

Electrify the Hutt Incorporated – Submission

Consultation: Requiring distributors to pay a rebate when consumers supply electricity at peak times – definition of a small business

Organisation: Electrify the Hutt Incorporated

Location: Hutt Valley, Aotearoa New Zealand

Date: 21 November 2025

Contact: James Scott, Chair, [REDACTED]

1. Overall Position

Electrify the Hutt supports the Electricity Authority's initiative to require distribution businesses to offer rebates (negative charges) to mass-market customers who supply electricity to the network at peak times. We agree with the Authority that this mechanism is an important step toward rewarding local generation, encouraging storage, and creating fairer, more efficient network pricing.

We also support the Authority's move to clarify who qualifies as a "small business consumer" for the purposes of this rebate requirement, as the current consumption-based threshold has proven difficult for distributors to apply consistently.

2. Concern Regarding the Proposed Eligibility Thresholds

While we support the overall policy direction, we **do not support the proposed eligibility thresholds** of:

- **45 kVA or less** connection capacity for businesses; and
- **45 kW or less** maximum generation capacity for distributed generation systems.

These thresholds are **too restrictive** and will exclude many organisations that clearly fall within the spirit and intent of the policy — namely, smaller entities without the resources or negotiating power of large commercial or industrial customers.

Customers that would be unfairly excluded include:

- schools
- marae and community hubs
- small-medium enterprises
- social service organisations
- rural customers and farms
- local businesses operating refrigeration, EV chargers, or commercial equipment

Most of these groups do not have the capacity or leverage to negotiate bespoke export-pricing arrangements with their distributor. Excluding them from the standardised peak-export rebate will mean they receive **no meaningful reward** for supplying electricity at peak times, despite being able to provide real value to the network.

3. Value of Solar + Storage for Peak Export and Community Resilience

The rebate mechanism is most impactful when customers combine local generation with battery storage, enabling export during the evening or system-stress periods rather than only during midday solar peaks.

Wider eligibility for peak-time rebates will:

- accelerate battery uptake
- reduce peak demand
- defer costly network upgrades
- lower long-term costs for all customers
- support emissions reduction commitments

More importantly for our community:

- marae, schools, community centres, and sports clubs with solar and batteries can serve as **local resilience hubs** during outages
- these facilities can provide refrigeration, communications, local coordination, emergency lighting, and EV charging
- with increasing extreme weather events, these distributed resilience assets are becoming essential public infrastructure

Restricting eligibility would reduce these resilience benefits across the Hutt Valley and beyond.

4. Electricity Costs and Network Investment Pressures

Distribution network charges make up a significant portion of household electricity bills and are projected to be a major driver of price increases in the coming years. Policies that reduce peak loads and allow distributors to avoid or defer capital investment deliver value to all consumers on the network.

The rebate mechanism directly supports these savings. Limiting eligibility to only the smallest customers undermines the potential benefits of the policy and reduces the scale at which peak-demand reduction can occur.

5. Rural Communities and Farming Customers

In rural areas, farms often have connection capacities well above 45 kVA due to irrigation pumps, refrigeration, and business equipment. Despite this, they remain small-scale consumers with limited negotiating ability.

Solar and battery systems on farms:

- improve resilience

- create opportunities for rural EV charging corridors
- lower long-term system costs
- support local economic development

The proposed thresholds would prevent many rural customers from accessing the rebate, even though they are well-positioned to contribute meaningful peak-time export value.

6. Recommended Eligibility Threshold

If the Authority considers it necessary to impose an upper limit on eligibility, it should be set significantly higher than the proposed 45 kVA / 45 kW thresholds.

Electrify the Hutt recommends:

- allowing eligibility for customers with **generation capacity up to at least 1 MW**, or
- adopting a higher and more flexible connection-capacity threshold that captures mid-scale community and small-business consumers.

A 1 MW limit would:

- include marae, schools, farms, SMEs, council facilities, and community organisations
- exclude utility-scale generators and large industrial customers
- reflect the policy intent of supporting mass-market and community-scale customers
- ensure that groups without negotiating power are still able to access fair, standardised rebates

This approach aligns with the goal of maximising network benefits and ensuring fair outcomes for consumers who contribute valuable peak-time exports.

7. Summary of Key Points

- We support the requirement for distributors to pay rebates when customers supply electricity at peak times.
 - We support clarifying the definition of small business consumer.
 - We **do not support** the proposed 45 kVA / 45 kW thresholds, which are too low.
 - Excluding community groups, schools, marae, farms, and SMEs undermines the intent of the policy.
 - Solar + storage provides peak-time exports, reduces network costs, and strengthens resilience.
 - A higher eligibility threshold — ideally up to **1 MW** — would deliver greater community benefit and network efficiency.
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8. Conclusion

Electrify the Hutt Incorporated supports the Authority's direction but strongly recommends revising the eligibility thresholds so that community organisations, SMEs, rural customers, and local businesses can access the peak-export rebate. These groups contribute significant value to the network and are part of the mass-market segment the policy aims to support.

We appreciate the opportunity to provide this submission and would welcome further engagement.

Electrify the Hutt Incorporated

Hutt Valley, Aotearoa New Zealand