

19 May 2026

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Consultation Paper – Reforming Network Pricing

Utilities Disputes | Tautohetohe Whaipainga is New Zealand’s leading provider of independent dispute resolution services for consumers and providers in utilities. Utilities Disputes operates the mandated Energy Complaints Scheme (ECS). The purpose of the ECS is to ensure that any person who has a complaint about a retailer or distributor has access to an independent process for resolving it.¹ The ECS in 2025-2026 received 13,554 complaints and 13,491 queries. We are receiving higher levels of complaints than this time last year. Utilities Disputes is a not-for-profit company and there is no charge for a consumer to make a complaint.²

We welcome the opportunity to comment on the paper *Reforming Network Pricing for Distributed Generation to Promote Efficient Investment, (Reform Network Pricing)*. Our core submissions are:

- We support the Electricity Authority’s (EA) proposed initiatives to make connection pricing fairer.
- Utilities Disputes as the provider of the mandated energy dispute resolution should be noted in the Electricity Industry Participation Code 2010 (Code) where appropriate such as the revised part 6B where the EA will also note that a complainant can advise it of a Code breach.
- *Reform Network Pricing* focuses on upstream issues, we are of the view these need to be considered with downstream consumer issues and not delayed.

We support the EA’s promotion of Distributed Energy Resources (DERs).³ However, we are of the view the regulation of traditional providers and new providers who are retailing and distributing in DERs should be consistent.

¹ For electricity see 95 & sch 4 cl 1 of the Electricity Industry Act 2010.

² We deliver dispute resolution schemes covering electricity, gas, water, and telecommunications. In telecommunications we offer the government mandated scheme for considering complaints about the laying of fibre on shared property and a voluntary telecommunications scheme which is not an industry dispute resolution scheme under part 7 of the Telecommunications Act 2001. We also offer a voluntary water complaints scheme.

³ We also recognise and value the specialised role of the Sustainable Energy Association of New Zealand in this area.

With greater interoperability it would not be in the consumer's interest to have different aspects of their supply being considered by different regulators or not at all. Consumers would find it difficult to understand why they can bring regulatory issues to the EA about their traditional retailer or distributor, but not their interconnected solar retailer/generator. Therefore, in its role of protecting the interests of domestic consumers and small business consumers we continue to encourage the EA to reflect on this issue.⁴

- We are concerned that consumers connected to customer networks such as those in malls, apartments and retirement villages appear to have limited or no practical ability to participate in competitive retail electricity markets. As a consequence, these consumers may not be adequately protected within current EA policy, consumer protection, and pricing frameworks.

For example, part 6 of the Electricity Industry Participation Code (Code) provides an exemption for embedded networks below 5 GWh per annum. Therefore, customers connected to secondary network types of embedded networks below the 5 GWh threshold, or to customer networks, may not receive the benefits of distribution pricing reform unless the relevant distributor voluntarily elects to apply Code-equivalent arrangements. This is not an appropriate or equitable outcome for affected consumers.

Summary of Reform Network Pricing

The aim of *Reform Network Pricing* is to make the network nimble and efficient:

- a) in terms of connection pricing;
- b) protecting the health of the network; and
- c) ensuring consumers can receive the most benefit from consuming or injecting electricity at the appropriate times.⁵

Reform Network Pricing to achieve these aims proposes: allowing distributors flexibility in pricing; focussing regulation on off-take and injection charges; broadening the definition of incremental costs; and making it clear that the distributor can recover connection costs through ongoing charges.⁶

These changes are driven by a number of factors, but a central issue is the growth of products based on DERS entering the market:

⁴ See additional objective s 15 of the Electricity Industry Act 2010.

⁵ In some networks, injection is driving new network management costs or has exhausted available injection capacity, see *Reform Network Pricing*, 3.1-3.2.

⁶ For a full summary see EA, *Reform Network Pricing*, 2 April 2026, 27-30.

As technology costs fall, the number of connections injecting into distribution networks is increasing. This notably includes solar, which is low cost but inflexible, and batteries which can shift injection and offtake to optimise network capacity use.⁷

Dispute Resolution

In the last reporting year Utilities Disputes received 506 distributor complaints and 204 queries.

