

27 July 2026

Submission via email to OperationsConsult@ea.govt.nz

Dear Electricity Authority team,

Submission on *Enabling market evolution: Market Operation Service Provider 10-year roadmap* consultation

Introduction

Electricity Networks Aotearoa (ENA) appreciates the opportunity to provide feedback on the Electricity Authority's (the Authority) consultation on the future of Market Operations Service Provider (MOSP) arrangements.

ENA represents New Zealand's 28 electricity distribution businesses (EDBs), which deliver electricity from the national grid to more than two million homes and businesses. As the electricity system becomes increasingly decentralised, data and digital infrastructure will play a critical role in supporting consumer participation, distributed energy resources (DER), electrification, and future distribution system operator (DSO) functions.

ENA supports the Authority's review of MOSP arrangements and agrees that current arrangements were developed for a market with fewer participants, lower data volumes, and more limited data-sharing requirements. It is timely for the Authority to take a fresh look at these arrangements and consider how they could best be reformed to support the evolution of the electricity system for the medium to long term.

Q1. What else should the Authority consider when reviewing MOSP arrangements?

ENA agrees that future market arrangements will require more modern, scalable and flexible data-sharing capabilities than those provided by current MOSP structures.

The Authority should ensure that future MOSPs support not only wholesale settlement and retail market functions, but also the growing operational needs of distribution networks. Increasing uptake of DER, electrification technologies and consumer participation will require greater visibility of network-connected resources and more timely access to relevant information. There may also be a need for e.g. DSOs to routinely issue machine-to-machine instructions (such as DERMS-defined dynamic operating envelopes to aggregators) to other market participants, and a single standardised and centralised service to do this may be desirable.

ENA considers that common standards, interoperability frameworks and consistent approaches to authentication and consent management will deliver significant benefits regardless of the ultimate MOSP structure adopted.

While ENA supports reviewing the current MOSP arrangements, the Authority should also consider how any new model can be implemented with minimal disruption to existing market participants. The benefits of increased contestability should be weighed against implementation costs, transition

complexity and the consequential changes that may be required to the Electricity Industry Participation Code.

Q2. What do you think of the Authority's view of the future of MOSP services?

ENA supports the Authority's proposed move toward service-based outcomes rather than narrowly defined functional contracts. ENA considers the Authority should first define the services, capabilities and outcomes the future electricity system requires before determining the market structure, contracting model or degree of consolidation needed to deliver them. This will help ensure that decisions about market architecture are driven by demonstrable consumer and system benefits, rather than assumptions about organisational form.

The proposed Data Hub Manager concept has the potential to improve interoperability and reduce complexity across the sector. The Authority should be careful not to conflate improved data services with consolidation of market functions where the latter has not yet been demonstrated to deliver superior outcomes. Regardless of any longer-term structural reforms, ENA notes there are opportunities to simplify the current contractual arrangements by better aligning key contract terms and conditions across MOSP services. Greater consistency in contractual settings could reduce administrative complexity and support smoother transitions, while preserving flexibility for future market evolution.

ENA considers that the success of future arrangements will depend less on organisational structure and more on the implementation of common standards, governance arrangements and interoperable systems. Governance arrangements for any future Data Hub Manager will be particularly important. Decisions relating to data standards, communications protocols, authentication frameworks and interoperability requirements should be developed through transparent industry processes rather than being determined unilaterally by the service provider.

Distribution businesses, retailers, metering providers and other affected parties should have meaningful opportunities to participate in the development and evolution of these standards. This is particularly important given that some EDBs are already investing in systems and capabilities to support future DSO functions and will need confidence that future market requirements are developed through appropriate governance processes. There is the potential for an empowered Data Hub Manager to make decisions about communication protocols and standards that would have significant implications for the operation of system functions and the costs incurred by market participants adopting those protocols.

Q3. What factors should the Authority consider when investigating the need and benefits of a Central Meter Data Store (CMDS)?

ENA agrees that the Authority should carefully assess the potential role of a CMDS. However, centralisation should not be assumed to be necessarily the most desirable arrangement. The Authority should consider and articulate the incremental benefits of a CMDS relative to alternative approaches, including federated and hybrid models that combine common standards, centralised authentication but (as opposed to the CMDS concept) distributed data storage. In particular, ENA encourages the Authority to assess whether the key objectives of improved interoperability, authorised data access and DER visibility could be achieved through a centrally defined trust and standards framework without also requiring centralised storage of meter data.

