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Electricity Authority and Commerce Commission  
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## Feedback on Task Force open letter

Meridian appreciates the opportunity to provide feedback on the open letter, published on 15 December 2025, regarding the proposed 2026 work programme of the Energy Competition Task Force.

Generally, Meridian is supportive of the direction of travel of the Task Force and agrees that the priority areas identified in the open letter should be a focus for the Electricity Authority and the Commerce Commission. In particular, Meridian supports a continued focus on:<sup>1</sup>

- fostering investment in new generation, innovation and competition in the market;
- creating more ways for households and businesses to manage their energy use and costs; and
- supporting a system that delivers sustainable downward pressure on prices.

While Meridian is supportive of the work programme, we consider it timely to reflect on some more foundational issues. In particular, whether the Task Force, in its current form, is the most effective vehicle to progress this work programme. A standing committee comprised of the Chairs of two independent regulators, with the responsible and supervising Department participating as an observer, is an unusual institutional entity within our system of government.

Meridian appreciates the value of pragmatic cooperation between the Electricity Authority and Commerce Commission, as the two key regulators of the energy sector. There are areas of common interest and collaboration no doubt helps "minimise scope for uncertainties regarding jurisdictional issues", as noted in the 2024 Memorandum of Understanding between the Authority and Commission.<sup>2</sup> Such cooperation should occur regardless of whether or not there is a Task Force.

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<sup>1</sup> Commerce Commission and Electricity Authority *Open Letter: Energy Competition Task Force work programme* (15 December 2025).

<sup>2</sup> Commerce Commission and Electricity Authority *Memorandum of Understanding* (16 April 2024), p 2 and 3.

The Energy Competition Task Force was established in response to the high wholesale electricity prices observed in August 2024. Its name implied that the immediate cause of those prices was a lack of competition. As has now been widely established, including in the Authority's own Review of Winter 2024, this was not the case. The events of 2024 were not the result of any lack of competition in New Zealand's electricity sector – they were the result of gas shortages coupled with low hydro inflows. There is accordingly some scope, we suggest, for the Task Force's focus to be re-directed or alternatively broadened to more directly address the gas sector. We come back to this below.

Based on the open letter, the Task Force's role appears to be ongoing, despite its statutory authority remaining uncertain. To date the work programme of the Task Force has focused on core design features of the electricity market and the Code making functions of the Electricity Authority. The Task Force has framed its role as one of making recommendations to the Electricity Authority Board and acknowledges that the Electricity Authority Board must ultimately decide how to carry out its statutory functions. This role has no statutory basis in either the Commerce Act or the Electricity Industry Act and risks blurring the roles of the respective regulators and loosening their accountability. For example, the open letter appears to propose that final decisions on "Level Playing Field" measures are an action for the Task Force rather than the Authority. To an outside observer, it appears that the Authority has, to some degree, delegated aspects of its Code making functions to the Task Force.

In Meridian's view, these matters could be addressed by an enduring regulator with clear statutory authority, defined processes, and transparent decision-making obligations. The creation of a combined Energy Regulator (as proposed in the Review of Electricity Market Performance) consolidating the regulatory responsibility of the Electricity Authority and the Gas Industry Council would be one means to achieve this. It would also enable more focus on the issues which directly led to the setting up of the Task Force. We note that the Commission via its efficient processing of the application for clearance of the Huntly Strategic Energy Reserve arrangements has already played a significant role in addressing the difficulties experienced in the gas sector. We also know that MBIE took a strong interest in that process. Meridian is supportive of options that will strengthen regulatory effectiveness and deliver better long-term outcomes for consumers. We consider this is potentially one.

### *Specific feedback on the proposed work programme*

Regardless of whether the Task Force continues in its current form, Meridian agrees that the Electricity Authority and Commerce Commission should prioritise projects to:

- consider the competition risks that might arise through monopoly network investment in emerging markets for flexibility services;
- improve the efficiency, transparency, and consistency of distribution connection pricing methodologies;
- examine the role of non-network solutions in Grid Exit Point (GXP) upgrades; and
- ensure retail service bundling supports consumer choice.

In addition, and as noted above, we would encourage a stronger focus on the gas sector. As an example, as far as Meridian is aware, the wider energy market is still in the dark as to the contracted gas quantities held by each gas generator and it is not clear what if any steps will be taken ahead of this winter to address this informational asymmetry.

Further, in Meridian's opinion, the project on distribution connection pricing methodologies should be broadened to consider the merits of improving the efficiency, transparency, and consistency of distribution pricing methodologies *in general*, not just connection pricing. Greater standardisation of distribution pricing and network access could drive efficiencies for retailers by significantly reducing their costs to serve and ultimately reducing costs to consumers. Having 29 unique distribution pricing schedules makes it challenging for retailers to package plans for consumers in a way that is easily understood and marketable. In Meridian's opinion, if complete pricing standardisation is not possible, efficiencies should still be achievable through development of a standardised pricing toolbox which each distributor could deploy to suit their network circumstances.

Meridian looks forward to further engagement with the Electricity Authority and Commerce Commission as they progress the proposed work programme.

I would be happy to discuss this feedback with you further.

Nāku noa, nā



MIKE ROAN  
**Chief Executive**