority notes Part 6 does not apply to the pre-application phase, so applicants retain the ability to prospect. Also, the EEA is working on improvements to the pre-application phase to provide greater efficiencies.

- (m) If load is taken at ICP level, new connections with multiple ICPs (eg, a large residential subdivision) where combined total load exceeds 69kVA (but is lower at each ICP) may circumvent the appropriate application process. Conversely, a commercial or industrial development could have individual ICPs each exceeding 69kVA, necessitating an onerous application process for each. The Code must clarify that the load application is the total load of the overall connection, to avoid this situation.

The Authority agrees and has amended the proposal for both DG applications and load applications (by the addition of a new clause 6.2AC) to require common development, ownership or installation to be aggregated as the one connection application.

- (n) One submitter suggested a fast-track process for homogenous connection types with known implications for network management. The only variable would likely be available capacity at the applicant's preferred location. This has consistency with the suggested 'simple' and 'complex' application approach.

The Authority's decision

- 7.27. The Authority has considered the feedback received and engaged with the NCTG on the issues.
- 7.28. We note the considerable feedback on the threshold between medium and large load applications. In response, we have changed the threshold from 300kVA to 500kVA.
- 7.29. Some submitters thought the Code should set application process based on application complexity and not capacity. The Authority has implemented capacity thresholds as these are already used in Part 6 and are unequivocal. Capacity correlates reasonably well to complexity in many instances. Also, there is flexibility in Part 6 to streamline the large load process if parties agree.
- 7.30. The Authority agrees that due to network constraints and characteristics, some applications for load connection are more complex than others. However, the amended Code provides distributors considerable flexibility to determine their own internal processes which may include triage on complexity, and processing applications without undue delay.
- 7.31. Further, as proposed, for medium load, a distributor can treat an initial application as a final application. For large load, an initial application can be treated as interim or an interim application as final. The Authority expects that these options will be managed in distributors queuing and management policy.
- 7.32. Some submitters recommended a 'megaload' connection process for high-capacity load (eg, greater than 5MW). We have not consulted on this option but will consider it at a later stage.
- 7.33. The Authority agrees that the notification process for load connection applications could be overly onerous, given that it does not exist currently. The Authority will amend the Code so that there is no notification requirement for medium load, but a requirement for large load initial and interim applications only. The Authority notes that raising the lower application threshold for large load from 300kVA to 500kVA will further reduce burden on networks.
- 7.34. Some submitters considered the load processes were overly complex and would add time and resource to processing. The Authority considers distributors can determine processing times within the finite limits provided in the Code and fast track applications that can be fast tracked.
- 7.35. Some submitters suggested that there should be a maximum time period within which customers must connect after receiving final approval. The Authority acknowledges this suggestion may stem from the fact that network conditions can change over time. A final approval issued well in advance of an actual connection – if not acted upon – may become outdated and no longer reflect the current network configuration.
- 7.36. The Authority agrees and has decided to amend the proposal to add a 'backstop' requirement to the Code for all applications. However, the Authority also recommends that distributors, when negotiating a connection contract with an applicant, agree a connection date, taking into account the complexity of the connection and the overall project timeline. Additionally, distributors could establish key milestones to monitor progress toward connection and ensure timely delivery.

- 7.37. The Authority has decided to amend the proposal and implement the load application processes with the following changes:
- (a) Add a new clause to require total aggregated capacity to be used when applying application thresholds. This is where there is more than one point of connection to the network for a common development, common ownership or installation, or more than one installation at a point of supply.
 - (b) Add new clause 6.12A. This sets out that where there is a delay not under the direct control of the applicant or the distributor, and despite best endeavours information is not available, the distributor, acting reasonably, may pause the 'clock' until that information is available.
 - (c) Change the lower threshold for large load application processes from 300kVA to 500kVA.
 - (d) Remove the requirement for notice to third parties from medium load applications. Leave the requirements for the notice on large load initial and interim applications. Remove the requirement for the notice from final applications.
 - (e) For medium and large DG and load applications, add another criterion to the distributor's decision on the initial application. This is so that if an initial application does not comply with the distributor's connection and operation standards the distributor may, but does not have to, approve the initial application.
 - (f) For medium and large load applications, add another criterion to the distributor's decision on the final application. This is so that if a final application connection would pose significant challenges to network stability, safety, or operational viability the distributor may, but does not have to, approve the final application.
 - (g) For medium DG and load applications, allow distributors to lapse final approval and revert to the pre-initial application stage where a connection applicant does not connect the load within two years, or a period previously agreed between the distributor and applicant. An applicant can use the disputes process if it disagrees with the distributor's decision to let the application lapse.
 - (h) For large DG and load applications, allow distributors to lapse final approval and revert to the pre-initial application stage where a connection application:
 - (i) consistently misses its network connection pipeline milestones, through the fault of the applicant
 - (ii) does not connect the load within two years or a period previously agreed between the distributor and applicant, through fault of the applicant.
 - (i) An applicant can use the disputes process if it disagrees with the distributor's decision to allow the application to lapse.
 - (j) For all DG and load applications, where the availability of external information means that a distributor cannot progress and application, and despite best

endeavours that information is not available, allow the distributor, acting reasonably, to pause the 'clock' until the information is available.

- 7.38. The Authority will monitor the operation of load application processes, including the time to process individual stages and to complete applications. The Authority will consider consulting on Code obligations in the future, if issues arise

Do you think the Authority should apply any of the large load proposed changes to medium-load applications?

- 7.39. The Authority asked submitters if the additional requirements specified for the large load process should also apply to the medium load process.

Submissions

- 7.40. There was only a small number of submissions on this question. While views were mixed, most submitters could not see the potential for an efficiency gain from applying more onerous terms on medium load applications.
- 7.41. One submitter proposed medium load applications be added to the network connections pipeline. This would ensure all EV charger applications were captured in the pipeline, providing access seekers with the necessary visibility of connections to improve investment decisions. The Authority will review the effectiveness of the network connections pipeline after 12 months to determine what improvements can be made, if any, including whether size thresholds should change.
- 7.42. Another submitter suggested the Authority consider extending Proposals A5, A6 and A13 to the medium load application process.
- 7.43. The Authority has not proposed mandatory initial fees (A5) or resubmissions at no cost (A6) for medium load applications as the nature of the engagement between applicants for DG and load is different. We do not think milestones (A13) are appropriate for medium load applications.
- 7.44. The eight submitters who disagreed provided comments including:
- (a) Given the large volume of applications for medium-load applications, applying more stringent requirements could be overly onerous for all parties, with limited benefits.
 - (b) Additional requirements for medium load would significantly increase the administrative burden without yielding proportional benefits, given the reduced complexity of medium load applications. These inefficiencies and could delay approvals for a wide range of projects, potentially undermining the Authority's goal of streamlining connections.
 - (c) The proposed requirements for medium-load applications are fit-for-purpose, balancing the need for transparency and efficiency with the scale and complexity of these connections.
 - (d) One submitter disagreed with wholesale adoption of the large load process requirements for medium-load applications. However, the submitter noted that specific aspects of the large load changes could add value, such as improved transparency or information-sharing protocols. It noted this should be done in consultation with stakeholders.

The Authority's decision

- 7.45. After considering submissions, the Authority has decided not to apply any changes between the provisions in the medium and large load application processes, for the reasons outlined above.

What should the Authority consider beyond the proposals in this paper and why?

- 7.46. The Authority asked what else it should consider beyond the proposals in the consultation paper.

Submissions

- 7.47. There was a large range of submissions. We have excluded points addressed elsewhere in this paper, but we have included issues outside the scope of stage one of the Network connections project.

- (a) One submitter was concerned that third-party suppliers (eg, external consultants) were not captured in finite timeframes, resulting in undue pressure on distributors. This would compel distributors to undertake certain work themselves (network studies), when this might be better done by other parties. This shift would potentially limit consumer choice, increase costs, and reduce competition.

The Authority expects distributors to adequately resource the processing of network applications. However, in terms of timeframes, we recognise some tasks are beyond the control of distributors. We have made changes to our proposal to allow for a clock stop/start mechanism to address tasks beyond the control of distributors and access seekers. The same clock stop/start mechanism must be used by all distributors and published on distributor websites.

- (b) One submitter wanted the sector to use digital tools to support faster connections and provide pricing transparency. This would allow access seekers to self-serve and reduce the need for manual quoting and application processes.

The Authority sees value in this approach. We have been advised the Streamlining connections programme is working on mechanisms of this nature.

- (c) Two submitters suggested that the Authority develop a unified application process (a new Appendix in Schedule 6.1 of Part 6) for large, grid-scale, connections that require both load and generation capacity.

The Authority notes for applications that include load and DG, Part 6 requires the applicants to use the application process that corresponds to the largest capacity. Regardless of which process is used, both DG and load will need to be considered by the distributor.

- (d) One submitter suggested the Authority should consider collaborating with distributors to develop region-specific incentive programs prioritising renewable energy integration, load management, and grid efficiency

improvement. Instead of enforcing one-size-fits-all rules, performance-based mechanisms could be introduced to reward distributors.

This Authority notes this approach is used overseas. However, it is not consistent with the regulatory regime in New Zealand.

- (e) One submitter expressed concern about the additional requirement in the proposed regulated and prescribed terms to have landowner approval to remove assets where load has been disconnected. The submitter considered this could result in significant maintenance and renewal cost (to maintain the safety around the assets) when there was no potential for revenue from the disconnected load.

The Authority is not adopting the proposed regulated and prescribed terms for load at this time.

- (f) One submitter thought greater clarification was needed for the connection conditions a distributor sets to connect DG. The submitter gave the example of a customer waiting on gas pricing to reach a certain level before committing to electrification of their process heat plant. This could mean the application stayed in the interim approval status with conditional capacity rights allocated for a long time before final approval was sought.

The Authority supports distributors being able to set appropriate conditions to connect, and applicants choosing when to make initial, interim and final applications. In the example given, the applicant runs the risk it will be surpassed by another application more ready to connect (as enabled through the network connections pipeline and queueing and management policy). The applicant must also adhere to the timeframes in Part 6 to make a final application (unless the applicant and distributor agree otherwise).

- (g) One submitter noted new loads are connected in compliance with each distributor's COPS. Putting new processes for connection in Code provisions would require substantial revisions of these documents. Alternative options to prescribing processes for connection such as mandatory reporting of process output performance appear not to have been considered.

The Authority supports distributors setting COPS for DG and load, unless there is a strong case for mandating particular standards. The Authority support the EEA's work to improve the quality of COPS as part of the Streamlining connections programme, and we expect distributors to adopt these standards as they are developed. The Authority is not adopting the proposed regulated and prescribed terms for load at this time.

- (h) One submitter noted the economic impacts of delays and inefficiencies in connecting new generation at the transmission level were far more substantial than at the distribution level. As such, they argued the approaches applied at the transmission level should be replicated at the distribution level.

The Authority notes Transpower's (as grid owner) Connection management framework (CMF) has enabled the grid owner to better prioritise generation and load applications to connect. Transpower is working to improve the CMF over time. The Authority is aware that distributor representatives from the

streamlining connections programme have engaged with Transpower on possible synergies for grid and network prioritisation.

- (i) One submitter identifying as a 'lifeline' utility, noted that the Code did not differentiate between the nature of consumers and the required resilience or prioritisation for essential consumers of electricity. This was presently at the distributor's discretion.

The Authority notes applicants and distributors have flexibility to negotiate resilience levels, and the EEA may consider guidelines as part of the Streamlining connections programme. The Authority recognises distributors are not experts at determining applications to connect based on the long-term benefit to consumers. As such, we have not implemented the associated proposed change to the purpose of Part 6.

- (j) One submitter noted there needs to be a more defined process for when grid reinforcements are required, involving design and completion.

The Authority notes the EEA could consider this as part of the Streamlining connections programme.

The Authority's decision

- 7.48. The Authority has noted the issues raised but is not proposing to make any changes to the Code amendments consulted on for the reasons outlined above.

8. Proposal C: Require distributors to publish a network connections pipeline for large-capacity DG and load, and provide information on this pipeline to the Authority

- 8.1. This section sets out our proposal, stakeholders' submissions, the Authority's responses, and decisions on distributors publishing a networks connection pipeline and providing pipeline information to the Authority.
- 8.2. These changes will benefit consumers and applicants by introducing a clear and transparent queue for large distributed generation and large load connections. This will improve the overall efficiency of the load connection process and provide greater transparency and certainty for prospective applicants, supporting them in the development of their proposals and applications.
- 8.3. The Authority made two proposals related to the network connection pipeline publication and provision of pipeline information processes in Part 6.

Table 4: Proposal to require distributors to publish a network connections pipeline for large-capacity DG and load and provide information on this pipeline to the Authority.

	Proposal	Decision
Require distributors to publish a network connections pipeline for large-capacity DG and load		
C1	Distributors publish, on an ongoing basis, a network connections pipeline for distributed generation and load that lists and prioritises the applications the distributor has to connect and upgrade connections	<p>We have decided to implement an amended form of the proposal</p> <p>The amendments are:</p> <ul style="list-style-type: none"> Amend the timing for the December update so it is not at the end of the month Require distributors to exclude confidential information
Provide information on this pipeline to the Authority		
C2	The information provided to the Authority would contribute to a holistic view of future electricity supply and demand. It would provide the Authority with comprehensive, reliable and regular information about the pipeline of significant distributed generation and load projects	<p>We have decided to implement an amended form of the proposal</p> <p>The amendment is:</p> <ul style="list-style-type: none"> remove the provision of information to the Authority from Part 6 of the Code and consider using the information collection process in Part 2 of the Code instead

- 8.4. The Authority has responded to Proposal C in two parts. First, we discuss the proposal for a network connections pipeline. We discuss providing pipeline information to the Authority in the following section.

Network connection pipeline

- 8.5. The Authority noted investors/developers have no visibility of the projects looking to connect to specific networks. This can lead to inefficient investment decisions resulting from incomplete information (eg, applying to connect to part of a network with a long connection queue or little available capacity), delays to identify or start a project, and opportunities not being realised. This may slow decarbonisation and eventually add cost to consumers.
- 8.6. To resolve this information issue, the Authority proposed distributors publish, on an ongoing basis, a network connections pipeline for large DG and load applications. The pipeline, or separate pipelines for DG and load, would list and prioritise the applications to connect and upgrade connections. The Authority noted that Transpower regularly publishes a Generation Connection Pipeline and Non-generation Connection Pipeline for grid connections.

