

**ELECTRICITY
AUTHORITY**
TE MANA HIKO



QUARTERLY UPDATE

Electricity Authority Te Mana Hiko

Nau mai, haere mai Welcome



Our MC today
Carl Billington
Principal Advisor
Communications, Engagement and Data.

For today's session

- The session will be recorded, and the slides published on our website.
- Please ask questions after each speaker or the end by raising you hand and speaking , or via the Q & A function in Teams.

He Karakia Tīmatanga me te Whakakapi Kaupapa

Kia tau ngā manaakitanga a te mea ngaro

ki runga ki tēnā, ki tēnā o tātou

Kia mahea te hua mākihikihi

kia toi te kupu, toi te mana, toi te aroha, toi te Reo
Māori

kia tūturu, ka whakamaua kia tīna! Tīna!

Hui e, Tāiki e!

Let the strength and life force of our ancestors

Be with each and every one of us

Freeing our path from obstruction

*So that our words, spiritual power, love, and
language are upheld*

Permanently fixed, established and understood!

Forward together!

What we'll cover today

Agenda

Update from our Chief Executive

– Sarah Gillies

Energy Competition Task Force Update

– Rob Bernau & Tim Sparks

Retail pricing and guidelines for communicating price change

– Daniel Griffiths

Compliance update

– Ginni Murray

Update from our Chief Executive



Sarah Gillies

We're putting consumers at the front and centre of an ambitious and deliberate reform programme



Keeping a close watch on security of supply, the wholesale market, and retailer conduct, while progressing reforms to achieve lower power prices over the long-term.



Energy Competition Task Force Update



Rob Bernau
Programme Lead



Tim Sparks
GM Networks & System Change

Energy Competition Task Force

Eight initiatives to strengthen the electricity market's performance by:

- enabling new generators and independent retailers to enter, and better compete in the market
- providing more options for consumers.

New ways to empower electricity consumers

Initiatives 2A, 2B and 2C

- The Energy Competition Task Force has identified new ways to give consumers more control over their energy costs and to harness the power of rooftop solar and batteries.
- The Authority is now seeking feedback on three proposed changes to regulation to promote competition, reliable power supply, and efficient operation of the electricity market for the long-term benefit of all New Zealanders.

Consultation package

We have three consultation papers open for feedback

- 1. Code amendment consultation**
'Requiring distributors to pay consumers who inject at peak times' (Task Force Initiative 2A)
- 2. Code amendment consultation**
'Improving pricing plan options for consumers: Time-varying retail pricing for electricity consumption and supply' (Task Force initiatives 2B and 2C)
- 3. Issues paper**
'Distributed generation pricing principles' (Electricity Authority)

Submissions and dates

Submission dates

- **Submissions close**
5pm, Wednesday 26 March
- **Cross-submissions close**
5pm, Wednesday 16 April

Make a submission via

- **Website**
'New ways to empower electricity consumers' consultation,
Electricity Authority website
- **Written submissions**
taskforce@ea.govt.nz
- **Survey for consumers**
See [New ways to empower electricity consumers survey](#) for
details
- **Verbal submissions**
Email us to make arrangements

Introduce standardised flexibility products

Initiative 1B

We have introduced a standardised flexibility product – a super-peak hedge contract - to the wholesale market

- Trading events began 28 January 2025; occurring fortnightly
- Promising start to the first trading events
- Publishing data on our EMI platform to support industry trading
- Continued participation is essential for the forward price discovery for the value of flexibility
- Close monitoring of trading - flexibility dashboard in place from March
- The Authority is working on the design of a regulated backstop.

Consider requiring gentailers to offer firming for Power Purchase Agreements

Initiative 1A

We released a working paper *'Entrant generators – context, headwinds and options for power purchase agreements'* on 17 January 2025

- This outlines issues and options around enabling power purchase agreements (PPAs) to play a greater role in intensifying competition in the electricity market
- We've engaged with the sector to provide an overview of the proposals/options from the working paper and answer any questions that participants have
- Submissions close 5pm 28 February 2025
- We will consult on any proposed actions relating to PPAs in April 2025 to support decisions by June 2025.

