

9 February 2026

Energy Competition Task Force
By email to: taskforce@ea.govt.nz & levelplayingfield@ea.govt.nz

Dear Task Force team,

Response to the Energy Competition Task Force work programme open letter

Introduction

We thank the Task Force for the opportunity to respond to its recent open letter on its proposed forward work programme.

ENA is the industry membership body that represents the 29 electricity distribution businesses (EDBs) that take power from the national grid and deliver it to homes and businesses (our members are listed in Appendix A).

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 supports well-targeted, proportionate regulatory interventions that deliver tangible benefits for electricity consumers. Clarity of mandate, scope and governance is critical. ENA is concerned that the Task Force's proposed 2026 work programme reflects a gradual but material shift from its original purpose, with increasing ambiguity around scope, priorities and the problem the Task Force is intended to solve.

In that context, we welcome the Task Force's focus on collaboration between the Electricity Authority (Authority) and Commerce Commission (Commission). However, we have concerns about the clarity, consistency and application of the Task Force's stated purpose and criteria, and about how some proposed initiatives fit within an 'energy competition' framing.

Purpose of the Task Force, scope discipline and mission creep

ENA considers it important to assess the proposed forward work programme against the Task Force's original intent and mandate, as set out in its Terms of Reference¹ and public communications at the time of its establishment, including the press release announcing the Task Force's creation.²

The Task Force was established in August 2024 as a targeted response to acute market conditions, particularly wholesale price volatility, fuel scarcity and lagging generation investment. Its stated purpose was to identify actions within existing regulatory mandates that could be progressed in the short to medium term to improve electricity market performance, support secure and affordable energy, and promote a financially sustainable market.

The Task Force was explicitly framed as a mechanism to:

¹ [Terms of reference for the Energy Competition Task Force](#)

² [Energy Competition Task Force set up to improve electricity market performance | Electricity Authority](#)

- urgently consider the complex drivers of wholesale prices;
- stimulate generation investment;
- promote competition where it was constraining market performance; and
- leverage the combined expertise and powers of the Authority and the Commerce Commission.

ENA's concern is that the proposed 2026 work programme appears to drift from this original framing, without a clear articulation of how or why the Task Force's role has evolved, or what problem this evolution is intended to address.

In particular, the open letter introduces a set of criteria for identifying work programme candidates — materiality, discreteness, delivery within 12 months, and joint agency involvement — but does not clearly demonstrate how these criteria have been applied consistently across the proposed initiatives.

Specific concerns include:

- **Materiality** – It is not clear how the Task Force is assessing which issues are 'most material' for consumers or the system as a whole. Some initiatives appear to target relatively narrow issues or subsets of customers, raising questions about their prioritisation relative to broader cost and affordability drivers.³
- **Discreteness and timing** – Several proposed initiatives appear inherently multi-year in nature or represent partial carve-outs of much larger regulatory programmes already underway. This sits uneasily with the stated requirement that projects be discrete and capable of completion, or delivery of a material improvement, within 12 months.
- **Short- and medium-term focus** – The original Terms of Reference emphasised urgency and responsiveness to prevailing market conditions. ENA questions whether all elements of the proposed programme continue to meet this threshold, or whether some would be more appropriately progressed through standard regulatory work programmes.
- **Relationship to BAU work** – The boundary between Task Force activity and agencies' existing business-as-usual workstreams is not always clear. There is a risk that carving out components of active programmes for Task Force treatment will create duplication, re-work and inconsistent signalling to industry.

Greater clarity on how the Task Force's original mandate has evolved, how its scope has expanded or narrowed over time, and how its criteria are being applied in practice would materially improve stakeholders' confidence in the Task Force's ongoing role alongside existing regulatory processes.

More broadly, ENA considers there is a risk of mission creep. The Task Force was established as a targeted response to acute market conditions, particularly wholesale price volatility, fuel scarcity and lagging generation investment. Over time, however, the scope of its work has expanded to encompass a broader range of structural, coordination and implementation issues, without an apparent corresponding reset of mandate or governance settings.

