

Response to independent assessment 2024/25

18 November 2025

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1. Introduction

- 1.1. Each year the Electricity Authority Te Mana Hiko (Authority) measures its performance and how well it is delivering against its strategic outcomes using the performance measures set out in its Statement of Intent.
- 1.2. We measure our performance using a range of qualitative and quantitative information, including Authority data, a consumer survey, and independent assessment. We report the results of this evaluation in our annual report.
- 1.3. The 2024/25 financial year is the first evaluation against the 10 performance measures set out in our *Statement of intent 2024–28*. We commissioned Allen + Clarke to conduct an independent assessment of the Authority’s performance against three of these measures:
 - a. Measure 1: The Authority’s work enables sufficient opportunities to hedge spot price volatility
 - b. Measure 2: The Authority is prioritising activity that enables renewable investments to achieve net zero by 2050
 - c. Measure 3: The Authority has an accessible and transparent Code exemption and amendment request process.
- 1.4. This document summarises the high-level findings from Allen + Clarke’s independent assessment (Independent Assessment), and the Authority’s response.

2. Assessment method and results

- 2.1. The Independent Assessment involved a review of a sample of 67 Authority documents and interviews with eight Authority staff and seven external stakeholders.
- 2.2. The Independent Assessment was conducted by investigating key assessment questions for each measure. The key assessment questions shaped the scope of the Independent Assessment, including the document review and stakeholder interviews.
- 2.3. In the Authority’s view, the overall ratings are best understood as an assessment against the specific assessment questions, rather than a comprehensive assessment against the general performance measures themselves.
- 2.4. Other limitations are noted in the Independent Assessment report. The assessment was conducted within a relatively tight timeframe with limited resources. Only a small sample of external stakeholders were interviewed, and the sample primarily consisted of industry participants. The absence of other groups, such as consumer representatives and lines companies, means that the sample was not representative of the whole sector.
- 2.5. The results from the Independent Assessment are summarised in the following table:

Measure	Outcome	Performance measure	Assessment questions	Overall rating
1	Affordable	The Authority's work enables sufficient opportunities to hedge spot price volatility	<ul style="list-style-type: none"> • Has the Authority identified sufficient opportunities in the hedge market to manage risks? • Does the Authority's work enable management of price volatility, including through the availability of tools and products? 	Good
2	Efficient	The Authority is prioritising activity that enables renewable investments to achieve net zero by 2050	<ul style="list-style-type: none"> • How valuable was the material to the audience? • How fit for purpose are the materials for the selected channel? 	Good/Poor
3	Efficient	The Authority has an accessible and transparent Code exemption and amendment request process.	<ul style="list-style-type: none"> • How valuable was the material to the audience? • How well do the materials produced support stakeholders to understand and are fit for purpose? 	Good

2.6. These results will inform our evaluation of our performance for 2024/25, in the context of the limitations discussed above, and the Authority's responses on specific findings set out in section 3. The results also establish baseline ratings for independent assessment of the three performance measures.

2.7. This was the first independent assessment under the *Statement of intent 2024–28*. We will improve the independent assessment process in future years, to ensure that:

- a. the key assessment questions and decision matrix are fit for purpose across each performance measure
- b. the independent assessment is appropriately scoped to reflect the volume of our work in 2025/26
- c. external stakeholder input includes consumer representatives and lines companies and is more representative of the whole sector.

3. Key findings and our response

- 3.1. This section summarises Allen + Clarke’s findings on the three performance measures and provides our response to their findings.

Measure 1: The Authority’s work enables sufficient opportunities to hedge spot price volatility

- 3.2. Performance against this measure was rated as **Good**. The Independent Assessment found evidence of the Authority identifying gaps in the market, identifying which stakeholder groups would be affected by changes to the market and starting to address gaps.
- 3.3. Use of a co-design approach to develop a standardised flexibility hedge contract enabled the Authority to work with stakeholder groups to consider opportunities in the market and develop a product that was fit for purpose. The Authority’s review of risk management options for electricity retailers provided further support for the decision to develop a super-peak hedge product and to explore likely impacts on stakeholders. The Authority is effectively monitoring the performance of the super-peak product through the use of multiple sources of information including tracking whether voluntary trading is sufficient.
- 3.4. The Independent Assessment noted that additional hedging products are needed to address other gaps in the market. The Market Development Advisory Group (MDAG) highlighted that more than one type of hedging product could be useful to address different needs for firming but noted that liquidity and price discovery would be enhanced if trading was concentrated in fewer contract types. The Co-Design Group chose to develop a single product, due to time constraints and a desire to concentrate liquidity in one product. A super-peak product was considered to be the top priority considering the various market gaps. The Group recommended that further products be developed. This aligns with the MDAG recommendations and with external stakeholders, who identified issues to be addressed involving industrial participants and demand shifting.

Authority response

- 3.5. We welcome these findings and are pleased it acknowledges some of our work to address spot price volatility in 2024/25.
- 3.6. The launch of the standardised super-peak product in January 2025 was a positive step towards helping participants manage spot price volatility. However, we acknowledge further work may be needed to ensure there are sufficient and effective hedging opportunities in place. We will continue to work with industry to facilitate the development of new standardised contracts. We will also continue to educate stakeholders on the use of these products; however, it is up to participants to use these, alongside other tools, to manage their own risk.
- 3.7. The assessment findings are based on a sample of documents that largely focused on the development of the super-peak product. While this was an important stage, it is just a small part of the Authority’s work to ensure electricity market participants have better tools to manage price volatility and a limited assessment of our overall progress in meeting this performance measure.

- 3.8. Since the launch of the super-peak product in January, we have actively monitored trading and published [auction results](#). In April this year, we published a [flexibility hedge products dashboard](#) to show prices and traded volumes of key types of flexibility products to help industry make operational and investment decisions.
- 3.9. In June, we assessed the liquidity of trading of the super-peak product and published these results in August. While voluntary trading of the new super-peak product has improved availability and pricing, the market remains shallow, with limited seller diversity and low trading volumes.
- 3.10. We have continued our work in this area in the current financial year (outside the scope of the Independent Assessment). In August and September, we [consulted on options for regulation](#) of the super-peak product. We propose to set clear expectations for robust participation in voluntary trading by the four large gentailers, own over 95% of flexible generation, which backs shaped hedge contracts. Regulation may follow if trading does not improve, with market making on the over-the-counter market as our preferred regulatory approach if required. We are also ready to intervene with urgent regulation if there is a sudden material reduction in the supply of shaped hedges.
- 3.11. Following feedback, we will make decisions on these options in November, and the Authority will continue to assess liquidity and publish the results.

Measure 2: The Authority is prioritising activity that enables renewable investments to achieve net zero by 2050

- 3.12. Allen + Clarke rated performance against this measure as **Good/Poor**. This was based on findings that some aspects of the Authority's materials on this measure met the good criteria, such as the quality of the consultation documents and efforts to improve engagement. However, there were other elements that did not cross the threshold for good. The information about the Authority's work programme and Energy Competition Task Force workstream were not considered sufficiently tailored to meet some audiences' needs and the Generation Investment Pipeline dashboard was, during the 2024/25 year, predominantly based on 2022 and 2023 data.
- 3.13. The Independent Assessment found that the Authority's consultation and decision documents reflected good practice. They contained comprehensive information which would be useful for a wide audience and were conveyed clearly in an accessible manner. However, it found that information provided about the Authority's work programme, Energy Competition Task Force, and the Generation Investment Pipeline dashboard needed to be improved to ensure it is both accessible and usable by a broad audience.
- 3.14. The high volume of consultation papers was also noted, particularly for small to medium retailers who may have limited capacity to respond. However, stakeholders reported improved engagement from the Authority, giving a number of successful examples, including the sector framework workshops and Power Innovation Pathway events.

Authority response

- 3.15. We are pleased to note the Independent Assessment's finding that the consultation and decision documents reviewed reflected good practice and were designed to meet the needs of a wide audience.
- 3.16. We acknowledge the feedback about the volume of consultation papers being challenging for small stakeholders and those who do not have dedicated regulatory resource. The Authority is committed to engaging a diverse range of voices in its consultations and we have been more proactive in our engagement approach and consultation channels. This includes accepting verbal submissions, holding workshops and consumer wānanga.
- 3.17. We are reviewing elements of our consultation process to ensure we use a wide range of communication channels (including surveys, interviews, open forums, workshops and structured discussions) to reach the stakeholders who want to connect to our work, while maintaining the pace of change the sector demands.
- 3.18. We accept that improvements can be made to how the Authority provides information about its work programme and the Energy Competition Task Force workstream. It is important to note that the rating of 'poor' on this area was focused on the Authority's work programme documentation, rather than any substantive assessment of the work programme itself.
- 3.19. On the Energy Competition Task Force, the concerns identified are focused on the [2025 work programme calendar](#), and included the absence of links to webpages, lack of brief description about the types of work involved in each initiative, and lack of historical information. While this is helpful feedback, we note this calendar sits on a webpage with detailed information about each initiative of the Task Force, with hyperlinked content that includes decisions, consultations and dashboards. This page also includes frequently asked questions about the Task Force work, and a timeline of relevant activity which is hyperlinked to full information.
- 3.20. Alongside the Task Force webpage, we provided information about the Task Force work programme through a range of other channels, including regular news items on progress on each of the initiatives, updates via our weekly Market Brief newsletter, quarterly webinar series, specific Q&A sessions with the programme lead, and targeted engagement on Task Force initiatives to support consultation.
- 3.21. In relation to the Generation Investment Pipeline dashboard, we agree that the information provided through the dashboard when it was first published in June 2024 needed improvement. However, we do not consider the 'poor' assessment is an accurate reflection of the substantive work the Authority undertook improve generation investment visibility. Specifically:
 - a. We announced the start of our project to improve the visibility of generation investment in May 2024.
 - b. While we were improving our data collection methods, we published the Generation Investment Pipeline dashboard. The dashboard was clearly

signposted as an interim measure, and we explained how and why we needed to improve the data.¹

- c. Despite the data limitations, the interim dashboard was an improvement on the status quo, enabling stakeholders to view data on expected new generation in different ways (such as by expected completion date or developer type) for the first time, showcasing the possibilities of improved data collection.
- d. Alongside the dashboard we published two datasets on investment projects, one in June 2024 and one in September 2024, using the most recent publicly available information.²
- e. Throughout 2024/25 the Authority worked to improve its data collection to provide ongoing and increasingly sophisticated measures on the dashboard. This required industry consultation on a new information gathering notice. We published the new notice in December 2024 and started collecting information under the notice from 1 February 2025.
- f. Relevant material published by the Authority during this period was not limited to the dashboard – it included news articles, consultation papers and improved datasets. This provided a package that was accessible, provided different levels of detail for different audiences, and contained consistent messaging on the need for improved data collection and dissemination.

3.22. The Authority notes that the assessment questions for this measure are focused on the value of information provided to stakeholders. They did not include an assessment of whether the Authority is, in fact, prioritising activity that enables renewable investment, which is the focus of this measure. Relevant to that measure, the Authority notes its work to:

- a. remove barriers to electrification, such as the *Network Connections* project (which the Authority consulted on in October 2024)
- b. enable new technologies (such as Battery Energy Storage Systems) and address bi-directional power flows
- c. ensure the electricity system remains secure and resilient in the coming decades (through the Authority's [future security and resilience](#) programme)

3.23. We will improve the assessment questions and decision matrix for future independent assessments, to ensure a more comprehensive measure of our activity and progress in enabling renewable investment, rather than a narrow focus on the value of our materials.

Measure 3: The Authority has an accessible and transparent Code exemption and amendment request process.

3.24. Performance against this measure was rated as **Good**. The Independent Assessment found that the evidence indicated the Authority understands the information needs of most sector participants and that it supports understanding of the exemption and amendment processes.

¹ [Generation investment data and dashboard – now and in the future | Electricity Authority](#).

² [Electricity Authority - EMI \(market statistics and tools\)](#)

- 3.25. The findings indicate the Authority has strengthened its process for Code exemptions and amendments. External stakeholders noted that consultations, including the Consumer Care Obligations process, were extremely well run, with high-quality engagement. There is evidence that the Authority is responding to stakeholder feedback and using more channels for engagement.
- 3.26. The Independent Assessment considered that the Authority's Code amendment omnibuses are a useful tool and reduced the need for separate consultations. The omnibus consultation documents were considered accessible to a wide audience, striking a good balance between technical information and consumer-oriented framing.
- 3.27. There were indications that the Authority has made a concerted effort to enhance the visibility of the amendment process including publication of the Code Amendment Request Guidelines. The Independent Assessment also noted the Authority had made increased efforts to engage with residential consumers including engaging with consumer advocacy groups.

Authority response

- 3.28. As New Zealand's electricity regulator, the Authority is in the unique position to make, administer and enforce the Electricity Industry Participation Code 2010 (Code) – the rules that govern nearly every aspect of the electricity industry. We regularly review, consult on, and amend the Code to make sure it is clear, fit for purpose and reflects new technologies and industry developments.
- 3.29. We have a Code review programme to group multiple minor changes into single consultations. For example, in September 2024, we sought feedback on 16 minor changes to the Code in [one consultation](#) which resulted in 15 amendments to the Code, effective in April and July 2025.
- 3.30. We also have a Code amendment omnibus programme to group multiple discrete changes. In 2024/25 we carried out two consultations under this programme to help us move quicker to ensure regulation keeps up with the transformation underway across the electricity sector. These consultations resulted in seven amendments to the Code.
- 3.31. We have made a concerted effort to lift the visibility and communication of the Code amendment process. In February 2024, following consultation, we updated the information about consultations, advisory groups and Code amendment requests in our foundation documents to improve transparency and engagement in our decision-making processes.
- 3.32. Stakeholders asked for more transparency in our Code amendment request process, including more information about how to propose an amendment and the Authority's process following requests. We took this feedback onboard and introduced a clearer process, outlined in new '[Code amendment request guidelines](#)' and an improved 'Code amendment request form'.
- 3.33. We continue to seek and make improvements to Code amendments. For example, in August 2025, we updated our website so that every new [Code amendment](#) includes the related consultation paper, decision paper, an explanatory note and legislative information to improve accessibility and information.

- 3.34. The Independent Assessment noted a concern from one stakeholder about how the Authority is managing competing priorities between consumers and industry. The stakeholder noted the Authority is an electricity regulator, not a consumer organisation. We are legally and strategically obligated to act in the long-term interests of consumers and manage competing priorities by:
- a. Enforcing consumer protections
 - b. Promoting fair competition
 - c. Supporting innovation and investment
 - d. Engaging with a broad range of stakeholders and interested parties
 - e. Testing the practical implications of regulatory decisions with industry and consumer representatives to develop well-informed regulation.