ENA considers that any future data-sharing arrangements should initially focus on ICP-level data, as this is likely to deliver the greatest value for market participants while avoiding unnecessary complexity. Starting with ICP-level information would provide a practical foundation for future services and allow additional datasets to be incorporated over time where there is a clear use case and demonstrated benefit.

Assessment criteria should include:

- ability to support future DER and flexibility market requirements;
- consumer privacy and data security outcomes;
- cyber-security resilience and concentration risk;
- scalability and adaptability;
- implementation and ongoing operating costs;
- impacts on competition and innovation;
- integration with Consumer Data Right frameworks;
- data quality and governance arrangements; and
- ability to provide timely access to authorised parties.

ENA notes that a centralised repository may introduce concentration risk and could reduce flexibility to accommodate future innovation. Any decision to establish a CMDS should therefore be supported by a clear assessment of costs, benefits and alternative approaches.

Q4. What other examples of data-sharing arrangements should the Authority consider?

ENA has no additional examples to provide beyond those identified in the consultation paper.

As mentioned briefly in our response to Q1 above, there may be a need for EDBs, acting as DSOs, to issue dynamic operating envelopes or other dispatch or control instructions to third parties such as aggregators, or even directly to DER devices in some cases. There may be a case for the Authority to work with the industry – especially the System Operator and prospective DSOs – to determine the most optimal and efficient way for such functions to be performed.

Q5. What else should the Authority consider in planning and scheduling changes to the MOSP services?

ENA supports the Authority's proposed staged approach to reform. Given the scale of change occurring across the electricity sector, MOSP reforms should be coordinated with other major initiatives occurring in the electricity sector, specifically Consumer Data Right implementation.

ENA considers that sequencing will be critical. Establishing common standards, governance arrangements, interoperability frameworks and cyber-security requirements should generally precede major structural or contractual changes. The Authority should avoid using procurement or contractual arrangements to embed assumptions about the future market architecture before that architecture has been fully tested and agreed.

The Authority should also maintain close alignment with its broader work on distribution system operation and decentralised energy systems. As DSO requirements become clearer over time, future MOSP service requirements may need to evolve to support new operational and market functions.

ENA supports strengthening cyber-security requirements across future market service arrangements. However, cyber-security obligations should remain proportionate to the risks being managed and the sensitivity of the information involved. Requirements that are unnecessarily complex or costly may create disproportionate burdens for smaller participants without delivering corresponding consumer benefits. A risk-based approach to cyber-security requirements will help ensure efficient outcomes for consumers while maintaining appropriate protection.

Conclusion

ENA supports the Authority's proposed direction of travel and the recognition that market service arrangements must evolve to support a more decentralised, digital and consumer-focused electricity system. In particular, ENA welcomes the Authority's focus on improving data-sharing arrangements, supporting greater visibility of consumer and distributed energy resources, and enabling future market innovation.

As reforms progress, it will be important to ensure that future arrangements remain flexible, proportionate and aligned with the evolving needs of distribution networks and emerging DSO functions. ENA considers that the Authority's DSO roadmap, which we understand will be published shortly, may provide a useful foundation for future development. Common standards, effective governance arrangements and interoperability are likely to be as important as any structural changes to MOSP contracting arrangements.

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 Sophie Tulley (sophie@electricity.org.nz) in the first instance.

Yours sincerely,



Sophie Tulley

Policy and Innovation Advisor

Electricity Networks Aotearoa

Appendix A: ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members. Listed below are the 28 electricity distribution businesses represented:

- Alpine Energy
- Aurora Energy
- Buller Electricity
- Centralines
- Counties Energy
- EA Networks
- Electra
- Electricity Invercargill
- Firstlight Network
- Horizon Networks
- MainPower
- Marlborough Lines
- Network Tasman Limited
- Network Waitaki
- Northpower
- Orion New Zealand
- OtagoNet – represented by PowerNet
- Powerco
- Scanpower
- The Lines Company
- The Power Company – represented by PowerNet
- Top Energy
- Unison Networks
- Vector
- Waipā Networks
- WEL Networks
- Wellington Electricity
- Westpower