FN-25-13 Fortnightly report 4 July 2025

This report summarises items that may be of interest to the Minister for Energy but do not necessarily require a formal briefing. Further information on any topic can be provided on request. Substantive items and decision papers will be provided to the Minister in the form of briefings.

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1. Current and upcoming publications and advice

Market Development Advisory Group (MDAG) quarterly update	
Strategic outcomes	Secure and resilient, efficient, affordable
Purpose	Updating on progress with delivery of a multi-year programme to strengthen the electricity market, informed by the Authority's Market Development Advisory Group 2023 report. Progress in the last quarter includes: • the launch of an enhanced stress testing regime (for example looking forward 36 months rather than three) • the release of a two-year roadmap that supports investment in Battery Energy Storage Systems • work to improve information on the pipeline of generation investment (reflected in the monthly reports to you) • procuring a centralised forecaster for intermittent generation, making prediction and dispatch more accurate We report quarterly on delivery and will publish the next MDAG Quarterly Update (April – June 2025) on our website in the week of 7 July 2025.
Action and timing	Next MDAG quarterly update published: the week of 7 July 2025

Enabling consumer mobility through improving access to electricity product data – consultation paper	
Strategic outcomes	Affordable, efficient
Purpose	Standardising data access to increase competition and consumer choice is core to the Authority's consumer mobility workstream and supports MBIE's Consumer Data Right for electricity. The Authority is consulting on proposed changes to standardise access to electricity product data. These options support bill simplification and for new products and services to come to market. The paper proposes options for creating a standardised process for exchanging information about electricity products between data holders (retailers) and data users (third-party services).
Action and timing	Intended publication date: 14 July 2025. 4-week consultation.

2. Consultation underway

21 December 2024 under-frequency event	
Strategic outcomes	Secure and resilient, efficient
Purpose	The Authority is required to make decisions about where costs fall if certain events occur to disrupt the power system. For example, an under-frequency event occurred on 21 December 2024 when lightning struck transmission lines between Wairakei and Redclyffe, knocking out supply to Hawke's Bay and regional generation units. The frequency drop initiated the Automatic Under-Frequency Load Shedding (AUFLS) system across the North Island. This automatically disconnects pre-designated blocks of load to stabilise frequency and prevent a broader blackout. This scheme can shed up to 32% of customer load during severe events. The Authority's draft determination is that Transpower, as the grid owner, is the causer of the under-frequency event. We are required to consult on this draft finding.
Action and timing	Regulatory consultation period is 10 business days. Consultation closes: 8 July 2025.

Our future is digital – discussion paper	
Strategic outcomes	Affordable, secure and resilient, efficient
Purpose	As part of our work to enable a data-driven, technology-enabled electricity system, the Authority is seeking feedback on a digitalisation discussion paper. Digitalisation improves consumer mobility by giving consumers more choices, leading to greater flexibility in how they use energy. It also makes their decision-making more straightforward, with simplified and more consistent information (for example, through consistency across bill information, standardised product data and a potential Consumer Data Right for electricity). Once we have received feedback on this paper, we will engage further with interested parties to develop a roadmap of actions.
Action and timing	Regulatory consultation period is 4 weeks. Consultation closes: 10 July 2025.

Promoting reliable electricity supply: A voltage-related Code amendment proposal	
Strategic outcomes	Secure and resilient
Purpose	The Authority is consulting on a proposal to amend the Code to: • Place voltage support obligations on embedded generating stations that can export 10MW or more of electricity and which are connected at the same voltage as the connection between the distribution network and New Zealand's transmission network, and • Lower, to 10MW, the threshold for a generating station to not disconnect from a network during an electrical fault on the transmission network. This consultation is part of our work programme to ensure New Zealand's power system remains secure and resilient as increased electrification of New Zealand's economy occurs over the coming years.
Action and timing	Regulatory consultation period is 6 weeks. Consultation closes: 15 July 2025.
Evolving multiple retailing and switching	
Strategic outcomes	Secure and resilient: *Effective risk management*
Purpose	The Authority is seeking feedback on a further two related proposals to support consumer mobility: • Allowing customers to choose two different retailers; a retailer for consumption (load) and one for their generation. • Improving the efficiency and effectiveness of the consumer, distributor and metering equipment provider processes when a consumer switches power. These proposed changes will provide real benefits for consumers by allowing innovative retailers to compete for, and reward consumers for, their distributed generation. This should encourage investment in distributed generation, leading to an increase in regional resilience and overall system security.
Action and timing	Regulatory consultation period is 8 weeks. Consultation closes: 29 July 2025.