4. Suggested opportunities for improvement

- 4.1. The Independent Assessment identified a number of learnings and opportunities for improvement. These are summarised below, together with our response and the actions we have taken or plan to take.

Measure 1: Enabling sufficient opportunities to hedge risk of price volatility

Recommendation 1: *Ensure that future co-design approaches have mechanisms to share information outside the co-design group and has opportunities to test prototypes with a wider group of affected stakeholders, such as with the EAAG cohort.*

Authority response

- 4.2. We agree that co-design approaches should have a means of testing ideas and information with a wider group of affected stakeholders outside the co-design group.
- 4.3. In the development of the standardised super-peak flexibility product, we tested the co-design group's thinking and approach with the Electricity Authority Advisory Group to provide independent assurance that the proposed product would be useful. The Authority then used a number of channels to engage and communicate the outcome of the co-design process to industry. For example, via three news items on our website, three items in our Market Brief newsletter and a webinar.
- 4.4. We did not run a wider consultation process (as we do with regulatory proposals) as our role was to facilitate industry to develop a hedge product at pace to introduce a new risk management tool for wholesale market participants, following the security of supply challenges of August 2024. We have, however, since consulted on options for strengthening trade in the product, as outlined above. In future, with a longer timeframe, it may be useful to run a wider engagement process to seek feedback on co-designed products.

Recommendation 2: Consider updates to the Flexibility Hedge Products dashboard to make it more user-friendly and provide fulsome information. While acknowledging that the Authority needs to carefully manage confidentiality when publishing dashboards, the absent pricing information is a crucial gap in transparency and usefulness of the data. It may also be beneficial to separate information about peak product trading from super-peak products due to the substantial difference in volumes trading.

Authority response

- 4.5. The [flexibility hedge products dashboard](#) already has filters to enable information about trading of the super-peak product to be viewed separately from other peak contracts. It also has information on both traded volume and price. We think this recommendation may relate to an earlier iteration of the dashboard, prior to the improvements made in 2024/25.
- 4.6. We agree that our data and information should be user-friendly, accessible and as comprehensive as possible to optimise our audiences' experience. In 2024/25 we started using Sigma software to build and publish dynamic dashboards that update in real time and make it easier for users to explore and engage with our data.
- 4.7. In September 2025, we introduced a new 'Data and insights' section on our website to make electricity market data, tools and insights more accessible. We will continue to develop this section in 2025/26, guided by the needs of our audiences.

Recommendation 3: Continue to closely monitor generators' participation in the super-peak product market with a view to determining whether trading needs to be made mandatory.

Authority response

- 4.8. We agree with this recommendation. The Authority undertook its first liquidity assessment in June 2025, covering the six months trading from January to June 2025. This was published as part of our consultation of options for regulating the product. Our next assessment will be in December, and then quarterly from 2026.

Recommendation 4: Gather more insights into potential barriers to participation of independent retailers in the super-peak product.

Authority response

- 4.9. The Authority agrees with this recommendation. It is seeking feedback on potential barriers to participation in trading of the super-peak product as part of its consultation on [issues and options for regulating the standardised super peak hedge contract](#), issued in August 2025. This consultation invites feedback on whether barriers exist to wider or more diverse participation in the super-peak trading events.

Measure 2: Enabling renewable investments to achieve net zero by 2050

Recommendation 1: *Continue to explore options to make consultations more accessible including different avenues for submission, increasing timeframes for submissions, inclusion of glossary/key definitions in all papers and greater use of design elements to increase readability.*

Authority response

- 4.10. We are committed to engaging a diverse range of voices in our consultations. We are reviewing elements of our consultation process to ensure we use a wide range of communications channels (including surveys, interviews, open forums, workshops and structured discussions) to reach the stakeholders who want to connect to our work.
- 4.11. In 2024/25, on high-priority projects such as the Energy Competition Task Force, we invited in-person submissions, developed consumer-focused consultation guides and produced consumer surveys as an alternative to a standard submission format. We also ran public webinars and Q&A sessions, and hosted in-person engagement events across the country.
- 4.12. We set consultation timeframes based on the length and complexity of the consultation paper and any overlapping consultations, and will continue efforts to improve our planning to better support stakeholders to engage with our consultations.
- 4.13. We note that consultation is a legal requirement for most Code amendments, and the Electricity Industry Act sets out specific requirements on what consultation papers must include. This sets some constraints on the extent to which we can reduce the number or size of consultation papers. In some cases, more than one consultation round is appropriate, when the matter is complex and feedback is valuable on both defining the issues and identifying the preferred option.

Recommendation 2: *Consider how the Authority's work programme can be adjusted to achieve a more reasonable level of stakeholder consultation burden. For example, consultation papers should only be released at the same time if they are directly related and timeframes for consultations across workstreams should not overlap.*

Authority response

- 4.14. The Authority is a proactive regulator with an ambitious work programme that focuses on ensuring affordable, reliable and secure access to electricity for consumers. New Zealand's electricity system is transforming at pace, and the Authority must act to adjust market settings and enable innovation to support New Zealand's transition to a highly renewable electricity system.
- 4.15. This transition is driving the Authority's increased work programme and consultation calendar, and we understand and appreciate the impact this has on stakeholders. We note that our stakeholders are broad and diverse – we hear from some that we are doing too much, yet we also hear from others that we are not doing enough. We

will continue to consider how we can ease consultation burden in a way that does not undermine our ability to deliver on our strategic outcomes and drive change.

Recommendation 3: *Progress updates to work programme materials to make these more accessible including creating hyperlinks in the work programme to relevant explanatory information available on the website and providing more historic information for the work programme, so readers have an understanding of work undertaken to date.*

Authority response

- 4.16. We are committed to making our work programme and communications materials as clear and accessible as possible and agree that improvements can be made to our content and how we publish and promote our work programme.
- 4.17. Currently, we publish a simplified [calendar table of priority initiatives](#) in two areas of our website, with our wider indicative work programme published indirectly as part of our annual levy consultation process.³ This provides stakeholders an opportunity to engage with, and comment on, our proposed activities for the next financial year. We also publish workstream-specific timelines, such as our [Energy Competition Task Force work programme](#), [Pro-competition policy reform roadmap](#), and [Consumer mobility roadmap](#).
- 4.18. We are considering ways to make the Authority's wider work programme more accessible on our website, with clearer indicative timelines to implementation, links to each relevant project page, and an appropriate level of descriptive information. We are also exploring how to make past consultations and information easier to find.

Recommendation 4: *Consider working with Transpower to create one dashboard that provides a robust and integrated system for information on the generation pipeline, leading to a comprehensive ecosystem of information rather than multiple competing information sources.*

Authority response

- 4.19. We agree that a comprehensive ecosystem of information is important for stakeholders. We have worked closely with Transpower to improve the collection of information on the pipeline of generation projects. We will continue to do so as we embed the new data collection, including expanding our data collection and improving our dashboard to include distribution network-connected generation.
- 4.20. We note that while Transpower's processes and outputs are targeted towards informing developers of the connection management process and progress, our data collection and dissemination aim is broader. We are working to provide a comprehensive view of the entire pipeline of generation projects (including distribution network-connected projects, of which Transpower has little oversight). This comprehensive view is necessary to:
- inform investment decisions (delivering the right projects in an efficient way)

³ [Relieving pressure to deliver regulatory reform at pace: Proposed levy-funded appropriations 2024/25](#)

- b. ensure a greater understanding of security of supply, and
 - c. promote competition.
- 4.21. We consider that both dashboards will continue to serve an important role in the ecosystem of information available to stakeholders. The new data collection we have set up (in collaboration with Transpower) will ensure both dashboards are based on the same underlying data.

Recommendation 5: *Build on examples of engagements that were viewed positively by external stakeholders including workshops, roundtables and the Power Innovation Pathway.*

Authority response

- 4.22. As noted in our response to recommendation 1, we will continue to explore different engagement approaches to ensure consultation is fit-for-purpose to the context and stakeholder groups.

Measure 3: An accessible and transparent Code exemptions and amendment process

Recommendation: *Continue to use multiple avenues for engagement on Code amendments including webinars, social media, and consumer advocacy groups.*

Authority response

- 4.23. We will continue to use multiple communications channels to promote engagement with our Code amendment proposals, including via social media, webinars, Q&A sessions, and direct outreach to key stakeholders. Also see our response on Measure 2, recommendation 1 above.

Recommendation 2: *Consider opportunities to use Green Papers for future consultations.*

Authority response

- 4.24. We agree that discussion papers or green papers have an important role to play in encouraging early engagement on emerging or system-wide issues. As noted under Measure 2, recommendation 1 above, we often publish more than one consultation paper on a project, when the matter is complex and feedback is valuable on both defining the issues and identifying the preferred options.
- 4.25. In the 2024/25 financial year we published a discussion paper, [Our future is digital](#), and our [Green paper on decentralisation](#), to test ideas and encourage engagement in these areas.
- 4.26. We will continue to explore opportunities for these types of papers, and we continue to be conscious of the challenges noted above around consultation burden.

5. Allen and Clarke report

- 4.27. The remainder of this document contains Allen and Clarke's report to the Authority. The report details the findings of the independent assessments carried out by Allen and Clarke, including observations of what the Authority currently does well and opportunities for continued improvement.
- 4.28. We note that, in the case of the external interviews undertaken for the assessment, that the results presented are the perceptions of respondents as representatives of their organisations and do not necessarily reflect the views of the Authority.



Electricity Authority Independent Assessment of Measures 2024/25

Final Report



24 September 2025





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1 Executive summary

Background

The Electricity Authority Te Mana Hiko (the Authority), established under the Electricity Industry Act 2010, is the independent Crown entity that oversees New Zealand's electricity market. The Authority operates under two statutory objectives: to promote a competitive, reliable and efficient electricity industry, and to protect the interests of domestic and small business consumers in relation to the supply of electricity. There are three key focus areas set out in the Authority's strategic outcomes: security and resilience, affordability (originally framed as accessibility), and efficiency. These outcomes set out what success looks like and inform the Authority's approach to performing its statutory role supporting improved productivity, growth and wellbeing in New Zealand.

In addition to its strategic outcomes, the Authority also established ten measures to track progress against its strategic outcomes set out in its current Statement of Intent 2024-2028.

The Authority engaged *Allen + Clarke* to conduct the independent assessment covering the period 1 July 2024 to 30 June 2025 to assess to what extent the following three measures are being met:

- There are sufficient opportunities to hedge spot price volatility (linked to affordability).
- The Authority is prioritising activity that enables renewable investments to achieve net zero by 2050 (linked to efficiency).
- The Authority has an accessible and transparent Code exemption and amendment request process (linked to efficiency).

As this is the first year these measures have been used, findings from the Independent Assessment will enable the Authority to establish baseline performance for the three measures. In addition, the findings will contribute to the Authority's statutory reporting on its performance.

Approach

The Independent Assessment is based on:

- a review of 67 documents relating to the three measures
- interviews with eight internal stakeholders from the Authority
- interviews with seven external stakeholders including the System Operator, gentailers, retailers and consultants.

Data from these sources was deductively coded against key assessment questions for each measure and sorted into broad thematic categories. The analysis included comparing and contrasting evidence and highlighting commonalities and differences for each of the measures. This analysis formed the basis for making independent assessment judgements about the Authority's progress towards each of the measures. Findings were then compared against indicators of success to arrive at an overall ranking for each measure.

Limitations

The Independent Assessment was conducted within a relatively tight timeframe with limited resources. Caution should be applied in relation to the extent to which external stakeholder views are representative as only a small sample of external stakeholders were interviewed and the sample primarily consisted of industry participants. The absence of groups such as consumer representatives and lines companies means that the sample is not representative of the whole sector.

1.1 Key Findings

Measure 1: The Authority's work enables sufficient opportunities to hedge spot price volatility.

Performance against this measure was rated as **Good**. The Independent Assessment found there is evidence of the Authority identifying gaps in the market, identifying which stakeholder groups would be affected by changes to the market and starting to address gaps.

Use of a co-design approach enabled the Authority to work with stakeholder groups to consider opportunities in the market and develop a product that was fit for purpose. The Authority's review of risk management options for electricity retailers provided further support for the decision to develop a super-peak hedge product and to explore likely impacts on stakeholders. The Authority is effectively monitoring the performance of the super-peak product through the use of multiple sources of information including tracking whether voluntary trading is sufficient.

Additional hedging products are needed to address other gaps in the market. The Market Development Advisory Group (MDAG) highlighted that more than one type of hedging product could be useful to address different needs for firming but noted that liquidity and price discovery would be enhanced if trading was concentrated in fewer contract types. The Co-Design Group chose to develop a single product, due to time constraints and a desire to concentrate liquidity in one product. A super-peak product was considered to be the top-priority considering the various market gaps. The Co-Design Group recommended that further products could be developed and this aligns with the MDAG recommendations and with external stakeholders, who identified issues to be addressed involving industrial participants and demand shifting.

Despite some implementation issues, early signs indicate that the super-peak product is a qualified success with fortnightly trading regularly occurring and market liquidity improving. Data from the Authority's hedge disclosure system shows that only two independent retailers have traded the super-peak product at auction (other independent retailers have observed trading events but not yet traded). One external stakeholder suggested that more education and encouragement is needed for these stakeholders to participate. To ensure that the potential of the super-peak product is optimised, it would be beneficial for the Authority to gather more insights into the potential barriers to participate for independent retailers.

Measure 2: The Authority is prioritising activity that enables renewable investments to achieve net zero by 2050.

Performance against this measure was rated as **Good/Poor**. This rating is based on findings that some aspects of the Authority's work on this measure met the good criteria, such as the



quality of the consultation documents and efforts to improve engagement. However, there were other elements that did not cross the threshold for good. The information about the workstreams was not sufficiently tailored to meet some audiences' needs and the Generation Investment Pipeline dashboard is still predominantly based on 2022 and 2023 data which has limited relevance in 2025.

The Independent Assessment found that the Authority's Consultation and Decision documents reflect good practice. They contained comprehensive information which would be useful for a wide audience and was conveyed clearly in an accessible manner. However, information provided about the Authority's work programme, Energy Competition Task Force, and the Generation Investment Pipeline dashboard needs to be improved to ensure it is both accessible and usable by a broad audience.

Both internal and external stakeholders agreed that the volume of consultation papers was a problem, particularly for small to medium retailers who may have limited capacity to respond. The Authority needs to consider how work programmes can be better planned to support stakeholders to respond. For example, ensuring consultations don't overlap or extending timeframes up front.

