

## FN-25-17 Fortnightly report 29 August 2025

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

**Electricity Authority contact:** Sarah Gillies, Chief Executive

**Mobile:** s 9(2)(a) 

## 1. Upcoming publications

Improving visibility of competition in the over-the-counter contract market: Decision paper	
Strategic outcome	Affordable
Purpose	We are publishing the decision to require participants seeking to buy or sell over-the-counter contracts to regularly report their requests and responses to the Authority. This will improve oversight and transparency and support better risk management for participants.
Action and timing	Publication: Week beginning 15 September 2025
Power Innovation Pathway report	
Strategic outcome	Efficient
Purpose	We will publish a one-year report on the Power Innovation Pathway, sharing innovators' insights and our actions to remove regulatory barriers so new ideas reach the market faster, boosting competition and consumer choice. A detailed case study is on page six.
Action and timing	Publication: Late September 2025

## 2. Consultation: Current and future

Current consultation	Consultation period
Amendments to Transmission Pricing Methodology	1-29 August 2025
Review of Code amendment to the System Operator's information gathering powers	8 August - 5 September 2025
Energy Competition Task Force initiative: Regulating the standardised super-peak hedge contract (1B)	19 August - 30 September 2025

Future consultation	Consultation period
Code amendment to implement Network Connections decisions	2-29 September 2025
Distribution network information visibility	Start - end September 2025

### 3. Upcoming Code amendments

- 3.1. There are no Code amendments that require tabling.

### 4. Compliance decisions

- 4.1. The Authority decided on 25 August 2025 to refer to new matters to the Rulings Panel.

Rulings Panel referral: Transpower New Zealand Limited as grid owner	
Strategic outcome	Secure and resilient (Compliance)
Purpose	<p><b>[Confidential under section 9(2)(ba)(i) of the Official Information Act 1982] Referral to Rulings Panel: Alleged breach against Transpower in relation to a transmission outage event at Huirangi on 14 February 2023</b></p> <p>This is a confidential briefing until Transpower is notified (expected to be late on Monday 1 September 2025).</p> <p>On 25 August 2025, the Authority decided to lay a formal complaint with the Rulings Panel against Transpower as the grid owner.</p> <p>Transpower is alleged to have breached a clause in the Code, relating to ensuring its transmission protection systems. The trip event occurred when a tree fell across lines associated with a neighbouring substation resulting in a loss of supply for one hour and 28 minutes at Huirangi (13 kilometres away). During this time Cyclone Gabrielle was affecting the Taranaki region. The Authority estimates that just over 10,000 customers temporarily lost supply as the result of the event.</p>
Action and timing	The Authority expects to file and serve its notice of complaint on 1 September 2025. The Rulings Panel will then issue a notice to the parties setting a deadline for written submissions to be filed or for the parties to request a hearing.

Rulings Panel referral: South Pacific Energy Limited (Trader)	
Strategic outcome	Secure and resilient (Compliance)
Purpose	<p><b>[Confidential under section 9(2)(ba)(i) of the Official Information Act 1982] Referral to Rulings Panel: Alleged breaches against South Pacific Energy for late or misdirected payments of cleared funds and prudential security</b></p> <p>This is a confidential briefing until South Pacific Energy Limited (South Pacific) is notified (expected late on Monday 1 September 2025).</p> <p>On 25 August 2025, the Authority decided to lay a formal complaint with the Rulings Panel against South Pacific.</p>

	<p>South Pacific is alleged to have breached a number of clauses in the Code by making late or incorrect payments to the clearing manager.</p> <p>Repeated late payments have an operational impact on the clearing manager's market clearing and payments process. However, as the payment issues were all resolved before the trader default process was engaged there was no impact on consumers.</p>
<b>Action and timing</b>	<p>The Authority expects to file and serve its notice of complaint on 1 September 2025. The Rulings Panel will then issue a notice to the parties setting a deadline for written submissions to be filed or for the parties to request a hearing.</p>

## 5. Update: Section 16 review into business consumers' concerns

- 5.1. Following concerns raised by the Northern Infrastructure Forum and other organisations, on 14 August 2025, the Authority issued a media release announcing its Electricity Industry Act 2010 section 16 review into concerns about pricing, contract availability, and business conduct in the electricity market.
- 5.2. We are working closely with the Gas Industry Company and the Commerce Commission to ensure alignment and information sharing across agencies.

