

10 April 2025

Networks and System Change Team
Electricity Authority
By email: distribution.pricing@ea.govt.nz

Tēnā koe,

Cross submission Distributed Generation Pricing Principles – Issues Paper

We welcome the opportunity to cross-submit on responses to the Electricity Authority (**Authority**)'s issues paper on the Distributed Generation Pricing Principles (**DGPP**).

Most submitters seem to agree with the Authority's problem definition and support the repeal of the DGPPs. We are concerned that by providing 4 options and asking submitters to choose between them, the Authority is foreclosing other options. Forcing submitters to choose between the options in the consultation paper means that most submitters have picked one of them, as asked.

Option 4 as presented is not in the long-term interests of consumers if it results in the development of new DGPPs. We note in our submission that it would be more efficient and effective for the Authority to merge repealing the DGPPs and clarifying how the existing 2019 distribution pricing principles apply to DG into a single workstream that combines its *Network connections project* and *Distribution connection pricing* work to ensure that all barriers to timely and efficient DG connection are addressed. As we argue in our submission¹

A least cost transition will be enabled by harmonising the DGPPs with the Authority's distribution pricing principles. Given the above, we support the Authority's Option 4, a comprehensive overhaul of the DGPPs, rather than developing new DGPPs. Given the policy intent – to remove barriers to efficient investment in DG – a least cost transition would be supported by repealing the DGPPs and developing guidance as to how the pre-existing 2019 distribution pricing principles apply to DG connections in their absence.

As these pricing principles are worded generally and apply to both injection and offtake. It would be helpful if the Authority clarified how EDBs should apply them to DG connections of different sizes and in different circumstances (mixed/dedicated connections). This could be done by updating the *Distribution Pricing: Practice Note* in much the same way that Appendix C of the *Second Edition v 2.2* is a practice note on *Transmission charge pass-through*

We are always keen to meet with the Authority to discuss and develop the ideas in our submissions. In the meantime, if you have any questions or would like to talk further on the points we have raised, please contact Emma Wilson (Emma.Wilson@powerco.co.nz).

Nāku noa, nā,



Emma Wilson
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POWERCO

¹ https://www.ea.govt.nz/documents/7064/Powerco - DGPP_submission_2025.pdf, section 1 and Q10 response