External stakeholders noted that the Authority's work programme needs to be more visible with a lack of details about implementation work and timeframes. In our view there is scope for the Authority to make its work programmes more accessible including providing a brief description of initiatives, providing more historical information (at least 12 months) and ensuring people can navigate easily between pages.

The quality of information provided in the two dashboards reviewed for measure 2 was mixed. While the information provided in the Future Security and Resilience Indicators dashboard appears to be reasonably up-to-date and well targeted, the information provided in the Generation Investment Pipeline dashboard has limited relevance in 2025 as it is based on surveys that were conducted in 2022 and 2023. In addition, indications are that Transpower's Connection Inquiry Dashboard provides more contemporary information and provides useful insights about phased timelines and where sector pressures are. The Independent Assessment acknowledges that the Authority has taken steps to provide more accurate information, noting that during the in-scope period the Authority began to use clause 2.1.6 notices to require developers to provide relevant information.

Stakeholders reported improved engagement from the Authority giving a number of successful examples including sector framework workshops and the Power Innovation Pathway.

Measure 3: The Authority has an accessible and transparent Code exemption and amendment request process.

Performance against this measure was rated as **Good**. This means that the evidence indicates that the Authority understands the information needs of most sector participants and that it supports understanding of the exemption and amendment processes.

Indications are that the Authority has been strengthening its approach to code exemptions and amendments. External stakeholders noted that recent consultations including the Consumer Care Obligations process were extremely well run, with high-quality engagement. There is



evidence that the Authority is responding to stakeholder feedback and using more channels for engagement.

The Authority's Code amendment omnibuses are a useful tool and reduced the need for separate consultations. The Independent Assessment found that omnibus consultation documents were accessible to a wide audience, striking a good balance between technical information and consumer-oriented framing.

There are indications that the Authority has made a concerted effort to enhance the visibility of the amendment process including publication of the Code Amendment Request Guidelines. The Authority has made increased efforts to engage with residential consumers including engaging with consumer advocacy groups.

1.2 Opportunities for Improvement

A number of learnings and opportunities for improvement were identified as part of the Independent Assessment. These have been summarised briefly below.

The Authority should:

Measure 1

- Ensure that future co-design approaches have mechanisms to share information outside the co-design group and has opportunities to test prototypes with a wider group of affected stakeholders, such as with the EAAG cohort.
- Consider updates to the Flexibility Hedge Products dashboard to make it more user-friendly and provide fulsome information. While acknowledging that the Authority needs to carefully manage confidentiality when publishing dashboards, the absence pricing information is a crucial gap in transparency and usefulness of the data. It may also be beneficial to separate information about peak product trading from super-peak products due to the substantial difference in volumes trading.
- Continue to closely monitor generators' participation in the super-peak product market with a view to determining whether trading needs to be made mandatory.
- Gather more insights into potential barriers to participation of independent retailers in the super-peak product.

Measure 2

- Continue to explore options to make consultations more accessible including different avenues for submission, increasing timeframes for submissions, inclusion of glossary/key definitions in all papers and greater use of design elements to increase readability.
- Consider how the Authority's work programme can be adjusted to achieve a more reasonable level of stakeholder consultation burden. For example, consultation papers should only be released at the same time if they are directly related and timeframes for consultations across workstreams should not overlap.



- Progress updates to work programme materials to make these more accessible including creating hyperlinks in the work programme to relevant explanatory information available on the website and providing more historic information for the work programme, so readers have an understanding of work undertaken to date.
- Consider working with Transpower to create one dashboard that provides a robust and integrated system for information on the generation pipeline, leading to a comprehensive ecosystem of information rather than multiple competing information sources.
- Build on examples of engagements that were viewed positively by external stakeholders including workshops, roundtables and the Power Innovation Pathway.

Measure 3

- Continue to use multiple avenues for engagement on Code amendments including webinars, social media, and consumer advocacy groups.
- Consider opportunities to use Green Papers for future consultations.

2 Introduction

2.1 Background

The Electricity Authority, Te Mana Hiko, (the Authority), established under the Electricity Industry Act 2010, is an independent Crown entity that oversees New Zealand's electricity market. The Authority has two statutory objectives: to promote a competitive, reliable and efficient electricity industry, and to protect the interests of domestic and small business consumers in relation to the supply of electricity. The statutory intent is for the Authority to steward the energy industry so that it produces the desired outcomes for consumers that might not be achieved through pure market forces. The Authority's strategic vision is *"for consumers to have choices in accessing the energy they need now, and in the future, so they and New Zealand prosper."* This vision is enabled by three key focus areas set out in its strategic outcomes: security and resilience, affordability and efficiency. These outcomes set out what success looks like and inform the Authority's approach to performing its statutory role.

In addition to the strategic outcomes, the Authority has also established ten measures to track progress against its strategic outcomes set out in its current Statement of Intent 2024-2028.

It is essential that the Authority has clarity over the extent to which its strategic outcomes are being achieved. Independent Assessments contribute to improved accountability and performance through providing a neutral, objective view of progress towards the desired end state.

This report includes:

- a description of the Independent Assessment approach
- aggregate ratings for the three measures and explanation of reasoning for those ratings.
- interpretations of findings including commentary on general strengths and weaknesses, implications and opportunities for improvement.

2.2 Scope of this assessment

The Authority engaged *Allen + Clarke* to conduct an Independent Assessment of the extent to which the following three measures are being realised, covering the period 1 July 2024 to 30 June 2025:

- The Authority's work enables sufficient opportunities to hedge risk of price volatility (linked to affordability).
- The Authority is prioritising activity that enables renewable investments to achieve net zero by 2050 (linked to efficiency).
- The Authority has an accessible and transparent Code exemption and amendment request process (linked to efficiency).



As this is the first year these measures have been used, findings from the Independent Assessment will enable the Authority to establish baseline performance for the three measures.

2.3 Key Independent Assessment Questions

The Independent Assessment investigated the following key assessment questions:

- the Authority's work enables sufficient opportunities to hedge risk of price volatility:
 - Has the Authority identified sufficient opportunities in the hedge market to manage risks?
 - Does the Authority's work enable management of price volatility, including through the availability of tools and products?
- the Authority is prioritising activity that enables renewable investments to achieve net zero by 2050
 - How valuable was the material¹ to the audience?
 - How fit for purpose are the materials for the selected channel?
- the Authority has publicly released an accessible and transparent Code exemptions and amendment request process.
 - How valuable was the material to the audience?
 - How well do the materials produced support stakeholders to understand code exemptions or amendments and are they fit for purpose?

To enable an objective assessment of performance, in collaboration with key Authority staff, 23 dimensions were identified that establish key focus areas for each measure and indicators that provide details of what poor, good, very good and excellent performance looks like.

Together, these formed the framework for assessing the Authority's performance for each measure. The Independent Assessment framework (Key Assessment Questions, dimensions and indicators) is provided in [Appendix B](#).

Our approach included a combination of a document review and interviews with key internal stakeholders and external stakeholders. Further information on our approach can be found in [Appendix A](#).

¹ Material includes consultations, website information, documents, face-to-face engagement

3 Key findings

For each measure we have outlined:

- key assessment questions for the measure
- key findings from the Independent Assessment against each key assessment question.

A summary of the rating for each measure is included in [Section 3.4](#).

3.1 Measure 1: Enabling sufficient opportunities to hedge risk of price volatility

This measure is designed to make sure that the Authority ensures generators and traders have good access to buy and sell electricity on the hedge market and futures market. It is a key part of the wholesale market, providing transparent and robust forward price signals and enabling participants to manage their risk exposure to price volatility in the spot market.²

This section focuses on answering the key qualitative assessment questions for measure 1:

- Has the Authority identified sufficient opportunities in the hedge market to manage risks?
- Does the Authority's work enable management of price volatility, including through the availability of tools and products?

3.1.1 The Authority has made a good start in identifying opportunities to hedge risks

The overall rating for this dimension was **Good**. Indications are that the Authority's performance has improved over the year.

Although initial communication of temporary changes to market making in August 2024 were inadequate, the Authority subsequently addressed these issues

In August 2024, the Authority made temporary changes to market-making requirements in response to conditions in the forward market traded on the Australian Securities Exchange (ASX).³ The changes aimed to ensure that market making would continue despite volatile market conditions by allowing for widening of spreads and halving of lots before the Authority would exercise its discretion to take enforcement action. Initial notification of these changes was made in a letter to market makers on 12 August 2025.⁴ The letter to market makers clearly explains the reasons for the urgent changes including the current risks to the forward market

² Electricity Authority. (n.d.). Hedge market. <https://www.ea.govt.nz/industry/wholesale/hedge-market>

³ Electricity Authority. (13 August 2024). Temporary changes to market-making requirements. <https://www.ea.govt.nz/news/general-news/temporary-changes-to-market-making-requirements/>

⁴ Electricity Authority. (12 August 2024). Letter to market makers. https://www.ea.govt.nz/documents/5450/Letter_to_market_makers.pdf

and its mitigation strategy to widen spreads and reduce lot sizes in the short-term. However, this letter was only shared with gentailers and Vivienne Court Trading (VicCourt), which meant that not all market participants were aware of the changes.

Discussions with internal stakeholders indicates that when the Authority became aware of the communication issues through feedback from industry market participants, it sought to address the issue through publicly announcing the changes made to market making on its website on 13 August 2024⁵ and running a webinar on 15 August 2024. In addition, on 16 August the Authority sent a follow-up email to industry market participants sharing a copy of the slides from the presentation and seeking feedback on a range of areas including industry experiences of the urgent changes to market making. In our view, the Authority recognised its error with regards to initial communications and took reasonable steps to address the concerns raised by industry market participants as a result of this misstep.

Later in August the temporary changes to market making were removed in a staged approach as the volatile/adverse market conditions had resolved.⁶ Our review of the documents indicates that notification of this change was made on 20 August through a letter to all market makers and a press release on the Authority's website. Both the letter and press release informed market makers that settings for the forward market would be set back to their original settings, describing changes that were to occur from Wednesday 21 August, with complete removal of the temporary changes after trading on Friday 23 August 2024.

Interviews with external stakeholders indicate that the initial communication of the Authority's urgent response to market conditions in August 2024 had generated concerns, with one stakeholder viewing it as a low point in the Authority's communication with the broader industry. The concerns raised included that market making obligations played a key role in providing price visibility on a daily basis of baseload electricity contracts, and the changes to market making obligations without informing all market participants reduced participants' visibility of these prices for the affected hedging products. While acknowledging this feedback, we also recognise that the Authority responded swiftly when made aware of these concerns and understand that lessons learned from this experience have been taken forward when progressing an urgent code amendment in September 2024 to provide a more enduring solution for times of market stress.

The Independent Assessment found that although initial communication did not adequately meet market participants needs, the Authority took appropriate steps to rectify the situation.

Co-design process enabled the Authority to develop a standardised flexibility product that effectively addressed gaps in the forward market

The Independent Assessment found that the combination of conducting a risk management review and using a co-design process to identify and develop a new standardised flexibility

⁵ Electricity Authority. (13 August 2024). Temporary changes to market-making requirements. <https://www.ea.govt.nz/news/general-news/temporary-changes-to-market-making-requirements/>

⁶ Electricity Authority. (20 August 2024). Guidance for market-making requirements revised. <https://www.ea.govt.nz/news/press-release/guidance-for-market-making-requirements-revised/>

hedging product enabled the Authority to effectively identify gaps in the hedging market and to consider the likely impact on stakeholders.

The Authority's approach to developing one or more standardised flexibility approaches involved implementing recommendation 8 made by the Market Development Advisory Group (MDAG) to use a co-design process. This was effective in identifying and developing a product that addresses a gap in the forward market.⁷ MDAG noted that the lack of standardised flexible supply contracts was impeding forward price discovery and hedging for flexible supply, which were "critical market functions in a renewables-based world."⁸

To initiate the process the Authority invited expressions of interest from flexibility sellers, buyers and financial intermediaries to join a technical group to co-design standardised flexibility contracts for buying and selling wholesale electricity.⁹ The Co-Design Group included eight industry experts appointed to design or develop one or more standardised flexibility product/s. The scope of the Co-Design Group included consideration of the benefits and costs of a product, the trade-offs between liquidity, system efficiency, ease of participation and effort to implement.¹⁰

The Co-Design Group followed a prioritisation process whereby they identified the most urgent priority flexibility problems,¹¹ developed success criteria, explored a long list of products and narrowed these down to a short-list. The short-list for products was a super-peak product and a Daily Peak product (similar to ASX Peak Product). The Co-Design Group decided to recommend only one product, in order to concentrate trading volume into one product which would lead to better price discovery and liquidity. The super-peak product was chosen as it:

- had a wide range of potential buyers and sellers with various types of generation, retailers and industrials all potentially using the product
- filled a need not currently offered on the ASX (already containing a peak product)
- is significantly less volume than the peak product which supports the trade-off between capacity provision and energy but results in less total financial exposure.¹²

The decision to develop a super-peak time product was also informed by the preliminary findings of the Authority's review of risk management options for electricity retailers. The

⁷ Market Development Advisory Group. (11 December 2023). Price discovery in a renewables-based electricity system – Final Recommendations Paper. https://www.ea.govt.nz/documents/4335/Appendix_A2_-_Final_recommendations_report.pdf

⁸ Market Development Advisory Group. (11 December 2023). Price discovery in a renewables-based electricity system – Final Recommendations Paper. https://www.ea.govt.nz/documents/4335/Appendix_A2_-_Final_recommendations_report.pdf, p.58

⁹ Electricity Authority. (15 August 2024). Call for experts to develop standardised flexibility contracts for wholesale market. <https://www.ea.govt.nz/news/general-news/call-for-experts-to-develop-standardised-flexibility-contracts-for-wholesale-market/>

¹⁰ Electricity Authority. (n.d.) Terms of reference: Standardised Flexibility Products Co-design Group. https://www.ea.govt.nz/documents/5731/Terms_of_Reference_Standardised_Flexibility_Products_Co-design_Group_September_2024_.pdf

¹¹ Price discovery of peak products and price discovery of demand side flexibility.

¹² Standardised Flexibility Product Co-design Group. (18 December 2024). Letter to Chief Executive, Electricity Authority.

Authority released its preliminary findings in November 2024 and focused particularly on over-the-counter (OTC) risk management contracts.¹³ The purpose of the review was to consider whether the current approach to pricing OTC contracts (including availability, shape and price), and other risk management options, was effectively harming competition by creating a barrier to retail market entry or expansion.

