### 3 September 2025



Tēnā koe s 9(2)(a)

# Your request

Thank you for your request, received on 10 August 2025 as follows:

#### Scenario

A landlord installs solar panels on a student rental property. In this setup:

The landlord sells the generated solar electricity to the tenants at a rate below the prevailing retail price, with a small margin retained to help cover installation costs and address the split incentive issue common in rentals.

Any excess solar generation is exported to the grid and sold to the landlord's chosen electricity retailer.

The same retailer also supplies the property with grid electricity when solar is insufficient (for example, at night; no battery storage is installed).

The landlord receives a single bill from this retailer (covering both grid imports and export credits) and on-charges tenants for their share of the total electricity used, including the solar portion, at a pre-agreed rate.

Tenants agree in their tenancy agreement to use the landlord's chosen retailer (who can secure a more favourable long-term deal than most students could obtain for shorter tenancies) and may opt out at any time.

The landlord owns multiple properties and, if viable, would look to roll this model out across other rentals.

### My understanding so far

This arrangement uses a single retailer for both grid imports and solar exports, so it does not appear to meet the definition of a Multiple Trading Relationships (MTR) arrangement. I believe this is different from the Kāinga Ora exemption scenario, where tenants were supplied from solar while also retaining a separate retailer for grid supply, requiring an MTR exemption under the Code.

Supplying electricity to tenants for payment (although small) is likely to be considered retailing under the Electricity Industry Act, which would make the landlord a retailer and therefore an industry participant, triggering compliance obligations.

## Clarification sought

- 1. Confirmation that in this scenario, the landlord be classified as a retailer (and therefore an industry participant) under the Code?
- 2. Are there thresholds, exemptions, or circumstances (such as cost recovery without profit, or including charges within rent) where a similar model would not be considered retailing?
- 3. If classified as retailing, what specific compliance steps would apply (for example, metering configuration, participant registration, consumer care obligations, contractual requirements)?

- 4. Are there any existing exemptions, pilot schemes, or alternative compliance models that could allow a private landlord to operate this arrangement without being considered a retailer under the Code?
- 5. Are there any planned or upcoming EA reforms that might make such arrangements more accessible for private landlords?
- 6. Are there any other considerations I have missed here?

We note your request concerns a hypothetical scenario and accordingly falls outside the scope of the Official Information Act 1982 (the Act). However, in the spirit of the Act, we are treating this as a request under the Act, including by providing the information within the prescribed timeframes.

### Our response

For the sake of clarity, we respond to each part of your request in turn.

1. Confirmation that in this scenario, the landlord be classified as a retailer (and therefore an industry participant) under the Code?

Whether the landlord would be classified as a retailer depends on a range of factors, as outlined in the Consumer Care Obligations (CCO) <u>Retailer guidance</u>. This guidance sets out relevant factors for businesses to consider when determining whether they're a retailer subject to the CCO.

The Electricity Authority Te Mana Hiko (Authority) recommends that any business considering whether they are a retailer or not seeks independent advice and/or reaches out to the Compliance team at the Authority to discuss if they would like to join the industry.

2. Are there thresholds, exemptions, or circumstances (such as cost recovery without profit, or including charges within rent) where a similar model would not be considered retailing?

The Authority has a power to grant exemptions from compliance with the Code under section 11 of the Electricity Industry Act 2010 if satisfied the relevant statutory test is met. Guidance on our exemption process can be found here: <u>Guidelines on Code exemptions</u>

The Authority are currently reviewing exemption applications for the <u>Franklin Energy Sharing pilot</u>, a collaboration between Climate Connect Aotearoa, Ara Ake and Counties Energy to enable an early-stage peer-to-peer energy sharing model to be demonstrated. This project is gaining enhanced support from the Authority via the <u>Power Innovation Pathway</u> due to its alignment with our strategic outcomes and potential to deliver benefits to consumers.

For this particular trial, Counties Energy are wanting to donate excess solar to three charities within the Franklin community. The proposed solution is to use a customer appointed agent (CAA) as an intermediary between the donating party (which in this case is a distributed generator via excess solar), the charity's consumption retailer and the charity to collate all charges and donations into a single bill. To carry out this model requires regulatory exemptions for the retailer(s) and metering equipment providers involved.

Note that a CAA would not be a retailer if they are not selling energy, for example if they are simply collating various bills into one.

As outlined above, whether a landlord is a retailer depends on the circumstances. As you will note from the COO Retailers Guidance, there may be circumstances (considered together) where a landlord provides solar access to a tenant and is not a retailer.

Another simpler option for putting this model in place would be through a simple contractual agreement between the tenants and the landlord where the landlord gives the tenant access to the

solar, but recovers cost through increased rent (ie rent + a solar supplement) as opposed to considering an alternative retailing model.

3. If classified as retailing, what specific compliance steps would apply (for example, metering configuration, participant registration, consumer care obligations, contractual requirements)?

Generally, the Code covers all of the obligations of a retailer. The CCOs are set out in the Code, and the guidelines are available to assist retailers with these new obligations.

If a business or individual thinks they may be a retailer; or any other kind of participant, they may wish to contact the Authority's Compliance team. The Authority can provide high-level guidance on the obligations a type of participant has, and the steps the business or individual will need to take ahead of entering the industry. The Authority is unable to provide specific or legal advice on a participant's obligations, so landlords may wish to also seek independent advice from a lawyer or consultant.

4. Are there any existing exemptions, pilot schemes, or alternative compliance models that could allow a private landlord to operate this arrangement without being considered a retailer under the Code?

The Authority provided exemptions to enable the Kainga Ora pilot, which effectively enables a landlord to donate solar to their tenants. This exemption is only for participants in the trial and not for the wider industry, however, the recent consultation Evolving multiple retailing and switching Our consultations | Our projects | Electricity Authority is proposing making the necessary changes to enable this model for all participants.

5. Are there any planned or upcoming EA reforms that might make such arrangements more accessible for private landlords?

The above consultation is part of the project <u>Evolving multiple trading and switching | Our projects | Electricity Authority</u>, which comes under the Authority's Consumer mobility programme. This programme of work is aimed at creating an electricity system where solutions are consumer-centric and consumers can be active participants if they choose to: for example, be equipped with better decision support information/tools, and able to sell their surplus power back to the grid.

6. Are there any other considerations I have missed here?

If you wish to make more connections in the Electricity Industry, we recommend reaching out to Ara Ake. They have been heavily involved in work relating to multiple traders including setting up both the Kāinga Ora and Franklin pilots. More information about them can be found here: <a href="https://www.araake.co.nz/">https://www.araake.co.nz/</a>. If you are interested in making contact and would like an introduction, please contact <a href="innovate@ea.govt.nz">innovate@ea.govt.nz</a> and someone from the Authority can do this for you.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

As this information may be of interest to other members of the public, the Authority may proactively release a copy of this response on our website. All personal data, including your name and contact details, will be removed before publication.

If you'd like to discuss this response with us, please feel free to contact us by emailing oia@ea.govt.nz.

Nāku noa, nā,

Airihi Mahuika

**GM Legal, Monitoring and Compliance** 

Olivihi Mahrila