Definition of small business Code amendment proposal

One small addition I would like to make is that I originally tried to negotiate a deal for guaranteed supply from Aurora and was advised my connection size and battery size was not big enough to warrant an individual contract.

This is why we must make sure the EA doesn't hang a huge portion of customers out to dry with low arbitrary limits.

Rather than defining what a small business is the EA should define what utility scale generation is and make sure these default injection tariffs are a catch all for everyone else.

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Mike Casey
Owner / Operator
Forest Lodge Orchard

Outlook

Definition of small business Code amendment proposal

From Mike Casey [redacted]
Date Fri 21/11/2025 3:39 PM
To TaskForce <TaskForce@ea.govt.nz>

[redacted]

Tēnā koutou,

I am making a submission under Forest Lodge Orchard ltd, we trade under the brand name "Electric Cherries". We are a fully electric cherry orchard in Central Otago that runs on 21 electric machines and powers those machines with 160kW worth of solar and 300kWh worth of batteries.

In this submission, I want to demonstrate just how inaccurate and wrong it is to assume how large a business is based on connection size or the amount of solar generation it has. To do this I am going to compare my orchard with other orchards in close proximity to mine.

All of these orchards grow cherries for the export market, and revenue is largely comparable to the number of trees each orchard has. To avoid having to dive into my neighbours' financials, I have gone with tree counts because that is easier and less intimate information for the purposes of public submissions.

I think it's safe to assume that there would be general agreement that the size of an orchard business is reflective of the number of trees it has.

	Trees	FTEs	Electric vs fossil fuels	Connection Size
Forest Lodge Orchard	9300	2	Home:100% electric Farm machines: 100% electric Irrigation: electric Frost Fighting: electric	130kva
Golden Plains Orchard	10500	2	Home:Grid Connected LPG hot water Farm machines:Diesel Irrigation:Electric Frost Fighting:Diesel	69kva
Quantum Orchard	8900	2	Home: offsite Farm machines: Diesel and petrol Irrigation: Diesel Frost Fighting Diesel	Residential Single Phase
Lake Terrace Cherries	10000	2	Home: 100% electric with solar Farm Machines: Diesel and Petrol Irrigation:Diesel Frost Fighting:Diesel	Residential Single Phase
Tarras Cherries	24000	4	Home: Staff accom, gas cooking and hot water Farm Machines:Diesel Irrigation: Electric Frost Fighting: Diesel	103kva

What is immediately clear is that connection size is not reflective of an orchard's size, its revenue, profit or staff count, but purely of the ratio of the use of electricity vs the use of fossil fuels.

In particular, the size of an orchard's grid connection comes down to how electrified it is. The key component to pushing an orchard's connection above 43kVa is whether or not they power their irrigation systems with electricity or fossil fuels.

Going electric is the right thing for New Zealand, it reduces emissions, costs, increases our fuel security and also means that we are investing in energy that can be created locally rather than sourced from overseas. An assumption of business size based on connection size is fundamentally flawed and, in the case of horticulture and agriculture, penalises those who are more electric.

The EA's assumption that businesses like mine can actively negotiate with a regional monopoly for fair tariffs that recognise the contribution that we can make is, quite frankly, absurd. My farm has been referenced by the EA in the past because I now have a special tariff with my network Aurora, but I was not able to achieve this tariff as a farmer; instead, I needed independent energy experts from my charity; Rewiring Aotearoa, to hammer home the message that my farm's assets could lower the LRMC of the network and should be fairly rewarded for that. For the record, I am still not fairly rewarded by my utility company.

Using my 130kVa connection and my 300kWh of batteries I can power 25 homes during congestion periods. It was the creation of this tariff by Aurora that

ultimately led to better battery economics up on my farm, allowing a smarter economic decision for my farm when it comes to the purchase of batteries for resilience. My batteries now actively work to bring down the LRMC of the Aurora network. I would add that the tariff I receive is far from fair or reasonable, and isnt calculated in a timely fashion. I do not see the rewards of supporting the network until my annual line charge is recalculated in April of the following year. This lag is incredibly frustrating and is in the best interest of Aurora's billing and pricing system and not in the best interest of the customer. That being said I do wish to thank Aurora for being progressive and leading they way to better network pricing for customers with distributed energy assets.
The EA should not be creating arbitrary barriers to divide customers, especially barriers that eliminate so many farmers who could be (and should be) contributing towards lowering infrastructure costs for their communities.

Also, the NZ government has encouraged EECA to start a support program for farmers and businesses who feel they are getting a raw deal by NZs energy system. This team has been set up because of the complete inability of farmers and businesses to be able to negotiate with electricity industry incumbents.

The interest level in the EECA program and associated demonstration funding from the rural community has been significant. The decision to cut out many farmers here will massively impede this momentum and fly in the face of the very efforts of the New Zealand government when it comes to lowering farm input costs and building resilience in our rural communities.

Alongside this private sector is helping to unlock rural solar and batteries for example: ASB is offering 0% Smart Solar Loans, Farmland's Flex provides an off the shelf solution for farmers to make the most of their solar and battery systems and there are hundreds of installs in the pipeline who will utilise this.

The potential benefits from rural solar and batteries to provide lower cost electricity and provide resilience will make a real difference to rural communities. This decision would go against all the momentum currently building to unlock these benefits for customers.

If the Authority is going to define a limit to who distributors are required to provide peak distribution export tariffs to, it should align with the intention of the policy and apply to customers who do not currently have this bargaining power to negotiate a fair deal with their EDB. Before this decision is made, there needs to be real-world consultation with the very customers a decision like this is going to affect and far more research needs to be done in how best define a "small business". It seems to me, that there are people within the EA who are making these decisions have very little understanding of the very customers they have a statutory obligation to protect.

If the Electricity Authority wants to limit this policy to small businesses, my view is that ICPs with up to 1 MW of installed capacity would be a pragmatic cut-off that would include the originally intended small business customer groups who do not have sufficient bargaining power to negotiate with EDBs. I agree that anything above 1MW is approaching utility-scale capacity, and there will be very few end customers affected by this larger, arbitrary limit. But it still must be stressed that any injection, of any size, into the network during congestion periods will increase utilisation of existing infrastructure and lower its LRMC. Any potential physical constraints on the network should **not** be handled with blanket disqualification of customers across the country; there are multiple smart ways to handle voltage issues on the local network, for example, curtailment through dynamic operating envelopes.

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Kind regards,

Mike Casey

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