The review found that close risk management substitutes for OTC contract-based portfolios are only starting to be deployed in New Zealand. The review also found that the market for OTC contracts is neither deep nor liquid. Evidence for this conclusion was that a third of retailers only received one offer in response to requests for shaped hedges. Analysis indicated that the prices for OTC baseload and peak hedge contracts are likely competitive but the same conclusion could not be reached for OTC super-peak hedge contracts which trade at a substantial unquantified premium over ASX baseload prices adjusted for shape.

Interviews with internal stakeholders indicated that the Authority's role involved convening a Co-Design Group, facilitating the process of developing a shortlist of products and supporting the group to develop their recommendation for a new risk management and standardised tool. From the Authority's perspective, establishing the Co-Design Group meant they could rely on the group's expertise to inform the specification of the product. In addition, the Co-Design Group's thinking and approach was tested with the Electricity Authority Advisory Group.

A few external stakeholders indicated they viewed co-designing the product with industry and using a webinar to share the outcomes of the process positively. However, in our view with longer timeframes the process could have been strengthened by sense checking the Co-Design Group's recommended product with broader industry stakeholders to ensure it meets users' needs.

Good information is needed to determine whether voluntary trading is sufficient to meet market needs

In our view, the Authority is effectively monitoring the performance of the super-peak product through the use of multiple sources of information, including tracking whether voluntary trading is sufficient.

Discussions with internal stakeholders indicate that the Authority is monitoring the performance of the super-peak product through two information sources: the improved Hedge Disclosure Obligations (subpart 5 of Part 13 of the Electricity Industry Participation Code 2010)¹⁴ and surveys of buyers and sellers of the super-peak product. Data collection through the Hedge Disclosure Obligations has been enhanced through the updates the Authority made to these obligations in June 2024. The aim of these updates was to "improve transparency

¹³ Electricity Authority. (n.d.). Risk management review. <https://www.ea.govt.nz/projects/all/risk-management-review/>

¹⁴ Electricity Authority. (24 June 2024). Decision on improving Hedge Disclosure Obligations. <https://www.ea.govt.nz/news/general-news/decision-on-improving-hedge-disclosure-obligations/>



and competition in the contracts market for the long-term benefit of consumers,¹⁵ including broadening the scope of information collected and published on risk management contracts. Limited feedback from internal stakeholders suggests these changes to the Hedge Disclosure Obligations is providing the Authority with information about the super-peak product that will enable them to effectively interrogate its performance in the future, including testing whether the product is delivering on its intended purpose.

Further, internal stakeholders explained that the Authority is conducting surveys of buyers and sellers to assess how useful the super-peak product is, how buyers and sellers are engaging with it, and whether there are documentation and credit arrangements in place for retailers. A key focus for the Authority is monitoring the uptake of the super-peak product and identifying potential participants who are choosing to observe but not actively participate. One internal stakeholder noted that this information would be used to “*inform the next stage of work on standardised flex.*”

In our view, the continued monitoring of the performance of the super-peak product will position the Authority well to make evidence-based decisions about the super-peak product. Additionally, a few external stakeholders raised concerns that voluntary trading was not sufficient. They believed generators were not sufficiently motivated to participate in super-peak product trading as it is not in their interests to support improved competition for retailers, especially independent retailers. We consider the data collection and analysis that the Authority is engaged in will enable it to objectively determine whether these concerns need to be addressed through market making,¹⁶ or whether it is more an issue of perceptions that needs to be addressed.

Flexibility Hedge Products dashboard is designed to support participants to further manage risk

In our view, the Flexibility Hedge Products dashboard helps bring greater transparency of trading activity of these products, but it would be beneficial if it was made more user friendly.

In April 2025 the Authority announced it had published a flexibility hedge products dashboard that was designed “to increase transparency of hedge disclosure data and help industry make better informed operational and investment decisions.”¹⁷ The dashboard is intended to improve visibility of the Authority’s prices and traded volumes of the key types of flexibility products including peak, super-peak and the standardised super-peak product.¹⁸ This data helps to provide transparency of prices and flexible supply to help industry make operational and investment decisions. The Monitoring Projects team has oversight of all Authority approved clause 2.16 Notices (ongoing data requests) and Section 46 (one-off requests for

¹⁵ Electricity Authority. (24 June 2024). Decision on improving Hedge Disclosure Obligations. <https://www.ea.govt.nz/news/general-news/decision-on-improving-hedge-disclosure-obligations/>

¹⁶ Market making involves placing on gentailers obligations to post bids and offers. This means that gentailers have to make volume available, set a price, and buy the product.

¹⁷ Electricity Authority. (1 April 2025). New dashboard highlights flexibility hedge product trends. <https://www.ea.govt.nz/news/general-news/new-dashboard-highlights-flexibility-hedge-product-trends/>

¹⁸ Electricity Authority. (n.d.) Flexibility Hedge products. <https://www.ea.govt.nz/industry/monitoring/flexibility-hedge-products/>



data). They use the levelized cost of electricity to enable them to track long-term contract prices against the average total cost of building and operating an asset per unit of total electricity generated.

The Authority viewed development of the dashboard as a first step to addressing recommendation 12 in the MDAG's final report.¹⁹ In making the recommendation MDAG noted that flexibility products had an important role in integrating intermittent supply in products that were suitable for retail consumers. They noted that "weaker competition for flexibility products could undermine efficient risk management and competition in the retail and new investment markets."²⁰ MDAG concluded that the Authority needed to develop a dashboard to monitor and assess competition in the provision of flexibility products.

Our review of the flexibility hedge products dashboard found that the dashboard provided information about the volume of trading of the peak, super-peak and standardised super-peak products, but does not provide information about pricing for super-peak products. While acknowledging that the Authority needs to carefully manage confidentiality when publishing these dashboards and that the data set is currently small, in our view the absence of this information is an important gap in terms of transparency and usefulness of the data for some market participants, such as independent retailers. In addition, to make the dashboard more user-friendly and volume of trading in super-peak products more visible, it may be beneficial to separate information about the peak product trading from the super-peak products due to the substantial difference in volumes traded.

Interviews with internal stakeholders show that the Authority is aware of the importance of providing good information about the price of flexible supply. One internal stakeholder explained that they viewed such information as very important for industry participants to effectively manage their risks and to make informed decisions. Examples of these decisions included whether to purchase a hedge, invest in battery technology, look at demand response options and/or invest in generation. They believed that the dashboard presented information collected through the improved Hedge Disclosure Obligations in a more digestible manner, making it easier for industry participants to engage with the information. Limited evidence suggests that the Authority may not be fully realising this intention with a few external stakeholders commenting that they found the dashboard in its current form not very user friendly and that the small volume of transactions can make it difficult to assess impacts.

Further hedging products are needed

The Independent Assessment found that while the super-peak product had helped address a gap in the hedging market, further products need to be developed.

¹⁹ Electricity Authority. (1 April 2025). New dashboard highlights flexibility hedge product trends. <https://www.ea.govt.nz/news/general-news/new-dashboard-highlights-flexibility-hedge-product-trends/>

²⁰ Market Development Advisory Group. (11 December 2023). Price discovery in a renewables-based electricity system – Final Recommendations Paper. https://www.ea.govt.nz/documents/4335/Appendix_A2_-_Final_recommendations_report.pdf, p.94



Both the MDAG and the Energy Competition Taskforce recommended that a variety of hedging products are needed. The MDAG identified a range of products for further consideration including options over baseload futures contract, energy-limited caps or swaptions, solar shape contracts, night and day swaps, wind shape/inverse swaps or energy storage products.²¹ The Energy Competition Taskforce agreed highlighting a need for products that reward customers for reducing demand when load is high.²² The Co-design Group also recommended that further work is undertaken on:

- new standardised renewable firming products which could help underwrite investment in new renewable energy generation as well as better optimise existing plants
- new demand response products which could better unlock the potential of flexible industrial plant.²³

The potential need for a new demand response product was also reflected in feedback from one internal stakeholder who noted that the super-peak products were not useful for industrial purchasers as their load tends to be flat, as opposed to retailers who are dealing with peaks in demand in the morning and evenings. This view was also held by the small number of external stakeholders interviewed; there was broad consensus that while the super-peak product was a good start, more hedging products to address industrial needs. We understand that the Authority is progressing work on new products including working with Simply Energy on a new dispatchable demand product.

3.1.2 Early signs are that the super-peak product is enabling some retailers to manage their financial risks better

The overall rating for this dimension was **good**. There are early signs that the super-peak product is making a positive difference.

Early signs indicate the super-peak product is a success

Trading on the super-peak product began on 28 January 2025.²⁴ Due to Aotearoa Energy's²⁵ onboard requirements, some new parties were not able to participate in the first event. Two internal stakeholders noted that early indications were that the super-peak product was a success based on the strong interest and engagement from industry participants, along with good trading activity. Indications were that there was sufficient interest to support the

²¹ Market Development Advisory Group. (11 December 2023). Price discovery in a renewables-based electricity system – Final Recommendations Paper. https://www.ea.govt.nz/documents/4335/Appendix_A2_-_Final_recommendations_report.pdf

²² Electricity Authority. (February 2025). New ways to empower electricity consumers. https://www.ea.govt.nz/documents/7219/New_ways_to_empower_electricity_consumers_guide_and_survey.pdf

²³ Standardised Flexibility Product Co-design Group. (December 2024). Letter to the Chief Executive, Electricity Authority.

²⁴ Electricity Authority. (January 2025). New standardised flexibility product trading begins on 28 January. <https://www.ea.govt.nz/news/general-news/new-standardised-flexibility-product-trading-begins-on-28-january/>

²⁵ Representative broker for these trading events.



fortnightly trading events and that it was providing more information to industry participants about market pricing for morning and evening peaks.

Similarly, feedback from a few external stakeholders indicated that the super-peak product was viewed as successful, despite some initial implementation issues such as some processes not being fully established which created some inefficiencies in initial trading. These external stakeholders noted that trading was attracting financial traders and that the liquidity of the market was improving. In addition, they considered the super-peak products to be an important mechanism for bringing pricing visibility and ensuring retailers were able to make better assessments of whether OTC transactions were good value.

However, although the super-peak product is aligned with the strategic outcome affordability, external stakeholders noted that hedging does not address this issue. Instead, they viewed hedging as a tool to manage risk, whereas affordability needs to be managed through an efficient mixture of supply and demand.

Smaller retailers could benefit from more support to participate

Despite early signs that super-peak product is successful, data from the Authority's hedge disclosure system shows that only two independent retailers have traded the product (other independent retailers have observed the auction events but not yet traded). One external stakeholder suggested that contributing factors are likely to include independent retailers not having sufficient capacity and capability to participate. They believed that these retailers needed more education and encouragement to participate in the hedging market. To ensure that the potential of the super-peak product is optimised, it would be beneficial for the Authority to gather more insights into the potential barriers to participate for independent retailers.

3.2 Measure 2: Prioritising activity that enables renewable investments to achieve net zero by 2050

Electricity plays a key role in New Zealand's aim to achieve net zero greenhouse gas emissions by 2050.²⁶ The Authority works with the electricity industry to identify workstreams and approaches that will support the transition to net zero efficiently, without compromising energy security, adaptability and affordability for consumers. The Authority has identified the need for a predictable regulatory environment with incentivisation of the move to electrification of heat and transport to support the move towards renewable investments and net zero by 2050.

This section focuses on answering the key qualitative assessment questions for measure 2:

- How valuable was the material²⁷ to the audience?
- How fit for purpose are the materials for the selected channel?

²⁶ Electricity Authority. (n.d.) Our Strategy and Priorities. <https://www.ea.govt.nz/about-us/our-strategy-and-priorities/>

²⁷ Material includes consultations, website information and documents

The Authority provides a range of information which internal stakeholders noted is targeted at new entrants, participants, potential investors and developers of new generation. From the Authority's perspective, information to enable renewable investment is primarily news updates,²⁸ consultation and decision documents, information about the Authority's work programme and interactive dashboards such as the Generation Investment Pipeline and the Standardised Flexibility Dashboard.

3.2.1 Consultation and decision documents reflect good practice

The Independent Assessment team completed a comprehensive review of 17 consultation documents (consultation papers, issue paper and decision papers) focusing on the Future Securities and Network Connection work programmes. The overall rating for these consultation papers was **good**. Indications are that the Authority is seeking to make these documents more accessible.

Consultation papers are designed to meet the needs of a wide audience

Our review showed that the Authority had identified that the audience for Consultation Papers was wide,²⁹ but generally included consumers, new entrants, innovators and current market participants. In addition, internal stakeholders noted that materials need to cater to new entrants who may find the Electricity Code particularly complex.

In our view, the consultation documents reflected good practice, meaning information was useful for the audience and conveyed clearly in an easily accessible manner. Each paper contained a clear and relatively short Executive Summary section which outlined the key issues and proposals. Papers which proposed Code amendments generally included a table summary of proposals which made it easy to understand the multiple changes proposed. Papers generally contained a comprehensive background explanation which linked the proposals outlined back to the Authority's statutory obligations, objectives and work programmes. The background sections included relatively accessible explanations of the identified problems and how the proposals would address those problems. In some instances, diagrams or infographics had been included to support explanations of complex³⁰ or crucial elements.³¹ There was some use of technical language or assumed sector knowledge, but it

²⁸ Including information about the market such as Electricity Authority. (21 August 2024). New Zealand progressing at pace towards a highly renewable electric future. <https://www.ea.govt.nz/news/eye-on-electricity/new-zealand-progressing-at-pace-towards-a-highly-renewable-electric-future/> New updates also include Eye on Electricity commentary which provides data and commentary on new generation projects and aspects of the market which may impact investment decisions such as Electricity Authority. (12 March 2025). New highs being hit in solar generation. <https://www.ea.govt.nz/news/eye-on-electricity/new-highs-being-hit-in-solar-generation/>

²⁹ And dependent on the work programme in question

³⁰ For example, Figures 1 and 2 in Consultation Paper: Addressing common quality information requirements visually depict how the power system has changed and show the increase in variable, intermittent generation and bi-directional electricity flows which is an important driver for the proposed changes.

³¹ For example, Figure 5 in Consultation Paper Network connections project: stage one amendments (25 October 2024) provides a comparison of how New Zealand compares internationally on number of public charging points and kW charging per light EV.

is likely that the average consumer would be able to understand the substance of the proposals, even if the technical details were not fully appreciated.

The Consultation Papers generally had proposals clearly set out with an analysis of the pros and cons and identified risks. In one paper, an analysis of overseas jurisdictions approaches provided a valuable comparison for the proposed options.³²

Further, there is clear evidence that the Authority is amending proposals to reflect feedback received from stakeholders, where appropriate. This was demonstrated in Decision Papers which set out the submitter feedback, responses and commentary where the submissions have been accepted and proposals amended.