### **We are engaging with business and industry to encourage participation**

- 5.3. The Auckland Business Chamber (the Chamber) is compiling a list of business consumers who are prepared to speak with us and provide further information. We will meet with all business consumers who are willing to participate.
- 5.4. Since our initial request in late July, the Chamber has provided the contact details for one business consumer. We understand there may be some hesitancy as it was reported that business consumers were *“really uneasy about speaking publicly, for fear that it could jeopardise their ability to secure future energy contracts with the gentailers”*<sup>1</sup>
- 5.5. We are encouraging businesses to use the Commerce Commission’s anonymous whistleblower tool as an alternative means of providing information. We are also using media to further promote engagement and invite business consumers to share their concerns.
- 5.6. In addition, the Authority is reaching out to energy brokers to explore whether they can provide additional insights. Where concerns about specific contractual terms are identified, we will use our formal information-gathering powers to obtain relevant contracts from retailers.
- 5.7. We will continue to keep your office informed of timelines and progress.

### **Authority has sought powers to compel information from non-industry investigation participants**

- 5.8. While the Authority has statutory powers to compel information from industry participants, these powers do not extend to non-participants.<sup>2</sup> Some business consumers will not be industry participants, and their involvement will be voluntary.
- 5.9. The Authority has been engaging with the Ministry of Business, Innovation and Employment (MBIE) to seek legislative changes to strengthen our information gathering powers. The 2024 section 18 investigation into the transmission tower collapse highlighted that our inability to require the cooperation and compel information from non-participants is a significant constraint to carrying out our key functions. It is also inhibiting progressing our generation investment pipeline work, and now in the context of this section 16 review.

---

<sup>1</sup> [Survey reveals businesses fear upsetting gentailers if they complain about high energy costs | RNZ News](#), last accessed 25 August 2025.

<sup>2</sup> Participants as defined by the Act.

## 6. Deep dive: A year of the Power Innovation Pathway

### The Power Innovation Pathway is the Authority's open front door

- 6.1. The Power Innovation Pathway (the Pathway) aims to help innovators bring new ideas to market faster, leading to more competition and choice for consumers.

### 8 initiatives selected from 80 Pathway applications

- 6.2. We have assessed more than 80 Pathway sector applications. In March 2025 we selected eight for focused support. These are scalable business models, products and services that can deliver significant benefits for electricity consumers.

### Turning information into action

- 6.3. We will publish a paper in **late September 2025** to share insights from innovators and key actions that are happening to address the real or perceived barriers to innovation, including:
- **Implementing more innovative approaches to regulatory support:** For example, regulatory sandboxes to enable multiple innovators to test products, services and business models.
  - **Working with other regulators to address barriers outside of the Authority's mandate which impact electricity consumers:** Co-planning activities, from information sharing and workshops, to regulatory sandboxes.
  - **Tailoring our engagement to include innovators:** Consulting via multiple different channels, including surveys, interviews, open forums, and workshops.

### The Pathway has another call for applications from late September 2025

- 6.4. Open for focused support initiative applications from 29 September – 31 October.

## 7. Deep dive: Investment pipeline monthly update

### Generation investment pipeline as at 29 August 2025:

47.1GW total capacity	312 projects	109 developers	83.3% intermittent renewable
-----------------------	--------------	----------------	------------------------------

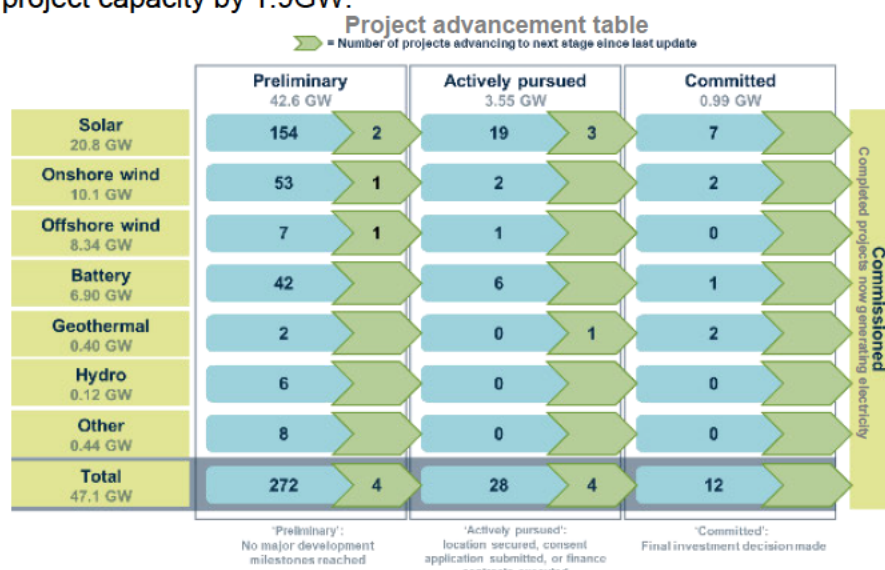
### Key out-takes since last update on 1 August 2025

