Evolving multiple trading relationships and switching

Supplementary consultation paper

27 January 2026

ELECTRICITY AUTHORITY
TE MANA HIKO

Executive summary

Affordable, reliable, and accessible electricity for all

Consumers need electricity services that are affordable, reliable and accessible to all.

The Electricity Authority Te Mana Hiko (Authority) is working towards a future where every consumer can fully participate in a dynamic and competitive energy market. Households and businesses should be able to compare and switch plans and providers easily, choose different providers for different services, and use and manage electricity in ways that best meet their needs and keeps costs down.

Introducing competition for household power generation and improving switching processes

During June and July 2025, the Authority consulted on proposals to enable multiple trading relationships and improve switching processes. The proposals aimed to:

- Allow consumers to use different providers for electricity consumption and generation services, enabling them to choose providers that offer them the best value, helping drive lower costs, better services, and more reliable supply. This arrangement is known as multiple trading relationships (MTRs).
- Improve the efficiency and effectiveness of the consumer, distributor and metering equipment provider processes when a consumer switches providers.

These proposed changes seek to increase choice and competition, support innovators to bring new products and services to market, and help reshape New Zealand's power system to be more decentralised and consumer focused.

Submitters raised concerns about the implementation costs and complexity of the MTR proposals

There was a mixed response from submitters to our proposal to enable MTRs. Most submitters were supportive of our objectives, noting the benefits of enabling choice and competition, but some submitters raised concerns about the implementation costs, the complexity of the proposal, and the perceived limited benefits on the basis it would provide to only a small group of consumers who generate electricity.

Submitters were largely supportive of our proposed improvements to switching processes.

We've created a simpler, more cost-effective MTR proposal that delivers consumer benefits faster

After careful consideration of submitters' feedback, the Authority has revised its proposal and developed an alternative MTR operating model. Our revised proposal is a simpler and more targeted approach to MTRs than the original proposal. It would avoid the need for all traders, metering providers, and distributors to implement comprehensive system changes.

Instead, we are proposing a standalone process in the electricity registry (the registry) for MTR-adopting ICPs. Essentially this process would assign consumption and generation traders only to flagged MTR ICPs. This revised approach would still involve some changes to the registry and participants' IT systems. However, it is simpler and lower cost and limits the changes required for participants not involved in MTRs.

This revised approach would better achieve the Authority's statutory objectives by:

- unlocking benefits to consumers sooner through quicker and simpler implementation

- improving the balance of costs and benefits
- reducing implementation costs and ensure the lowest impact possible for participants and consumers that do not want to participate in MTRs
- providing a strong foundation for future growth in household and business generation, including increased competition for consumption and virtual meter channels (in particular, virtual power plants and Vehicle-to-Grid services).

We have tested this new approach with the Switch and Data Formats Group[1], assessed its costs and benefits, and commissioned an independent cost-benefit analysis. This analysis confirmed that the benefits of the revised MTR proposal and the switching changes as proposed are likely to outweigh the costs.

Supplementary consultation on cost-benefit analysis

This consultation paper seeks feedback on our revised MTR proposal, our assessment of the costs and benefits, and the independent cost-benefit analysis. Submissions are invited by 5pm, 17 February 2026.

The Authority thanks the industry technical group for its support

The Authority acknowledges the important contribution of the Switch and Data Formats Group in this revised proposal. The group provided independent technical advice in the assessment of submissions and enabled us to test the workability of our proposals.

[1] Switch and Data Formats Group | Electricity Authority

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1 What you need to know to make a submission

What this consultation is about

1.1 The Electricity Authority Te Mana Hiko (Authority) seeks feedback on a revised proposal for multiple trading relationships. This paper is supplementary to the earlier consultation paper, which is available here: Evolving multiple retailing and switching.

1.2 In this paper, we set out:

(a) The revised proposal to enable consumers to be able to choose different providers for their consumption and generation services.

(b) Our assessment of the updated costs and benefits of the proposals for MTRs and switching.

How to make a submission

1.3 The Authority's preference is to receive submissions in a Word document in the format shown in Appendix B. Submissions should be in electronic form and emailed to policyconsult@ea.govt.nz with 'Consultation – supplementary consultation – multiple trading' in the subject line by 5pm, Tuesday 17 February 2026.