There was also evidence that the Authority is implementing alternative ways to support stakeholders during consultation processes. This included offering webinars to explain proposals and answer questions and offering individual meetings with Authority staff to discuss proposals.

A few external stakeholders commented that consultation papers are too long. However, in our view while the Consultation papers reviewed varied in length, they were reasonable considering the number of proposals included, and the technical nature of the changes proposed. We note that this feedback may also be reflective of the wide audience for consultation papers. This requires the Authority to give fulsome background material, which may not be required for all stakeholders with more pre-existing sector understanding.

Opportunities to improve Consultation papers

Our review identified some recommendations for improvement in Consultation papers. We recommend inclusion of a glossary or definitions page at the front of all papers – often there were clear explanations of key terms and acronyms in text, but it would be easier to have a record of these all in one place. This would increase accessibility as it makes it easy for readers to cross-reference unfamiliar terms. Only one paper reviewed had a glossary section.

The Authority should also consider greater use of design elements to enhance readability – this could include the use of colour, visual and graphic elements and diagrams. This would assist readers to understand what information is important and to more easily digest the large quantity of information.

The volume of consultation documents is a significant issue

Both internal and external stakeholders noted that the volume of consultation is a problem, particularly for small to medium retailers who may have limited ability to respond to multiple consultations. Internal stakeholders acknowledged that it was likely that these retailers would have to choose which consultations to respond to. The Authority is currently looking at ways to lower compliance costs including allowing retailers to submit feedback via email rather than through a formal submission and looking into engaging with retailers via retailers' groups.

³² Electricity Authority. (1 October 2024). Addressing common quality information requirements.

We acknowledge that the Authority has an ambitious work programme and there is a trade-off for the Authority between delivering to internally agreed timelines and getting quality inputs from sector consultations. However, we consider that the volume of consultations that stakeholders are expected to respond to is excessive and the Authority needs to consider how work programmes can be better planned to support stakeholders to respond. For example, consultation papers should only be released at the same time if they are interconnected, and consultations across workstreams should not overlap. The Authority could also consider extending timeframes for consultations up-front if there are numerous or complex proposals.

In our view the volume of consultation papers is excessive, even for more well-resourced and capable stakeholders. This is a serious challenge for stakeholders engaging with the Authority comprehensively across its' work programme.

3.2.2 Some information provided by the Authority is not well aligned with audiences' needs

The overall rating for the information provided about the Authority's work programme, Energy Competition Task Force, and the Generation Investment Pipeline dashboard is that it is **poor**. This is because the information provided does not pass the threshold for good. Issues include the information provided for the work programmes is not adequately tailored to meet some key audiences' needs, and the information for the Generation Investment Pipeline dashboard has limited relevance in 2025 as it is largely based on 2022 and 2023 data.

Work programmes would benefit from being more clearly explained

The Independent Assessment found while it is positive that the Authority publishes on its website its work programme for the next six months and the Energy Competition Task Force 2025 work programme, there is insufficient detail for some readers to easily access and understand the information.

The Authority has a work programme labelled 'Priority initiatives May to October 2025'³³ which is easily available on its website. It appears that this replaced a similar prior document, although this can no longer be accessed. The work programme is depicted against the Authority's three strategic outcomes, then organised into six workstreams, each with priority initiatives. The document outlines when stakeholders can expect consultation, decisions, or other papers associated with the priority initiatives.

The Authority has also published the Energy Competition Task Force 2025 work programme³⁴ which is accessible via the Authority's website. The work programme is broken down into Package 1 and 2 initiatives and then organised into eight workstreams. The webpage outlines when stakeholders can expect materials (consultation papers, working papers, issues and options papers) to be available for each workstream.

In our view, while it is positive that the Authority provides information about these work programmes, there are some common issues with both documents that makes navigating

³³ Electricity Authority. (n.d.) Priority Initiatives May to October 2025.

³⁴ Electricity Authority. (n.d.) Energy Competition Task Force 2025 work programme. [Updated EA Task Force Programme Update June 2025.pdf](#)



them difficult for readers who do not hold a level of assumed knowledge or familiarity with these programmes. For example, although there is a webpage dedicated to each priority initiative and additional information available about Package 1 and 2 initiatives, key documents, there are no links provided to these webpages and no signalling to the reader that these webpages exist. In addition, for those not particularly familiar with these initiatives it would be helpful if a brief description of the types of work involved in the initiative was included to enable the reader to assess quickly its relevance and to reduce the need to swap repeatedly between the document and relevant webpages. It could also be beneficial to provide slightly more historical information for both work programmes so that the reader has a better understanding of the work undertaken to-date.

The Authority consults with stakeholders on its proposed annual work programme, along with its proposed use of funds.³⁵ External stakeholders indicated that information on the current work programme was lacking, needed to be reorganised and be made more visible. In particular, external stakeholders referenced lack of details over timelines and implementation plan which created longer-term uncertainty for investors.

The Independent Assessment found that the Authority has clear information available about the early stages of priority work programmes via its website. There is a sufficient level of transparency about when stakeholders can expect consultation and decision documents, however it is difficult to access information about implementation or next steps for priority initiatives where decisions have been made. The timelines that are included on the priority initiative pages are useful, but these often don't extend beyond Decision Papers and could be updated to include future (expected or indicative) dates or timeframes for implementation.

External stakeholders also noted that the work programme information provided aligns to internal objectives and priorities but did not necessarily represent stakeholder needs, making it difficult to understand. Internal stakeholders acknowledged that the information provided was arranged according to strategic outcomes but felt this was a strength to tie its strategic priorities directly to the work programme. The Authority needs to more clearly explain and communicate its internal objectives, workstreams, and priorities in a way that aligns with stakeholders' concerns.

Quality of information provided in dashboards is mixed

The Independent Review looked at two dashboards for measure 2: the Generation Investment Pipeline dashboard and the Future Security and Resilience Indicators Dashboard. In our view, the quality of the information provided in these dashboards is mixed. While the information provided in the Future Security and Resilience Indicators Dashboard appears to be reasonably up-to-date and well targeted, there are issues with the quality of information provided in the Generation Investment Pipeline dashboard. However, the Authority is seeking to improve the information provided in this dashboard.

Generation Investment Pipeline dashboard

³⁵ Electricity Authority. (15 November 2024). Consultation Paper: Proposed levy-funded appropriations 2025/26. [Proposed levy-funded appropriations 2025/26](#)



The Generation Investment Pipeline dashboard is based off information provided by developers in the 2022 and 2023 Generation Investment Surveys. The dashboard provides a comparison between the pipeline in 2022 and 2023 which enables better estimated project delivery times and evaluations for the likelihood of project completion.³⁶ The dashboard also provides a list of 145 publicly announced investment projects along with information on each project's status.³⁷

A consistent theme across the external interviews was that the Generation Investment Pipeline is not a quality source of information. For example, the information provided is based on information from 2022 and 2023 which has limited relevance in 2025. In addition, stakeholders noted a preference for Transpower's Connection Inquiry Dashboard which provides more contemporary information and provides useful insights about phased timelines and where sector pressures are.

Internal stakeholders acknowledged the importance of keeping the Generation Investment Pipeline up-to-date and noted that the intention is to use Clause 2.16 notices to require participants to provide information on grid-connected load and generation projects. This will enable the Authority to regularly update the pipeline information. As outlined in the consultation paper,³⁸ this would make the Dashboard a more reliable source of information through utilising more detailed and regularly updated information directly from developers.

While we welcome the Authority's work towards improving the quality of the information provided in this dashboard, a few external stakeholders raised concerns that the number of dashboards across the electricity system were contributing to information overload. Given the positive feedback about Transpower's dashboard, we would encourage the Authority to consider working with Transpower to ensure there is a comprehensive ecosystem of information, rather than creating 'competing' information sources.

Future Security and Resilience Indicators dashboard

The Future Security and Resilience Indicators Dashboard³⁹ provides information to monitor related challenges and opportunities. The Dashboard contains nine indicators which are categorised as opportunities/challenges related to: the rise of DER and inverter-based resources, changing generation portfolio and foundational opportunities/challenges. For each indicator additional information can be accessed by clicking on the indicator. This gives a pop-up with further context. For example, clicking on the job vacancies indicator reveals a pop-up graph showing advertised vacancies for electrical engineers and electrical distribution trade workers from 2019 to 2025, sourced from MSD data. Additional context includes why the

³⁶ Electricity Authority. (21 August 2024). New Zealand progressing at pace towards a highly renewable electric future. <https://www.ea.govt.nz/news/eye-on-electricity/new-zealand-progressing-at-pace-towards-a-highly-renewable-electric-future/>

³⁷ Electricity Authority. (21 August 2024). Electricity Authority seeking a better view of generation and investment plans. <https://www.ea.govt.nz/news/press-release/electricity-authority-seeking-a-better-view-of-generation-and-investment-plans/>

³⁸ Electricity Authority. (21 August 2024). Improving visibility of generation investment: clause 2.16 information notices. https://www.ea.govt.nz/documents/5451/Improving_visibility_of_generation_investment_-_Consultation.pdf pp 8 - 9.

³⁹ Electricity Authority. (n.d.) Future security and resilience

indicator is being monitored – for example *the Authority is monitoring types and amount of technology connecting to the transmission network to assist in identifying opportunities to enhance ancillary services.*

Based on discussions with the Authority, we understand that this dashboard is designed for an audience that has a technical understanding of future security and resilience. Based on this understanding, we would consider the assumed knowledge embedded in the dashboard appropriate. Further, the provision of pop-out with additional context with useful, makes it easy to access additional information.

3.2.3 The Authority's use of a wider range of communication channels is viewed positively

The overall rating for this dimension was **good**. Indications are that the Authority has been strengthening its approach to communicating with the electricity sector.

Stakeholders reported improved engagement from the Authority

Feedback from external stakeholders indicates that over the 2024-25 year, the Authority has improved its engagement with the broader sector through using a broader range of communication channels, including workshops, webinars, consultation documents and individual meetings.

An example of improved communication given by an internal stakeholder was the Future System Operation Project which opened submissions on the role of the Distribution System Operator (DSO). It was identified that this was an issue which affects a wider audience and there was a desire to ensure consultation reached this audience. The communications team worked closely with the team planning the consultation to present a webinar and a greater variety of channels and were able to get 55 submission responses as opposed to the usual 20 responses for most of the complex and technical consultations.

External stakeholders identified the workshops around measures and metrics and the resulting sector framework as a positive example of engagement with the Authority. The approach allowed for varied perspectives to be brought together and for issues to be discussed and agreed openly. However, one external stakeholder noted that the Authority had pushed back on the suggestion to use a similar workshop approach for a different issue as it did not have internal capacity for this.

Another example of the Authority attempting to improve regulatory information and support for innovators is the Power Innovation Pathway.⁴⁰ The Power Innovation Pathway was developed in an attempt to transform the Authority from being perceived as a 'closed door' to an 'open door' organisation. The process focuses on providing energy innovators with regulatory clarity to support accelerating new products and business models to market with the potential to

⁴⁰ Electricity Authority. (n.d.). Power Innovation Pathway. <https://www.ea.govt.nz/industry/power-innovation-pathway/>



benefit consumers and to identify regulatory barriers inhibiting to innovation.⁴¹ The initiative is ongoing with applications from innovators sought in a “priority round”, with the first priority round closed in October 2024. In our view, a limitation of the information provided on the website is that the frequency of these rounds is not clear, nor is when innovators can expect the next round to occur. While a relatively small information gap, it creates a risk that some innovators will lose interest in this opportunity due to a lack of clarity around when applications can be made.

For those initiatives that are successful, in addition to project-specific support agreed with the selected recipients, the Pathway offers the following regulatory support:

- to understand certain clauses or parts of the Electricity Industry Participation Code (2010) relevant to the project
- with scoping of a trial to ensure its outcomes inform regulatory activities
- as a pilot observer to connect trial findings and perspectives to relevant Authority workstreams
- to help with identifying any Code barriers and providing information on the process for any exemption applications that may be required.

Some external stakeholders identified the process for the Power Innovation Pathway as an extremely positive engagement experience. Feedback from external stakeholders who attended the all-day sessions shared that the round-table discussions were really valuable. They considered the participants included a good range of small innovators, customer representatives, market participants and key regulators meaning that barriers were able to be canvassed and discussed practically. Internal stakeholders noted that only some people attended the all-day session, but those who did clearly valued the opportunity.

3.3 Measure 3: An accessible and transparent Code exemptions and amendment process

The Authority is able to grant industry participants with individual exemptions from the Electricity Industry Participation Code 2010 (the Code). Exemptions may be granted if the Authority is satisfied that the participant’s exemption:

- will not negatively impact the Authority’s ability to achieve their stated objectives
- may support the Authority to better achieve their stated objectives.

As exemptions can be granted on a case-by-case basis, it is important that the process to apply for these exemptions, and the Authority’s assessment process when receiving exemptions request, are clear, accessible, consistent and transparent.⁴²

⁴¹ Electricity Authority. (n.d). Power Innovation Pathway. <https://www.ea.govt.nz/industry/power-innovation-pathway/#:~:text=The%20Power%20Innovation%20Pathway%20is%20our%20%E2%80%98open%20front,or%20be%20a%20local%20solution%20for%20your%20community>.

⁴² Electricity Authority (n.d) Exemptions and dispensations <https://www.ea.govt.nz/code-and-compliance/exemptions/>



The Authority is also able to make amendments to the Code at any time in line with the Electricity Industry Act 2010 (Act), and their statutory objectives. Anyone can request an amendment to the Code. The Authority often combines amendments in ‘omnibuses’ which cover multiple changes in one go.⁴³ As with exemptions, it is imperative that the Code amendment process is accessible and transparent.

This section focuses on answering the key qualitative assessment questions for measure 3:

- How valuable was the material to the audience?
- How well do the materials produced support stakeholders to understand and are fit for purpose?

3.3.1 Material provided is valued by sector participants

The overall rating for this dimension was **good**. Indications are that the Authority has been strengthening its approach to Code exemptions and amendments.

Omnibuses are a positive tool for quickly progressing uncontroversial amendments

The Independent Assessment team reviewed the Consultation and Decision papers for Omnibus #4 and Omnibus #5. The omnibuses are used to group several discrete amendments together for stakeholder feedback, thus reducing the need for separate consultations. In our view the consultation documents were accessible to a wide audience, striking a good balance between technical information and consumer-oriented framing. The papers are clearly structured with key proposals summarised in a user-friendly way.