³ We raised similar issues in relation to Task Force initiative 2a last year. The Task Force proposal benefited less than 3% of customers and the Task Force assessment was that this would make ~\$12 per annum impact per customer. Please refer particularly to sections 2.6, 2.7, 3.2.3 and 3.5 in this submission:

[D_ENA_2A2B2C_submission_2025.pdf](#)

This risk is amplified by the Task Force's ongoing and deepening emphasis on a narrow conception of electricity competition, rather than the wider energy system challenges identified in its Terms of Reference. For example, the original rationale for the Task Force explicitly acknowledged fuel scarcity and the interaction between wholesale electricity markets and fuel supply. Addressing these challenges necessarily requires consideration of gas markets and other energy alternatives. A purely electricity-centric competition lens risks overlooking these interdependencies and limiting the effectiveness of proposed interventions.

Governance, role clarity and the relationship with the Council of Energy Regulators

ENA continues to hold the view that, if the Council of Energy Regulators (COER) were operating as expected, there would be limited need for an ongoing, standing Task Force to facilitate collaboration. This is fundamentally a governance issue rather than a technical one.

In ENA's view, the most enduring value for consumers will come not from narrowly defined competition projects, but from effective coordination of regulators' work programmes, aligned sequencing of related reforms, and deliberate collaboration on issues that cut across institutional mandates.

The Task Force has the potential to add value where it demonstrably improves coordination between the Authority and Commission (and, where relevant, MBIE). However, where issues are already being progressed through established regulatory channels, ENA is concerned that Task Force involvement may fragment accountability rather than enhance outcomes.

From a governance perspective, ENA considers it important to be explicit about the problem the Task Force is solving in 2026. If the primary issue is insufficient coordination between regulators on inter-related workstreams, then that problem should be addressed directly through strengthened COER processes, coordinated calendars and aligned work programmes, rather than through an open-ended, and potentially misleadingly named, Task Force whose scope continues to expand.

There is also a risk that the Task Force's continued existence masks underlying coordination challenges rather than resolving them. Without clear scope discipline, the Task Force may inadvertently become a parallel decision-making forum, complicating accountability and increasing uncertainty for industry.

Consistency of scope and framing: competition and non-competition initiatives

ENA notes that several initiatives progressed during the Task Force's initial phases, including elements of the Part 2 interventions, were not primarily competition-focused. Rather, they addressed implementation issues, coordination challenges and system frictions that were impeding market performance.

Similarly, several initiatives proposed in the forward work programme — including aspects of connection pricing and GXP upgrades — are not, in themselves, competition interventions. While ENA does not object to the Task Force considering non-competition issues where joint regulatory involvement adds value, the current framing creates uncertainty about how initiatives are being selected and prioritised.

This gives rise to a perceived inconsistency: the Task Force is described as competition-focused in name and scope, yet both its past work and elements of its proposed programme extend well beyond competition. Greater clarity about this distinction — and greater consistency between the Task Force's stated focus and its actual work — would assist stakeholders in understanding the Task Force's role and in engaging constructively with its programme.

Relatedly, the Task Force's previous and proposed work programmes remain focused on electricity rather than energy more broadly. If the Task Force's scope is intended to remain electricity-specific, given the name 'Energy Competition Task Force' and its original terms of reference, greater clarity on this point would be helpful. Alternatively, if there is no intention to consider gas or other fuels, renaming the Task Force could assist in setting clearer expectations. This lack of clarity also reinforces the importance of being explicit about the problem the Task Force is seeking to solve at any given time.

Nevertheless, ENA supports aspects of the proposed work programme, particularly where joint regulatory engagement could meaningfully improve outcomes.

Market power and flexibility services

ENA supports further examination of potential risks arising from market power in adjacent markets, particularly as flexibility services and aggregated demand-side resources become more material to system outcomes.

