

Definition of small business Code amendment proposal

From Andrew Eagles

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To TaskForce <TaskForce@ea.govt.nz>

Kia ora Sir / Madam

The New Zealand Green Building Council is the construction and building industries' peak body for advocating for and delivering measures that support improved energy efficiency and sustainability in buildings.

Established in 2005 by 31 companies, we're grown to now have the backing of over 700 of the country's leading property owners, investors, developers, engineers, architects, builders, financiers, regulators, finance experts, and educators. Our members cover the supply chain, and deliver thousands of homes and buildings throughout the country.

Working with industry experts, NZGBC develops and administers New Zealand's leading energy and environmental impact rating systems for buildings - Homestar, Green Star, Green Star Communities and Green Star Performance. On behalf of central government the NZGBC administers the NABERSNZ regime in New Zealand. These systems help developers, builders, investors, owners, renters, and lessees better understand the environmental sustainability of the buildings they deal with and how they can be improved. They also assist developers and others to access lower interest sustainable finance.

I agree with the stated aim of encouraging customers to supply power to the network when it's needed and rewarding them when the power they supply at peak times benefits the network. This will really help NZ's energy resilience.

Incentivising storage alongside solar investment for all customers through a peak distribution export tariff which provides a fair payment that reflects the long run cost of avoided network investment would increase benefits to all customers.

The NZGBC does **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.

There is a power imbalance in how the suppliers discuss these issues with distributors. 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. They are not in the position to negotiate this strongly.

New Zealand has had a long run of rising costs. 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. This can help reduce costs for kiwi families.

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. That is good for New Zealand. 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.

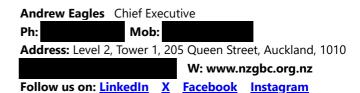
In many communities solar and batteries is a win-win for farmers and the local community. It can provide a valuable revenue stream for farmers using very little land and help lower electricity system costs for local customers, providing more resilience and creating an opportunity for the roll out of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

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.

Importantly. The NZGBC feel that if there was a need for a limit it would be better to set it at 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. We are happy to meet to discuss further.

Nga mihi nui Andrew







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