16 February 2026 PUBLIC VERSION

MTRs should not be an Electricity Authority priority

Pulse Energy does not support the Electricity Authority's revised Multiple Trading Relationship (MTR) proposals. We consider that the Authority should prioritise reforms which will deliver a more competitive market, and more affordable electricity, for all consumers, rather than reforms that will benefit a niche subset of households and consumers that can afford to invest in solar PV.

We are particularly concerned that the proposals could raise electricity retail costs for all consumers but only benefit a very small minority. This would not be a good outcome from a consumer protection perspective or the long-term benefit of consumers. A recurring theme in the previous submissions was agreement with the reasons AEMC provided for rejection of MTRs, including that "while only a small subset of customers may receive a direct benefit... all other electricity customers would likely face increased retail electricity prices".[1] Even with the changes the Authority has made to the proposals they would result in substantial costs relative to the small number of potential customers that could benefit from MTR arrangements.[2]

The demand for MTRs is likely to be particularly small given: (i) the low level of solar PV penetration in New Zealand, and (ii) consumer preference for bundling of electricity and gas, suggests that interest in splitting electricity in-take and off-take would be particularly limited.

Pulse has been growing increasingly uneasy that the Authority is focussing on regulation at the retail part of the electricity industry (retail tariff regulation, retail billing requirements, best plan, MTRs etc) whereas the priority should be on addressing the underlying market power and competition market failures.[3]

[1] Australian Electricity Market Commission, Multiple Trading Relationships, Final Rule Determination, 25 February 2016.
[2] See the discussion below on the system costs of the Electricity Authority MTR proposals.
[3] Pulse, ECTF work priorities submission, Sharp focus on level playing field initiatives still needed, 5 February 2026.

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Widespread concerns were raised in response to the prior consultation

We consider it notable that MTRs are a rare example of electricity industry participant consensus in opposition to Authority proposals, including from retailers and electricity distributors. The submissions on the last consultation, including from ConsumerNZ, provided sufficient basis to shelve the proposals, as the Authority effectively did following the prior consultation in 2019 putting MTRs on a 6-year hiatus.

In response, the Authority has only engaged with concerns that were raised about implementation and ongoing operational and compliance costs, and (to a limited extent) concerns about lack of Cost Benefit Analysis (CBA) while failing to address other substantive concerns.

Submissions make it clear MTRs should not be prioritised

Pulse notes the commentary from ConsumerNZ that "this is another example of a lengthy and highly technical proposal that does not reflect the realities facing everyday New Zealand consumers" and their questioning of the Authority's priorities: "In the face of widespread energy hardship, volatile prices, increasing disconnections and entrenched inequities in the energy market …" We agree with ConsumerNZ that the MTR proposals present "a vision of high-tech consumer choice and multi-retailer arrangements that might appeal to affluent, tech-savvy households but completely ignores the urgent issues that everyday consumers desperately want addressed. Let us be clear: multiple trading relationships are not what the vast majority of consumers are asking for."

Pulse agrees with Octopus Energy that: "there are higher priorities for the Electricity Authority because multi trader relationships will appeal to a very limited market. Our view is that the Authority's resources would be better focused on initiatives that will benefit all consumers, such as the switching improvements, modernising the registry and data flows, and the Consumer Data Right work. In addition further work needs to be done to consider the allocation of costs and risk in multi trader scenarios."[4]

Further investigation and trials should be considered if MTRs are to be progressed

Various submissions detailed further investigation and trials the Authority should consider.

For example, Pulse agrees with Octopus that "the MTR concept would benefit from more 'testing' where some of the inevitable challenges around apportionment or costs and risk management are resolved." Pulse is similarly supportive of EGRANZ commentary that "The current MTR trial with Kāinga Ora is quite limited and focuses on solving technical issues rather than proving commercial demand" and that "the Authority [should] facilitate a larger trial first to better understand all the costs and benefits of this proposal".[5]

Pulse also agrees with Contact that "the Authority must first undertake more thorough market research to understand the value of mass market MTR" and "This should consider

[4] https://www.ea.govt.nz/documents/8104/Octopus_Energy_MTR_submission.pdf
[5] https://www.ea.govt.nz/documents/8094/ERGANZ_MTR_submission.pdf

both the customer appetite but also provide a realistic assessment of the likelihood that market participants will be willing to offer a standalone injection products at scale."[6]

We similarly see merit in Genesis' recommendation that the Authority "Initiate a robust, market-oriented trial, modelled on the UK's Living Lab Policy Trial, to gather real-world evidence on consumer demand, behavioural responses, commercial viability, and operational impacts of MTR in the New Zealand context."[7]

We also agree with ENA that "We note that the Authority references in its consultation paper Kāinga Ora Multiple Trading Trial being undertaken by WE* and Ara Ake. That trial is still underway and we suggest that it would be prudent to allow it to run its course, and any learnings become known, before progressing MTR proposals further."[8] Other submitters, including EGRANZ, noted that "The current MTR trial with Kainga Ora is quite limited and focuses on solving technical issues rather than proving commercial demand."

