

Proposals to improve connection pricing and processes factsheet

Summary for large energy users and other consumers

Large energy users, businesses, investors and others are encouraged to provide feedback on the Electricity Authority's two new consultation papers about connecting to electricity networks.

These consultations propose rule changes that affect the application process for those wanting a new, or bigger, connection to electricity lines networks, and the pricing structures that lines companies use to charge for these connections.

We want to hear a range of perspectives on the two sets of proposals. Feedback will inform the Authority's final decisions on any rule changes to application processes and pricing structures for electrical connections.

Who needs to know?

Anyone planning to connect to an electricity network for the first time – a medium or large business, housing development or commercial building, particularly large energy users such as manufacturers, industrial plant, ports, airports, shopping centres, EV charge point operators and many others.

Anyone wanting to enlarge an existing connection to the network – for example, to expand a commercial building or housing development already connected to the electricity network, or to support an energy user switching from fossil fuels (eg, coal boilers) to electricity.

We're also keen to hear from local lines companies (distributors) and other interested parties. The 'Network connections project' consultation is also relevant to medium to large electricity generators at distribution level (distributed generators).

What's it about?

'Network connections project – stage one' consultation

This consultation proposes changes to improve application processes for new or enlarged connections to electricity networks.

For those applying to connect electricity generation (eg, medium and large generation solar and batteries), we propose changes so you can get quicker approval from lines companies and can connect quicker if your project is more advanced than others.

For those connecting to take electricity from the network, we propose defined processes that lines companies must follow to process your application, and deadlines in which to do this. This will ensure lines companies are responsive to applications to connect or upgrade a connection, and that they take a more consistent approach across the country.

Our proposals also include a requirement to publish applications waiting to connect to a network, and to publish how much room there is for new or upgraded connections (where known).

We think our proposals will provide applicants with more information to improve investor certainty and submit better quality applications. This in turn, will make the application process faster, easier, more equitable and more consistent across the country.

We expect lines companies to benefit by having fewer speculative or insufficient applications, which will save them cost, time and effort.

This is the first stage of our two-stage 'Network connections project' that aims to ensure the rules support fit-for-purpose application processes and standards for larger connections.

You can read more about this work on our ['Network connections' webpage](#) and details about the consultation on the ['Network connections consultation' webpage](#).

'Distribution connection pricing proposed Code amendment' consultation

The 'Distribution connection pricing' consultation proposes some rule changes that aim to make the pricing for businesses and others connecting to the network (or upgrading a connection) more efficient.

Pricing should strike a balance where newcomers do not face such excessive costs that it deters efficient investment, and where existing users benefit from connection growth that spreads fixed costs across more users. Efficient pricing is one of the keys to unlocking more network connections. It also promotes competition and lowers consumer prices over the long term.

When a business owner, developer or investor connects to the network, they have to pay an up-front cost and ongoing charges.

There are currently limited rules about how lines companies develop and structure their connection pricing. This means there's a wide range of pricing structures and levels across the country, and up-front costs ranging from high to low.

We're proposing some new rules that would ensure:

- high up-front connection costs don't increase further
- those who are first to connect at a location don't pay much higher up-front charges than those who follow
- connections are priced at the lowest cost so connection applicants don't pay for a larger connection than they need (unless they request it).

These proposals aim to progress towards more efficient and more consistent connection pricing structures. We do not propose to set the costs or make them consistent across locations.

The Authority is open to various potential solutions to the problems we are addressing with our proposals, and welcomes alternative suggestions on how to progress towards more efficient connection pricing.

You can read more about this work on our ['Distribution connection pricing reform' webpage](#) and details about the consultation on the ['Distribution connection pricing consultation' webpage](#).

How do I provide feedback?

Our preference is to receive separate feedback for the two consultations using the provided submission forms. Submissions must be received by 5pm, Friday 6 December.

The 'Network connections project' submission form is available on the Network connections project consultation webpage. The completed form can be emailed to connection.feedback@ea.govt.nz with 'Network connections project – stage one amendments' in the subject line

The Distribution connection pricing submission form is in Appendix A of the consultation paper, available on the Distribution connection pricing consultation webpage. The completed form can be emailed to connection.feedback@ea.govt.nz with 'Distribution connection pricing consultation' in the subject line

Following this, we will publish the submissions on our website. There will be a further two weeks for the cross-submission process where people can make a second submission based on the information available in the published submissions. Cross-submissions are due to the same inbox by 5pm, Monday 23 December.

Our preference is for written submissions, but we are open to receiving verbal submissions. Please get in touch if you'd like to provide a verbal submission.

Have questions?

We're planning online information sessions on both consultation papers to help explain the proposals and answer questions. If you'd like to be emailed when the details of the sessions are available, please register your interest by emailing the team.

We're happy to answer any questions you have or set up a meeting. Get in touch with us at connection.feedback@ea.govt.nz