1.4 The Authority will confirm receipt of all submissions.

1.5 If you cannot send your submission electronically, please email policyconsult@ea.govt.nz or call 04 460 8860 to discuss alternative arrangements.

1.6 We will publish all submissions. If you consider that we should not publish any part of your submission, please:

(a) indicate which part should not be published and explain why,

(b) provide a version of your submission that we can publish (if we agree not to publish your full submission).

1.7 All submissions, including any parts the Authority does not publish, can be requested under the Official Information Act 1982. This means the Authority would be required to release material not published unless good reason existed under the Act.

2 A streamlined approach to support a quicker and more cost-effective roll-out of MTRs

2.1 Over June and July 2025, the Authority consulted on a proposal to enable MTRs and improve the switching process.

2.2 The MTR proposals would enable consumers to choose different providers for their electricity consumption and generation, as the first stage towards wider changes.

2.3 Enabling consumers to choose different retailers for consumption and generation that offer the best value for these services will drive lower costs, improved services, and more reliable supply. These changes will also encourage innovators to develop new products and services, leading to increased choice for consumers and more options for distributed generation.

2.4 The original proposal to enable MTRs involved assigning a trader to each different meter channel for each ICP record in the registry. This proposal would have required all retailers to make significant system upgrades, whether they wished to participate with MTRs or not.

2.5 While the majority of submitters supported the objective of enabling MTRs, many also raised concerns about the cost of the proposals compared to the perceived limited benefits. These concerns included:

(a) the complexity and reach of the proposed MTR solution,

(b) the cost and time needed to upgrade IT systems or migrate to new platforms capable of managing MTR, and

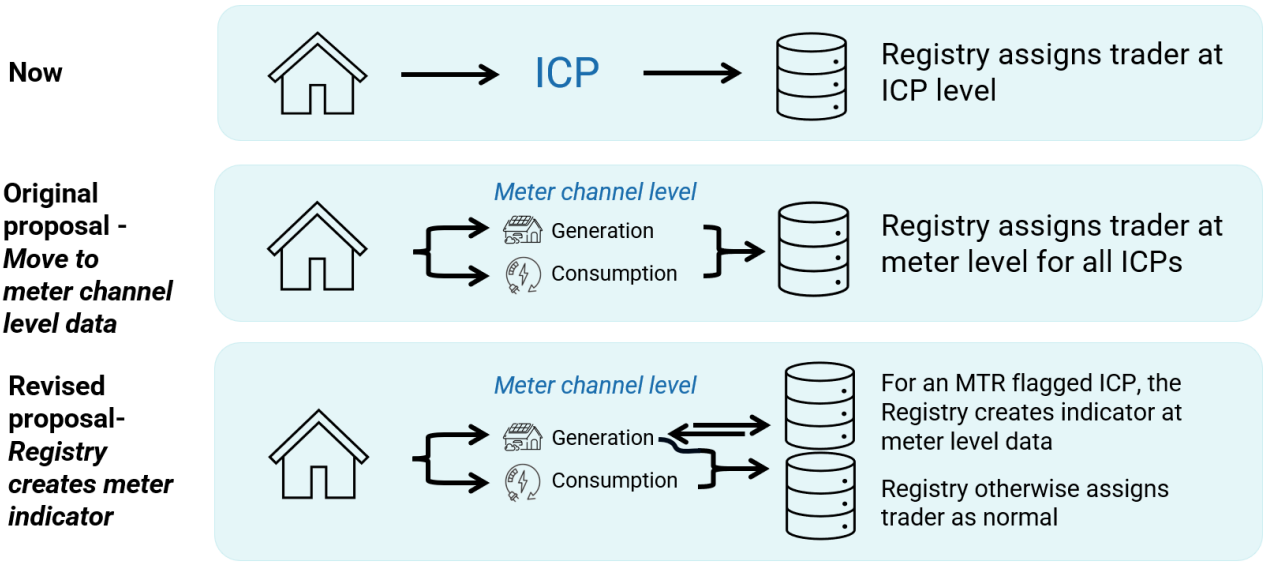
(c) the scale of consumer benefits, given current levels of distributed generation.

2.6 After considering these concerns, we have worked with stakeholders (including the SFDG) to develop an alternative, lower cost approach to implementing MTRs that still provides significant consumer benefit.