Task Force Programme timeframes

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Package 1	1A: PPAs				Working paper published for feedback			Consultation paper published		Code change decision	Industry responds
	1B: Standardised Flex	Industry codesign: Codesign group + EAAG subgroup			Market testing	Initial voluntary trading	Periodic liquidity assessment				
	1C: Virtual disaggregation			EAAG input			Outline published ¹				
	1D: Level playing field measures				Initial views		Options published ¹				
Package 2	2A: Cost-reflective distribution export tariffs	EAAG input								Code change decision	Industry responds
	2B: Time-varying retail pricing						Combined consultation papers published			Code change decision	
	2C: Time-varying retail feed-in pricing	EAAG input								Code change decision	
	2D: Short-term flexibility revenue ²							Consultation (if required) ³		Code change decision (if required)	

1. There will be opportunity to provide feedback on the outline
2. Indicative timeline
3. Consultation may not be required if a Code change is not needed

Retail pricing and guidelines for communicating price changes



Daniel Griffiths

Manager Policy: Retail and Consumer

Changes to the electricity market

- We will increasingly empower and enable electricity consumers to become active players
- As more people actively participate in the market, our electricity system will be better able to meet the changing needs of all New Zealanders
- The market - and consumers – face increasing costs.

Communicating price changes

- We expect retailers to implement robust processes to ensure they meet the new Consumer Care Obligations, taking effect on 1 April 2025
- We expect retailers and distributors will provide timely, transparent, and trustworthy communication of price changes
- Updated guidelines for communicating price changes reset our expectations of how retailers and distributors communicate these changes to their customers and the public.

Guidelines for communicating price changes



Key principles

- **Provide timely, transparent and reliable communication**
- **Demonstrate empathy and proactive support in communications**
- **Be accurate and consistent in public statements**

Full Consumer Care Obligations effective: 1 April 2025

Protecting consumers' interests

- We are using our monitoring powers under Section 46 of the Electricity Industry Act to request more data
- Monitoring will help us assess consumer outcomes and support consistency in pricing communication across the regions
- We will use other regulatory measures or new requirements to address any gaps if we find material non-alignment with the guidelines.

Compliance Update



Ginni Murray

Manager, Consumer Compliance and Projects

Education programme

What has been delivered

- Case studies and guidance published
- Training delivered to auditors and Guidance on the new audit portal
- Registry Manager users course held in Auckland
- Consumer Care Obligations webinar

What is coming up

Webinar – *Changes to distributed generation information in the Electricity Registry* – 27 February

Webinar – *Consumer Care Obligations* – 20 March

Auditor Forum

- Wellington – 7 May

Registry Manager user training

- Christchurch – 22-23 May (2 days) and Wellington – 12-13 June (2 days)
- If interested email us at - consumercompliance@ea.govt.nz

Case studies

Published

- Offer changes within the gate closure period
- Project planning your Code requirement and deadlines
- Providing complete and accurate information to the reconciliation manager

Upcoming publications

- All practicable steps to ensure registry information is accurate
- Deemed offers
- Stress test submission deadlines

Guidance

Published

- Guidance on the new Audit portal
- Guidance on Saves and Win-backs

Upcoming publications

- Guidance on meter reads and confirming ICP
- Statutory powers to require the provision of information

Consumer Care Obligations

Consumer Care Obligations website

- Dedicated page on the Authority website targeted at consumers with resources

Consumer 'Raise a concern' submissions page

Raise a concern

Is your concern about the Consumer Care Obligations?

Consumer Care Obligations currently cover concerns about:

- electricity disconnections for medically dependent consumers
- unreasonable fees or charges.

Yes →

No →

Industry Webinar

- Thursday 20 March, 2.00pm

Consumer Care Obligations – contact us

- consumercare@ea.govt.nz

He Karakia Whakakapi

Kia whakairia te tapu

Restrictions are moved aside

Kia wātea ai te ara

So the pathways is clear

Kia turuki whakataha ai

To return to everyday activities

Kia turuki whakataha ai

Haumi e. Hui e. Tāiki e!



**Ngā mihi
Thank you**

**Join us for the next Quarterly
Update in May 2025**

Contact us: info@ea.govt.nz