Submissions

- 8.7. This was the most responded to topic in the consultation. Submissions from industry were mixed with some distributors citing increased costs, while other submitters were supportive. The consensus of submitters that would use the pipeline, was that it was worthwhile to proceed and would add efficiency to the industry.
- 8.8. Most submitters either agreed or conditionally agreed with the proposal:
- (a) Thirteen submitters agreed.
 - (b) Thirteen submitters conditionally agreed.
 - (c) Six submitters disagreed.

Submitters in agreement with the proposal

- 8.9. Submitters who agreed with the proposal made the following points:
- (a) It would create efficiencies and accelerate decarbonisation efforts. It supports broader industry objectives, such as enabling electrification and enhancing system resilience, by providing clarity and consistency in the connections process and will lead to better investment decisions and reduce the burden on developers and investors.
 - (b) It supports enhanced transparency and visibility, streamlined processes, and provides critical information to stakeholders involved in network connections. It also provides greater transparency of the demand growth expected across networks and how distributors are managing the connections process.
 - (c) It would hold all parties accountable while ensuring better transparency regarding project timelines and counterparty credibility.
 - (d) It would foster better planning and decision making, improved coordination, collaboration and innovation across the sector, and enable more efficient resource allocation. It would also allow network users to innovate and provide non-network solutions for customers, reducing electricity infrastructure construction and saving customers money.
 - (e) It complements the proposal to provide information on network capacity.

- (f) Powerco stated, “We are already implementing this at a high level. We maintain a pipeline and publish relevant aspects on our website...and have seen the benefits of publishing project details for access seekers.”
- (g) One submitter stated:
 - “... is strongly in favour of the proposal to include a requirement for EDBs to publish applications waiting to connect to a network, and how much room there is for new or upgraded connections. We note Powerco are the only EDB currently doing this in an easy to use and accessible format, and that this has saved time during the connection process for both new applicants (including charge point operators) and the EDB.”
- (h) It would allow customers to understand:
 - (i) where they may be in competition for capacity and collaboration may result in better outcomes for all
 - (ii) where upgrades may already be planned that they can share the costs/benefits of and potentially accelerate.
- (i) It would benefit large connection applicants most, as these customers are more likely to be affected by other connection applicants.

Submitters expressing conditional agreement

8.10. Some submitters agreed with the proposal but indicated:

- (a) Commercial sensitivities needed to be addressed. The published pipelines must not include information about project owner (ie, be anonymised) or specific location. Visibility needs to be balanced with commercial sensitivity (eg, capacity could be registered at a substation level).

The Authority notes project owner and specific location are not included in the proposed pipeline.

- (b) Flexibility was needed to allow for different distributor capabilities and bespoke design, in compliance timescales and extent of information needed to be published.

The Authority does not support this approach. We seek consistency in distributor operations.

- (c) Trigger points were needed for updating the pipeline (eg, upon receipt versus approval of applications, live update list versus periodic update).

The Authority agrees this is needed.

- (d) Distributors need to be required to consult with applicants on confidential information, to ensure this is recorded.

The Authority agrees this is needed.

Improvements suggested by submitters

8.11. Improvements suggested by submitters that otherwise agreed with the proposal included:

- (a) Granularity of Information – ensure published data is detailed enough to be actionable without overwhelming stakeholders. For example:
 - (i) Include estimated timelines, high-level project statuses, and indicative costs where appropriate. Clearly delineate between different connection types (eg, residential, commercial, industrial) to provide tailored insights.
 - (ii) The Authority does not support this. We have proposed to same level of information as Transpower provides, which we consider to be appropriate for now. We may consider publishing additional information in future.
 - (iii) Establish clear guidelines for information sharing to balance transparency and privacy concerns.
 - (iv) The Authority notes the proposed Code does this, although industry may want to develop its own guidelines.
 - (v) Incorporate ongoing feedback loops with stakeholders to refine the pipeline over time.
 - (vi) The Authority notes the proposal does this as a matter of course. We welcome ongoing feedback from the sector on the application of the Code and how it can be improved.
 - (vii) Consider adding information hosting capacity insights, and environmental and planning considerations.
 - (viii) The Authority does not support this as it would add costs. Distributors may choose to provide this information.
- (b) If the Authority raises the threshold for medium connections to 1MW/1MVA, the network connections pipeline should include medium and large applications. This will ensure all EV charger applications classified as medium are also captured.
- (c) The Authority does not support this as it would add costs.
- (d) Require information to be in an easily accessible format, understandable by end-users (eg, freight companies), and consistent between distributors - ideally including online maps of network capacity.
- (e) The Authority supports this. For now, we have set base requirements. Industry has flexibility on how to best publish the pipeline information, so it is accessible and useful for stakeholders.
- (f) Information should be timely and accurate to meet the objectives of the Code amendments and to minimise applications which are in the exploratory phase of their business plans.

Submitters disagreeing with the proposal

8.12. Submitters that disagreed with the proposal made the following points:

- (a) The benefits to access seekers are unclear. Most parties will likely seek a timeline to connect, and direct contact is better than risking inaccurate conclusions from a pipeline.

The Authority disagrees. Access seekers (and one network) have clearly set out the benefits of a pipeline in submissions.

- (b) Maintaining confidentiality will be difficult, as it is often possible to infer the connecting customer by the location and size of the connection.

The Authority notes a certain degree of specificity is required to make the pipeline effective. As proposed, we have excluded project owner from the pipeline and the location is to be at the zone substation or feeder, to reduce this risk.

- (c) There will be costs to implement a process for collecting information in the format required to publish and the additional information to be sent to the Authority. Compliance would be simplified if there was an option for a 'nil return' approach.

The Authority notes distributors should hold the pipeline data already, as it is required as part of the connection process, so we do not expect there to be a significant increase in costs.

- (d) It will be challenging to keep a pipeline accurate and current, meaning resources will be diverted from direct customer engagement.

The Authority has amended the proposed Code for updating and maintaining the pipeline, which distributors must follow. These rules balance currency/relevance of the pipeline against the administrative burden for distributors.

- (e) The code drafting is inconsistent on the degree of detail required for 'location'.

The Authority has noted this and made a minor amendment to the Code to be consistent with the proposal. We discuss this issue more fully in Proposal D.

- (f) The pipeline would not reflect processing priority or network capacity, while adding significant system and administrative processing costs. Each customer connection has a unique lifecycle more often driven by customers' own project and business dynamics.

The Authority notes the pipeline includes application stage (eg, interim stage) which provides an indication of project readiness. Capacity information is addressed in Proposal D.

- (g) For smaller connections, capacity maps and clear disclosures of the connection process, including timeframes, current stage, and next steps, would provide sufficient information.

The Authority notes the pipeline is only required for larger connections, however distributors are free to use the pipeline for medium or smaller connections if they believe this will add value to their process and to applicants.

The Authority's decision

- 8.13. The Authority noted the support, particularly from applicants, for a network connection pipeline. We note the range of benefits mentioned by submitters in their responses, and that Powerco is operating a pipeline and considers it valuable.

- 8.14. The Authority acknowledges the network connection pipeline would impose some costs on distributors. However, the pipeline does not need to be overly complex, particularly for small networks. It could be as simple as a published document on the distributor's website that is updated monthly.
- 8.15. In terms of costs for data, the Authority considers distributors already hold this information as it is required to manage network connections.
- 8.16. The Authority recognises some effort is required by distributors to manage the pipeline. However, the pipeline, along with complementary measures in this paper (eg, milestones, queueing and management policy) will deliver efficiency gains for distributors and access seekers. The includes, for example, better management of speculative, 'banked', and under-prepared applications.
- 8.17. The Authority notes the concerns about commercial sensitivity. We have amended the Code so distributors must now engage with applicants on what information is confidential. We have proposed that fuel type may be excluded from the pipeline where the project owner may be inferred.
- 8.18. The Authority has decided to:
- (a) proceed with the requirement, as proposed, for distributors to publish a network connections pipeline and require the pipeline for large DG and load applications only
 - (b) amend the proposal to require the network connections pipeline to be up to date on the final business day of each calendar month, except for December (22 December)
 - (c) amend the proposal to require distributors to hold but not to publish information in the pipeline that the applicant considers confidential.
- 8.19. The Authority will monitor management of the network connection pipelines. This will include whether the thresholds to be included in the pipeline should increase or decrease, to deliver greater benefits or further manage risk.

Provide pipeline information to the Authority

- 8.20. As part of Proposal C, the Authority proposed distributors provide pipeline-related information quarterly to the Authority. This included project owner and specific location, this being information not published in the pipeline. The proposed clause 6.3A of Schedule 6.1 set out quarterly reporting requirements and the information required to be provided. As noted in the consultation paper, this additional information would contribute to the Authority's monitoring of generation investment, helping to support long-term security of supply.
- 8.21. Section 16(g) of the Act requires the Authority to undertake industry and market monitoring, and, for this, the Authority requires regular information. The Authority could request one-off updates on this information under Section 46 of the Act to support its monitoring function as a specific update report at ad hoc intervals. However, in this case, as industry growth is expected to be rapid as the economy decarbonises, the Authority proposed to obtain information at regular intervals.
- 8.22. As the applications are known only to distributors, there is low visibility of sector performance around connections, including how quickly applications are processed and how generation and load connections are prioritised relative to each other.

Submissions

- 8.23. Submissions from the industry were mixed, while the majority agreed or conditionally agreed:
- (a) Twelve submitters agreed.
 - (b) Six submitters agreed with conditions.
 - (c) Seven submitters disagreed.
- 8.24. Consistent with the previous section on the network connections pipeline, several submitters were concerned about commercial sensitivity and confidentiality of information.
- 8.25. The Authority notes these submissions.

Submissions in agreement

- 8.26. Points made by submitters agreeing with the proposal included:
- (a) The proposal will improve transparency, allow oversight and understanding of connection trends over time and improve decision making, and will benefit networks and the Authority in disputes.
 - (b) The information will support the ability to manage risk relating to security of supply.
 - (c) A central body holding all information has merit. Providing sensitive commercial information direct to the Authority is appropriate.
 - (d) The proposal would give the Authority an accurate overall picture of how much future generation and load are in the pipeline for all of New Zealand.
 - (e) One submitter commented "...does not have any objection to this proposal, and we do not see this disadvantaging EDBs commercially."

Submissions expressing conditional agreement

- 8.27. Points made by submitters that conditionally agreed with the proposal included:
- (a) Clarity on scope and purpose: clear definitions are needed for the specific information required, reporting frequency, and intended use, to minimise administrative burden.

In our view the proposal specified this information in the consultation paper.
 - (b) Alignment with existing reporting frameworks: new requirements should align with existing regulatory and reporting frameworks - leveraging data distributors already collect and report could reduce duplication and administrative inefficiencies. The information required must be a subset of information already held by distributors. Consideration needs to be given to the size and capability of each distributor and the value that this information might provide – recommend a phased approach, allowing time for capacity building and system upgrades where necessary. Consider establishing standardised templates, formats, and data-sharing protocols to ensure consistency and ease of data submission.

The Authority notes distributors should already hold this information and intends to use its existing information gathering framework under clause 2.16 of the Code to collect it in order to further its monitoring purposes. To assist distributors, we will provide templates for the disclosure of this information.

- (c) Data privacy and security: there must be robust data privacy and security measures including protecting commercially sensitive material – one submitter recommended removing the requirement to share applicant names and specific GPS coordinates.

The Authority can assure participants that it has robust processes for managing commercially sensitive information.

- (d) Collaboration and continuous improvement: there must be strong collaboration between the Authority, distributors, and other stakeholders in the design and implementation of the reporting framework.

The Authority agrees. We will engage with the sector as we look to make improvements in future.

- (e) Resource implications: consider the additional resources that may be required for distributors to comply, including investments in data systems, staff training, and process adjustments - support mechanisms or transitional arrangements may be necessary.

Distributors should already hold and be engaging with this information. The Authority is likely to seek information for large DG (Process 3) and load (Process 5) applications only to monitor market-facilitation measures or to undertake market monitoring, so the volume of information to be provided is small. The Authority does not consider providing this information to be an onerous task.

- (f) Conflicts need to be addressed with distributors' existing confidentiality obligations by creating provisions for managing information covered by non-disclosure agreements.

Existing confidentiality requirements should include a caveat that where information is required by law, the confidentiality requirement does not apply. This is standard commercial practice.

- (g) The Authority should consider developing an integrated connection pipeline across distributors and Transpower, while ensuring confidentiality.

The Authority currently supports keeping the CMF and Network connections pipeline separate. The Authority may consider integration in the future if there is material duplication.

Submissions suggesting improvements or noting concerns

8.28. Points made by submitters that suggested improvements or expressed concerns included:

- (a) Cost and effort required may outweigh benefit.

The Authority believes the benefits significantly outweigh the costs. Security of supply is highly important, and the cost to provide the information should not be significant.

- (b) The Authority should get pipeline information for all projects to provide a complete picture for New Zealand.

The Authority can use historic data³⁵ and the proposed compliance reporting of smaller applications to estimate the expected generation from smaller projects.

- (c) Quarterly updates are too onerous, particularly:
 - (i) 1 January: unrealistic due to the holiday period
 - (ii) 1 April: overlaps with end of financial year and Asset Management Plan submissions
 - (iii) 1 July: conflicts with information disclosure preparations.

The Authority considers quarterly updates are appropriate and does not consider this onerous. We will consider issuing a notice requiring information to be provided under Part 2 of the Code.

Submissions disagreeing with the proposal

8.29. Points made by submitters that disagreed with the proposal included:

- (a) The requirement is unnecessary – if pipeline information is published it becomes available to all parties, including the Authority.

The Authority notes some pipeline information is not published due to commercial sensitivity or is published too late for the Authority’s monitoring. Also, the Authority requires information in a format that supports its monitoring of the generation pipeline. More specific location data will enable deeper insight into upcoming generation.

- (b) Providing this information may result in unnecessary administrative costs. Giving the Authority confidential information may be an issue due to privacy law – it is unclear how knowing the identity of the customer helps the Authority make better holistic planning and decision-making.

The Authority has addressed these points above.

- (c) The purpose, specific outcomes, or metrics for success are not clearly defined which could result in a burdensome compliance exercise rather than addressing real issues.

The Authority has addressed this point above.