External stakeholders viewed omnibuses positively and noted they were a good opportunity to expedite issues that were not controversial. Stakeholders noted it was good to see changes go through the amendment process quicker than previously.

Consultation process effective at generating stakeholder feedback

The Authority has used multiple methods to communicate Code changes including via the weekly market brief (which include links to website information), website news articles, engagement with consumer advocacy groups and social media platforms such as LinkedIn. The effectiveness of communicating about Code changes through multiple channels and ways was evident in the Consumer Care Obligations consultation where the Authority targeted consumers and developed an online form with seven questions – these methods resulted in 400 submissions being received. The Consumer Care Obligations process was viewed very positively by external stakeholders, with several indicating the consultation process was extremely well run, and engagement with the Authority was of high quality.

There is clear evidence that the Authority is responding to stakeholder’s feedback and were open to discussing challenges related to implementing arrangements. An example of this was that the Authority decided not to proceed with a proposal to reduce the timeframe for a retailer to respond to a consumer request for their electricity information. The Authority accepted

⁴³ Electricity Authority (n.d) Amendments to the Code <https://www.ea.govt.nz/code-and-compliance/code/amendments/>

submitters' concerns that this would not deliver the intended benefits to consumers and would add unnecessary costs given other Government work to establish a consumer data right in accordance with the Customer and Product Data Act 2025.⁴⁴

Feedback from both internal and external stakeholders noted that consultations are a good mechanism for signalling change, what the changes might mean for the industry and for soliciting feedback. In addition, the decentralisation green paper was well received by external stakeholders. They noted this was the first time that the Authority had shared a green paper which signalled that they clearly wanted to engage with stakeholders early and set out what they considered the issues to be. Internal stakeholders from the Authority noted that while this is the first time a green paper had explicitly been used, similar approaches had been used in the past (without using the label of green paper). This feedback could signal that external stakeholders are more familiar with the language of a green paper, or that this process worked better to align with stakeholder preferences.

3.3.2 Increased effort to lift the visibility of amendment process

The overall rating for this dimension was **good**. Indications are that the Authority has put concerted effort to enhance the process of code exemptions and amendments.

Lifting the visibility of Amendment process

It is evident that the Authority has made efforts to lift the visibility and communication of the Code amendment process. An example of this is the publication of the Code Amendment Request Guidelines.⁴⁵ This guidance was prepared by the Authority to support the preparation of a Code amendment request (CAR) and sets out the process that is followed for a standard amendment. In addition, the Authority has developed a 'fit-for-purpose' Code change process which is useful for Code amendments where there is a level of complexity or confined topics. This approach considers the significance of impacts, significance of risk, degree of consensus, predictability vs flexibility and complexity of the proposed code change.

3.3.3 Greater transparency of balance between consumer and industry

Increased efforts to engage with residential consumers

Feedback from both internal and external stakeholders indicate that the Authority is placing greater emphasis and importance on engaging with residential consumers. For example, as part of the Consumer Care Obligations process, the Authority engaged with consumer advocacy groups, increased use of social media platforms and used specific online feedback forms targeted at consumers. Internal and external stakeholders thought these efforts had been successful and had increased the Authority's reach with residential consumers.

⁴⁴ Electricity Authority (1 May 2025) Code amendment omnibus four Decision Paper. https://www.ea.govt.nz/documents/7190/Omnibus_4_decision_paper_MCZz3wp.pdf

⁴⁵ Electricity Authority (n.d.) Code amendment request guidelines https://www.ea.govt.nz/documents/927/Code_amendment_request_guidelines.pdf



However, external stakeholders noted ongoing challenges for the Authority in engaging with residential consumers. The average consumer doesn't know who the Authority is and what they do. An example of that is that consumers don't understand Powerswitch is a tool funded by the Authority. It is often confused with Powershop, with consumers thinking it is another retailer. In addition, external stakeholders noted that engaging with residential consumers can be challenging due to the complexities of electricity pricing, and low understanding of market operations.

One stakeholder noted a concern about how the Authority is managing competing priorities between consumers and industry. This stakeholder noted that the Authority is an electricity regulator, not a consumer organisation meaning it needs to balance both perspectives. Greater transparency around how these priorities were being managed would help to address these concerns.

3.4 Ratings by Measure

Measure 1: The Authority's work enables sufficient opportunities to hedge spot price volatility.

Overall, the Independent Assessment team rated this measure as **good**. This means there is evidence of the Authority identifying gaps in the market, identifying which stakeholder groups would be affected by changes to the market and have started to address these gaps.

The development of the super-peak product demonstrated that the Authority is taking steps to address gaps in the market. The use of a co-design approach and the review of risk options for electricity retailers enabled the Authority to work with stakeholder groups to consider opportunities and develop a product that was fit for purpose. The Authority is effectively monitoring the performance of the super-peak product through the use of multiple sources of information including tracking whether voluntary trading is sufficient.

Early signs indicate that the super-peak product is a success with fortnightly trading occurring regularly and market liquidity improving. Despite this, the Independent Assessment has identified potential gaps in relation to voluntary trading and participation of independent retailers. To ensure that the potential of the super-peak product is optimised, it would be beneficial for the Authority to gather more insights into the potential barriers to participation for independent retailers.

However, more hedging products are needed to address other gaps in the market. The Market Development Advisory Group and Energy Competition Taskforce highlighted that a range of standardised products would ultimately be needed, and external stakeholders identified issues to be addressed including industrial participants and demand shifting.

Measure 2: The Authority is prioritising activity that enables renewable investments to achieve net zero by 2050.

Overall, the Independent Assessment team rated this measure as **Good/poor**. This reflects the fact that some aspects of the Authority's work on this measure met the good criteria such as the quality of consultation documents and efforts to improve engagement.



However, there were other elements that did not meet the threshold for good, such as the information about the workstreams was not sufficiently tailored to meet some audiences' needs and the Generation Investment Dashboard is still predominantly based on 2022 and 2023 data which has limited relevance in 2025.

The Independent Assessment found the Authority's Consultation and Decision documents reflect good practice. They contain comprehensive information which would be useful to a wide audience and were conveyed clearly in an accessible manner. There is clear evidence that the Authority is amending proposals to reflect feedback received.

Both internal and external stakeholders agreed that the volume of consultation papers was a problem which can limit the capability of participants to respond. The Authority needs to consider how work programmes can be better organised to ensure that stakeholders can respond. For example, ensuring consultations don't overlap or extending timeframes up front.

However, information provided about the Authority's work programme, Energy Competition Task Force and the Generational Investment pipeline dashboard need to be improved to ensure it is both accessible and usable by a broad audience.

External stakeholders consistently commented that the Authority is not viewed as a quality source of information. This included a lack of up-to-date information, issues with information presentation and lack of visibility over the work programme. In our view there is scope for the Authority to make its work programme more accessible including providing a brief description of key initiatives, providing more historical information (at least 12 months) and ensuring people can easily navigate between explanatory pages.

Measure 3

Overall, the Independent Assessment team rated this measure as **good**. This means the evidence indicates that the Authority understands the information needs of most sector participants and that it supports improved understanding of the exemption and amendment process.

The Authority's Code amendment omnibuses are a useful tool and reduced the need for separate consultations. The Independent Assessment found that omnibus consultation documents were accessible to a wide audience, striking a good balance between technical information and consumer-oriented framing.

Indications are that the Authority has been strengthening its approach to code exemptions and amendments. External stakeholders noted that recent consultations including the Consumer Care Obligations process were extremely well run, with high-quality engagement. There is evidence that the Authority is responding to stakeholder feedback and using more channels for engagement.

4 Opportunities for improvements and learnings

A number of learnings and opportunities for improvement were identified as part of the Independent Assessment. These have been summarised briefly below.

Measure 1

- The Authority should ensure that its future approach to co-design takes into account the learnings from this experience, including ensuring that stakeholders involved have been invited to share further learnings. The co-design approach taken to develop the super-peak product was viewed positively by stakeholders, however some opportunities for improvement were identified. These included ensuring there were mechanisms in place to share information with the sector outside of the Co-Design Group and ensuring there were opportunities to test prototypes or recommendations with a wider group of affected stakeholders.
- The Authority should consider ways that the Flexibility Hedge Products dashboard could be made more user-friendly and provide further information. While acknowledging that the Authority needs to carefully manage confidentiality when publishing dashboards, the Independent Assessment found that the absence pricing information is a crucial gap in transparency and usefulness of the data. It may also be beneficial to separate information about peak product trading from super-peak products due to the substantial difference in volumes trading.
- The Authority should continue to closely monitor generators' participation in the super-peak product market with a view to determining whether trading needs to be made mandatory. The Authority has acknowledged the importance of collecting good information on voluntary trading and plans to conduct regular liquidity assessments.
- To ensure the super-peak product is optimised, it would be beneficial for the Authority to gather more insights into potential barriers to participation of independent retailers.

Measure 2

- The Authority should continue to implement initiatives to make consultations more accessible. Consultation documents could be improved by inclusion of glossary/key definitions at the front and greater use of design to increase readability. The Authority should also consider how the work programme can be adjusted to achieve a more reasonable level of stakeholder consultation, as the current level of stakeholder consultation expected is excessive. Consultation papers should only be released at the same time if they are directly related and timeframes for consultations across workstreams should not overlap.
- The Authority should continue to progress updates to work programme materials to ensure these are accessible including creating hyperlinks to relevant explanatory materials and ensuring at least 12 months of information is available to give readers an understanding of the work to date.



- The Authority should progress initiatives to ensure that its information is as up to date as possible and that materials address key sector changes in a timely manner. The Authority will also need to engage external stakeholders to address perceptions that its materials are not useful and identify other information gaps.
- The Authority should work alongside Transpower to create a comprehensive and integrated system for the generation pipeline. This would help to address stakeholder concerns about the state of the information ecosystem and ensure robust data is available on generation and load projects.
- The Authority should build on examples of engagements that were viewed positively by external stakeholders including workshops, roundtables and the Power Innovation Pathway. This may include ensuring resourcing is available to facilitate workshops or similar approaches for priority workstreams.

Measure 3

- The Authority should continue to use multiple avenues for engagement on Code amendments including webinars, social media, and consumer advocacy groups.
- The Authority should consider opportunities to use Green Papers for future consultations. This is best practice for stakeholder consultation as it allows for stakeholders to input into policy decisions early in the process while issues are still being formulated. While the Authority has used similar processes in the past, the Green Paper may be a familiar language and approach for the sector which is beneficial in understanding what is expected.
- The Authority should provide clarity on how it is managing competing priorities between consumers and industry stakeholders. This could include a specific section in decision documents that addresses conflicts between these interests and how these have been addressed.

Appendix A: Our approach

The Independent Assessment used a combination of a document review and interviews to answer the Key Assessment Questions. Details of the data collection methods are provided below.

Document review

The Authority provided a range of documents relating to each of the three measures. These documents included Statement of Intent, quarterly reports to the Minister of Energy, consultation papers, disclosure obligations, risk management assessment, announcements of changes to code exemptions or amendments, information for the public about the Authority's work.

A sample of 48 documents were reviewed and summarised by the assessment team. An initial 14 documents were reviewed to enable the assessment team to develop a deeper understanding of each of the three measures and to inform the development of the evaluation framework. During the data collection phase of the independent assessment, the team undertook a deductive review of the documents against the Key Assessment Questions. A key focus of this review was understanding what work the Authority had undertaken to make progress against each of the three measures. The evidence gathered through the deductive review was triangulated against the primary data generated through the interviews to validate and contextualise the findings relating to each of the three measures. The documents reviewed is provided in [Appendix C](#).

Interviews with internal stakeholders

Eight interviews were conducted with representatives from the Authority who were subject matter experts in relation to the three measures. The interviews provided information about the Authority's approach to developing and monitoring the performance of hedging products, information about work undertaken to enable renewable investments, and the code exemption and amendment process. A copy of the interview questions is provided in [Appendix D](#).

Interviews with external stakeholders

The independent assessment team interviewed seven external stakeholders who included system operators, gentailers, retailers and consultants. These interviews provided information about the external experiences of the Authority's work in relation to addressing gaps in the hedging products available, information the Authority provides to support investment in renewable electricity generation, and the code exemption and amendment process. A copy of the interview questions is provided in [Appendix E](#).

Data analysis and synthesis

The qualitative data from the document review and the interviews was deductively coded against the Key Assessment Questions and associated dimensions. The raw data was coded using an open-coding approach to sort the data into broad thematic categories. The analysis included comparing and contrasting findings between the different sources of evidence,



highlighting commonalities and differences for each of the three measures. To ensure the analysis answered the assessment questions, the evaluation team tested the relevance of each theme and the strength of evidence.

The analysis formed the basis for making independent assessment judgements about the Authority's progress towards each of the three measures.

Limitations

The independent assessment was conducted within a relatively tight timeframe with limited resources. As such the independent assessment team undertook a sampling approach to selecting documents for review based on relevance and currency of information across the three measures. The representativeness of engagement with external stakeholders was limited. Approximately 65% of stakeholders invited to participate were interviewed with others either non-responsive or unavailable within the timeframes of the review. As a result, caution should be applied in relation to findings regarding the extent to which external stakeholder views are representative.



Appendix B: Decision Matrix

Key Assessment Question	Dimensions	Indicators of success
Measure 1 (Affordable): Assessment that the Authority’s work enables sufficient opportunities to hedge risk of price volatility		
Has the Authority identified sufficient opportunities in the hedge market to manage risks?	To what extent was consideration given to whether wholesale market participants and industrials would be directly affected?	<p>Poor:</p> <ul style="list-style-type: none"> No progress made <p>Good:</p> <ul style="list-style-type: none"> Have identified gaps in range of products available Have given consideration to which stakeholder groups would be directly affected by changes to opportunities in the hedge market Understand the likelihood and possible levels of impact for affected stakeholder groups Started identifying and understanding the needs of affected stakeholder groups <p>Very good:</p> <ul style="list-style-type: none"> New product(s) entered the market
	To what extent was the likelihood and possible level of impact for affected groups considered?	
	To what extent did the Authority identify and understand the needs of affected stakeholder groups?	
	To what extent did the Authority engage with affected groups to gain further insights?	