In that context, ENA considers there may be value in examining whether current regulatory settings provide appropriate parity between participant and non-participant flexibility providers and aggregators. Differences in visibility, coordination obligations and compliance requirements may create uneven competitive conditions and, in some cases, system or safety risks. Clarifying roles, obligations and expectations across different aggregation models could therefore be a valid area of Task Force interest, provided the scope is clearly defined and aligned with existing mandates.

GXP upgrades

ENA acknowledges the potential regulatory gap identified in relation to GXP upgrades and supports further work to better understand the pipeline of upgrades and whether alternatives are being appropriately considered. We question, however, whether this work necessarily requires Task Force oversight, or whether it could be progressed directly by the Commission.

Areas where ENA has concerns or seeks clarification

Connections and connection pricing

Connection pricing and contestability are already the subject of an active and complex Authority work programme. ENA's recent submission on the Authority's connections consultation highlights the importance of coordinated sequencing, clear end-states and avoidance of incremental carve-outs that increase complexity and cost.⁴

While ENA supports collaboration between the Authority and Commission on competition and contestability issues in principle, we are concerned that:

- this work is unlikely to be completed within the Task Force criteria of 12 months; and
- splitting connection pricing issues across multiple forums risks inconsistent messaging and inefficient re-work.

If connection-related issues are included within the Task Force's scope, it is critical that they are tightly coordinated with the Authority's existing programme and do not pre-empt or undermine broader reform.

⁴ ENA, [ENA submission to the Electricity Authority on the reducing barriers to new connections consultation paper - parts A and B](#), 4 February 2026, particularly sections 1.5 and 1.6 on pages 4-5

Network visibility

ENA is concerned that network visibility has been explicitly excluded from the proposed work programme on the basis that it is either BAU or insufficiently discrete.

As outlined in ENA's October 2025 submission on network visibility,⁵ this is an area where improved collaboration between the Authority and Commission could deliver meaningful benefits, particularly given the interaction between information disclosure requirements and Code obligations.

While network visibility is not, in itself, a 'competition' issue, it is a clear example of an inter-related workstream where cross-agency coordination could materially improve outcomes for access seekers and consumers. ENA therefore considers this an appropriate candidate for Task Force involvement, if the scope continues to be looser than pure competition issues.

Other initiatives raised by ENA members

In addition to the initiatives explicitly discussed above, ENA members raised a number of further issues during the development of this response that warrant acknowledgement. These are areas where members see either emerging gaps, or risks of duplication and fragmentation, and where clearer articulation of scope and purpose would assist.

Retail bundling

ENA has not formed a settled view on whether retail bundling should sit within the Task Force's scope. We note, however, that bundling arrangements can have indirect implications for price transparency and the effectiveness of distribution price signals, including the extent to which efficient network prices are visible to consumers. At the same time, EDBs are increasingly being expected to rely on distribution price signals to influence demand, manage congestion and defer investment; further expansion of bundled retail offerings risks diluting or obscuring those signals, raising questions about whether it is realistic or efficient to continue placing greater reliance on price-based demand response when customer behaviour cannot meaningfully respond. Any consideration of bundling should be mindful of these interactions and of the risk of unintended consequences for downstream price signals.

Metering operation, market dynamics and access to data

ENA considers that access to metering data on reasonable, transparent and predictable terms remains an area of concern and a potential gap in the current regulatory framework. While progress has been made in some areas, members continue to experience challenges associated with data access, pricing transparency and market structure. ENA considers there may be merit in further examination of these issues, including whether current arrangements are supporting efficient outcomes and innovation. If clearly scoped and aligned with agencies' respective mandates, there could be benefit from Task Force involvement here.

Faster connections for flexible generation

ENA notes that there are already multiple active workstreams addressing flexible generation, flexibility services and connection processes. It is not clear what specific additional problem Task Force involvement would solve in this area, absent clearer articulation of scope, objectives and interaction with existing programmes. We therefore support its exclusion from the Task Force at this time.

⁵ ENA, [ENA - Exploring network visibility feedback.pdf](#), 17 October 2025

Supply chain and non-participant drivers of affordability

Members highlighted the cumulative impact of supply chain separation, fragmentation and non-participant regulatory settings on customer costs. These factors can materially affect affordability, yet are not always well captured through a narrow competition- or participant-focused lens.