- (d) Use existing mechanisms such as the Commerce Commission’s information disclosure regulation to avoid duplication, overlap and complexity.

The Commerce Commission’s information disclosure regime is not well suited to providing this information. The Authority seeks information at a more granular level to 500 kVA transformers and at more regular intervals than the annual information provided as part of the Information Disclosure regime.

³⁵ For example, see the information on the Authority’s EMI website (https://www.emi.ea.govt.nz/Retail/Reports/GUEHMT?_si=v|3)

- (e) Transpower and distributors meet regularly to update demand and generation forecasts at grid exit points. These forecasts include significant new DG and load connections, so transmission planning should be adequately informed.

The Authority's statutory functions set out in Section 16 subsections (c), (f) and (g) of the Electricity Industry Act 2010 (Act) requires the Authority to undertake market monitoring of matters relating to the electricity industry, not just transmission planning. The Authority has a statutory objective to promote reliability in the electricity industry, which includes security of supply. We require the information to better determine how security of supply is tracking over time to fulfil our objectives and carry out our functions.

The Authority's decision

- 8.30. Rather than progressing the Code amendments that were proposed to create an obligation on distributors to provide information to the Authority, the Authority has decided to consider whether the information ought to be sought either through a standalone request under clause 2.16 of the Code, or by combining the request with an existing clause 2.16 notice requesting similar information from Transpower. The purposes for requesting the information would fall within the Authority's monitoring functions as required by clause 2.16(2). This approach would provide advantages to the Authority's management of the information received in the requests and provide a more consistent approach to information obligations across participants.
- 8.31. The Authority acknowledges it will need to comply with the consultation requirements in Part 2 of the Code before issuing the clause 2.16 notice.
- 8.32. The Authority has decided to proceed with the proposed Code change, but with the following amendment:
 - (a) remove the requirement to provide information to the Authority from Part 6 of the Code - instead, we will consider consulting on a notice to require this information to be provided under Part 2 of the Code Availability of information.
- 8.33. The Authority will monitor the provision of information under a proposed Part 2 notice and may implement further Code requirements if any issues arise.

9. Proposal D Require distributors to provide more information on network capacity

- 9.1. This section sets out our proposal, stakeholders' submissions, the Authority's responses, and decisions on increasing the capacity information distributors must publish. The proposal recognised distributors are transitioning to a better understanding of their low voltage networks.
- 9.2. It is important for distributors to maintain accurate capacity information to efficiently manage their networks and to enable applicants to more effectively access the network or request capacity upgrades to existing connections. This information will benefit access seekers and consumers by supporting greater flexibility and providing visibility into where network capacity is available and may prompt investigation of capacity alternatives as a pre-application stage.
- 9.3. The Authority made one proposal, but comprising two sections as set out below.

Table 5: Proposals to require distributors to provide more information on network capacity.

	Proposal	Decision
Provision of capacity data		
D1	Supports ongoing access to networks. It requires information to be published that might otherwise sit solely with distributors	<p>We have decided to implement an amended form of the proposal</p> <p>The amendments are:</p> <ul style="list-style-type: none"> • Amend the publication date for updates to information • Require information is to be to the best of the distributor's knowledge at the time of publication
Granularity of data that should be provided		
D2	Capacity data will be more granular and more current than zone substation data, and this makes it particularly valuable for supporting ongoing access to networks.	<p>We have decided to implement an amended form of the proposal</p> <p>The amendments are:</p> <ul style="list-style-type: none"> • Information to be for low voltage transformers 500 kVA and above • Deleted the requirement for time of use information • Include caveats: <ul style="list-style-type: none"> ○ capacity is subject to change intra-day or intra-year ○ information is estimated ○ applicants should contact the distributor directly for the most up to date, accurate capacity information. • The Authority recommends that industry develop guidelines to support the publishing of capacity information

What we proposed

- 9.4. The Authority proposed distributors publish information on network capacity, but only where they hold this data. We sought feedback on the granularity of data that should be published. We want a balance between providing information of benefit to access seekers, both load and DG, and not imposing publishing requirements that are too onerous and/or costly for distributors.
- 9.5. The Authority noted the capacity data would complement the zone substation data required by the Commerce Commission. The proposal would deliver more granular and current information than provided through the Commerce Commission regime, making it particularly valuable for accessing networks. It would also require information to be published that might otherwise sit solely with distributors.
- 9.6. The Authority recognised distributors are transitioning to a better understanding of their low voltage networks. We consider this proposal to be a step towards improving the visibility of networks. The Authority is currently undertaking further, more detailed work in this area, and industry is active in this space with the Streamlining connections programme.
- 9.7. The Authority has split this section into two. The first section discusses the proposal to provide capacity data. The second section discusses the granularity of data that should be provided.

Provision of capacity information

Submissions and the Authority's response

- 9.8. A large number of submissions were received. The overwhelming majority of submissions either agreed or conditionally agreed, but many also expressed points of concern:
 - (a) Nineteen submitters agreed with the proposal.
 - (b) Eleven submitters either conditionally agreed or offered comment without explicitly agreeing or disagreeing.
 - (c) One submitter disagreed with the proposal.

Submitters in agreement with the proposal

- 9.9. Submitters agreeing with the proposal made the following points:
 - (a) Information on available network capacity is critical from the beginning of a connection applicant's journey – this information is dynamic, altered over time by commissioning of new load or generation and during a day by network conditions. The information would help businesses identify the most optimal and appropriate connection point from an efficiency and cost standpoint – ultimately supporting emissions reduction targets. It would allow better understanding of external energy risks and support decarbonisation targets.
 - (b) Geospatial maps indicating capacity (eg, including peak loads to feeder level) would be useful for business and investment planning and initial site assessments. It saves applicants funds that otherwise need to be spent on consultants to assess network capacity.

- (c) It would enhance transparency and enable more informed decision-making and would save time during the connection process for both new applicants (including charge point operators) and distributors. It would free up distributor resource from having to respond to numerous capacity queries. It may reduce the number of speculative applications distributors receive.
- (d) It would make it easier for distributors and retailers to encourage non-network solutions to capacity issues, which may be a more efficient solutions, potentially lowering network upgrade costs.

9.10. Meridian Energy stated:

“...supports the requirement for distributors to provide more information on network capacity. This information together with pipeline information will support more efficient investment decisions. We encourage the Authority to ensure this information is made available urgently. Currently, nothing in the proposed amendments encourages distributors to digitise the information required by access seekers. To help ensure consistency and efficiency, Meridian encourages the Authority to mandate in the Code that information must be made available in a consistent and accessible digital format that is aligned with the Commerce Commission’s geospatial requirements. Meridian supports a phased approach to delivering this information, with distributors initially being required to provide the information in any form, with a date (to be confirmed in the Code) by when this information must be provided in a digitised form.”

9.11. BusinessNZ and BEC noted:

“The lack of transparency and visibility of network constraints makes it challenging for access seekers to identify suitable locations. From a systems perspective, this leads to inefficient decision making, driving up costs unnecessarily while hampering efforts to electrify, which ultimately hinders New Zealand’s ability to meet its emissions reduction targets. Access seekers require a high degree of confidence and certainty that their chosen location is suitable and financially viable, as the cost of applying alone can range between \$10,000 to \$100,000, according to access seekers. Better access to data on the extent and location of network constraints, as well as open access to pricing methodologies, will enable parties to more accurately estimate both the upfront and ongoing costs on their own, providing the confidence required before initiating a sometimes-costly application process.”

9.12. ERANZ noted:

“ERANZ supports the Authority’s proposal to require electricity distributors to publish more granular data on the capacity of their electricity networks. More data on which parts of the network have capacity and which are constrained and would require costly upgrades will make it easier for developers and investors to decide where to install assets such as public EV chargers. More data on the available capacity of electricity networks would also make it easier for distributors and retailers to encourage non-network solutions to capacity issues, which depending on the situation may be a more efficient solution. For example, distributors and retailers could incentivise consumers in areas of the network that are constrained to install solar panels, instead of pursuing other more costly distribution network upgrades...”

Submitters expressing conditional agreement or related comment

- 9.13. Some submitters agreed with the proposal but made conditional points or commented without explicitly agreeing or disagreeing with the proposal. These points are below, followed by an Authority response where appropriate.

Commerce Commission requirements alignment

- (a) Constraints are already discussed annually in Asset Management Plans and Information Disclosures, including related party transaction information, required by the Commerce Commission – this proposal may result in duplication of work.
- (b) The Authority should collaborate with the Commission to create a single report that satisfies both the requirements of both the Authority and the Commission related to information about the low-voltage portions of distributors' networks.
- (c) The Authority notes it has ongoing engagement with the Commerce Commission. We consider the proposal complements their work in the area.

Flexibility in compliance

- (d) Flexibility in compliance timeframes should be introduced to allow for the diversity of distributors across New Zealand regarding their size, resources, and capabilities. Flexibility should also be introduced in the breadth of information that must be published.

The Authority does not support this approach. We seek consistency in distributor operations.

- (e) Network capacity updates should only be required annually given the stable nature of network conditions.

Access seekers tell the Authority they need information that is more current than annual information to support the connections process.

- (f) Capacity values should be provided as indicative rather than fixed – this acknowledges network variability and guides applicants on capacity availability, without providing unrealistic expectations. It allows distributors to offer actionable data while adapting to changes in network dynamics. Expecting precise values may lead to misinterpretation and frustration due to inherent limitations and the dynamic nature of the electricity network.

The Authority agrees, although distributors should try to make the information they provide as accurate and current as possible.

Other points

- (g) The methodology does not take a whole of system view and is static. Rather than requiring individual distributors to publish isolated datasets, in list format, an integrated national platform is needed providing a comprehensive view across distribution, transmission, and the Authority's generation pipeline – the Scottish & Southern Electricity Networks' Generation Availability and Network Capacity network mapping tool, or the UK's National Grid Research Assistant Tool provide excellent models.

The Authority is proposing a step towards greater visibility of network capacity, recognising the urgency to provide information in some form to support connecting parties. The Authority and industry are undertaking more detailed work in this area, and this will lead to more comprehensive action. However, this will take longer to implement than the proposal in this paper.

- (h) The United Kingdom Energy Networks Association (ENA) has successfully implemented a coordinated framework that includes centralised access to network capacity information and other relevant online resources and tools for connection customers. The Authority should establish a cross-sector working group with representatives from Transpower, distribution networks, generators, access seekers and other relevant stakeholders – the group should focus on developing one approach to presenting network capacity information.

The Authority supports NZ industry developing similar tools and notes the valuable work being done by industry as part of the Streamlining connections programme.

- (i) Publishing detailed capacity information at both the zone substation feeder and low voltage transformer levels presents significant commercial and practical challenges regarding cost-benefit, ultimately borne by consumers.

The Authority is seeking to achieve long term benefits for consumers and, in doing so, considers the benefits to access seekers and the costs for distributors. The next section discusses granularity of information.

- (j) Providing capacity maps and keeping these up to date would be a large cost for distributors.

The Authority has not proposed that distributors provide capacity maps at this time. However, we note Powerco currently does this and considers it valuable.

- (k) Static capacity data provides limited value – meaningful capacity analysis requires sophisticated asset management software – another significant cost.

The Authority recognises dynamic data would be most valuable, but this comes at a cost. Access seekers seek more current information than that provided annually in asset management plans.

- (l) The lack of access to relevant network information (particularly low voltage data), eg through MEP/retailer contracts, remains a significant barrier to innovation. The Authority must ensure distributors can access low voltage network data (including AMI smart meter data), at a reasonable cost, to support new connections. The Authority should adopt an approach similar to the Australian Energy Market Commission (AEMC) regarding smart meter data, where a level of power quality data from small customers' meters is provided to local network service providers for free, primarily for community safety.

The Authority is separately undertaking a review of the provision of meter-based network data. These results will inform any decisions on the need to regulate access to smart meter data.

- (m) Overly prescriptive requirements could stifle innovation in how information is delivered – distributors should focus on developing customer-friendly, self-service tools to provide capacity information.

The Authority has proposed a base level of information only, and industry has some flexibility on how to respond.

- (n) Regulations should be updated, requiring distributors to provide information on the historic operating voltages of their networks so investors can determine if they can expect their generation to be curtailed.

The Code does not regulate network voltages, and the requirement to profile voltage is a significant amount of information. This is best discussed directly with networks as additional load or generation may be planned, or network meshing occurs, that will cause changes to voltage. These occurs through the Electricity (Safety) Regulations 2010, administered by the Ministry of Business, Innovation and Employment.

- (o) Applicants may interpret the information differently, given they have different levels of understanding of how electrical networks are designed and operated.

The Authority notes applicants may use specialist consultants to interpret the data if they do not have the knowledge to interpret the data themselves.

- (p) The Authority should work with the EEA to create guidelines for defining, interpreting, and calculating MV and distribution transformer capacity.

The Authority thinks guidelines would be valuable. The EEA could undertake this work as part of the Streamlining connections programme.

Submitters suggesting improvements or noting concerns

- 9.14. Some submitters provided observations, proposed improvements and had general concerns that included:

- (a) Information should be made available via electronic data share (such as GIS or similar).

The Authority agrees this would add value but comes at added cost. Distributors may choose to provide GIS data if they choose.

- (b) For consistency and efficiency, the Code should require that information is made available in a consistent and accessible digital format, aligned with the Commerce Commission's geospatial requirements.

The Authority notes industry has some flexibility to align with the Commerce Commission's requirements when implementing the change.

- (c) The Code or Authority's monitoring should achieve timely progress to a consistent standard of quality information so that 'where known' in the Code is no longer relevant.

The Authority notes the proposal is a step towards greater visibility of network capacity, recognising distributors are progressing at different rates. The sector has recognised the value of greater visibility and is undertaking work to improve in this area.

- (d) Inclusion of the ‘where known’ caveat on capacity at zone substation feeders and low voltage transformers is important – under certain circumstances it may be more cost effective and accurate for distributors to take enquiries from applicants directly. Systems to monitor network capacity will be key to enabling meaningful dynamic connection and pricing to provide a financial incentive to not increase peak load. Information at the low voltage transformer level will require low voltage network usage visibility (via metering or other logging devices) – this could be challenging to provide for all transformers.

The Authority is asking for the information to be published only where it is held by the distributor.

- (e) Distributors should be incentivised to improve the information they collect on network usage and how capacity information is made available to customers. Having to provide the information once it is held may discourage some distributors to seek out the data.

