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To: The Electricity Authority  
Email: [connection.feedback@ea.govt.nz](mailto:connection.feedback@ea.govt.nz)

### Genesis supports proposals to ensure efficient network connection pricing

Genesis Energy Limited (**Genesis**) welcomes the opportunity to comment on the Electricity Authority's (**the Authority**) *Reducing barriers for new connections: up-front charges and distributor obligations* consultation paper. We agree with the Authority that charges for new connections should be fair and efficient (cost-reflective and subsidy-free) so that network owners and connection applicants have efficient price signals for investment. Network connection pricing is an important issue and materially impacts investment signals and the efficiency and fairness of network infrastructure cost recovery. BCG's 2022 *The Future is Electric* report estimated there would need to be \$25 billion in new investment made into networks over the 2030s to enable electrification and renewables growth.<sup>1</sup> In its recent 2025 update *Energy to Grow* report, BCG identified "enhancing lines infrastructure efficiently" as one of five priorities for improving energy trilemma outcomes, noting that increasing lines charges over the next five years will put upward pressure on electricity prices.<sup>2</sup>

We support the Authority undertaking this consultation and its signalled future comprehensive reform programme. We agree the Authority's proposed targeted intervention is a pragmatic and proportionate interim option for ensuring network connection pricing methodologies are efficient and transparent, particularly as it will allow the Authority to identify and address specific instances of inefficient connection price discrimination (should there be any). In supporting this option, we note the Authority's analysis showing changes to connection charges are likely to be materially beneficial for new connectors while only very modestly increasing lines charges for existing users.

Yours sincerely,



Mitchell Trezona-Lecomte  
**Senior Advisor, Government Relations and Regulatory Affairs**

<sup>1</sup> <https://web-assets.bcg.com/b3/79/19665b7f40c8ba52d5b372cf7e6c/the-future-is-electric-full-report-october-2022.pdf>

<sup>2</sup> [energy-to-grow-full-report.pdf](#)

## Consultation questions and Genesis Energy's response

Questions	Comments
<b>Background and context</b>	
Q1. Do you agree with the assessment of the current situation and context for connection pricing described in section 4? Why, why not? What, if any, other significant factors should the Authority be considering?	Yes, we agree.
<b>PART A – Connection charges</b>	
Q2. Do you agree with the rationale for considering interim restraint on connection charges described in section 5? Why, why not?	<p>Yes. We agree with the Authority that there is a case for regulatory oversight of network pricing to give confidence connection pricing is efficient (cost-reflective and subsidy-free). Particularly in specific cases where pricing is above the balance point and therefore discriminatory and inefficient (because newer connections will pay more of their share of costs than historical connections), as this will disincentivise new connections (i.e. result in fewer connections than is efficient).</p> <p>We also agree with feedback provided to the Authority that the variability across different distributors' processes also adds cost and effort for access-seekers who operate across multiple regions.</p>
Q3. Have you observed or experienced signs of connection stress where current connection charging arrangements caused problems when seeking to connect to the network (eg. projects delayed or deterred as a result of price-related barriers)? If so, please describe.	No comment.
Q4. Do you agree with the Authority's evaluation of the options? Why, why not? Do you have any feedback on the expected impact if the status quo remains?	Yes. We support the Authority's preferred option. We agree that an advantage of the Authority's proposed targeted intervention is that it avoids a blanket approach. We agree that centring the intervention around balance point pricing is reasonable and would appear to be the best way to ensure connection pricing is efficient and equitable. In supporting the proposal, we are informed by the Authority's impact analysis suggesting changes to connection charges could be materially beneficial for new connectors while only very modestly increasing lines charges for existing users.
Q5. Do you have any comments on the proposed Code amendment and approach to implementation?	No comment.

Q6. Are there other alternative means of achieving the objective you think the Authority should consider? If so, please describe.	No comment.
<b>PART B – Distributor supply obligations</b>	
Q7. Do you have any comments on the Authority's rationale for clarifying distributor obligations to connect and supply?	We agree there appears to be a need for further clarification of the scope of the obligation to connect and supply.
Q8. Do you have any comment on the Authority's preferred direction for clarifying distributors' supply obligations?	No comment.
<b>PART C – Minor amendments to the Code (connection pricing requirements)</b>	
Q9. Do you have any comments on the drafting of the proposed amendments?	No comment.