

Submission

Reducing barriers for new connections



19 December 2025

Fonterra welcomes the opportunity to provide input to the Electricity Authority's proposal to reduce barriers to new connections.

Fonterra is a dairy co-operative owned by over 8,000 New Zealand farming families with 28 manufacturing sites across the country, making us the country's largest exporter and a major supplier of dairy products to the domestic market.

With manufacturing operations spread throughout New Zealand, Fonterra is a major electricity user. We rely on stable and affordable access to electricity to support our operations. This reliable access underpins New Zealand's export competitiveness.

Fonterra has a significant pipeline of work that will require substantial connection changes over the coming years. It will be crucial that connection agreements can be negotiated to the benefit of both parties, which can be challenging under current settings, due to the nature of EDB businesses and the relative strength of their negotiating position.

Fonterra supports the Authority's proposal to ensure that EDBs can only charge connecting customers the actual cost of the connection, with the optionality to allow customers to make upfront capital contributions to an agreed level. The remaining costs should be recovered via reflective line charges that cover the cost of capital but do not lead to over recovery. As such, Fonterra supports the Neutral Point pricing concept.

Fonterra also supports the proposed code changes to clarify the Pioneer Scheme requirements. We do note, however, that clarity is needed where an existing connection has been implemented within the seven-year window prior to the 1st of April 2026 and EDBs are indicating that these connections are not capable of being classed as Pioneer Schemes.

There are also indications of initial connection enquiries prior to the 1st of April 2026 also resulting in non-inclusion into the Pioneer Scheme as subsequent connectors that will be required to pay compensation to the original pioneer. We recommend the EA considers this matter.

ENDS