The Authority notes distributors are already incentivised and are increasingly investing in systems to better understand network capacity. The Streamlining connections programme is working on ways to improve network capacity data. The Authority considers there are strong drivers for distributors to invest in network capacity information, and the cost to publish the data is a secondary consideration.

- (f) Clarify if the ‘time of use capacity’ at zone substation feeders and low voltage transformers will provide the dynamic capacity information expected to be required for flexibility offerings. For example, is the requirement for available capacity relative to peak demand or at a given point in time based on current demand – the latter may be challenging and impractical.

The Authority has given distributors the discretion to choose how to determine ‘time of use capacity’. We expect distributors to adopt common practice, determined through the Streamlining connections programme.

- (g) The cost and effort to publish the information must be balanced – there should be ongoing engagement with end-users, developers, and other stakeholders to refine the requirements to meet needs and manage costs.

The Authority agrees and encourages this collaboration.

- (h) The Authority should mandate providing a range of network capacities (eg, summer, winter etc).

The Authority has given distributors the discretion to choose how to publish capacity. We expect distributors to adopt common practice, determined through the Streamlining connections programme.

- (i) The Authority should consider mandating distributors to use dynamic operating envelopes for DG and load.

This is outside the scope of the Network connections project.

- (j) One submitter suggested that the Authority refrain from introducing the obligation in its current form. Instead, they recommended the Authority take additional time to work with the sector – ideally via the Streamlining

connections project – to develop a more effective and practical means of providing capacity information. This collaborative approach would enable the development of solutions that are better aligned with the needs of access-seekers while remaining achievable for distributors to deploy.

The submitter also commented that the Authority could introduce an obligation on distributors now but make this effective at a later date. This would not materially undermine the effectiveness of the other measures proposed in consultation. Taking extra time would also allow the sector to address key considerations, such as fit-for-purpose granularity. The level of detail should align with the needs of different stakeholder groups. For instance:

- (i) High-level summary data for general stakeholders and public communication.
- (ii) Detailed technical data (e.g., hosting capacity, constraints) for developers and engineers assessing new connections or projects.

The Authority does not support this approach. We have introduced preliminary capacity measures that will provide immediate benefits for access seekers who seek this data now. Also, we have also provided industry with flexibility on how to publish this information. The Authority is undertaking more detailed work in this area that will lead to further change and engagement with industry.

Submitter disagreeing with the proposal

9.15. The submitter that disagreed with the proposal made the following points:

- (a) The requirement will divert resources away from supporting access seekers directly – capacity data requires specialist knowledge to interpret.

The Authority's view is that information provides an initial indication. Applicants would use this to determine whether further engagement with the distributor should occur and should seek professional support to interpret the data.

- (b) Customers seeking available capacity to avoid paying for network upgrades is not an issue where the distributor funds the upgrade – in this case distributors should be exempted from the requirement.

The Authority's view is that if a distributor funds the upgrade, there are no costs to provide, but there may be timing or other connection issues for an applicant to consider. A wide range of access seekers may use the network information, so it is not appropriate to assume a single use case.

Scope and granularity of the information to be published?

Submissions and the Authority's response

9.16. Many submissions were received and feedback was mixed, but most submitters agreed or conditionally agreed:

- (a) Nine submitters agreed with the proposal.
- (b) Nine submitters conditionally agreed.

- (c) Four submitters disagreed.
- 9.17. Many submitters thought the data was granular enough to support access seekers and distributors to make fast allocation decisions.
- 9.18. Several submitters made points around the proposed scope and granularity of information including:
- (a) Details on time-of-day existing loads against capacity would be valuable for considering the load management of electric bus fleets.
 - (b) It would be valuable to have links to other connection requests in the area (same feeder/zone substation).
 - (c) Data should be prioritised in rural, industrial and commercial areas so businesses and developers can make informed decisions – not necessary for rooftop solar applicants.
- 9.19. Several submitters noted the potential cost/benefit of providing the information. Points included:
- (a) The level of granularity sought may not be practical and will come with corresponding costs.
 - (b) Reporting beyond sub-transmission conductor and cable capacity may have diminishing returns.
- 9.20. Several submitters made points around the importance of digitalisation of information and geospatial interfaces including:
- (a) A public and open digital tool with a geospatial user interface appears the most appropriate model for displaying capacity data. The Authority could mandate the data is available geospatially (perhaps for distributors over a certain size) – the PowerCo model is seen as useful.
 - (b) The Authority should align the timing of a requirement to publish geospatial information on network capacity at an LV level with its work on LV data access and matching allowable cost recovery through Part 4 of the Commerce Act.
- 9.21. Several submitters made points related to voltage levels including:
- (a) Access seekers have varying capacity requirements that could involve connecting to any part of the network (low, medium and high voltage).
 - (b) High voltage should be the primary requirement. There should be a future pathway to improve distributors' practices to provide low voltage granular data.
 - (c) Capacity needs to consider existing capacity rights, and therefore the information will only be a snapshot (particularly for low voltage transformers in high growth areas), and that access seekers should take the information as indicative.
- 9.22. Submitters disagreeing with the proposal made a range of points, including:
- (a) One submitter was concerned that distributors could be required to publish a wide range of technical data that will not be understood by most connecting parties. It considered it would be more efficient to provide data on request, so

it could be presented with context and an understanding of the intended data use.

- (b) One submitter supported the goal of increasing transparency and accessibility of information related to network connections but considered the proposal needed refinement to ensure it is both useful to access-seekers and practical to implement. The submitter recommended taking time to work with the sector via the Streamlining connections project. It considered this would allow the sector to address key considerations.
- (c) A submitter considered the Authority should focus on developing requirements supporting meaningful network visibility through interactive tools and real-time data access. It considered this would provide more value to stakeholders, while avoiding unnecessary costs associated with gathering and maintaining granular static data that offers limited practical benefit. Without geospatial presentation, such as interactive maps, data down to distribution transformer level would be extremely difficult for customers to interpret or use effectively. Providing the available capacity at points along a feeder could be challenging. Information on the types of conductors and cables that make up the sub transmission network would allow large DG developers to become more self-reliant on selecting viable connection options without network resource.

The Authority's decision

- 9.23. The Authority notes the strong support for improved network capacity information. The benefits are well set out in submissions. The Authority has noted specific issues and concerns in submissions.
- 9.24. There is a clear and strong case to provide network capacity information. It is important for distributors to efficiently manage their networks, and for applicants to more efficiently access the network (or increase the capacity of their existing connection). It also supports greater flexibility by indicating where network reinforcement will be needed.
- 9.25. Distributors recognise the value of having greater visibility of their networks, and they are increasingly investing in systems to provide this. This is consistent with distributor trends overseas. The Authority expects this will continue in New Zealand, with more distributors investing over time. It is likely some distributors will move more slowly than others.
- 9.26. Currently distributors have disclosure requirements under Part 4 of the Commerce Act and there are some disclosure obligations under Part 6 of the Code. However, access seekers need data that is more current than the information provided under those mechanisms.
- 9.27. The Authority has proposed a step towards making network capacity data more visible. It is not designed to be definitive. The proposal recognises distributors are increasingly getting access to detailed data, access seekers would benefit from this data now, but distributors are not incentivised to put this information into the public domain with urgency.
- 9.28. The Authority is undertaking more comprehensive work in this area. Industry is doing the same, with the Streamlining connections programme working on capacity

maps. These work programmes will consider the optimum way to access the data and get it into the public domain. However, change through these processes will take time and, in the interim, access seekers have limited visibility of information on network capacity. The Authority can revisit Code obligations as the wider work on network visibility progresses.

- 9.29. The Authority expects that distributors will reference work being carried out currently to provide geospatial information to the Commerce Commission by 31 August 2025 when determining how to provide information under the Code.
- 9.30. The Authority believes it has struck a balance between providing information valuable to applicants and managing the costs for distributors to publish the data. The Code does not require that distributors provide the information unless they hold it, or to provide it in GIS form, although distributors may choose to do so. However, the Code does require the information published to be to the best of its knowledge and that any arising errors should be corrected. This accuracy requirement is new to Part 6 for distributors publishing information.
- 9.31. The Authority has decided to proceed with the proposal with the following amendments:
- (a) Require minimum available capacity data for zone substation feeders and LV transformers 500kVA and above.
 - (b) Remove reference to time of use.
 - (c) Capacity information to be provided by 15 December, 15 March, 15 June, and 15 September rather than end of the quarter.
 - (d) Information provided must:
 - (i) be to the best of the distributor's knowledge at the time of publication and should be immediately corrected if an error is discovered
 - (ii) be marked as estimated where it is estimated
 - (iii) include caveats where the capacity is subject to change intra-day or intra-year
 - (iv) include a note saying applicants should contact the distributor directly for the most up to date and accurate capacity information.
- 9.32. The Authority will also recommend that industry develop guidelines to support the publishing of network capacity information (eg, how to present information, how to calculate capacity/hosting capacity information, estimation of capacity etc).
- 9.33. The Authority may review its decision if it considers industry has not progressed this work to the required standard (eg, it does not meet the needs of applicants).

10. Proposal E: Update the regulated terms for distributed generation

- 10.1. This section sets out our proposal, stakeholders' submissions, and decisions on amending the regulated terms for DG. These terms are set out in Schedule 6.2 of Part 6. These terms apply if a distributor and a distributed generator do not enter into a connection contract.
- 10.2. The proposal will provide greater protections for parties through the regulated terms and better respond to the wider Code and some of the changes proposed in this paper. Up to date regulated terms, as an alternative, encourages distributors and applicants to negotiate reasonably.
- 10.3. The Authority proposed five amendments to the DG regulated terms.

Table 6: Proposals to update the regulated terms for distributed generation.

	Proposal	Decision
E1	Update clause 3 to support the maintenance of power quality and reduce potential disruption to supply. The revisions clarify the responsibilities of the parties involved	We have decided to implement an amended form of the proposal The amendments are: <ul style="list-style-type: none"> • Delete subclause 3(7)(b) • Defer prescribed and contractual terms to Stage 2 of the Network connections project (see also Proposal F below)
E2	Amend clause 4 so metering requirements better align with other Parts of the Code	We have decided to implement an amended form of the proposal The amendment is: <ul style="list-style-type: none"> • Delete reference to “no more than required for a certified metering installation”
E3	Strengthen the disconnection requirements for DG in clause 15	We have decided to implement the proposal without change
E4	Given the proposal to manage DG applications through the queueing and management process, revoke the requirement for DG to be constructed within 18 months (clause 15A)	We have decided to implement an amended form of the proposal The amendments are: <ul style="list-style-type: none"> • As proposed, remove clause 15A • As proposed, allow distributors to manage stalled medium and large DG and load applications through their queueing and management policy • Amend Part 6 to allow distributors to lapse final approval of medium and large DG and load applications and

	Proposal	Decision
		revert the application back to the initial application stage when an application does not connect within the later of 2 years or the agreed (or re-agreed) connection date.
E5	Make minor revisions to clause 16 so information can be more widely published	We have decided not to proceed with implementing the proposal

10.4. The Authority noted the installation of small-scale DG does not typically involve a connection contract. This means regulated terms apply, even though some may not be appropriate for residential solar. Stage two of the Network connections project will consider this issue, alongside other requirements for small-scale solar.

10.5. Item E4 attracted many submissions. It is discussed in a separate section below.

E1, E2, and E3 – Amend clauses 3, 4, and 15 of Schedule 6.2

10.6. The Authority proposed three amendments to the DG regulated terms:

- (a) Update clause 3 to support the maintenance of power quality and reduce potential disruption to supply. The revisions clarify the responsibilities of the parties involved.
- (b) Amend clause 4 so metering requirements better align with other Parts of the Code.
- (c) Strengthen the disconnection requirements for DG in clause 15.

Submissions

10.7. Submitters had differing opinions on Proposal E but most agreed or conditionally agreed:

- (a) Eight submitters agreed with the proposals.
- (b) Four submitters conditionally agreed.
- (c) Two submitters disagreed with the proposal. One submitter preferred a separate contract for larger connections, and the other submitter preferred an alternative contract structure.

10.8. Submitters who provided conditional support recommended a detailed default contract for larger connections.

10.9. One submitter thought liability should be based on nameplate capacity, as maximum export power does not adequately reflect the risks from the maloperation of DG.

10.10. The Authority agrees with this approach.

10.11. One submitter noted the proposed limitations on injecting reactive power into a network.

10.12. As bespoke connection agreements are used for larger projects, submitters see the current default terms as more suitable for smaller applications.

- 10.13. There was some support for a standardised set of regulated terms for larger installations. This would reduce negotiation overheads for developers and distributors, resulting in lower overall costs and more efficient project delivery. However, there should be flexibility to use bespoke terms where required, as larger and more complex installations often have unique technical and operational requirements. The regulated terms should, therefore, allow for reasonable adjustments while still providing a standard framework for consistency and fairness.
- 10.14. One submitter suggested a national template suitable for long-term financed utility-scale DG projects. This could include additional, detailed provisions beyond those in the regulated terms.³⁶ It was also said regulated terms should be easy to transfer and novate.
- 10.15. The Authority notes the ENA is undertaking work in this area as part of the Streamlining connections programme.
- 10.16. Another submitter requested a technical appendix to the regulated terms with standard voltage and power factor limitations and other standard operating parameters. This would reduce contention when negotiating connection agreements and discourage distributors from setting overly stringent requirements.
- 10.17. The Authority thinks this issue is best addressed through the EEA's work on connection and operation standards.
- 10.18. The same submitter questioned the intent of clause 3(7)(b) and asked what if there is another requirement for additional reactive power added to the Code.
- 10.19. One submitter stated regulated terms cannot adequately address the technical requirements, asset vesting provisions, liability frameworks, and quality of supply obligations necessary for successful project delivery. They wanted regulated terms removed from the Code.
- 10.20. The Authority disagrees, as regulated terms are a necessary default backstop for the majority of participants that do not want to or need to (due to the small-scale of the DG), negotiate individual connection agreements.
- 10.21. Another submitter preferred a 'contractual terms' approach, similar to that used for the default distributor agreement. Distributors could develop the contractual terms with stakeholders and include compulsory and optional/bespoke terms to allow for differences between networks. This work could be undertaken as part of the Streamlining connections programme.
- 10.22. The Authority discusses its decisions on contractual terms in the section on regulated and prescribed terms for load (Proposal F).

