

17 February 2026

Electricity Authority

PO Box 10041

Wellington 6143

Submission via email to policyconsult@ea.govt.nz

To whom it may concern,

Submission on the *Evolving multiple trading relationships and switching* supplementary consultation

Introduction

Electricity Networks Aotearoa (ENA) is the industry membership body that represents the electricity distribution businesses (EDBs) that take power from the national grid and deliver it to homes and businesses (our members are listed in Appendix B).

EDBs employ over 7,800 people, deliver energy to more than two million homes and businesses, and have spent or invested \$6.2 billion in network assets over the last five years. ENA harnesses members' collective expertise to promote safe, reliable, and affordable power for our members' customers.

ENA appreciates the opportunity to make a submission on the Electricity Authority's (the Authority) *Evolving multiple trading relationships and switching* supplementary consultation (the consultation). ENA is very pleased to see the Authority take on board the key themes of the feedback it received last year in its earlier multiple trading relationships (MTR) consultation and make amendments that are then presented to the sector (via this consultation) for further feedback. We are also pleased that the Authority has commissioned a Cost-Benefit analysis (CBA) of the revised proposal from Sapere and urge the Authority to make this standard practice when any proposal introduces costs to the industry that are more than trivial.

Unfortunately, ENA is still not able to support the revised MTR proposal (the proposal) contained in the consultation, for the following reasons:

1. While the proposal attempts to reduce the system change burden on industry participants, we do not believe this has been achieved for EDBs. While this new arrangement may reduce complexity for retailers who choose not to support MTR customers, EDBs will necessarily need to make system changes to support any retailer on their network who decides to provide an MTR option. ENA does not agree with the Authority that manual or subsidiary systems could be put in place to support MTR processes, until sufficient consumer uptake is achieved to support widespread system change. Consequently, **the proposal does not meaningfully reduce system change burden on EDBs.**

2. **The key legal and contractual ‘gaps’ introduced for EDBs by the addition of a new trader at an ICP that is not subject to the EDBs’ Default Distributor Agreement (DDA) are not addressed by the proposal.** ENA’s submission on the earlier consultation provided detailed feedback on these points, courtesy of analysis from Chapman Tripp, and these gaps are almost entirely unchanged in the proposal.
3. ENA and its members are supportive of the Authority’s efforts to introduce mechanisms for improved competition and innovation in electricity retail to consumers. However, we remain concerned that **this proposal is inequitable and poorly targeted – material additional costs will be imposed on the industry, that will ultimately be borne by all consumers, for the potential benefit of a minute proportion¹ of consumers.** We quote from the Consumer NZ submission² to the Authority’s earlier MTR consultation, and believe this sentiment applies equally well to this amended proposal:

“MTR, as proposed, stands to benefit a tiny minority (wealthier households with solar and batteries) while adding complexity, and additional operational and administrative costs, that all consumers will end up paying for. It entrenches inequity under the guise of innovation.”

4. ENA is very pleased to see the Authority commission a CBA from Sapere³ as supporting material for this consultation. However, we have some constructive criticism of the CBA scope that we think undermines its validity. The key benefit outlined in the CBA against which the proposal’s costs are assessed is “... an additional 0.36 to 1.77 per cent (or more) of existing and planned residential battery installations...”. This appears to presuppose that the proposal is the only way this outcome could be achieved, when in reality there are any number of ways in which the uptake of residential batteries could be increased that may be less costly and/or more beneficial than the proposal. **To properly test proportionality, the CBA should assess the proposal’s costs against benefits that are uniquely attributable to the Code changes, rather than benefits that could be realised through alternative, potentially lower-cost mechanisms.**

Conclusion

ENA does not support the proposal in its current form. While the Authority’s willingness to amend its approach based on industry feedback is laudable, most of the issues we submitted on in the earlier consultation remain. ENA remains open to continued engagement with the Authority on mechanisms that can demonstrably deliver system-wide benefits in a proportionate and targeted manner.

¹ Approximately 3.1% of ICPs, based on analysis used in ENA’s submission on the original MTR consultation.

² https://www.ea.govt.nz/documents/8086/Consumer_NZ_MTR_submission.pdf

³

[https://www.ea.govt.nz/documents/9206/Appendix A Sapere Cost benefit analysis for Multiple Trading.pdf](https://www.ea.govt.nz/documents/9206/Appendix_A_Sapere_Cost_benefit_analysis_for_Multiple_Trading.pdf)

We have provided further feedback, in the format requested, in Appendix A of this submission.

Do not hesitate to get in touch with ENA if you'd like to discuss any of the points raised in our submission. Please contact Richard Le Gros (richard@electricity.org.nz) in the first instance.

