

17 April 2025

Electricity Authority
PO Box 10041
Wellington 6143

By email to: distribution.pricing@ea.govt.nz

Dear Authority team,

Submission to the Electricity Authority on the *distributed generation pricing principles issues paper*

Electricity Networks Aotearoa (ENA) welcomes the opportunity to make a cross-submission on the Electricity Authority's (Authority) *Distributed generation pricing principles issues paper* (DGPP paper or issues paper).

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.

Our original submission¹ stated our support for the intent of the Authority, to reconsider the distributed generation (DG) pricing principles. We support a comprehensive review of the DGPPs, encouraging the Authority to keep an open mind as to the outcome from the review and recommended that the Authority look holistically at all pricing principles to ensure consistency.

This cross-submission responds to points raised by other parties on the issues paper. We welcome the opportunity to engage with stakeholders' views, as it helps to clarify areas of both alignment and disagreement. While not every point from our original submission is restated here, ENA stands by that submission in full and encourages the Authority to consider it alongside this cross-submission.

Diverging views reflecting regulatory misunderstandings

We note that submissions such as that from the Independent Electricity Generators Association (IEGA)² appear to reflect a misunderstanding of key aspects of the current regulatory framework. For example, there appears to be a conflation between connection charges and ongoing use-of-system charges, and an incorrect assertion that shared costs cannot be recovered under transmission

¹ ENA, [ENA submission on ECTF initiatives 2a, 2b and 2c and Authority DGPP issues paper](#), 26 March 2025

² Independent Electricity Generators Association (IEGA), [Independent Electricity Generators Association - DGPP submission 2025.pdf](#), 3 April 2025

pricing methodologies. These misinterpretations risk undermining constructive dialogue on how best to evolve pricing principles for distributed generation.

What is clear, however, is that most stakeholders are striving toward a common objective: a level playing field. Where views diverge, it is often due to differing interpretations of the current regulatory settings for both distribution and transmission, including the role of the incremental cost limit and whether its removal would resolve or create pricing distortions.

We also observe that perceived inconsistencies across various Authority publications and pricing principles are contributing to stakeholder confusion and misalignment.

Enabling constructive dialogue through clarity

To support more informed and productive engagement on potential changes to DGPPs, we recommend that the Authority convene an industry workshop. This would provide an opportunity for all parties to build a shared understanding of the current regime, clarify areas of disagreement, and explore potential solutions ahead of further formal consultation. We believe such an approach would help ensure the next phase of the DGPP review is grounded in a common factual and conceptual foundation.

We look forward to continued engagement as the Authority progresses this work programme.

If you have any questions about ENA's submission or cross-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
- Electra
- EA Networks
- 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