The Authority's decision

- 10.23. The Authority has decided to:
 - (a) Implement the proposals with one minor change in response to submissions, noting there is general agreement to the proposals.

³⁶ Such as addressing conditions precedent; step-in rights for secured financiers; opportunity for disconnection and quick timelines for reconnection; billing and payment; response to regulatory change and insurance requirements.

- (b) Delete subclause 3(7)(b) noting the proposal puts undue limitations on DG export as the clause was intended to require distributors to contract for network voltage support and not require distributed generators to support network voltage without a contract to do so.
- (c) Consider the issue of regulated, prescribed and contractual terms further in stage 2 of the Network connections project (see also Proposal F below). This will consider the best approach, whether different terms should apply for different sizes of application and/or complexity, and the role of the regulator and industry in developing solutions.

The proposal to revoke clause 15A from DG regulated terms is discussed below.

E4 – Revoke the 18-month timeframe to build distributed generation, set out in regulated terms (clause 15A of Schedule 6.2)

- 10.24. The Authority proposed revoking the requirement that a distributed generator must complete construction of its distributed generation within 18 months of the final approval date.³⁷ Otherwise, the default terms cease to apply, and the distributed generator must reapply to connect.
- 10.25. The Authority considered the current Code was inefficient. It allows developers to propose projects, gain access to capacity and distributor resources, but take no action for 18 months, blocking other projects. We also considered a blanket 18-month time limit may not always be sufficient for larger DG projects.
- 10.26. The Authority proposed a more nuanced approach for managing stalled applications.³⁸ This included setting base rules in the Code, and distributors using a queueing and management policy (with milestones) to manage the priority position of applications. This approach applies to both DG and load and regulated and negotiated contracts.

Submissions

- 10.27. Six submissions discussed this issue. None agreed with the proposed amendment.
- 10.28. There was strong support to retain the 18-month requirement in the Code, as it explicitly enables dormant applications to be removed by distributors.
- 10.29. If the proposed queueing and management approach is used, submitters want distributors to retain the ability to remove dormant applications noting that the United Kingdom regulator Ofgem has enabled this.
- 10.30. Submitters did not support applicants maintaining their priority position if they consistently fail to meet milestones.
- 10.31. A few submitters argued the proposal wouldn't address smaller applications as the queueing and management policy only covers large DG (Process 3) and load (Process 5) applications.

³⁷ Or at a date agreed between parties.

³⁸ For example, failure of an applicant to achieve its milestone/s initiated a negotiation phase, and ultimately, if there is an alternate applicant in the queue, that alternate applicant may be prioritised for connection.

- 10.32. Some submitters suggested the Code should require construction to start within a specified period, or approval can be revoked and capacity reallocated.
- 10.33. One submitter thought the Code should require distributors to revoke applications at 18 months, if milestones have not been met. Currently distributors apply the clause inconsistently, which creates problems for applicants waiting to connect.
- 10.34. There was consensus that 18 months is a reasonable period to complete construction.³⁹
- 10.35. The Authority notes these submissions.

The Authority's decision

- 10.36. The Authority acknowledges the strong support for distributors to remove stalled applications and for this to be prescribed in the Code. This was the Authority's intention, and we accept this could have been clearer in consultation.
- 10.37. The Authority agrees a project that continually fails to meet its milestones following renegotiation, or that fails to start construction, should not retain its position in the pipeline and final approval should lapse. Stalled projects make inefficient use of distributor resources and can stop other connections from advancing.
- 10.38. Distributors should note the queueing and management policy applies to all Part 6 applications regardless of size, not just large DG and load applications, it is only the published pipeline that applies to the large DG and load applications.
- 10.39. The Authority believes industry is best placed to develop detailed operational policy for connections, with the Code setting base requirements to ensure the sector is efficient, competitive, resilient and provides long-term benefits to consumers.
- 10.40. The Authority has decided to implement the proposal with the following amendments:
 - (a) remove the 18-month timeframe as proposed for medium and large DG and load, but leave the requirement in place for applications made under Process 1 or Process 1A
 - (b) add a provision permitting distributors to set milestones to manage and remove, if necessary, stalled applications through their queueing and management policy (this applies to all Part 6 applications, and to regulated and negotiated connection contracts)
 - (c) add a provision for medium DG and load applications, to allow distributors to lapse final approval and revert back to the pre-initial application stage where a connection application consistently does not connect the load within 2 years or a period of time previously agreed between the distributor and applicant, through fault of the applicant. An applicant can use the disputes process if it disagrees with the lapsing
 - (d) add a provision for large DG and load applications to allow distributors to lapse final approval and revert back to the pre-initial application stage where a connection application consistently:

³⁹ However, the Authority has received feedback in previous consultation that this period should be extended.

- (i) misses its network connection pipeline milestones, through the fault of the applicant
- (ii) does not connect the DG or load within two years or a period previously agreed between the distributor and applicant, through fault of the applicant.

10.41. This approach provides distributors with more flexibility on how to address stalled applications, rather than the blanket 18-month timeframe that applied previously. It also makes clear distributors have the power to remove applications after following due process. Distributors and applicants can negotiate milestones, and if a project is not progressing, the next application in the queue can progress. This delivers generation or load to connections without excessive delay.

E5 – Amend clause 16 of Schedule 6.2

10.42. The Authority proposed to make minor revisions to clause 16 so information can be more widely published. This was to assist with the proposal for distributors to provide pipeline information to the Authority via Part 6.

The Authority's decision

10.43. The Authority has decided not to proceed with this proposal. It is no longer required as the Authority has decided to seek pipeline information via Part 2 (Availability of information) of the Code rather than Part 6. Part 2 includes confidentiality provisions for information gathering. We will consult on using Part 2 for gathering pipeline information (and Part 6 processing performance) later in 2025.

11. Proposal F: Add regulated and prescribed terms for load applications to the Code and amend dispute resolution requirements

- 11.1. This section sets out our proposal, stakeholders' submissions, and decisions on adding regulated and prescribed terms for load applicants. The regulated terms for DG are set out in Schedule 6.2 and the dispute provisions set out in Schedule 6.3 of the Code. These terms apply when a distributor and a distributed generator do not enter into a separate connection contract or have a dispute.
- 11.2. The proposal was intended to provide greater protections for parties through the regulated terms. Up to date regulated terms, as an alternative, encourages distributors and applicants to negotiate reasonably.
- 11.3. The Authority proposed two distinct parts to this proposal, as noted below.

Table 7: Proposals to add regulated and prescribed terms for load applications to the Code and amend dispute resolution requirements

	Proposal	Decision
Add regulated and prescribed terms for load applications to the Code		
F	Create two new schedules for load applicants that are participants ("Regulated terms") and non-participants ("Prescribed terms")	<p>We have decided not to proceed with implementing the proposal</p> <p>We are requesting industry undertake work to develop fair default terms or alternative contractual terms, and provide these to the Authority for review</p> <p>As a result of submissions, we are making two minor amendments regarding the regulated terms for DG. The amendments are:</p> <ul style="list-style-type: none"> Amend clauses 8(2)(a) of Schedule 6.2 to include the wording "only if it is safe to do so" Amend the Code to clarify that where a single application comprises both DG and load connection, that the DG regulated terms apply if a negotiated DG connection contract has not been agreed.
Amend dispute resolution requirements		
F	Extend the dispute provisions in Schedule 6.3 to load applicants where they are participants.	We have decided not to proceed with implementing the proposal

- 11.4. This Authority proposed introducing proposal regulated and prescribed terms for load applications. The proposal for dispute resolution requirements is discussed in a separate section below.

Regulated and prescribed terms for load

- 11.5. Schedule 6.2 sets regulated terms that apply if a distributor and distributed generator do not enter into a negotiated connection contract. There is no similar schedule for load applications as Part 6 does not currently cover load applicants.
- 11.6. The Authority proposed:
- (a) Regulated terms for load applicants that are participants under the Code (Schedule 6.2A).
 - (b) Prescribed terms for load applicants that are not participants under the Code (Schedule 6.2B).
- 11.7. As for DG, these terms would only apply if a negotiated contract was not signed.
- 11.8. The Authority also discussed an alternative approach where regulated terms and dispute resolution terms are reframed as default contractual terms rather than Code requirements. This is discussed in the dispute resolution section.

Submissions

- 11.9. The Authority received many submissions on this proposal with opinions divided, while most agreed or conditionally agreed:
- (a) Nine submitters agreed.
 - (b) Two conditionally agreed.
 - (c) Five disagreed.
- 11.10. Support came mostly from access seekers. They noted distributors are monopolies and default terms help to balance negotiating power. In general, these submitters are facing challenges to connect. For example, one submitter noted:
- “We have seen significant differences between EDBs on their processes for new or changed connections and the contractual arrangements to achieve these. This adds significant cost and effort to ensure that ... is not being unfairly disadvantaged in the contractual terms and is paying only for the direct equipment needed for its electricity supply.”
- 11.11. Several submitters, mostly distributors, opposed the proposal:
- (a) Some thought significantly more work was required to make the terms fit for purpose, and industry should lead this work. They provided suggestions to improve the terms.⁴⁰ A few submitters thought the terms drew too heavily on DG terms which are not well-suited to the requirements of load connections.
 - (b) Several questioned the purpose of the terms. They noted an overlap with the provisions in the existing default distributor agreement (DDA). They sought clarity on how these mechanisms would interact and questioned whether another framework was required.
 - (c) Wellington Electricity raised several concerns with the proposed terms. They suggested revising the terms to better ensure non-competent people do not interfere with distributor equipment.

⁴⁰ For examples, adding time-based limitations, allowing for easements

- 11.12. One submitter strongly supported a default connection agreement approach:
- “With the experience of hindsight and having operated with 29 different network agreements before the DDAs were introduced, supports the development of a default connection agreement (a “DCA”) to replace the regulated and prescribed terms for load connections (and the DG regulated terms). While this may introduce an administrative burden to implement and manage, the benefits of doing this outweigh the costs. A DCA would introduce the necessary consistency and fairness across the sector as it would apply to all parties equally, it would negate the need for separate terms for non-participants and participants (as is currently proposed by Schedules 6.2, 6.2A and 6.2B), it can accommodate a private dispute resolution clause, and it’s been done before and the industry understands how it would work.”
- 11.13. One submitter sought clarity on what terms would apply for applications that include DG and load (eg, EV charging using a bi-directional charger).
- 11.14. The Authority notes these submissions.

The Authority’s decision

- 11.15. The Authority is concerned about the imbalance of power in the connection negotiation process. Default terms help to re-balance that power. They provide the applicant with a back stop if deadlock occurs and incentivise both parties to negotiate reasonably.
- 11.16. The Authority notes the concerns raised by submitters and agrees the default terms need further development and industry involvement. We intended to introduce the terms and improve them over time, but given the extent of feedback, it is not sensible to implement them at this time. We also need to consider the interaction with the Default Distribution Agreement in Part 12A of the Code.
- 11.17. We note a submitter’s concerns around unqualified people interfering with distributors’ equipment. We will amend the regulated terms for DG in Schedule 6.2 accordingly.
- 11.18. The Authority has decided to:
- (a) not include the proposed Schedules 6.2A and 6.2B in the Code at this time
 - (b) request industry undertake work to develop fair default terms or alternative contractual terms, and provide these to the Authority for review
 - (c) make an amendment to clauses 8(2)(a) of Schedule 6.2 to include the wording “only if it is safe to do so”
 - (d) make an amendment to the Code to clarify where a single application comprises both DG and load connection, that the DG regulated terms apply as default if a negotiated DG connection contract cannot be agreed for the connection of DG
 - (e) consider further regulated and prescribed terms after (a) and (b) above have completed.
- 11.19. Once fair default terms or alternate contractual terms have been determined and reviewed by the Authority, the Authority may decide to consult on including those provisions in the Code or consider further regulated and prescribed terms.

- 11.20. In the event fair default terms or contractual terms cannot be agreed with industry, the Authority may reconsider the terms consulted on the proposed Schedules 6.2A and 6.2B.

Dispute resolution

- 11.21. The current Part 6 of the Code includes a dispute resolution process (Schedule 6.3). The Authority proposed to extend this to load applicants where they are participants.
- 11.22. In the consultation, the Authority noted that under the statutory framework, the dispute resolution approach can only apply to disputes between distributors and other participants. However, applicants who are not participants can report a breach of the Code under the Electricity Industry (Enforcement) Regulations 2010 (Enforcement Regulations). To enhance this process, we proposed a new clause 6.8A that requires distributors to resolve complaints in good faith.

Submissions

- 11.23. There was mixed support for the dispute resolution proposal, most submitters agreed or conditionally agreed:
- (a) Seven submitters agreed.
 - (b) Three conditionally agreed.
 - (c) Three disagreed.
- 11.24. Those supporting the proposal saw the importance of dispute resolution, noting there is an imbalance of negotiating power between distributors and applicants.
- 11.25. One submitter supported a default contractual approach (a mandatory default connection agreement), which would allow for private dispute resolution arrangements to apply which may be more relevant for the parties involved.
- 11.26. A small number of submitters questioned why a new dispute resolution process was required, noting the effectiveness of the existing Utilities Disputes Limited (UDL) process. They thought the proposal could add confusion to the role and responsibilities of the UDL and lead to a duplication of costs.
- 11.27. One submitter saw value in a consistent disputes process for participants and non-participants. Another submitter suggested a continuous improvement approach for dispute resolution, with the Authority implementing a process and improving this over time.
- 11.28. One submitter supported dispute resolution but raised some concerns. These included:
- (a) whether the Rulings Panel were the right entity, and had the expertise, to resolve disputes
 - (b) how the dispute process would work with mechanisms in existing commercial contracts
 - (c) the proposed Code lacks clarity on how timelines apply when there is a dispute over conditions, or an application being declined.

- 11.29. One submitter recommended a negotiation step prior to formal dispute resolution. This would provide a valuable opportunity for parties to resolve minor issues collaboratively before escalating to a formal dispute resolution process. Another suggested more than 20 business days should be provided for dispute resolution.
- 11.30. One submitter thought the Code was not a suitable mechanism for dispute resolution as:
- (a) Only disputes between distributors and applicants who are participants can be raised under the default dispute resolution process, meaning most load applicants would be ineligible for this process.
 - (b) Rules and procedures for dealing with disputes are not provided. This could result in significant efforts being undertaken in relation to a dispute which may not be warranted.
 - (c) Disputes must be treated as if the notified dispute is notification of an alleged breach of the Code. This would potentially place an unnecessary administrative burden on both parties to satisfy the regulatory requirements of the EA or Rulings Panel.
- 11.31. This submitter thought the UDL scheme might be a more suitable vehicle, although it may not be appropriate for disputes relating to the application of pricing methodologies to connection charges.
- 11.32. The Authority notes these submissions.

