

20 November 2025

Energy Competition Task Force  
Electricity Authority  
By email: [taskforce@ea.govt.nz](mailto:taskforce@ea.govt.nz)

Tēnā koe,

### **Defining small business for the purpose of a rebate – a regulatory solution needed for both load and generation**

We welcome the opportunity to respond to the Electricity Authority (**Authority**)’s consultation paper on removing the reference to “small business consumers” and instead requiring that the negative charge is applied to price categories targeting business consumers with a connection capacity of 45kVA or less and distributed generation systems where the maximum deliverable generation capacity is 45kW or below.

The proposed change is a practical solution to the problem the Authority identifies and is also an example of the difficulties that arise where regulations are different for load and generation connections. We have consistently raised concerns with different treatment of load and generation, particularly given the increasing number of mixed use connections that we are seeing on our networks. In our submission on the Authority’s *Distributed Generation Pricing Principles (DGPP<sup>1</sup>) issues paper* we proposed a solution that applies to both injection and offtake:

*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.*

The current consultation about the definition of a small business is another example of exactly the same issue and while we support this proposal as a pragmatic solution, we see this as an interim solution. Ultimately, the Authority needs to repeal the DGPPs and align the Distribution Pricing Principles with distributed generation connections as these scenarios will only become more common.

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<sup>1</sup> <https://www.ea.govt.nz/documents/7064/Powerco - DGPP submission 2025.pdf>, section 1 and Q10 response



We're always keen to meet with the Authority to share insights and test thinking. To arrange such a discussion, or if you have any questions on the points we have raised in the submission, please contact Emma Wilson ([Emma.Wilson@powerco.co.nz](mailto:Emma.Wilson@powerco.co.nz)).

Nāku noa, nā,

A handwritten signature in black ink that reads "E. Wilson".

**Emma Wilson**

Head of Policy, Regulation and Markets

**POWERCO**