

9 February 2026

Energy Competition Task Force
c/o Electricity Authority
By email: levelplayingfield@ea.govt.nz

Tēnā koe,

Response to the Energy Competition Task Force 2026 Work Programme Open Letter

We welcome the opportunity to respond to the Electricity Authority (**Authority**)’s Energy Competition Task Force’s open letter outlining potential focus areas for the 2026 work programme. Powerco has a strong interest in ensuring that regulatory work programmes across the sector are internally coherent, proportionate, evidenced and targeted to clearly defined problems. We appreciate the continued collaboration between the Commerce Commission and Electricity Authority and support efforts to materially improve competition and consumer outcomes.

1. The work programme is fragmented: related issues should be considered together

The Task Force’s current work programme is fragmented, with closely related issues treated as if they are independent. The Competition Task Force work programmes overlap not just within itself, but also with the Electricity Authority, MBIE and Commerce Commission’s wider work programmes. They depend on shared assumptions, and the programme risks producing inconsistent, duplicative, or poorly sequenced analysis. A more integrated structure, clearly targeted on evidenced problems, is needed to ensure coherence across interconnected market and regulatory issues.

A number of areas identified in the open letter are inherently linked and analysing them separately risks missing the interactions that drive market outcomes, for example:

- Market power, flexibility services, and distribution connection pricing, all relate to how incentives are structured across different parts of the energy system
- Service bundling cuts across retail competition, consumer mobility, transparency, and data capability; treating each issue in isolation risks inefficiency and misaligned incentives
- GXP upgrades, non-network alternatives, and network visibility also stem from the same underlying problem: how to enable efficient investment while maintaining competitive neutrality and should be considered together.

An example of how considering issues together can lead to more effective outcomes is our suggestion regarding Distributed Generation (**DG**). We recommend the Authority repeal the specific pricing principles for DG and merge the work to clarify how the existing 2019 Distributed Generation Pricing Principles apply to DG into a single workstream that combines its Network Connections project and Distribution Connection Pricing work. This will ensure that all barriers to timely and efficient DG connection are addressed.¹

¹ Powerco response to [Distributed Generation Pricing Principles \(DGPP\) Issues Paper](#), 26 March 2025.

When interdependent issues are addressed in isolation, the resulting workstreams can overlap, conflict, or duplicate analytical effort. This fragmentation also makes it harder to sequence interventions logically, as insights from one area may rely on assumptions being tested elsewhere. Instead of producing a coherent regulatory pathway, the programme risks becoming a set of loosely connected initiatives that do not reinforce or align with each other, which may result in unintended consequences.

To avoid these issues, the Task Force should adopt a unified framework that groups related workstreams around the problems that they are intended to address, aligns assumptions, collects evidence and ensures cross-market interactions are explicitly considered in analysis. This should support consistent modelling, data use, and behavioural assumptions across topics, and ensure recommendations are mutually reinforcing. An integrated structure would also increase efficiency by reducing duplication and enabling clearer prioritisation across interconnected projects.

The Task Force must begin by clearly defining the problems it seeks to solve, supported by robust and consistent cost-benefit analysis

The Task Force cannot develop a credible or highly effective work programme without first defining the problems it intends to address. Many of the proposed projects lack clear articulation of underlying market failures, harms, or inefficiencies. Without strong problem definition, followed by rigorous and consistent cost-benefit analysis (**CBA**), the programme risks pursuing solutions in search of problems and prioritising workstreams subjectively rather than on evidence.

The open letter lists various potential projects but does not provide clear or consistent problem statements for most of them. There is little detail on the nature of the market failures being targeted, the scale of harm, or the specific behaviours and participants involved. Understanding these aspects would help the Task Force prioritise its work programme towards the areas which will deliver the biggest benefits to customers.

Strong problem statements are critical for determining the appropriate type of response and for assessing whether issues meet the Task Force's "material, discrete, and jointly actionable" threshold. They are also essential for determining whether meaningful progress can be achieved within the 12-month horizon. Without disciplined and evidenced upfront problem definition, workstreams risk becoming overly broad, and the programme may pursue interventions that do not address the most pressing issues.

Many topics, such as flexibility services, connection pricing, bundling, GXP upgrades, and wholesale liquidity, cannot be meaningfully progressed without a consistent CBA framework to test whether the costs of proposed interventions are proportionate and maximise net benefits to consumers.

This submission does not contain any confidential information. 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@powerco.co.nz.

Nāku noa, nā,



Emma Wilson

Head of Policy, Regulation and Markets

POWERCO