The Authority's decision

- 11.33. The Authority has considered the submissions on disputes in conjunction with submissions on DG and load applications, the network connection pipeline and timeframe management.
- 11.34. The Authority notes:
- (a) The Code cannot treat disputes involving participants and non-participants consistently.⁴¹
 - (b) The proposed Code amendment consulted on (Clause 6.8A of the proposed Part 6) requires distributors to attempt to resolve disputes from applicants that are not participants in good faith within 20 business days but does not set out the process after that.
 - (c) The Utilities Disputes Limited (UDL) scheme applies to a maximum value of \$50k and requires an agreement to be in place, so is not appropriate for some disputes.
 - (d) Negotiation is a key first step to resolving a dispute. To encourage this, the Code should specify the sequence of managing a dispute so negotiation can be the first step. However, non-participants are not obliged to follow this process in the Code.
 - (e) The Code allows parties to use other agreed methods to resolve their disputes, including dispute processes in existing contracts.

⁴¹ This would require a change to the Electricity Industry Act 2010

- (f) If the regulated terms apply, the Rulings Panel or the Authority is the arbitrator of final resort, after other options have been exhausted.
- (g) 20 business days may not always be sufficient to resolve a dispute, so parties should be able to agree a longer period.
- (h) Section 8 of the Enforcement Regulations requires an industry participant that believes, on reasonable grounds, that another industry participant has breached the Code to report the breach or possible breach to the Authority as soon as possible.

11.35. The Authority has decided to:

- (a) Not proceed with the proposal to extend the dispute resolution process to the load processes at this time.
- (b) We have carefully considered the feedback provided and have decided regulated, prescribed and default contractual terms require more consideration before Code change is made. This will occur as part of a future stage of the Network connections project and will include industry engagement. In the interim, the DG regulated terms will continue to apply, and the Authority notes the current complaints resolution service of Utilities Disputes Limited is still available and the process in Schedule 6.3 is available to parties subject to the regulated terms.

Default contractual terms alternative

11.36. The Authority consulted on whether to introduce a default contractual agreement (DCA) for DG and load applications. Regulated terms, dispute resolution terms and a requirement to apply pricing methodologies are reframed and would be replaced with default contractual terms (similar to the default distributor agreement). These terms would be in an external document, incorporated by reference to the Code, rather than as Code requirements.

Submissions

11.37. Views differed on the value of default contractual terms, but with slightly more submitters supporting or conditionally supporting the DCA than opposing it:

- (a) Four submitters agreed.
- (b) Three conditionally agreed.
- (c) Four disagreed.

11.38. Several submitters supported the approach, noting it would allow industry to agree appropriate terms. It would provide greater clarity and consistency for network users while addressing key issues related to distribution connection pricing and allocation of responsibilities. It would formalise obligations and rights, which could reduce disputes and misalignment over time.

11.39. The added complexity and challenges of implementing and administering DCA contracts was noted, particularly for smaller distributors or customers. Submitters argued any additional compliance or administrative burden must be weighed against the potential benefits.

- 11.40. Fewer submitters opposed the DCA approach, noting the significant work involved in developing and updating the DDA.
- 11.41. One submitter thought the DCA should allow for regional differences, as the DDA does. However, another considered the inconsistent use of DDA terms to be a problem, and this would also occur with a DCA.
- 11.42. One respondent saw value in a regulated backstop to the DCA, if this backstop was not too detailed.
- 11.43. One submitter noted non-contractual approaches, such as guidelines or codes of practice, offer a lighter-touch solution while still delivering improved outcomes. These alternatives could reduce the need for regulatory intervention and provide flexibility for innovation in connection services.
- 11.44. The Authority notes these submissions.

The Authority's decision

- 11.45. The Authority has decided to not implement default contractual terms at this stage. Default contractual terms require more consideration before any Code amendments can be made.

12. Proposal G Increase record keeping requirements for distributors

- 12.1. This section sets out our proposal, stakeholders' submissions, and decisions on increasing the record keeping requirements in Part 6 requires distributors to keep a record of DG and load applications.
- 12.2. The information from improved record keeping will help to identify and address barriers to the connection of load and DG as well as manage applications. As New Zealand, like other countries, works toward decarbonising its energy sector, addressing and mitigating barriers is crucial for the nation's economic future.

Table 8: Proposals to increase record keeping requirements for distributors.

	Proposal	Decision
Increase record keeping requirements for distributors		
G	The information from improved record keeping will help to identify and address barriers to the connection of load and DG	We have decided to implement the proposal without change

- 12.3. Part 6 of the Code requires distributors to maintain records of DG applications.⁴² The Authority proposed strengthening these requirements.
- 12.4. With increasing decarbonisation-driven load growth and the rising adoption of decentralised DG, new and emerging connection types are becoming more common. Distributors are under pressure to accommodate these connections while efficiently managing their networks, optimising available capacity, and avoiding unnecessary infrastructure investment.
- 12.5. In a rapidly evolving technological and regulatory environment, it is crucial to minimise barriers. Monitoring industry performance helps identify potential issues and bottlenecks while also encouraging participants to align with the Code.

Submissions

- 12.6. Overall, there was support for the proposal:
- (a) Thirteen submitters agreed.
 - (b) Four conditionally agreed.
 - (c) Four disagreed.
- 12.7. Those who supported the proposal saw a range of benefits including, for example:
- (a) It would provide transparency of the number of connection applications in different areas, providing more clarity and transparency for investors in new load and DG.
 - (b) It would allow the Authority to monitor the performance of the sector in processing Part 6 applications.

⁴² Clause 28 of Schedule 6.1.

- (c) It would provide information on areas where the Code is working well or could improve.
 - (d) It would help to support the disputes process.
- 12.8. A few submitters noted Part 6 performance depends on the actions of all the parties involved, not just distributors, and monitoring should consider this.
- 12.9. Several submitters wanted record keeping extended through to final connection. This would provide insight into the full connection process from a Part 6 perspective and put greater focus on the activity of applicants (eg, in meeting milestones).
- 12.10. One respondent recommended extended the record keeping requirements to connection pricing, and for the Authority to benchmark these against national standards and provide an annual monitoring update to the sector. The Authority will consider this as part of its work on network pricing.
- 12.11. Those who opposed the proposal focused on the costs to administer record keeping requirements. They questioned the value case for the record keeping proposal and wanted it to focus on the information of most value to the sector only.
- 12.12. One submitter requested the Authority provide a standardised format for record keeping, to ensure distributors keep the required information and to reduce confusion and costs for industry. The same submitter requested flexibility for different-sized distributors, to allow for diverse capabilities, differing operational scales and resource levels.
- 12.13. A few submitters requested sunset provision for record keeping. However, record keeping provisions are already in the Code and will be retained.
- 12.14. The Authority notes these submissions.

The Authority's decision

- 12.15. The information from improved record keeping will help to identify and address barriers to the connection of load and DG. As New Zealand, like other countries, works toward decarbonising its energy sector, this transition is crucial for the nation's economic future. When proposing change, the Authority must consider the long-term societal impacts of failing to remove these connection barriers, rather than focus on short-term costs.
- 12.16. To be efficient, distributors need to consider a more data-enriched future. Emerging technologies such as artificial intelligence, machine learning, and advanced analytics present significant opportunities to improve the efficiency of load and DG connections and network operations. As the sector evolves, the ability to leverage high-quality data will become critical. All distributors, not just large distributors, need to identify efficiency gains and data-driven insights will be key to unlocking these. This includes capacity data, which is essential for a more transparent, responsive, and future-ready electricity network.
- 12.17. We did not propose to extend the scope of record keeping beyond current Part 6 requirements. The Authority notes there may be value in record keeping for the post-final approval to connection period. We will consider this in a later stage of the Network connections project.

- 12.18. The Authority acknowledges distributor concerns about costs for record keeping but notes the current Part 6 requires record keeping. The Authority believes the long-term cost of maintaining appropriate records is minimal. Distributors should already hold much of the data and be analysing it to manage their business and improve performance. The expense noted by submitters may be the result of inadequate record keeping currently, which limits the ability to provide accurate information to regulators which, in turn, limits the effectiveness of regulation.
- 12.19. The Authority sees value in monitoring the effectiveness of market-facilitation measures under Part 6 and publishing regular reports on Part 6 performance. This will provide transparency for the sector. To support this, the Authority will consult on requiring provision of information under clause 2.16 of the Code and provide data templates.
- 12.20. The Authority has decided to:
- (a) Implement the proposed record keeping requirements as proposed.
 - (b) Publish regular reports on Part 6 processing performance, using data obtained under the Authority's monitoring functions.
 - (c) Consider, in a later stage of the network connections project, whether the post-final application stage should explicitly be part of record keeping requirements.

13. Proposal H Introduce new Part 1 definitions and amend existing definitions

- 13.1. This section sets out our proposal, stakeholders' submissions, and decisions on the proposal to create and amend several definitions.
- 13.2. Accurate and complete definitions help both distributors and applicants to clearly understand and manage their obligations under the Code. This, in turn, reduces the likelihood of misunderstandings or delays, resulting in smoother and less interrupted application and approval processes.

Table 9: Proposals to introduce new Part 1 definitions and amend existing definitions.

	Proposal	Decision
Introduce new Part 1 definitions and amend existing definitions		
H	Propose new or amended definitions	<p>We have decided to implement an amended form of the proposal</p> <p>The following definitions will be amended:</p> <ul style="list-style-type: none"> • Load – change 'consumes more than 69 kVA' to 'connection capacity more than 69 kVA' • Energy storage system – remove 'from a network' • Applicant – add 'who may or may not be an existing customer' • Reasonable and prudent operating practice – amend to include '...and load where relevant' • Clause 6.3(4)(a)(v) of Schedule 6.1 to replace 'location' with 'location by zone substation or feeder' to align with other subclauses.

- 13.3. The Authority proposed revised and new definitions for Part 1 of the Code. These definitions responded to Part 6 proposals and other Authority work (eg, review of Part 8 of the Code). We also asked what other definitions should be added to the Code.

Submissions

- 13.4. Most submitters agreed or conditionally agreed with the proposal:
- Four submitters agreed.
 - Three conditionally agreed.
 - Three disagreed.
- 13.5. Submitters noted that definitions play a critical in supporting the effective implementation of regulatory provisions, fostering alignment across stakeholders, and minimising ambiguity in compliance and enforcement.

Submitters requested changes to some definitions:

- 13.6. Load – change the definition from ‘consumes more than 69 kVA’ to ‘connection capacity more than 69 kVA’. Some applicants may seek connection capacity over 69 kVA but use less than 69 kVA initially.
- 13.7. Energy storage system – remove ‘from a network’ from the definition. This revision would include batteries connected to a network but charged exclusively from DG in the definition.
- 13.8. Generation – three submitters proposed revisions to the definitions related to generating plant.⁴³
- 13.9. Applicant – to allow clauses that apply following a successful DG or load connection to be interpreted correctly, add ‘an applicant also refers to a consumer who was previously an applicant’.
- 13.10. Reasonable and prudent operating practice – to ensure load is included in the definition, add ‘...and load where relevant’.
- 13.11. Several submitters recommended new definitions for Part 1. These included demand flexibility, hosting capacity, connection capacity, grid services, resilience, and time of use Load. One submitter proposed detailed definitions for Part 6 application stages including the pre-application stage. Another submitter suggested ‘location’ be defined as ‘location by zone substation or feeder’ or, alternatively, be consistently referenced in Part 6.
- 13.12. Three submitters requested the Authority undertake a limited technical review of definitions once decisions are finalised. They argued this would provide stakeholders with the opportunity to scrutinise the detailed drafting and ensure the terminology and provisions are appropriately aligned with practical implementation and technical considerations. This would mitigate potential ambiguities and inconsistencies, ultimately leading to a more robust and effective regulatory framework.
- 13.13. The Authority notes these submissions.

The Authority’s decision

- 13.14. The Authority notes support for the proposed definitions. We agree with the proposed revisions.
- 13.15. The Authority sees value in the proposed new definitions. Many of these do not have immediate application in the Code but will be considered in other Authority work. Some are more relevant for Part 6 and will be considered in a later stage of the Network connections project.
- 13.16. The Authority will release an exposure draft of the Code amendments that are to be made. This will enable industry to review the definitions post decisions.
- 13.17. The Authority has decided to:

⁴³ Generating plant, generating unit, embedded generating stations, and distributed generation. These definitions are similar and overlap but have slight differences, a historical artifact from joining various predecessor documents into the Code. The Authority has previously thought about rationalising these definitions, but it is a reasonable project to go through every use and not introduce unintended consequences

- (a) Adopt the proposed definitions with the following amendments:
 - (i) Load – change ‘consumes more than 69 kVA’ to ‘connection capacity more than 69 kVA’.
 - (ii) Energy storage system – remove ‘from a network’.
 - (iii) Applicant – add ‘who may or may not be an existing customer’.
 - (iv) Reasonable and prudent operating practice – amend to include ‘...and load where relevant’.
 - (v) Amend the proposed clause 6.3(4)(a)(v) of Schedule 6.1 to replace ‘location’ with ‘location by zone substation or feeder’ to align with other subclauses.
- (b) Review the definitions related to generating plant when resources are available.
- (c) Consider proposed new definitions in future Authority work. Industry may want to consider these earlier as part of the Streamlining connections programme.
- (d) Provide an exposure draft of the Code amendments that are to be made available for industry review.

14. Proposal I Make minor and incidental amendments to the Code

- 14.1. This section sets out our proposal, stakeholders' submissions, the Authority's responses, and decisions on the proposal to make a number of minor and incidental amendments to Part 6. These clarified the application of Part 6 and better aligned it with other Parts of the Code.
- 14.2. Accurate and complete Code requirements help both distributors and applicants to clearly understand and manage their obligations under the Code. This, in turn, reduces the likelihood of misunderstandings or delays, resulting in smoother and less interrupted application and approval processes.