Yours sincerely,



Richard Le Gros

Policy and Innovation Manager

Electricity Networks Aotearoa

Appendix A: Submission form

Evolving multiple trading relationships and switching – supplementary consultation

Please email your submission to policyconsult@ea.govt.nz by 5pm, Tuesday 17 February 2026.

Name	Richard Le Gros
Organisation	Electricity Networks Aotearoa

Questions	Comments
<p>Q1. Do you have any comments on our revised proposal for MTRs?</p>	<p>ENA acknowledges the Authority’s efforts to respond to feedback on the original MTR proposal by developing a more targeted and lower-impact implementation approach.</p> <p>ENA also agrees with the Authority’s objectives of promoting competition, enabling innovation, and supporting the long-term evolution of the electricity system. However, from a distribution sector perspective, the revised proposal does not yet resolve a number of the fundamental concerns ENA raised in its submission to the earlier consultation.</p> <p>In that submission, ENA expressed concern that the MTR proposals appeared to focus primarily on a small subset of highly engaged consumers. The revised proposal narrows implementation scope, but does not materially change that underlying distributional reality.</p> <p>Similarly, ENA previously cautioned that progressing MTRs without clear evidence of material benefits risked being a “misallocation of time and resources” for both the regulator and the sector. While the Authority has now provided additional analysis, ENA considers that the revised proposal still relies on uncertain future uptake and behavioural change, rather than demonstrating that MTRs are a necessary and proportionate intervention at this time.</p> <p>ENA therefore sees the revised proposal as a demonstration of the Authority’s willingness to accept and respond to feedback, but not yet a sufficient basis for Code change.</p>

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

ENA welcomes the Authority's decision to commission the Sapere cost-benefit analysis and agrees that it represents a step forward from the earlier consultation, which did not include a quantified assessment.

That said, ENA's core concern from the previous consultation — that the benefits of MTRs would accrue to only a very small proportion of electricity consumers — remains relevant. ENA previously observed that MTRs were likely to benefit a "miniscule proportion of the overall electricity consumer base", while introducing costs that would ultimately be borne more broadly. The Sapere CBA does not materially alter this distributional reality.

In particular:

- The CBA appears to presuppose that the MTR proposal is the only means by which the benefits identified could be realised. In reality, there are many mechanisms by which these outcomes could be achieved, that could be less costly and/or more beneficial than the MTR proposal.
- The benefits modelled in the CBA are highly contingent on behavioural thresholds being met, notably the active participation of a small share of residential battery owners in peak demand response.
- These benefits are not delivered by the Code changes alone, but depend on complementary commercial offerings, aggregation models, and pricing structures that sit outside the scope of the proposal.
- The CBA necessarily abstracts from the operational and organisational complexity faced by distributors in managing low-volume exceptions within otherwise standardised systems.

From ENA members' experience, even a small number of non-standard arrangements can drive disproportionate cost and risk, particularly when overlaid on existing regulatory and operational obligations. This reflects the need to maintain system integrity, auditability, and compliance across all ICPs, not just those participating in MTR. This complexity is difficult to fully capture in a high-level economic model, but is material from a practical implementation perspective.

<p>Q3. Do you agree the benefits of the proposed Code amendments are likely to outweigh the costs? If not, please explain why not.</p>	<p>ENA does not yet agree that the benefits of the MTR proposal are likely to outweigh the costs, as currently framed.</p> <p>ENA's position is consistent with its earlier submission, which cautioned against introducing "an unquantified and unjustified intervention" that risks diverting regulatory and sector effort away from reforms with clearer and more immediate consumer benefits. While the Sapere CBA provides useful additional information, it does not yet provide sufficient confidence that the benefits attributed to MTRs will be realised at scale, or that MTRs are the most efficient means of achieving those outcomes.</p> <p>In ENA's view:</p> <ul style="list-style-type: none">- the costs and risks are immediate and certain, particularly for distributors, while- the benefits remain uncertain, indirect, and dependent on future market developments. <p>As a result, ENA considers that the proposal does not yet meet the threshold for regulatory intervention under the Authority's statutory objective, particularly the obligation to protect the interests of the majority of domestic and small business consumers.</p>
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Appendix B: ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members, listed below.

- Alpine Energy
- Aurora Energy
- Buller Electricity
- Centralines
- Counties Energy
- Firstlight Network
- EA Networks
- Electra
- Electricity Invercargill
- Horizon Networks
- MainPower New Zealand
- Marlborough Lines
- Nelson Electricity
- Network Tasman
- Network Waitaki
- Northpower
- Orion New Zealand
- Powerco
- PowerNet (which manages The Power Company, Electricity Invercargill, OtagoNet and Lakeland Network)
- Scanpower
- The Lines Company
- Top Energy
- Unison Networks
- Vector
- Waipa Networks
- WEL Networks
- Wellington Electricity
- Westpower