2.7 The alternative approach is that the Authority would develop new standalone provisions in the registry alongside processes for MTR-adopting ICPs, with no material changes to single trader ICPs in the registry. This approach would assign consumption and generation traders only to ICPs that choose separate retailers for consumption and generation and provide the appropriate records of events.

2.8 This revised approach would involve greater implementation changes to the registry but would minimise changes to participants' systems and administrative practices to manage two traders at one ICP.

2.9 The below diagram summarises the revised proposal:



2.10 We envisage this revised approach for MTRs would work in practice as follows:

(a) The registry would have a new flag for all ICPs. This would enable ICPs to be flagged to identify if the ICP is an MTR ICP, or not.

(b) The registry would indicate which retailer (using their participant identifier) is responsible for which meter channels.

(c) Where an ICP is flagged as *not* serving an MTR situation, the status quo would prevail. All the current processes would take place and only one retailer would be assigned to the ICP.

2.11 For all instances where an ICP is flagged as servicing an MTR situation, this would signal the MTR processes to activate, including the following steps:

(a) Modify the notifications and files to each retailer so that each only receives the relevant consumption or generation channel.

(b) Notify the other retailer, metering equipment providers (MEPs) and distributors of an MTR ICP.

(c) Provide logic to assign who is the responsible trader.

(d) Indicate which retailer is responsible for each meter channel.

(e) Provide logic to negate false reassignment of a new MEP and prevent status changes.

(f) Enable notifications of outages to be sent to all relevant parties.

2.12 This revised proposal would significantly lower the anticipated implementation costs for existing participants, as it would require minimal change for the significant majority of existing ICP trading activity.[2]

2.13 The revised proposal would afford participants flexibility as to how their systems and process evolve to meet consumer demand. This would mean that participants could implement manual or subsidiary systems in the near-term and undertake any more significant systems upgrade when the volume of MTR ICPs reaches a critical mass.

[2] About 3 percent of households currently have some form of distributed generation meaning that participants would not need to change processes for around 97% of households. However, this number is growing strongly. We expect the number of customers who would choose a different generation trader to grow over time. For further discussion, see, for example, Solar generation now and in the future | Electricity Authority

2.14 Because this approach is simpler, it could be implemented sooner than the 18-month period originally identified. This approach can deliver consumer benefits faster while also being flexible enough to enable potential future stages of MTR.

2.15 This revised approach also sets a stronger foundation for future MTR stages, as it enables the development of virtual meter channels that could support virtual power plants and vehicle to grid options, which was not a feature of the original proposal.

2.16 This approach would not involve any significant changes to the proposed Code amendment or obligations to enable MTRs that were set out in our consultation paper, however we are still considering some further changes to the Code amendment to address submitters' feedback. We will include a complete Code amendment as part of a final decision on these proposals.

2.17 We are not at this time proposing any changes to the proposals to improve switching that the Authority consulted on in 2025.

3 Updated assessment on costs and benefit of our proposal

3.1 The Authority has undertaken further consideration of the costs and benefits of our revised MTR proposal alongside the switching proposals, including commissioning an external quantitative cost-benefit analysis (CBA). This CBA is attached in Appendix A.

3.2 This analysis was undertaken to verify our conclusion that the benefits of the revised MTR proposal outweigh the costs, and to address the concerns of some submitters regarding a lack of detailed CBA in the first consultation paper.

3.3 The CBA also contains further detail on the costs and benefits of proposals to improve consumer switching.

The Authority assesses the benefits as material

3.4 Enabling MTRs and improving switching processes is expected to provide significant benefits as discussed in our earlier consultation paper and in the attached CBA, including:

(a) Providing consumers with more competition and choice for their distributed generation.

(b) Providing the foundation to enable more competition and choice for the consumption meter channel, and competition for virtual meter channels.

(c) Being a key enabler of consumers being able to more easily share energy.

(d) Improving the customer experience when choosing a new retailer and increasing transparency and accuracy of information about the network, metering and switch processes.

3.5 The independent CBA confirms net economic benefits can be achieved by an increased uptake of solar and battery systems contributing to reducing peak consumption. This benefit can be realised if between 0.36 percent and 1.77 percent (or more) of existing and planned residential battery installations contribute to reducing peak consumption.