Table 12: Make minor and incidental amendments to the Code

	Proposal	Decision
Make minor and incidental amendments to the Code		
I	Minor and incidental updates	We have decided to implement the proposal without change

- 14.3. The Authority proposed minor and incidental amendments to Part 6. These clarified the application of Part 6 and better aligned it with other Parts of the Code.

Submissions

- 14.4. Most submitters agreed with the proposal:
- (a) Six submitters agreed.
 - (b) One conditionally agreed.
 - (c) One disagreed.
- 14.5. Submitters found the formatting of the changes difficult to follow and noted grammatical errors. They sought a limited technical review of the Code once it is finalised.
- 14.6. The Authority notes these submissions.

The Authority's decision

- 14.7. The Authority notes submitters raised no issues with the minor and incidental amendments to the Code.
- 14.8. The Authority has decided to:
- (a) Proceed with the proposed amendments as proposed. These amendments will become effective at the same time as amendments to the DG application processes.
 - (b) Release an exposure draft of the Code, so industry can undertake a technical review of the Code draft.

15. Transitional arrangements

- 15.1. This section sets out our proposal, stakeholders' submissions, and decisions on how the transition to the Part 6 amendments should occur.
- 15.2. The Authority is committed to delivering benefits to consumers as soon as possible. However, we also recognise the importance of allowing the sector sufficient time to adapt—this includes updating policies, developing guidelines, and modifying systems. Establishing a clear and well-communicated transition path will help set expectations, reduce the risk of misunderstandings, and minimise potential delays.

Table 10: Transitional arrangements

	Proposal	Decision
Transitional arrangements		
	Transition to the Part 6 amendments	<p>We have decided to implement an amended form of the proposal</p> <p>The amendments are:</p> <ul style="list-style-type: none"> • Require load application processes to be implemented within 18 months of the Code requirements becoming effective. • Require all other changes to be implemented within 12 months of the Code becoming effective.

- 15.3. The Authority wants to understand how the transition should occur. In consultation, we sought feedback on how best to implement the proposals, and which proposals are most important.
- 15.4. The Authority wants to realise benefits for consumers as soon as possible. However, we recognise the importance of providing the sector with sufficient time to respond to the changes and to develop work products via the Streamlining connections programme.
- 15.5. The Authority proposed numerous amendments to Part 6. Some of these should be implemented together as they are linked in the Code and in industry processes.

Submissions

- 15.6. Submitters had a range of views on transitional arrangements. Access seekers generally sought faster implementation to bring benefits forward, while distributors preferred staged implementation:
- One submitter recommended a shorter transition than 12-months.
 - Four submitters agreed that a 12-month transition period was adequate.
 - Two submitters recommended 6-months transition and one a 6 to 9-months transition period.
 - One submitter recommended a phased compliance approach where 80% of applications had to comply in year one, 90% in year two and 100% in year three.

- (e) Five submitters recommended 12-18 months.
 - (f) One submitter recommended a staged transition process over 24-months.
- 15.7. Distributors had concerns about the availability of resources needed to develop and implement change. This includes implementing Code change at distributor level and developing industry policy to support Code changes (eg, queueing and management policy).
 - 15.8. Distributors noted phasing would allow simpler changes to occur while providing enough time for new and/or more onerous requirements. This approach supports a more robust development process and greater consistency across regions. It also assists smaller distributors who have fewer resources.
 - 15.9. One submitter proposed a mechanism where individual distributors could seek an extension to implementation timeframes (with justification).
 - 15.10. One submitter provided useful information on how to sequence the transition and recommended timeframes for implementation.
 - 15.11. In the main, DG and load application processes (Proposals A and B) were thought to be most important, 9 submitters, 7 of which were networks, considered that DG was the most important. In terms of phasing:
 - (a) The DG changes were thought to be more incremental and straightforward and could therefore be implemented first.
 - (b) The introduction of load applications processes was considered a significant change, and more time would be needed for implementation.
 - 15.12. Two submitters recommended the load application processes be deferred until the current connection pricing work is complete. The Authority considers load application processes to be important and does not support this approach.
 - 15.13. Several submitters discussed the importance of providing capacity information but noted this would take additional time to implement. Although several respondents refer to capacity maps in their submissions, the Authority has not proposed capacity maps at this stage.
 - 15.14. A range of submitters, both distributors and access seekers, noted the importance of getting processing timeframes right. They thought the Authority should prioritised this over other work.
 - 15.15. The development of a comprehensive queueing and management policy through the ENA represents the highest priority initiative. Effective queue management is fundamental to ensuring fair, transparent, and efficient connection processes. The ENA's industry-led approach will draw on international experience while ensuring consistency across New Zealand distributors. This work is already underway with expected completion in FY25/26 and should be allowed to progress and inform the way forward without being constrained by a premature prescriptive regulatory approach.
 - 15.16. One submitter noted the importance of the pre-application stage, which mostly sits outside Part 6.⁴⁴

⁴⁴ Part 6 requires distributors to undertake some actions outside of the prescribed application processes (eg, publish information and policies).

- 15.17. Two submitters discussed interim arrangements, recommending the Authority allow existing DG and load applications to continue under the current framework. The Authority supports this approach.
- 15.18. The Authority notes these submissions.

The Authority's decision

- 15.19. Submissions recommended transition periods spanning six to 36 months, with some, including both access seekers and distributors, saying the proposed 12 months was sufficient. The Authority acknowledges the issues raised by industry. We want change to occur quickly but want that change to be robust and fit-for-purpose.
- (a) Some submitters, mostly access seekers, want faster implementation to enable faster electrification of New Zealand's economy.
 - (b) Submitters generally agreed the DG changes would be easier to implement than load changes.
 - (c) Some submitters noted resourcing issues in being able to implement changes.
 - (d) Six distributors and two other submitters called for flexibility in the transition process.
- 15.20. The Authority has decided to proceed with the proposed transition, with the following amendments:
- (a) require load application processes (Process 4 and Process 5) to be implemented within 18 months of the Code requirements becoming effective. Distributors should implement these requirements earlier if they can.
 - (b) require all other changes to be implemented with 12 months of the Code becoming effective.
- 15.21. The Authority will engage with the ENA on touch points with the Streamlining connections programme, to ensure these projects are appropriately synchronised.

16. Submitter comments on proposed Code drafting

- 16.1. This section sets out our proposal, stakeholders' submissions, the Authority's responses, and decisions on the proposed Code drafting.
- 16.2. Accurate and complete Code drafting help both distributors and applicants to clearly understand and manage their obligations under the Code. This, in turn, reduces the likelihood of misunderstandings or delays, resulting in smoother and less interrupted application and approval processes.

Table 11: Transitional arrangements

	Proposal	Decision
	Proposed Code drafting	<p>We have decided to implement an amended form of the proposal</p> <p>The amendments are:</p> <ul style="list-style-type: none"> • Amend clause 6.3(4)(a)(v) of Schedule 6.1 of the Code to replace the word 'location' with 'location by zone substation or feeder'. • Add clause 6.4(e) so distributors and applicants can agree to a simpler process for existing connections based on the principles and requirements for operational terms in Part 12A of the Code. • Add subclause 6.3(4)(c) of Schedule 6.1 to require the network connection pipeline to be updated within 10 business days of the start of a month for the previous month. • Amend Part 6 to extend the timeframe for negotiating a load connection contract, if distributed generator gives notice of intention to negotiate, from 30 to 40 business days • Correct the S6.2 page header.

- 16.3. The Authority sought feedback on the proposed Code drafting, including on clarity, errors, inconsistencies and similar issues. We have not included decisions on Code drafting that have been described earlier in this paper.
- 16.4. Below, we have not included submissions on suggested Code drafting that:
- (a) has become obsolete due to Authority decisions
 - (b) we have addressed earlier in this paper - this includes, for example, milestone management, treatment of applications to the same part of the network, and applying stop/start for timeframes
 - (c) is outside the scope of the Network connections project – Stage one.

Submissions and the Authority's response

- 16.5. Only twelve submitters responded to the question on Code drafting.
- 16.6. Six distributors wanted changes to proposals, and declined to comment on Code drafting, noting they had not reviewed it.

16.7. As noted previously, four submitters recommended a limited technical review of the Code to occur post final decisions. One submitter recommended the Authority engage a third party for a comprehensive review, and/or running a subsequent 'technical' consultation to test the practicability of the revised Code changes.

16.8. The Authority values Powerco's proposed drafting for Part 6 in its entirety. This content will be considered during the exposure draft stage.

16.9. Submitters proposed the following changes:

- (a) Revise Part 6 to clarify what detail is required for 'location' as subclauses differ.

The Authority agrees and has decided to amend the Code to make these consistent.

- (b) Strengthen protections for applicant confidentiality by removing the requirement to share applicant names and specific GPS coordinates with the Authority.

The Authority disagrees. This Authority has robust processes for managing confidential information. We will not publish application data by name and specific location unless agreed the applicant has agreed to this.

- (c) Address conflicts with existing confidentiality obligations. Schedule 6.1 clause 6.3C(2) allows the Authority to publish information that a distributor consider confidential. This creates a direct conflict with legally binding non-disclosure agreements (NDAs) and commercial contracts that many applicants require during their project development phase. Distributors should not be forced to choose between complying with confidentiality agreements or failing to comply with Code obligations. The Authority should create specific provisions for managing information covered by NDAs.

The Authority agrees existing NDAs should be adhered to. However, clause 6.2A will apply to all applications, both new and existing, when the Code comes into effect. At this time, distributors will need to engage with applicants with existing NDAs to determine what information can be released. It will also require all new NDAs to adhere to Code requirements.

- (d) The requirement that metering installation measurement must be no more than that required under Part 10 of the Code. This is problematic as some pricing options may require enhanced metering. Also, clause 1B of Part 10 may, in some instances, limit a distributor's requirements for metering injected active and or reactive electricity. This requirement would reduce pricing options and reduce flexibility for consumers.

The Authority agrees and has removed this requirement.

- (e) The regulated terms require the distributor to notify the generator if temporary disconnection is required. This cuts across the DDA which provides the option for the customer's Trader to be notified (where the Trader is responsible for notifying end customers).

The Authority notes this requirement applies only when DG regulated terms are used and is not a new requirement. It has existed so far without issue. Also, the Authority is not adopting regulated or prescribed terms for load now.

We will consider whether this requirement should apply for small DG applications in Stage 2 of the Network connections project.

- (f) The limits on liability may be taken as additional to the limits specified under the distributor's DDA with the appropriate Trader.

The Authority disagrees. The liabilities in the DDA refer to trading, whereas the liability clause in Part 6 is around connection.

- (g) Amend timeframes so these start when a distributor confirms an application is complete, rather than when it receives a completed application.

The Authority does not support this approach as it is dependent on when a distributor chooses to respond.

- (h) To affect the intention that the process regulations in Schedule 6.1 have the effect of a backstop, add a new subclause (e) to clause 6.4A (Distributor and applicant may agree to simpler process for existing connection) based on the new 'Principles and requirements for operational terms' in Part 12A of the Code.

"6.4A Distributor and distributed generator applicant may agree to simpler process for existing connection:

(e) The parties agree to terms which:

- (a) are consistent with the Authority's main objective in section 15 of the Act*
- (b) reflect a fair and reasonable balance between the legitimate interests of the distributor and the requirements of the distributed generator."*

The Authority agrees and has decided to add clause 6.4A(e) to the Code.

- (i) Amend Part 6 so a distributor that receives an interim or final application must, within 5 business days (Process 3 and 5 only) must:
 - (a) update its network connections pipeline to reflect that the application is under interim assessment; and
 - (b) make the updated pipeline available I within 10 business days of each month for the previous month, in accordance with Clause 6.3(4)(c).

- (j) Extend the timeframe for negotiating a connection contract, if distributed generator gives notice of intention to negotiate, from 30 to 90 days.

The Authority disagrees as this is a significant extension of the current 30 days. However, we note the strong calls from distributors for longer than 30 days, so we have decided to extend the period to 40 business days.

- (k) A distributor must adhere to the queueing and management policy when making decisions on the priority positions of projects at the same network location in its network connections pipeline.

The Authority agrees. One factor that the queueing and management policy applies to is the priority position of all Part 6 applications, regardless of whether they are to the same part of the network or not.

- (l) The Authority should expand the requirements for prioritising final applications:

“14 Priority of final applications

(1) When managing multiple final applications that relate to the same part of the distribution network, the distributor must:

- (i) assess applications in accordance with its prioritisation parameters published in its queueing and management policy that:*
- (ii) align with the Government Policy Statement on Electricity*
- (iii) consider contribution to security of supply*
- (iv) support efficient network development*
- (v) promote competition in the electricity industry.”*

The Authority disagrees. Part 6 requires the queueing and management policy to address a number of factors including the priority position of all applications in detail, based on the purpose of Part 6. Industry may consider the wider parameters noted above when developing this policy.

- (m) Ensure the page headers for schedules are correct.

The Authority has noted and corrected headers where required.

The Authority’s decision

16.10. The Authority has decided to:

- (a) Amend clause 6.3(4)(a)(v) of Schedule 6.1 of the Code to replace the word ‘location’ with ‘location by zone substation or feeder’.
- (b) Add clause 6.4(e) so distributors and applicants can agree to a simpler process for existing connections based on the principles and requirements for operational terms in Part 12A of the Code.
- (c) Add subclause 6.3(4)(c) of Schedule 6.1 to require the network connection pipeline to be updated within 10 business days of the start of a month for the previous month.
- (d) Amend Part 6 to extend the timeframe for negotiating a load connection contract, if distributed generator gives notice of intention to negotiate, from 30 to 40 business days.
- (e) Correct the Schedule 6.2 page header.

17. Next steps

- 17.1. This decision paper completes the stage 1 consultation process bringing the project to the start of the stage 1 transition process and start of stage 2 of the project.

