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Submissions
Electricity Authority
Level 7, AON Centre
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Via email: connection.feedback@ea.govt.nz

ERGANZ SUBMISSION ON MAXIMISING BENEFITS FROM LOCAL ELECTRICITY GENERATION

The Electricity Retailers' and Generators' Association of New Zealand ('ERGANZ') welcomes the opportunity to provide feedback on the Electricity Authority's consultation paper, 'Maximising benefits from local electricity generation' from 8 October 2025.

ERGANZ is the industry association representing companies that sell electricity to Kiwi households and businesses. Collectively, our members supply almost 90 per cent of New Zealand's electricity. We work for a competitive, fair, and sustainable electricity market that benefits consumers.

ERGANZ supports the Authority's aim of removing barriers to efficient distributed generation (DG), including proposals to lift export limits to a 10kW default, and aligning inverter standards and voltage ranges to support more efficient DG.

This proposal complements work by industry to implement time-of-use plans and reward the export of distributed generation during times of peak demand.

ERGANZ members already offer retail customers the opportunity to export up to 10kW of distributed generation under standard terms and conditions¹ (and in some cases up to 50kW²). Our members are therefore ready to implement these proposals immediately in the event they come into force.

While the changes are supported by ERGANZ members, the Authority should consider where costs are incurred, particularly in cases where higher export limits necessitate systems upgrades or network investment. The consultation document acknowledges these costs are likely to fall on distributors where systems upgrades, network assessments or new transmission infrastructure is required.

¹ [Meridian Energy: OnSite renewable generation terms and conditions](https://ask.mercury.co.nz/app/answers/detail/a_id/136/kw/solar/)
https://ask.mercury.co.nz/app/answers/detail/a_id/136/kw/solar/
[Contact Energy: Distributed Generation special terms and conditions](#)

² <https://www.novaenergy.co.nz/electricity/solar-buy-back>
[Genesis Energy: HomeGen terms and conditions](#)

If higher export limits require substantial investment by distributors, these costs will be passed on to consumers. In these cases, this risks a cross-subsidisation effect where economic benefits are transferred to DG owners, while costs are shared across the wider customer base. Higher export limits will primarily benefit residential DG owners, who tend to have better economic resources and represent a small fraction of the overall customer base. If network implementation costs are not well controlled, these are likely to be passed on through lines charges and retail tariffs. Cross-subsidisation can be minimised by the Authority requiring sound cost-benefit justification for major investments justified by higher DG export limits.

The consultation document also identifies potential costs to ~70,000 existing DG owners, who may have to update inverter settings or make new applications to export greater quantities of power. Given the projected benefits to DG owners, this is an appropriate example of user-pays investment.

ERGANZ acknowledges the proposed benefits to the wider electricity network, including reducing wholesale electricity prices, dry-year risk and reliance on thermal firming generation. However, we note the low uptake of DG in New Zealand means this effect will be marginal until utilisation of DG improves. While the consultation document also suggests higher export limits will be beneficial during times of peak demand, this is the least likely time for residential solar systems to be exporting power. Nevertheless, we agree higher export limits will provide an incentive for greater DG uptake, which in time could offset the limitations identified above.

ERGANZ would like to thank the Authority for considering our submission.

If there are any outstanding questions or a need for further comments, please let me know.

Yours sincerely,

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