Key Assessment Question	Dimensions	Indicators of success
	<p>To what extent has the Authority established a feedback loop, using information about the effectiveness of their investment in hedging price volatility risk to inform decisions?</p>	<ul style="list-style-type: none"> • People have better information that helps them make better decisions for their business <p>Excellent:</p> <ul style="list-style-type: none"> • Co-developed products with the market • People have better information that helps them make the best decision for their business • Authority tracks the difference hedging products and tools are making, and uses this information to inform decisions
<p>Does the Authority’s work enable management of price volatility, including through the availability of tools and products?</p>	<p>What activities has the Authority engaged in to enable effective management of price volatility?</p>	<p>Poor:</p> <ul style="list-style-type: none"> • No progress made
	<p>What tools and products have been made available to different consumer groups (large industrials, independent generators and retailers) in the last 12 months to help manage price volatility from increased renewable generation?</p>	<p>Good:</p> <ul style="list-style-type: none"> • Broader range of tools and products are in the process of being developed for large industrial users, generators and retailers <p>Very good:</p> <ul style="list-style-type: none"> • Full range of tools and products that are beneficial for a competitive market (e.g., generated tool to improve forecasting of intermittent generation such as wind and solar)
	<p>How effective have tools and products been (includes level of uptake and efficient hedging)?</p>	<p>Excellent:</p> <ul style="list-style-type: none"> • Improved accessibility in terms of minimum scale to interact with those markets (so smaller businesses could buy hedges easier)
	<p>How well did the Authority’s approach to balancing different consumer groups (large industrials, independent generators and retailers) work?</p>	<ul style="list-style-type: none"> • More financial traders (investment banks) have started trading (would indicate hedges have utility) • Actively traded set of products • Robust price curve (confidence in costs)



Key Assessment Question	Dimensions	Indicators of success
	How well did the output of the project meet the identified needs of affected consumers (large industrials, independent generators and retailers – anyone purchasing and selling on the spot market)?	<ul style="list-style-type: none"> • Average spot prices, future hedge prices come down • Leads to forward prices converging to LCOE (Levelized cost of electricity)⁴⁶. The market is competitive, and we have confidence that the forward market is robust. High liquidity.
	Has the Authority’s work impacted forward market electricity prices (e.g. reduction, slower increases)	
Measure 2 (Efficient): Assessment of the Authority prioritising activity that enables renewable investments to achieve net zero by 2050		
How valuable was the material ⁴⁷ to the audience?	For the intended audience to what extent was the material easy to access?	<p>Poor:</p> <ul style="list-style-type: none"> • No progress made <p>Good:</p> <ul style="list-style-type: none"> • Have identified intended audience for different material that is being prepared (e.g. consultation, documents, website, face-to-face engagement) • Developed an understanding of the information needs of the different audiences <p>Very good:</p> <ul style="list-style-type: none"> • Communication materials have been tailored to meet the needs of the different audiences (includes type of material, ease of access, and content that meets their needs, such as level of detail)
	For the intended audience to what extent did the material contain enough information to provide clear understanding of the subject matter?	
	For the intended audience to what extent did the material contain the right level of detail for the situation and subject	
	To what extent did the material support the widespread uptake of new renewable	

⁴⁶ The LCOE is a measure of the average net present cost of electricity generation for a generator over its lifetime

⁴⁷ Material includes consultations, website information, documents



Key Assessment Question	Dimensions	Indicators of success
	<p>technologies (batteries, solar, other products, vehicle to grid)?</p> <p>Sub-question: And by whom?</p>	<ul style="list-style-type: none"> • Channel used matches target audience needs (includes ease of access) <p>Excellent:</p> <ul style="list-style-type: none"> • Website metrics (e.g., hit rate, who accesses page, length of stay on page) indicate good levels of usage • Social media metrics indicates good reach • Requests for information indicate other sources have been accessed first • Increased stakeholder engagement (including domestic and small business consumers) • Information is picked up elsewhere, such as through the media
<p>How fit for purpose are the materials for the selected channel?</p>	<p>How well were the materials tailored for the different selected channels and intended audience?</p>	<p>Poor:</p> <ul style="list-style-type: none"> • No progress made <p>Good:</p> <ul style="list-style-type: none"> • Intended audience(s) and their communication needs are clearly identified • Selected channels have good reach for intended audience(s) • Incorrect external narratives and the best approach to correcting them are clearly identified <p>Very good:</p>



Key Assessment Question	Dimensions	Indicators of success
	<p>How effective were the selected materials in disseminating the information (e.g. intended audience reach)</p>	<ul style="list-style-type: none"> • Content for different channels has been tailored to meet the needs of the intended audience • Complex information has been made understandable • Material relates to the Authority's function <p>Excellent:</p> <ul style="list-style-type: none"> • Material is accessed by intended audience • Inquiries indicate that the material is easy to understand and is leading to a better understanding of the electricity market • Content of the Electricity Market information is reviewed and revised to maintain relevance in relation to Code exemption and amendment requests
<p>Measure 3 (Efficient): An accessible and transparent Code exemptions and amendment request process</p>		
<p>How valuable was the material to the audience?</p>	<p>For the intended audience to what extent was the material easy to access?</p> <p>For the intended audience to what extent did the material contain enough information to provide clear understanding of the subject matter?</p>	<p>Poor:</p> <ul style="list-style-type: none"> • No progress made <p>Good:</p> <ul style="list-style-type: none"> • Have identified intended audience for different code exemption and amendment request processes • Developed an understanding of the information needs of the different audiences, including fit-for-purpose communication channels <p>Very good:</p>



Key Assessment Question	Dimensions	Indicators of success
	<p>For the intended audience to what extent did the material contain the right level of detail for the situation and subject?</p>	<ul style="list-style-type: none"> • Available information about the code process is clear, comprehensive and has been tailored to meet different audiences need • Channel used matches target audience needs (includes ease of access) <p>Excellent:</p> <ul style="list-style-type: none"> • Inquires indicate that information about the code process has been accessed and understood • Target audiences make use of the code amendment • The online exemption process is followed
<p>How well do the materials produced support stakeholders to understand and are fit for purpose?</p>	<p>To what extent did the materials support stakeholder to understand the market and electricity system in general?</p>	<p>Poor:</p> <ul style="list-style-type: none"> • No progress made <p>Good:</p> <ul style="list-style-type: none"> • The materials produced for the different code exemption and amendments have been designed to meet the needs of the intended audience, including explaining technical terms and using plain English where possible <p>Very good:</p> <ul style="list-style-type: none"> • Content for different channels has been tailored to meet the needs of the intended audience • Complex information has been made understandable • Material relates to the Authority's functions <p>Excellent</p> <ul style="list-style-type: none"> • Target audiences find material easy to understand and the process accessible • Support is provided that meets target audiences' needs, including providing prompts that 'hold their hand', chat bot,



Key Assessment Question	Dimensions	Indicators of success
		ability to save progress in completing code exemption or amendment, and request advice.

Appendix C: Documents Reviewed

Document Type	Title
Measure 1	
Webpage	Hedge market
News Article	Temporary changes to market making requirements (13 August 2024)
Letter	Letter to market makers (12 August 2024)
Press Release	Guidance for market-making requirements revised
Recommendations paper	Price discovery in a renewables-based electricity system (MDAG)
News Article	Call for experts to develop standardised flexibility contracts for wholesale market
Terms of Reference	Standardised Flexibility Products Co-design Group
Letter	Letter to Chief Executive
Webpage	Risk management review including associated papers
News Article	Decision on improving Hedge Disclosure Obligations
News Article	New dashboard highlights flexibility hedge product trends
Dashboard	Flexibility Hedge Products
News Article	New dashboard highlights flexibility hedge product trends
Guide and survey	New ways to empower electricity consumers
News Article	New standardised flexibility product trading begins on 28 January
News Article	Energy Competition Taskforce announces new standardised super-peak hedge contract – trading begins in January
News Article	Energy Competition Taskforce to launch wholesale market standardised flexibility products for voluntary trading
Issues Paper	Reviewing risk management options for electricity retailers (7 November 2024)
Update Paper	Reviewing risk management options for energy retailers
Measure 2	
Document	Our Strategy and Priorities
News Article	New Zealand progressing at pace towards a highly renewable electric future.
News Article	New highs being hit in solar generation
Consultation Paper	Addressing common quality information requirements (1 October 2024)
News Article	Updating common quality requirements to support the power system
Consultation Paper	Network connections project stage one amendments (25 October 2024)
Work programme	Priority Initiatives May to October 2025
Work programme	Energy Competition Task Force 2025 work programme
Consultation Paper	Proposed levy-funded appropriations 2025/26.

Document Type	Title
News Article	Electricity Authority seeking a better view of generation and investment plans.
Consultation Paper	Improving visibility of generation investment: clause 2.16 information notices (21 August 2024)
Dashboard	Future security and resilience
Webpage	Power Innovation Pathway
Decision Paper	Exemption Application WEL Networks and NewPower Energy Part 6A (3 October 2024)
Consultation Paper	Promoting reliable electricity supply: frequency-related code amendment proposals (6 May 2025)
News Article	Have your say on ways to improve distributed generation pricing
News Article	Changes to improve intermittent generation forecasts
News Article	Upcoming consultations to improve network connection processes and connection pricing
Consultation Paper	Code 8 Amendment Proposal – part 1 (1 October 2024)
Decision Paper	Part 8 Code terminology and network information (1 April 2025)
Decision Paper	Improving visibility of generation investment (10 December 2024)
News Article	Changes to wind and solar forecasting set to improve electricity system reliability
News Article	Code Amendments finalised for hybrid forecasting arrangement
Consultation Paper	New ways to empower electricity consumers
Issues Paper	Distributed Generational Pricing Principles (12 February 2025)
Decision Paper	Code Amendment Omnibus #3 (6 August 2024)
Options Paper	Level Playing Field Measures (27 February 2025)
News Article	Strengthening the wholesale market for winter 2025
Measure 3	
Webpage	Exemptions and dispensations
Consultation Paper	Code Amendment Omnibus #4 (3 September 2024)
Consultation Paper	Code Amendment Omnibus #5: stress test update, back-up pricing, trader default amendment (4 February 2025)
Webpage	Amendments to the Code
Decision Paper	Code amendment omnibus #5: stress test update, trader default, back-up pricing (16 April 2025)
Decision Paper	Code amendment omnibus #4 (1 May 2025)
News Article	Consultation paper published – Code Amendment Omnibus #4
Guidelines	Code Amendment Request Guidelines (27 Feb 2024)
News Article	Decision paper published – Code Amendment Omnibus #3
Webpage	Code Amendment Omnibus #5 decision
News Article	Code Amendment Omnibus #4 decision



Document Type	Title
Press Release	Electricity consumers get better protection



Appendix D: Information and Consent form (Internal Stakeholders)

Tēnā koe,

Thank you for agreeing to participate in an interview relating to the Electricity Authority (the Authority). Fiona Scott-Melton or Philippa Tinetti from *Allen + Clarke* will meet with you for approx. 45-60 minutes.

You are invited to participate because you are an internal subject matter expert or an external stakeholder that has information about the key impact performance measures that we are assessing.

What's it all about?

The Authority has engaged a team of independent assessors from *Allen + Clarke* to look at how well its business objectives in relation to three key impact performance measures are being achieved. These measures are tied to the Authority's strategic outcomes. The selected measures are:

- To what extent are there sufficient opportunities to hedge risk of price volatility (linked to *affordable*)
- How well is the Authority prioritizing activity that enables renewable investments to achieve net zero by 2050 (linked to *efficient*)
- To what extent does the Authority have an accessible and transparent Code exemptions and amendment request process (linked to *efficient*)

As this is the first year these measures have been used, findings from the independent assessment will help to establish baselines for the three measures and will contribute to the Authority's statutory reporting on its performance.

What is involved and what will I be asked?

If you consent to take part, you will most likely be asked a mix of the following types of questions depending on which measures you have knowledge about:

- For measure 1:
 - What tools and products to manage price volatility from increased generation that you're aware of
 - Do you think there are sufficient opportunities in the hedge market to effectively manage risk
 - What activities, if any, has the Authority engaged in to enable more effective management of price volatility
 - Your thoughts on what tools and products have been made available and whether they are being used
- For measures 2 and 3:



- whether the information provided was easy to access and effectively tailored to meet the needs of the target audience
- whether sufficient detail was provided for the situation and subject
- how likely you think it is that the information will contribute to the desired changes (e.g., improved uptake of new renewable technologies, improved understanding of the market and electricity system, the Code exemption and amendment processes)
- how effectively was information disseminated, including what channels were used and whether the material was fit-for-purpose
- how well the materials aligned with the Authority's functions.

Do I have to take part in the assessment?

You do not have to take part in the assessment. You may stop the interview at any time, and the information you have given us will be deleted. If you choose to participate and then change your mind later, you can pull out by contacting us up to one week after our interview.

How will your information be used?

Your feedback will provide insights into the extent to which the Authority is achieving its strategic outcomes of *affordable* and *efficient* in relation to the three selected measures. A report setting out the key findings from the independent assessment will be provided to the Authority in July 2025.

How will my privacy be protected?

Discussions will be private and the information from your interview will only be accessed by the *Allen + Clarke* team. The assessment team won't use your name, and if any quotes are used in the reporting, these will be short and not include any identifying details about you.

The team will store notes from the interviews on *Allen + Clarke*'s secure system; the notes will be destroyed after a year. The information gathered will not be used for any other purposes or projects.

Who can answer my questions about the project?

You can send any questions or comments to the project's lead assessor, Fiona Scott-Melton at fscott-melton@allenandclarke.co.nz or 021 246 2061.



Giving consent to take part

Once you have had a chance to read this form and ask any questions, we would like to check that you consent to:

- The purpose and nature of this assessment has been explained to me, and I have had the opportunity to ask questions.
- I consent to take part in this assessment.
- My interview will be audio recorded, and notes might be taken. These will be used to ensure the accuracy of information collected. This information will be stored securely and will only be accessible by the assessment team.
- My personal details are confidential and will not be disclosed to anyone outside of the assessment team.
- Under the Privacy Act, I have the right to request any information held about myself

Many thanks, we really appreciate your time and consideration!

Fiona Scott-Melton and Philippa Tinetti

Interview guide

Introduction

- Welcome participant to the interview - Kia ora and thank you for talking with us today.
- Whanaungatanga: name, who we work for and our position/role in the project, details of professional background as appropriate. Try to build rapport and acknowledge their time.

I am part of the independent assessment team from *Allen + Clarke*, looking at how well the three selected impact performance measures are being achieved. These three measures are tied to the Authority's strategic outcomes of *affordable* and *efficient*. The three measures are:

- To what extent are there sufficient opportunities to hedge risk of price volatility (linked to *affordable*)
- How well is the Authority prioritizing activity that enables renewable investments to achieve net zero by 2050 (linked to *efficient*)
- To what extent does the Authority have an accessible and transparent Code exemptions and amendment request process (linked to *efficient*)

As this is the first year these measures have been used, findings from the independent assessment will help to establish baselines for the three measures. The independent assessment will also contribute to the Authority's statutory reporting on its performance.