Stage 1 transition

- 17.2. The Authority will amend the Code consistent with the decisions in this paper so that the amendments come into effect 12 months and 18 months after the amended Code is first published, as set out in Section 15 of this paper, 'Transitional arrangements'.
- 17.3. During the transition period, the Authority will:
- (a) release an exposure draft of the Code amendments it intends to make, expected in August 2025
 - (b) hold implementation workshops and webinars, and one-on one discussion as requested, by the industry
 - (c) work with industry-led working groups to develop guidelines and policy documents to help the industry standardise processes, and comply with the Code amendments that are made
 - (d) determine the notice for the collection of information from distributors, and consult with distributors on that notice, as required by Part 2 of the Code.
- 17.4. The Authority emphasises the importance of ensuring that all intending applicants, current applicants, and industry participants clearly understand the amendments being made to Part 6 of the Code. It is critical that stakeholders comprehend how these changes affect their respective businesses, systems, and operational processes. This understanding is essential to support full compliance by the effective date of the amended Code provisions.
- 17.5. To facilitate this, the Authority encourages proactive engagement, early planning, and internal alignment with the new requirements.

Stage 2 commencement

- 17.6. Stage 2 of the project will start in parallel with the stage 1 transition period set out above.
- 17.7. Stage 2 will have separate phases. The sequencing and timing of these is still being considered but the work will include a review of:
- (a) export limits, and whether Code change would deliver greater consumer benefit
 - (b) Code processes for small-scale DG applications
 - (c) processing fees for DG and load applications
 - (d) items noted in this paper as being deferred to stage 2

- (e) other issues the Authority has previously identified as possibly requiring attention and noted in our consultation paper.⁴⁵

18. Attachments

18.1. The following appendices are attached to this paper:

Appendix A List of submitters

Appendix B Streamlining Connections programme

⁴⁵ See paragraph 2.19 of the consultation paper (https://www.ea.govt.nz/documents/5956/Network_connections_project_-_stage_one_amendments_consultation_paper.pdf). Potential issues include, for example, connection and operation standards, congestion and curtailment practices, unauthorised connections, competition for network studies and capital works, and Part 6 coverage of secondary networks.

Appendix A List of submitters

Table 1: List of submitters

Submitter	Type	Primary submission	Cross submission
Air NZ	Access seeker	✓	
Anonymous	Access seeker	✓	
Aurora Energy	Distributor	✓	
Awhitu Windfarms Ltd	Access seeker	✓	
BP NZ	Access seeker	✓	
Business Energy Council	Industry body	✓	
Buller Electricity	Distributor	✓	✓
ChargeNet	Access seeker	✓	✓
Counties Energy	Distributor	✓	
Contact Energy	Access seeker	✓	
Counties Energy Trust	Distributor	✓	✓
Drive Electric	Access seeker	✓	
Electricity Engineers' Association (EEA)	Industry body	✓	
EA Networks	Distributor	✓	
Electricity Networks Aotearoa (ENA)	Industry body	✓	✓
Electricity Trusts NZ	Industry body	✓	✓
Electra Trust	Distributor	✓	
Electricity Retailers Association NZ	Industry body	✓	
Energy Efficiency & Conservation Authority (EECA)	Government	✓	
Fonterra	Access seeker	✓	✓
Genesis Energy	Access seeker	✓	
Hawkes Bay Community Trust	Distributor	✓	
Independent Electricity Generators Association (IEGA)	Access seeker	✓	✓
Lightyears Solar	Access seeker	✓	
Lodestone Energy	Access seeker	✓	
Manawa Energy	Access seeker	✓	
Major Electricity Users' Group	Industry body	✓	✓
Meridian*	Access seeker	✓	✓
New Zealand Port Company CEO Group	Access seeker	✓	
Newpower Energy Services Ltd	Access seeker	✓	
Northpower	Distributor	✓	

Submitter	Type	Primary submission	Cross submission
Orion	Distributor	✓	✓
Powerco	Distributor	✓	✓
PowerNet	Distributor	✓	
Retyna Ltd	Consultancy	✓	
Revolve Energy	Access seeker	✓	
Scanpower Customer Trust	Distributor	✓	
Rewiring Aotearoa	Access seeker	✓	
Sustainable Energy Association NZ (SEANZ)	Access seeker	✓	
The Lines Company	Distributor	✓	
Transpower	Grid owner & system operator	✓	
Trust Horizon	Distributor	✓	
Unison & Centralines	Distributor	✓	✓
Unison & Powerco	Distributor	✓	
Vector Electricity	Distributor	✓	✓
Vector & Axiom Economics	Consultancy		✓
Waipa Networks Trust	Distributor	✓	
Wellington International Airport	Access seeker	✓	
West Coast Electric Power Trust	Distributor	✓	
Vector & HoustonKemp	Consultancy		✓
Waipa Networks	Distributor	✓	
Wellington Electricity	Distributor	✓	✓
WEL Networks	Distributor	✓	
Z Energy & Flick*	Access seeker	✓	✓

Table 2: Count of submitters by type

Submitter type	Number
Access seeker	21
Consultancy	3
Distributor	22
Government agency	1
Grid owner / system operator	1
Industry body	6

Table 3: Summary of responses

Question in consultation paper		Assessed submission		
		Agree	Conditional agree	Disagree
	Q1. Do you agree the issues identified by the Authority are worthy of attention?	3	0	0
	Q2. Do you agree with the objectives of the proposed amendment? If not, why not?	2	1	0
	Q3. Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?	1	3	0
	Q4. Do you agree the proposed amendments are preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in sections 15 and 16 of the Electricity Industry Act 2010.	3	1	0
	Q5. Do you agree the Authority's proposed amendments comply with section 32(1) of the Act?	3	0	9 ⁴⁶
Proposal A	A) What are your thoughts on the proposal to replace nameplate capacity with maximum export power?	12	6	5
	B) Do you support the proposed Process 2 for medium DG (>10kW and <300kW), including the proposed requirements and timeframes? What are your thoughts on the proposed size threshold? What other changes would you make to the medium DG application process, if any?	9	12	4
	C) Do you support the proposed Process 3 for large DG applications (≥300kW), including the proposed requirements and timeframes? What are your thoughts on the proposed size thresholds? What other changes would you make to the large DG application process, if any?	5	15	2
	D) Do you think the Authority should apply any of the proposed changes for large DG to medium DG applications also?	8	7	2
	E) What are your thoughts on industry developing the detailed policies to complement the Code changes proposed in this paper?	13	4	1
	F) What are your thoughts on the Authority's summary of capacity rights allocation?	6	5	4
Proposal B	G) For Process 3 for medium load (>69kVA and <300kVA) applications: • Do you support the proposed process and why? • What are your thoughts on the proposed requirements, size thresholds and timeframes?	6	4	12

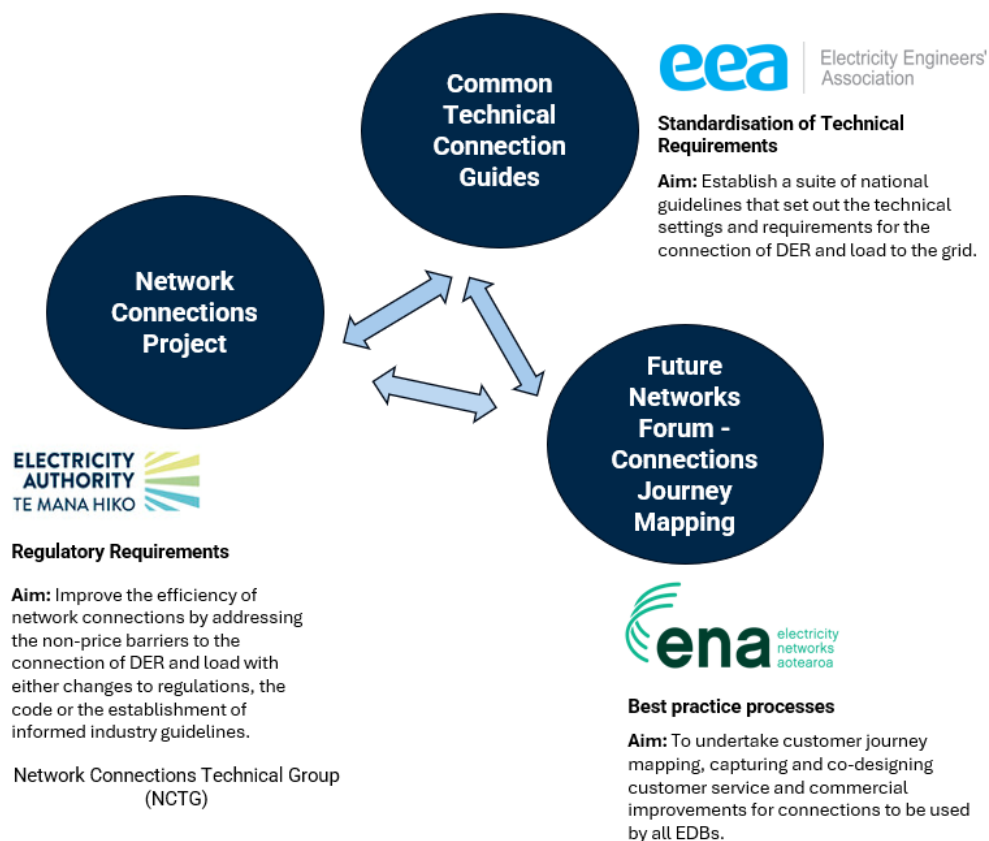
⁴⁶ Disagreement was not a direct response to Question 5 but inferred from general submission comments.

Question in consultation paper		Assessed submission		
		Agree	Conditional agree	Disagree
	• What changes would you make to the medium-load application process, if any?			
	H) For Process 5 for large load ($\geq 300\text{kVA}$) applications: <ul style="list-style-type: none"> • Do you support the proposed process and why? • What are your thoughts on the proposed requirements, size thresholds and timeframes? • What changes would you make to the large load application process, if any? 	6	5	10
	I) Do you think the Authority should apply any of the proposed changes for large load to medium-load applications also? If so, which ones and why?	2	4	7
	What are your thoughts on the Authority's summary of capacity rights allocation?	Not an agree/disagree question		
	K) What else does the Authority need to consider beyond the proposals in this paper and why?	1	2	10
Proposal C	L) Do you support the proposed network connections pipeline, why, why not? What changes would you make, if any? What are your thoughts on the scope of the information to be published?	11	8	7
	M) What are your thoughts on the proposal for distributors to provide information directly to the Authority on an ongoing basis?	10	7	6
Proposal D	N) What do you think of the proposal to publish more information on network capacity? What challenges do you see with providing the data? What changes would you make, if any?	9	12	2
	O) What are your thoughts on the scope and granularity of the information to be published?	8	9	3
Proposal E	P) What are your thoughts on the proposed changes to the regulated terms?	8	3	2
Proposal F	Q) What are your thoughts on the proposed regulated and prescribed terms for load? What changes would you make, if any?	9	2	5
	R) What are your views on the proposed dispute resolution changes for Part 6? In what ways could dispute resolution be further improved? What are your thoughts on the alternative options to deliver dispute resolution discussed in this paper? Do you have any feedback on the 20-business day timeframe proposed?	6	3	4
	S) Do you consider the alternative contractual terms option discussed in this paper (and in the Distribution connection pricing consultation paper) would be better than the proposal without	4	3	4

Question in consultation paper		Assessed submission		
		Agree	Conditional agree	Disagree
	contractual terms? What are your thoughts on the other alternative options referred to?			
Proposal G	T) Do you support the proposal to increase the record keeping requirements for distributors and why? What changes would you make, if any?	11	4	4
Proposal H	U) What are your thoughts on the proposed new definitions and amended definitions for Part 1 of the Code? What changes would you make, if any?	3	3	3
	V) What other terms do you think the Authority should define and what definitions do you propose for those terms?	Not an agree/disagree question		
Proposal I	W) What are your thoughts on the proposed minor and incidental changes to Part 6? What minor and incidental changes has the Authority missed and what changes would you make, if any?	6	1	1
Transitional arrangement questions	X) What are your thoughts on the transitional arrangements for the proposals in this paper? Submitters can consider individual proposals when responding to this question.	7	6	3
	Y) What proposals do you consider the most important? How long do you think is needed to implement these?	3	7	2
Code drafting question	Z) Do you have comment on the Authority's drafting of the proposed Code changes? What changes would you make, if any?	1	1	4

Appendix B Streamlining Connections programme

B.1. The image below shows how the Streamlining connections programme works.



B.2. The ENA's Connections Journey Mapping project is working with distributors and access seekers to improve the customer connection experience.⁴⁷ It has identified five broad stages for connecting to a distribution network that link with Part 6 work:

- Enquire and Discuss – sits outside the Part 6 process as a preapplication phase for large and/or complex applications.
- Apply and Explore – corresponds to the Part 6 initial application phase for all connections.
- Design and Approve – maps to either Part 6 interim or final approval phases, depending on connection size and complexity. Connection contracts are then negotiated and agreed during this stage.
- Deliver and Build – occurs outside of Part 6 application processes but covered by application approval milestones. This is the customer or distributor-led construction and implementation phase.
- Connect and Complete – forms the final post-application phase where final inspection of the connection and commissioning occurs. Some interaction with Part 6.

B.3. The project has delivered its stage one outputs. These will improve the efficiency of the pre-application stage for distributors and applicants, an area not addressed by

⁴⁷ See: the 'Future Networks Forums' section at <https://www.ena.org.nz/our-work/working-groups-and-forums>.

Part 6.⁴⁸ The improvements will also enable distributors to provide clearer, more consistent information to access seekers, and create a more standardised experience across different networks. The deliverables include new connections pre-application and meetings guides, a connections self-serve manual, a standard connection question directory and a glossary of terms.

- B.4. The project will continue to deliver valuable resources to improve the network connections process in future phases of work.⁴⁹
- B.5. Further to the policies industry must develop for the Code (eg, a queueing and management policy), we have also suggested some additional areas the ENA may want to consider as part of the Streamlining connections programme.
- B.6. The EEA's work as part of the Streamlining connections programme focusses on delivering a modular suite of technical guides to improve consistency, clarity and efficiency across the sector. The EEA's initial focus is on connection and operation policies (COPs), starting with the most material and commonly used documents. The guides are being tailored by connection size and, in some cases, specific use types (eg, Battery Electric Storage Systems (BESS), commercial EV chargers). The EEA's aim is to create a nationally consistent, best-practice framework to support faster, clearer, and lower-cost connections.

⁴⁸ Aside from the requirements for distributors to publish information, Part 6 only applies once an application is submitted.

⁴⁹ For example, aligning commercial contracts for large load and DG and creating standardised industry contracts. The project is also exploring queue management policy principles to help distributors manage multiple connection requests efficiently and fairly and developing foundational work for capacity maps to improve transparency of network capacity for potential customers.