Battery energy storage systems (BESS) roadmap	
Strategic outcomes	Secure and resilient, efficient
Purpose	The Authority published a regulatory roadmap that sets out the BESS-related work we are doing over the next two years to support investment in this technology. BESSs are becoming increasingly important as New Zealand transitions to a more intermittent and variable renewables-based power system. We need to ensure we have the right settings to unlock the benefits of BESS while also managing the challenges they bring, as this will affect all aspects of the power system. This will require a collaborative effort across the electricity sector, including regulators and industry bodies. While work has commenced on some of the activities, we are seeking feedback from industry on the prioritisation of tasks as laid out and potential gaps by 31 July.
Action and timing	Regulatory consultation period is 6 weeks. Consultation closes: 31 July 2025

Future system operation	
Strategic outcomes	Secure and resilient, efficient
Purpose	The Authority is seeking feedback on the roles of Transpower as system operator and distributors in managing the future system where there is more intermittent, variable and localised generation and bi-directional electricity flows. This is necessary to ensure that regulations are supporting not just new generation but the stability and security of the distribution networks and national grid. There are three models for distribution system operation (DSO) being canvassed. This work is necessary for preparing for an increase in rooftop solar and batteries and increasing electrification of the economy.
Action and timing	Regulatory consultation period is 8 weeks. Consultation closes: 19 August 2025

3. Upcoming Electricity Industry Participation Code 2010 amendments

3.1. The following table has Electricity Industry Participation Code amendments that need to be presented to the House by the Minister's office within **20 working days** following the date on which it is made.

Tracking number	Name	Date made	Date of Gazette notification	Date in force	Due date for presentation to the House
	N/A				

4. Key external engagements

- 2 July: Northern Infrastructure Forum/Auckland Chamber of Commerce
- 9 July: Electralink UK CEO/CE/GM Retail and Consumer
- 10 July: MBIE/Commerce Commission/CE
- 14 July: Public Service Commission/CE
- 18 July: Energy Competition Task Force fortnightly meeting/MBIE/Commerce Commission/CE/Chair

5. Investment pipeline monthly update

Key Out-takes

- There is currently 58.1GW of projects in the investment pipeline. This has more than doubled since 2022.
- Independent generation makes up 68% of generation at advanced development stages.
- Grid connected solar generation commissioned has increased from an initial 24MW in 2023 to a total of now 167.2MW.
- There have been some decreases in pipeline capacity due to stronger accountability around reporting and progress. This removes speculative projects.

Detail

- **Independent developers' investments are outpacing integrated developers' investments for the first time**
  - (a) Currently, 68% of generation at advanced development stages is independently owned. This is the highest proportion of independent development since monitoring started.
  - (b) Some independent projects may be on-sold (including to gentailers) but not all. Examples of independent generation growth include the Harmony Energy and Far North Solar Farm projects. Far North Solar Farm has just completed and remains the owner and operator of one project.
- **Slight decrease in overall capacity pipeline:**
  - a) There has been a slight decrease (~2.2GW) in the total capacity of pipeline projects since our last update due to project cancellations. We expect this trend to continue. The cancelled projects are mostly 'initial enquiries' which never progressed.
- **Solar generation commissioned has increased:** The amount of solar generation commissioned has increased with the recent completion of Pukenui Solar Farm (20.8MW) owned by Far North Solar Farm, which is now generating. An additional 719MW of solar projects have also advanced to the application and investigation stages.

6. Energy Competition Task Force work programme update

Initiative	Current stage	Next published milestone	Status	Next update to you
PPAs (1A)	Update paper published 28 May –	Now part of level playing field work	Complete	N/A
Standardised flex product (1B)	First phase completed – standardised super-peak hedge product launched January 2025	Publish options paper on regulating super-peak standardised flexibility product in August (12 August)	On track	Late July/early August– issues and options paper
Virtual disaggregation (1C)	Outline published for feedback –	Now part of level playing field work	Complete	N/A
Level playing field measures (1D)	Outline of measures and proposal for non-discrimination obligations published (submissions closed 7 May) Currently undertaking further targeted analysis and Board-level engagement in response to submitter feedback	As advised 12 June, potential Code change to introduce principles-based non-discrimination obligations to come before Authority Board on 6 August: • In principle decision to be announced 12 August with consultation following asap thereafter (September), to enable Code change decision this year	On track	Late July – updating you on further analysis and considerations for Board's in-principle decision in early August
Initiatives promoting consumer choice (2A-C)	Authority Board approved Code changes on 30 June to require distributor rebates for grid injection and time-varying retail pricing for consumption and supply	Publish Code change decisions (16 July), which require: • distributors to provide negative charges for grid injection by mass market consumers • retailers to provide time-varying price plans for electricity consumption and injection • retailers to provide distributors with consumption data to support these changes	Complete	9 July – Code change decision papers for publication
Short-term flexibility revenue (2D)	Issues and options (roadmap) paper published 28 May, consultation closes 3 July Finalising consultation on first roadmap action (emergency reserve scheme)	Publish emergency reserve scheme (ERS) options paper in mid-July: • Rewards additional industrial demand response; aim to have this in place for winter 2026	On track	Mid-July – ERS consultation paper for publication