3.6 Some benefits may not be readily quantifiable but are still attributable to the introduction of our MTR proposal. This is because:

(a) There are a range of other factors that could be as important in driving future benefits, such as changes in technology, commercial developments, and subsequent policy and regulatory changes.

(b) It is difficult to separate out the benefits of MTR as an enabler of competition for the consumption channel, energy sharing, and competition for virtual meter channels.

3.7 The proposal would also reduce the costs to participants from improved and more efficient switch processes.

MTRs will promote competition

3.8 The proposal would promote competition in the electricity industry by encouraging retailers to compete for and better reward consumers, including those with distributed generation like solar panels, battery storage and electric vehicles.

3.9 It would also encourage innovators to develop new products and services, leading to increased choice for consumers and more options for distributed generation.

MTRs will deliver benefits to a range of consumers

3.10 Some submitters raised concerns that MTRs would benefit only households with greater means to afford solar systems and would exacerbate energy hardship by creating implementation costs that would be likely passed onto all households.

3.11 However, we believe that MTRs would enable a wide range of consumers to benefit from a more decentralised energy system.

3.12 For example, as evidenced by the current Kāinga Ora Multiple Trading trial, MTRs can also provide benefit to those in social housing and assist in addressing energy hardship.[3]

3.13 Are Ake noted in its submission the significant demand that exists for the solutions MTRs can bring and the benefits to a wide and diverse group of stakeholders, including iwi, social and community housing groups, and businesses. This is supported by requests for MTR trials via the Authority's Power Innovation Pathway.[4]

3.14 The Authority expects that the MTR proposals would unlock more affordable energy for those groups, in particular those living in social or shared housing, ensuring that the proposals have positive equity outcomes.

3.15 Subsequent changes could create opportunities for even broader sectors, in particular those living in rental properties, who are currently unable to benefit from deployment of solar and other distributed energy resources and also more likely to experience energy hardship.[5]

Costs have been reduced by changes to the MTR implementation approach

3.16 The revised MTR proposal should significantly reduce implementation costs for many participants, compared with the original proposal. This is because retailers and other participants who do not service MTR ICPs would not need to invest in comprehensive system upgrades.

3.17 We would expect that participants can create modular and flexible approaches to IT systems and targeted changes to processes. While this will still require investment, these will be lower than estimates provided to the earlier consultation for most participants.

[3] In 2022, Ara Ake and Kāinga Ora, New Zealand's largest social housing provider that manages a portfolio of over 70,000 properties, established an energy sharing pilot whereby Kāinga Ora homes in Lower Hutt and Porirua fitted with solar panels would be able to share the benefit of excess solar with tenants whose roofs are unsuitable for solar installations.
The Electricity Authority approved two exemptions in July 2023 and a technical and non-controversial Code amendment to enable an energy sharing trial led by Kāinga Ora and Ara Ake. In the trial Kāinga Ora will implement solar energy sharing on selected buildings to maximise their solar investment and show how energy sharing can potentially reduce energy hardship. Exemptions to enable a multiple trading trial | Electricity Authority

[4] Power Innovation Pathway | Electricity Authority

[5] Report on energy hardship measures – Year ended June 2024

Initial findings of the quantitative cost-benefit analysis

3.18 The Authority commissioned an independent CBA to support its own analysis. Findings confirm that the benefits of the revised proposal are likely to outweigh the costs. The net economic benefits would be derived from an increased uptake of solar and battery systems contributing to reducing peak consumption and the switching processes reducing problematic switches.

3.19 We are seeking feedback on the key results and assumptions of the CBA. In particular:

(a) To generate a net benefit, an additional 0.36 percent to 1.77 percent of existing and planned residential battery installations need to be fully deployed in responding to incentives to reduce peak consumption through MTRs.

(b) To generate a net benefit, a reduction of at least between 20 percent and 44 percent of the cost of problematic switches would be needed as a result of the switching changes.

(c) The methods utilised breakeven analysis and sensitivity tests. The period of analysis is from 2026 to 2050 to match available data. Discount rates of 2 percent and 8 percent are used to test other sensitivities, consistent with the Treasury's *Guide to Social Cost Benefit Analysis*.