Impact of MTRs on retail tariffs may dampen theoretical benefits

When electricity retailers set tariffs they need to consider the returns from both buyback rates and energy consumption. For example, the consumption profiles of customers with solar are heavily winter weighted resulting in higher average energy costs on consumption compared to customers without solar.

One obvious implication of this is that the tariffs under MTR arrangements may need to be different to current tariffs e.g. a retailer that is only supplying the energy component to a customer with solar may need to set higher consumption rates than if they were supplying both buy-back and energy consumption. This is a point that warrants further consideration when the Authority considers the potential savings customers with solar could make from unbundling buy-back and consumption – it isn't simply a case of comparing different retailers current buy-back and consumption rates and cherry-picking the best of both.

System costs of the Electricity Authority MTR proposals

Based on information provided from our operational teams, we estimate the costs of the Authority's proposals would be:

- [ ][EA only] There would need to be some change in Registry file formats required to supply MTR.
- [ ][EA only]

Given the high upfront and ongoing costs of MTR arrangements, relative to the approximately [ ][EA only] customers Pulse currently has with solar panels, it is difficult to see how the proposed MTR arrangements would be net beneficial for consumers.

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[6] https://www.ea.govt.nz/documents/8087/Contact_Energy_MTR_submission_Redacted.pdf
[7] https://www.ea.govt.nz/documents/8098/Genesis_MTR_submission_Redacted.pdf
[8] https://www.ea.govt.nz/documents/8092/ENA_MTR_submission_Redacted.pdf

The limited CBA should not be relied on in support of the MTR proposals

The Authority has tried to address the criticism that it had not undertaken a CBA with the Sapere CBA report. With respect, we do not consider that the Sapere report provides a strong foundation for the Authority to have confidence its proposals would promote competition to the long-term benefit of consumers, for example:

- We question why the CBA was undertaken in a rush. The qualification that “This analysis has been undertaken over a tight timeframe with limitations in the data available from which to estimate costs and benefits” undermines the extent to which it can be safely relied on. There is noting in the Sapere CBA analysis that would make us think that the benefits of MTRs could reasonably be expected to outweigh the costs.

- Pulse considers that it is clear from prior submissions that the Authority should test the likely interest in uptake of MTR arrangements as part of any CBA.[9] This information is needed to establish the potential benefits of the proposals and, therefore, whether benefits could reasonably be expected to outweigh the costs.

- Sapere detail that Australia and the United Kingdom (UK) considered MTRs but neither of these jurisdictions opted to pursue MTR arrangements because they determined the costs would outweigh the benefits. The commentary on Australia and UK, including references to independent expert reports, confirm the concerns raised in prior consultation about the costs that would be imposed on all consumers, for the benefit of a few.

- We were surprised Sapere tried to distinguish NZ from Australia and the UK by commenting that “Smart meter penetration is much higher in New Zealand”. Solar PV uptake is likely to be a far more material factor in the benefits of MTRs. It is reasonable to assume, based on the much higher solar uptake in Australia, that if MTRs would not deliver positive net benefits for consumers in Australia they won’t in NZ either.

- Sapere claim that “other jurisdictions have implemented aspects similar to MTR (such as the United States and Canada)”. The Sapere report doesn’t provide any details of what these arrangements are, but this was provided following subsequent request. On examining the Sapere note we consider it tenuous to describe the US and Canada arrangements as ‘MTR-like’.

Concluding remarks

In response to the last consultation, EGRANZ submitted that “we remain concerned that the current proposals proceed without adequately addressing the concerns raised by industry in previous consultations, particularly the absence of consumer demand evidence, and the risk that costs will be borne system-wide for the benefit of a very small subset of consumers.” Pulse considers this to be a valid concern which also applies to the latest proposals.

[9] See the discussion above of the types of studies and further investigation that other stakeholders have advocated.

Pulse considers that the previous submissions provide sound suggestions for the type of information/further work the Authority should undertake before progressing (if at all) its MTR proposals further.

Yours sincerely,

Sharnie Warren
Chief Executive