

2 December 2025

Electricity Authority  
Level Playing Field Consultation  
WELLINGTON

Via email: [levelplayingfield@ea.govt.nz](mailto:levelplayingfield@ea.govt.nz)

**Lodestone Energy Submission – ‘Level Playing Field’ Consultation**

Dear EA

This is a short, high-level submission as the substantive and detailed points made in our original submission still stand.

As the country’s largest new entrant independent generator and retailer, Lodestone continues to hold the view that these Level Playing Field changes are a critical piece of regulatory reform in the evolution of the electricity market.

Requiring – and being able to enforce – large generator-retailers to sell electricity to independents / competitors on the same terms as they sell to their own retail business units is the key to unlocking a highly competitive market and delivering lower cost electricity for consumers.

Lodestone believes the Level Playing Field changes are now even more important following the approval of the Huntly Firming Option arrangement between the large generator-retailers, without additional conditions to improve competition, and following the resolution of the government response to the Frontier Economics report into the electricity market.

The Non-Discrimination Obligations (**NDOs**) must be able to unlock significant liquidity in the electricity hedge markets, improve transparency and support new entrants to enter the market on commercial but fair terms. It needs to significantly boost competition, encourage investment into the sector, begin to drive consumer prices down and improve energy security.

We strongly support a more prescriptive, mandatory approach to this and urge monitoring of compliance to be vigorous.

It should be quickly obvious as to how successful these measures are in improving competition and facilitating the creation of a deep, liquid electricity hedge market.

We welcome the acknowledgement from the EA as to how important the effective application of these NDOs will be, when it says that:

*“The Authority sees an ongoing risk that gentailers have opportunities to use market power in a manner that would harm competition... [and that] the scarcity and concentrated ownership of flexible generation means the risk to competition may increase over time as the scale of intermittent generation grows, reducing flexible generation as a proportion of the overall mix and increasing the relative market power of the parties controlling that generation”.*

The consultation document also notes that independent generators depend on the ability to secure PPAs to underwrite project financing and that independent retailers lack confidence in the operation of hedge markets.

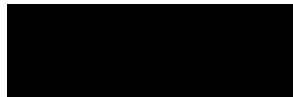
Monitoring and enforcement are now the key, and we will watch closely to see to what extent the NDOs deliver the outcomes they were designed for.

Lodestone believes the development of lowest-cost renewable generation is the key to bringing electricity prices down. Given the concerns expressed within the consultation document around market power, operation of hedge markets, and the ability for independents to access flexible firming, early, frequent and robust review of the success of this scheme must be built into the EA's work programme.

In the context of how pivotal these changes are to the electricity market, we are concerned around what could be seen as a 'watering down' of the requirements on the generator-retailers in the document. In particular, that the NDO access requirements now apply to a generator-retailers' "*uncommitted capacity*", which could in theory be zero. Similarly, the introduction of the term "*reasonable expectations*" in relation to a generator-retailers' ability to offer risk management contracts.

Ultimately Lodestone will reserve judgement on the impact of these reforms until the data is in, at which point the impact of these measures should be clear. We strongly support the intent behind the Level Playing Field work programme and believe its success is vital to the future of the market.

Yours sincerely



**Brendan McNamara**

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