- Brief overview of evaluation and scope of interview
 - Interview is up to 45 minutes
 - To make the most of our time, I will be directing the conversation to the measures that I understand are most relevant to your experience, but please feel free to tell me if you think we've missed something.
 - Also, it's good to give each other permission to interrupt each other – if you don't understand what I'm saying or I notice that we've gone off topic, I might bring us back on topic.
- Complete informed consent process, allowing time for questions including any questions about the evaluation process.
- Check audio recording consented

Background

- Could you please tell me a little bit about your role with the Authority?
Prompts: responsibilities related to one or more of the three measures?

Measure 1 (affordable) – hedging price volatility

Firstly, we'd like to talk about the Authority's work to enable sufficient opportunities to hedge risk of price volatility

- Could you tell me a bit about the work the Authority has been engaged in to enable better management of price volatility, including through the availability of tools and products?
Prompts: It looks like the main focus has been the development of super-peak products – could you tell me a bit more about it? Are there any other products that have been developed? Do you have any thoughts on what has worked well? And not so well?
- In the development stage, I'm interested in what, if any, consideration was given to how these opportunities would affect wholesale market participants and industrials?
 - *Prompts: Can you talk me through the co-design process? What sort of representation was included in the group? How was the likelihood and possible level of impact for affected groups considered in relation to the super-peak products? Was there any further engagement beyond drawing on the insights held by the co-design group?*
- Could you tell me a bit about the Authority's approach to balancing different consumer groups' needs, such as large industrials, independent generators and retailers?
Prompts: It looks like the Authority has been concerned with re-balancing opportunities to hedge against price spikes in the wholesale market – including acknowledging that some parties may not be happy with their decisions. Is that right? To what extent do you think the Authority is managing to balance these different consumer needs?
- Could you tell me about the feedback loops that have been established to monitor the market – such as *Hedge Disclosure Obligations* and the *development of the dashboard*



that will enable the Authority to collect and use information about how well hedging opportunities are working to inform decisions?

Prompts: Could you explain a bit more about the Hedge Disclosure Obligations and what's involved? Also, how is the dashboard expected to improve use of the products available? Was there any other engagement with affected groups to gain further insights about how well it's working? How well do you think the outputs have met different consumer groups' needs? Have you observed any early signs of success?

- Is there anything else about hedging that you'd like to tell me?

Measure 2 (efficient) – enabling renewable investments to achieve net zero by 2050

The next set of questions are about the Authority's activity that enables renewable investments to achieve net zero.

- Could you tell me a bit about the process of identifying the target audience for information promoting renewable investments in electricity generation?

Prompts: What did the Authority do to identify their communication needs and target material accordingly? For example, how did you decide what would be 'sufficient detail' to meet their needs on a subject?

- Can you tell me a bit about the process of disseminating the information?
- How well do you think the dissemination of material has worked?

Prompts: What about reach? How likely do you think it is that the information will support more investment in renewable technologies? Do you have any early signs of success?

- Is there anything that's not worked so well?
- Could you tell me a bit about how well you think the materials align with the Authority's functions?

Prompts: what sorts of functions does the material align with? (e.g., promote market development; monitor, inform and educate; operate the electricity system and development; enforce compliance)

Measure 3 (efficient) – Code exemption and amendment process

The next set of questions are about providing information about the process for code exemptions and amendment requests.

- Could you tell me tell me a bit about the process of identifying the target audience for information about the code exemption and amendment process?

Prompts: What did the Authority do to identify their communication needs and target material accordingly? How was the information tailored to meet the needs of the target audience, including determining how much detail to provide?

- Can you tell me a bit about disseminating the information?
- What worked well?



Prompts: Have you seen any changes in the types of enquiries you receive about code exemptions or amendments that indicate it has worked well? And if so, can you give me some examples?

- Is there anything in your view that didn't work so well?

Final comments

- Thank you for your time. Is there anything else that you'd like to tell us?

Thank participant for their time. Explain next steps for the independent assessment.

Remind interviewee that contact details are on the information sheet if they have any further thoughts or questions about the assessment.



Appendix E: Information and consent form (External Stakeholders)

Introduction email

Kia ora xxxx,

The Authority has engaged a team of independent assessors from *Allen + Clarke* to look at how well its business objectives in relation to three key impact performance measures, which are tied to its' strategic objective, are being achieved. The selected measures are:

- To what extent are there sufficient opportunities to hedge risk of price volatility (linked to *affordable*)
- How well is the Authority prioritizing activity that enables renewable investments to achieve net zero by 2050 (linked to *efficient*)
- To what extent does the Authority have an accessible and transparent Code exemptions and amendment request process (linked to *efficient*)

As part of this process, a member of the team – either Fiona Scott-Melton or Philippa Tinetti – would like to interview you as we understand you have information about at least one of the key impact performance measures we're assessing. The interview is expected to be 45-60 minutes in length and will be held virtually, using an online platform such as MS Teams. The exact focus of the conversations will depend on which measures you have information about, but most likely will focus on:

- Your views on whether there are sufficient opportunities to hedge market risk of price volatility?
- Whether regulations are enabling investment and/or uptake of renewable technologies, including contributing to investor confidence?
- The quality of the communication materials, such as how well they meet the needs of the intended audience, whether they've improved understanding, and how easy they were to access?
- Whether the communication channels met the needs of key audiences and if the material was fit-for-purpose?

We've attached a participant information sheet to provide you with more information about what the independent assessment is about and what is involved in participating, including how the information will be stored and your rights.

If at all possible, it would be great if we could meet with you between 17 and 25 June that would be really helpful.

If you've got any questions, please don't hesitate to contact the project lead Dr Fiona Scott-Melton at fscott-melton@allenandclarke.co.nz or 021 246 2061.



Ngā mihi,

Information and consent form

Tēnā koe,

Thank you for agreeing to participate in an interview relating to the Electricity Authority (the Authority). Fiona Scott-Melton or Philippa Tinetti from *Allen + Clarke* will meet with you for approx. 45-60 minutes. You are invited to participate because you have information about the key impact performance measures that we are assessing.

What's it all about?

The Authority has engaged a team of independent assessors from *Allen + Clarke* to look at how well its business objectives in relation to three key impact performance measures are being achieved. These measures are tied to the Authority's strategic outcomes. The selected measures are:

- To what extent are there sufficient opportunities to hedge risk of price volatility (linked to *affordable*)
- How well is the Authority prioritizing activity that enables renewable investments to achieve net zero by 2050 (linked to *efficient*)
- To what extent does the Authority have an accessible and transparent Code exemptions and amendment request process (linked to *efficient*)

As this is the first year these measures have been used, findings from the independent assessment will help to establish baselines for the three measures and will contribute to the Authority's statutory reporting on its performance.

What is involved and what will I be asked?

If you consent to take part, you will most likely be asked a mix of the following types of questions:

- whether the tools and products the Authority has made available are providing sufficient opportunities to hedge market risk of price volatility
- to what extent have changes to regulations enabled investment and/or uptake of renewable technologies? Has it contributed to improvements in investor confidence
- whether publicly available information through, for example, papers and news items on the Authority's website were easy to access and provided sufficient detail to make the situation and subject understandable
- whether publicly available communication materials have influenced or altered stakeholders understanding of the market and the electricity industry generally
- whether communication materials have improved their understanding of the Code exemption process and the Code, and the Code amendment process
- which channels they used to access information and whether the material was fit-for-purpose



Do I have to take part in the assessment?

You do not have to take part in the assessment. You may stop the interview at any time, and the information you have given us will be deleted. If you choose to participate and then change your mind later, you can pull out by contacting us up to one week after our interview.

How will your information be used?

Your feedback will provide insights into the extent to which the Authority is achieving its strategic outcomes of *affordable* and *efficient* in relation to the three selected measures. A report setting out the key findings from the independent assessment will be provided to the Authority in July 2025.

How will my privacy be protected?

Discussions will be private and the information from your interview will only be accessed by the *Allen + Clarke* team. The assessment team won't use your name, and if any quotes are used in the reporting, these will be short and not include any identifying details about you.

The team will store notes from the interviews on *Allen + Clarke*'s secure system; the notes will be destroyed after a year. The information gathered will not be used for any other purposes or projects.

Who can answer my questions about the project?

You can send any questions or comments to the project's lead assessor, Fiona Scott-Melton at fscott-melton@allenandclarke.com or 021 246 2061.

Giving consent to take part

Once you have had a chance to read this form and ask any questions, we would like to check that you consent to:

- The purpose and nature of this assessment has been explained to me, and I have had the opportunity to ask questions.
- I consent to take part in this assessment.
- My interview will be audio recorded, and notes might be taken. These will be used to ensure the accuracy of information collected. This information will be stored securely and will only be accessible by the assessment team.
- My personal details are confidential and will not be disclosed to anyone outside of the assessment team.
- Under the Privacy Act, I have the right to request any information held about myself

Many thanks, we really appreciate your time and consideration!

Fiona Scott-Melton and Philippa Tinetti



Interview Guide

Introduction

- Welcome participant to the interview - Kia ora and thank you for talking with us today.
- Whanaungatanga: name, who we work for and our position/role in the project, details of professional background as appropriate. Try to build rapport and acknowledge their time.

I am part of the independent assessment team from Allen + Clarke, looking at how well the three selected impact performance measures are being achieved. These three measures are tied to the Authority's strategic outcomes of affordable and efficient. The three measures are:

- To what extent are there sufficient opportunities to hedge risk of price volatility (linked to affordable)
- How well is the Authority prioritizing activity that enables renewable investments to achieve net zero by 2050 (linked to efficient)
- To what extent does the Authority have an accessible and transparent Code exemptions and amendment request process (linked to efficient).

As this is the first year these measures have been used, findings from the independent assessment will help to establish baselines for the three measures. The independent assessment will also contribute to the Authority's statutory reporting on its performance.

- Brief overview of evaluation and scope of interview
 - Interview is up to 45 minutes
 - We'll be focusing on the measures that are relevant to your experience and involvement with the Authority's work
 - To make the most of our time, I will be directing the conversation to the measures that I understand are most relevant to your experience, but please feel free to tell me if you think we've missed something.
- Also, it's good to give each other permission to interrupt each other – if you don't understand what I'm saying or I notice that we've gone off topic, I might ask to pause or bring us back on topic.
- Complete informed consent process, allowing time for questions including any questions about the evaluation process.
- Check audio recording consented

Background



- Could you please tell me a little bit about what you do and your experience in relation to the Authority's work <hedging price volatility, renewable investments, code exemptions or assessments?

Measure 1 (affordable) – hedging price volatility

Firstly, we'd like to talk about the Authority's work to enable sufficient opportunities to hedge risk of price volatility

- From your perspective, how well do you think the Authority has identified opportunities to hedge the market to manage risks?

Prompts: Has it made a difference for you? And if yes, in what ways? If no, what do you think would need to be different?

- Do you think the Authority considered whether wholesale market participants and industrials would be directly affected?

Prompts: If yes, in what sorts of ways, what do you think was considered?

- What do you think has gone well?

Do you think the needs of wholesale market participants, industrials and retailer were well understood? And if so, in what sorts of ways?

- What's maybe not gone so well?

- Have the tools and products that the Authority has been making available made a difference for you? And if so, in what sorts of ways? If not, what would need to happen for them to make a difference?

Measure 2 (efficient) – achieving net zero by 2050

The next set of questions are about the Authority's activity that enables renewable investments to hedge risk of price volatility and achieve net zero.

- From your perspective, how well, if at all, did the Authority's information meet your needs?

Prompts: Did it provide sufficient detail to meet your needs on a subject? How easy was it to access the information? Did you feel you had a better understanding?

- Has the information influenced your thinking about investing in renewable technologies? And if so, in what sorts of ways?

- How easy was it to find the information you were looking for?

Prompts: Where did you find the information (e.g. website, social media posts etc).

- What do you think the Authority did well?



- Is there anything you think didn't go so well or could be improved?

Measure 3 (efficient) – Code exemptions and amendments process

The next set of questions are about information provided by the Authority about the process for code exemptions and amendment requests.

- From your perspective, how well, if at all, did the information provided by the Authority help you understand the code exemption and/or amendment process?

Prompts: Did you find the information easy to understand? Could you give me an example of what you mean (ways it met their needs or didn't meet them)? If it didn't meet their needs, what would need to have been different? Was sufficient detail provided for the situation and subject?

- To what extent, if at all, do you think the information has helped you go through the code exemption or amendment process?

Prompts: Did the information help you develop a better understanding of the market and electricity system generally? Has it changed any of your views? And if so, in what sorts of ways? Could you give us an example?

- How easy was it to find the information you were looking for?

Prompts: Where did you find the information (e.g. website, social media posts etc)

- What do you think the Authority did well?
- Is there anything you think didn't go so well or could be improved?

Final comments

- Thank you for your time. Is there anything else that you'd like to tell us?

Thank participant for their time. Explain next steps for the assessment.
Remind interviewee that contact details are on the information sheet if they have any further thoughts or questions about the assessment.

Appendix F: Out of scope commentary

Although it is out of scope for this assessment, a reoccurring theme from the discussions with external stakeholders under Measure 2 was that there are a range of barriers that investors are facing that makes investing in the development of renewable energy challenging. These include:

- A lack of cross-government long-term strategy for renewable energy – the goal for renewable energy is to be achieved by 2050, but strategic planning is limited to 3-5 years. There is a need for a cross-party strategy to 2050 which would provide investors with greater confidence about the market conditions and structure.
- High debt ratios for wind and solar farms – these types of investments are generally debt funded meaning that the impact of interest rates on these investments are often underestimated.
- Difficulties and delays working within the Resource Management Act and other environmental legislation. This was identified as an opportunity for the Authority to advocate for renewable energy infrastructure projects to be consented via the new Fast Track process. However, one stakeholder did note that there was a balance to be struck between the environment, engagement with iwi and investment.
- Mixed ownership model preventing private capital raises – the mixed government/private ownership model can limit the option for big market players such as Meridian, Genesis and Mercury Energy. The company is prevented from raising private capital as the Government doesn't want to increase their capital investment but also won't allow their shares to be diluted.
- High costs discouraging overseas capital investment or developers – anecdotal evidence from stakeholders was that there has been interest in investing in New Zealand but found the costs of doing business here (rents, wages, materials etc) are too high.

These external stakeholders would like to see the Authority to take more of a leadership role, using their influence to address these challenges where possible. Stakeholders did recognise that often these issues were outside of the Authority's direct scope but expressed that the Authority could do more to shape the policy and regulatory environment to influence these issues.



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