Outlook

Definition of small business Code amendment proposal

From Electrify Wānaka [redacted]
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To TaskForce <TaskForce@ea.govt.nz>

[redacted]

Kia ora,

This submission is written on behalf of Electrify Wānaka.

Electrify Wānaka is one of the many community groups working alongside Rewiring Aotearoa towards the goal of reducing Aotearoa's emissions while improving the cost of living for our communities, the economy of the country through cheaper home grown energy and our health through cleaner air.

Small scale solar and more local renewable generation in general are the keys to all these benefits for the country and for the people of this country. If midsize systems were added to the rooftops of our 50,000 farms we could generate 60% more electricity than we do today and we could all benefit from cheaper decarbonised electricity. (1)

Another benefit of more local distributed generation systems in a world that will be increasingly affected by extreme weather events is the resiliency they bring for our communities. Solar battery systems have been shown to be life savers for communities after Cyclone Gabrielle or more recently after the destructive winds we experienced last month. To have as many of these systems as possible is crucial for our resiliency.

These are the positive reasons why we need to support and accelerate the uptake of distributed medium size generation systems in the country.

But what if we don't increase our renewable electricity generation, what if we do not decarbonise and stay reliant on expensive and polluting imported fossil fuels.

The British Institute and Faculty of Actuaries, in its Planetary Solvency report, forecasts that we are currently heading towards a 25% drop in global GDP and 2 billion deaths by 2050 if we reach 2.5ºc of warming (2). But the German associations of physics and of meteorology believe that we might actually be on track for 3ºc of warming by 2050 (3), which would equate to a 50% drop in global GDP and 4 billion deaths according to the Planetary Solvency report.

To try and avoid the worse of what the climate collapse could cause, and to benefit from the many advantages of distributed renewable electricity generation, we support the requirement for EDBs to reward small and medium size generators with a rebate at peak time in order to make it more affordable for New Zealanders to invest in these systems.

But we **do not agree** with the Task Force's limit on what constitutes a small business.

The 45kVA connection limit or 45kW maximum generation capacity limit would restrict many small businesses and organisations, like schools, marae, farms and community groups from accessing peak distribution export tariffs.

Many of the community organisations and businesses that would be excluded from accessing the peak distribution export tariff would not be well-placed to negotiate this directly with their distributor. They would simply miss out.

The peak export tariff will provide a fair incentive for customers to include battery storage with investment in distributed generation like solar. Combining local generation with battery storage not only reduces the need for network upgrades and reduces everyone's energy bills, it also provides local resilience. For example, marae and schools with rooftop solar and batteries can act as local hubs for the community in a power outage. With an increase in extreme weather events this will be increasingly important to provide backup options for communication, EV charging and other community needs until power is restored.

The cost of networks and our electricity grid is important to consider because it makes up around half of household electricity bills and is expected to drive most of the electricity price increases over the coming years. This is predominantly due to increasing distribution network costs, so encouraging options to offset and lower network investment and cost is key to help lower bills.

In our rural communities solar and batteries on farms is a win-win for farmers and the local community. It can provide a valuable revenue stream for farmers using very little land and help lower electricity system costs for local customers, providing more resilience and creating an opportunity for the roll out of on-farm public EV charging options and development of EV charging corridors in rural communities.

These unnecessary limits on who receives peak distribution export tariffs would be a step in the wrong direction and a missed opportunity to support customers to invest in a more flexible, affordable, sustainable and resilient local energy supply.

If the Authority wishes to create a limit it should be set to include all customers with up to 1MW of generation capacity. This is a sensible level that includes local community organisations and businesses who are not well-placed to negotiate for a fair deal, but would exclude utility generators and large industrial customers.

Thank you for reading our submission.

Pierre Marasti

Electrify Wānaka

References:

(1)

https://www.rewiring.nz/news/new-zealand-please-put-your-rooftops-to-work

(2)

https://actuaries.org.uk/news-and-media-releases/news-articles/2025/jan/16-jan-25-planetary-solvency-finding-our-balance-with-nature/

(3)

https://www.dpg-physik.de/veroeffentlichungen/publikationen/stellungnahmen-der-dpg/klima-energie/klimaaufruf/stellungnahme