In practice, a growing share of costs faced by customers arise from upstream or adjacent settings that sit outside the direct control of electricity market participants, including consenting processes, traffic management requirements and other local authority or third-party obligations. While these costs are often passed through by EDBs on a cost-reflective basis, they can dominate overall project costs and materially influence customer outcomes.

By way of example, ENA notes recent references by the Authority to traffic management costs (TTM) as if these were a matter of distributor behaviour or pricing discretion.⁶ In reality, EDBs do not set or control these costs. Traffic management requirements and charges are imposed by local authorities and delivered by third-party providers, yet they can account for a significant proportion of total project costs. These are genuine, unavoidable costs incurred by EDBs and are passed through to customers on a cost-reflective basis.

ENA and its members share concerns about the scale and efficiency of these costs and have consistently advocated for reform. However, framing TTM costs as an issue with EDB pricing risks mischaracterising the source of the problem and obscuring where effective solutions lie.

More broadly, members noted that value-chain separation can, in some circumstances, increase cumulative costs to consumers through multiple layers of cost recovery or margin, without clear corresponding benefits.⁷ There may therefore be value in a more fundamental, system-wide examination of where separation and fragmentation deliver demonstrable consumer benefits, and where they instead increase costs without commensurate gains.

Use of batteries, value stacking and cost allocation

Members also noted increasing uncertainty around how battery storage is treated across different regulatory frameworks, including questions about value stacking, cost allocation and the interpretation of existing ‘hybrid’ arrangements. As batteries are increasingly used to provide multiple services across the system, clearer guidance on what participants can and cannot do — and how costs and benefits should be allocated in the long-term interests of consumers — may be preferable to continued reliance on interpretive workarounds. This is an area where clearer definitions or targeted Code treatment may ultimately provide greater certainty than incremental interpretation.

What problem is the Task Force solving in 2026?

Drawing these themes together, ENA considers it important for the Task Force to clearly articulate the specific problem or problems it is seeking to solve in 2026.

If the core issue is coordination failure between regulators on inter-related workstreams, then solutions should focus on strengthening governance arrangements, improving alignment of work

⁶ Electricity Authority, [Reducing barriers for new connections: up-front charges and distributor obligations](#), page 14, paragraph 4.9(c)

⁷ E.g. retailers and distributors both paying meter providers for access to data (with the cost of data therefore being charged to the customer 3 times – by the MEP, the retailer and the distributor), or retailers being able to take up to 50% of first day refunds paid by distributors for customer outages (clauses 9.10 and 12A.6 of the DDA)

programmes and sequencing reforms appropriately — potentially through a revitalised Council of Energy Regulators — rather than expanding the Task Force's remit.

If the issue is instead new or emerging competition risks, then clearer evidence of materiality, urgency and suitability for joint agency action would assist stakeholders in better understanding the Task Force's priorities.

Absent this clarity, there is a risk that the Task Force's scope continues to expand incrementally, addressing a mix of competition, coordination and implementation issues without a unifying problem definition. This risks diluting accountability and increasing uncertainty for industry, without necessarily improving outcomes for consumers.

Closing comments

ENA supports regulatory collaboration where it is clearly targeted, coordinated and proportionate. We encourage the Task Force to sharpen its articulation of purpose, apply its criteria consistently, and focus its efforts where joint agency involvement will genuinely add value beyond existing regulatory processes.

We would welcome further engagement on how the Task Force's role can best complement the work of the Council of Energy Regulators and existing agency programmes.

If you have any questions about ENA's submission please contact Gemma Pascall, Regulatory Manager ().

Yours sincerely

Gemma Pascall
Regulatory Manager

Appendix A: 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
- EA Networks
- Electra
- Electricity Invercargill
- Firstlight Network
- Horizon Networks
- MainPower
- 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
- Top Energy
- The Lines Company
- Unison Networks
- Vector
- Waipa Networks
- WEL Networks
- Wellington Electricity
- Westpower