Multiple Trader Relationships

3.20 The CBA estimates the total costs to participants and the Authority of the revised MTR proposal sit between $22.8m and $25.4m in present value terms. Further minor costs could be incurred by retailers if they considered it most profitable to offer MTRs.

3.21 Benefits were modelled for the MTR proposal based on how existing and future residential battery installations could be deployed optimally to reduce system peaks (offsetting investment in distribution and transmission networks), and from engagement with the wholesale electricity market (offsetting investment in thermal peaking). The overall net benefits from solar generation and optimal deployment of electric vehicle battery capacity are less significant, but still represent an unquantified reallocation of surplus from producers to consumers.

3.22 In the central scenario (for the revised proposal), the CBA estimates that the revised MTR proposal would need to activate the engagement of between 0.36 percent and 1.77 percent of (additional) residential customers with battery capacity. The benefits could potentially be achieved through aggregators coordinating peak capacity or from retailers adapting tariff structures to attract additional residential consumers whose battery capacity would respond to new incentives relating to demand peaks.

3.23 There is the potential for further benefits if there is additional investment in battery technology and if the successful deployment of MTR makes the case for load (e.g. water heating or electric vehicle chargers) to be included in future MTR design. That would be considered separately in a future consultation.

3.24 The CBA presents compelling scenarios where, unlike in Australia and the UK where market conditions are different, the benefits of the revised MTR proposal can be expected to outweigh the costs.

Switching

3.25 The switching changes are expected to improve the customer experience and to achieve efficiencies for market participants, which would then be passed on to consumers.

3.26 The costs of the switching proposals are estimated to be between $12.0m and $12.7m in present value terms over 25 years across the proposal components. We assess the components of switching as a package rather than individually, which would be extremely difficult.

3.27 The benefits would be likely to arise immediately in relation to a subset of more complex switches. However, over time these changes are expected to reduce uncertainty for acquiring retailers, thereby facilitating competition. For the proposal to generate a net benefit in present value terms, reduction of approximately 20 to 44 per cent in the cost of problematic switches would be required.

MTRs will have material unquantified benefits

3.28 There are also a range of strategic benefits from our MTR proposal being an enabler of future stages of MTR that are difficult to directly quantify.

3.29 As consumers adopt MTRs to take advantage of different providers for consumption and generation, this will encourage greater competition and see providers develop new products and services that serve customers. New retailers and innovators may also enter the market to deliver these new products and services.

3.30 For example, MTRs may provide additional stimulus to the development of virtual power plants, as participants develop such services aggregating across customers who have different retailers for their electricity consumption (whereas, at present, their potential customers would have to be their customer for both flow directions).

3.31 If virtual power plants become more commonplace, this may further incentivise consumer uptake of batteries (which hasn't been quantified) through raising the expected return on investment.

3.32 Measuring such benefits is challenging and we have not sought to directly quantify these. However, we believe there would be significant dynamic efficiency benefits from a decision to introduce MTRs, through greater competition, innovation, new providers, and new products and services offered to consumers.

The Authority is satisfied that the benefits outweigh the costs

3.33 Compared with the status quo, the proposal including the revised MTR approach would promote the efficient operation of the electricity industry, promote competition, promote the reliable supply of electricity, and help protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers.

3.34 The Authority remains of the view that the benefits of the proposed Code amendments outlined in the consultation paper are expected to outweigh the costs.

Q1. Do you have any comments on our revised proposal for MTRs?

Q2. Is there further information you can provide that may improve the evidence base for our assessment of (a) costs and/or (b) benefits?

Q3. Do you agree the benefits of the proposed Code amendments are likely to outweigh the costs? If not, please explain why not.

Appendix A Sapere Cost benefit analysis for Multiple Trading

Appendix B Submission form

Evolving multiple trading relationships and switching – supplementary consultation

Please email your submission to policyconsult@ea.govt.nz by 5pm, Wednesday 11 February 2026.

Name	
Organisation	

Questions	Comments
Q1. Do you have any comments on our revised proposal for MTRs	
Q2. Is there further information you can provide that may improve the evidence base for our assessment of (a) costs and/or (b) benefits?	
Q3. Do you agree the benefits of the proposed Code amendments are likely to outweigh the costs? If not, please explain why not.	