- ▶ 703MW of new generation commissioned since November 2023 – no change.
- ▲ 1,340MW is currently under or scheduled to begin construction this year – a 507MW increase based on new information about existing projects.<sup>3</sup>
- ▲ 39.3GW of projects progressed beyond the first stage of Transpower’s grid connection process (+1.6GW since last update). Of those, 24.5GW (+8.2GW) are planned for completion before 2030, and of these, 13.8GW (+0.9GW) are owned independently.

s 9(2)(b)(ii)

### Project advancement since 1 August

- 7.5. One solar project (s 9(2)(b)(ii)) progressed to the “Committed” stage.
- 7.6. Other project advancements shown below (four solar, two wind and one geothermal) resulted from developers continuing to update project information.
- 7.7. 40 solar, 6 battery and 4 onshore wind projects were added to the pipeline, increasing total project capacity by 1.9GW.



<sup>3</sup> The Authority has requested that MBIE make legislative changes allowing us to request information from generation developers who are not currently market participants. Directly requiring developers to provide the information will improve the completeness and timeliness of the data.



## 8. Energy Competition Task Force work programme update

Initiative	Current stage	Next published milestone	Next update	Status
Power Purchase Agreements (1A)	Update paper published 28 May	Now part of level playing field work	N/A	Complete ✓
Standardised flex product (1B)	First phase completed – standardised super-peak hedge product launched January 2025. Second phase underway – consultation on options for regulation published 19 August	Consultation paper on options for regulating standardised super-peak hedge contract published 19 August, closes 30 September	November – update / decision on options for regulation	On track
Virtual disaggregation (1C)	Outline published for feedback	Now part of level playing field work	N/A	Complete ✓
Level playing field measures (1D)	Plans to mandate non-discrimination obligations for the four large gentailers announced 19 August, with Code consultation to follow	Code consultation to deliver mandatory non-discrimination obligations due for publication in October	Early October – Level Playing Field Code consultation paper	On track
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	Code change decisions published (16 July), which require: <ul style="list-style-type: none"> <li>distributors to provide rebates for grid injection in peak periods – to come into effect 1 April 2026</li> <li>retailers to provide time-of-use price plans for electricity use and injection – in effect 1 July 2026</li> </ul> Code changes now in implementation phase	N/A – Code changes published 16 July	Complete ✓
Short-term industrial demand flexibility revenue (2D)	Draft 5-year roadmap published 28 May. Emergency Reserve Scheme (ERS) options paper published 31 July, consultation closes 28 August	Publish ERS Code change consultation in October: <ul style="list-style-type: none"> <li>Rewards additional industrial demand response; aim to have this in place by winter 2026 (May 2026)</li> </ul>	October – ERS Code consultation paper	On track



## 9. Quarter 1 2025/26 key deliverables

	Key deliverable	Category	Status
July	Proposed changes to help ensure the System Operator has access to the information it needs to operate the power system – improving security of supply	Statutory consultation (1 July)	Delivered ✓
	Options to improve access to data that will improve competition and support the development of new products and services – improving consumer choice and affordability	Statutory consultation (1 July)	Delivered ✓
	Task Force announcements to better reward customers and reduce costs: <ul style="list-style-type: none"> <li>distributors to pay a rebate to consumers when they supply at peak times</li> <li>retailers to offer more time-of-use pricing</li> <li>retailers to better reward consumers for supplying power</li> </ul>	Decision (16 July release)	Delivered ✓
	Improvements to network connection pricing and processes that will help new housing developments, electrify energy use, and grow the economy	Decision (18 July release)	Delivered ✓
August	Task Force in principle decision to introduce non-discrimination obligations that would help independent retailers and generators better compete – supporting innovation and lower prices (subject to Board decision)	In principle decision (released 19 August)	Delivered ✓
	Task Force consultation on options to support lower cost super-peak hedges on the wholesale market – lowering overall costs and improving affordability	Statutory consultation (released 19 August)	Delivered ✓
Sep	Applications open for the Power Innovation Pathway, where innovators receive advice and support to bring new products and services to market	Industry support	On track