Distributor cases received

as at 31/03/2026

● Complaint ● Query



While we cannot consider complaints about price, we can consider “...whether appropriate information about charges has been made available to the Complainant and whether charges for services have been correctly applied.”⁸

Therefore, Utilities Disputes as the provider of the mandated ECS should be noted in the Code where appropriate such as the revised part 6B where the EA will also note that a complainant can advise it of a Code breach.

- Connections and Billing

Most of our connection complaints are about domestic consumers. Those from developers are often resolved early, it seems due to the time pressures of the project. Utilities Disputes may consider complaints seeking a resolution up to \$50,000 and with the permission of the provider this can be increased to \$100,000. We note Utilities Disputes has raised the issue of the guarantee of line function services to a consumer under s 105 of the Electricity Industry Act 2010. Practices may be variable in the industry. We are of the view the EA should make further inquiries on the application of sections 105-106 as it seeks to roll out obligations to maintain line function services to other consumers.⁹

We have previously alerted the EA to our concerns about distributor billing, and that the EA should issue guidance on expectations regarding itemisation in estimates and bills.¹⁰

⁷ *Reform Network Pricing*, 3.1.

⁸ Energy Scheme Rule, rule 15.

⁹ UDL, *Reducing Barrier for New Connections: Up-Front Charges and Distributor Obligations*, 19 December 2025, 4-5 [Link](#).

¹⁰ For example see: UDL, *Reducing Barriers to new Connections; Up-Front Charges and Distributor Obligations*, 7-8, [Link](#); *Consultation Papers: Distribution Connection Pricing & Network Connections Pricing*, 20 December 2024, 3 [Link](#); & *Improving Electricity Billing in New Zealand*, 12 November 2025, 13. [Link](#).

The Interrelationship between Traditional and New Supply

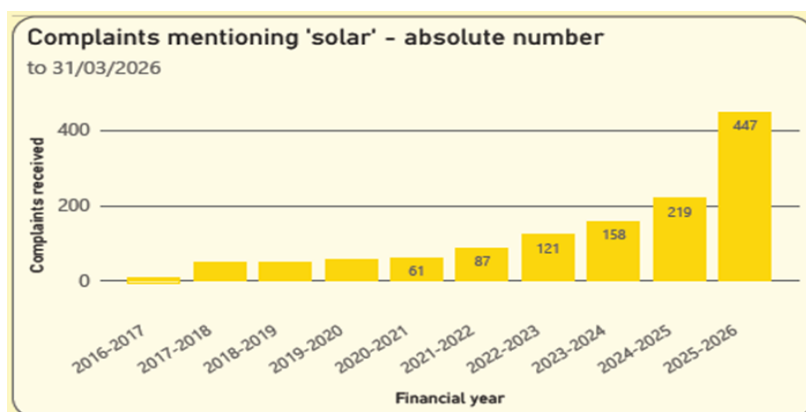
Utilities Disputes supports the EA’s promotion of DERs which it set out in its Green Paper, *Working Together to Ensure our Electricity System meets the Future Needs of all New Zealanders*. The EA promotes a vision where, for the benefit of the consumer, traditional supply and new supply based on DERs are intertwined or interoperable. This is called the decentralised model:

In the electricity sector, decentralisation means shifting from large scale electricity generation at a small number of sites across the country, to smaller scale renewables and other DERs located closer to consumers.

These DERs empower consumers and local communities, allowing them to actively participate and potentially shape local energy systems to fit their unique context, needs and aspirations.

Within these decentralised or local energy systems, supply and demand can be balanced as much as practicable, enabling a wide range of benefits for local consumers (or ‘energy communities’) and beyond. These local energy systems would be connected across the country by the grid’s strong central spine.¹¹

Reform Network Pricing brings to life the decentralised model in its case studies. In case study one a consumer responds to a distributor injection charge in summer between the hours of 10am-5pm, by working with their solar supplier to add batteries, so they can presumably inject power at different times or use it themselves. Similarly in case study two a farmer takes advantage of increased injection credits, by working with his solar supplier to increase his battery capacity and installation size.



However, the experience of all consumers may not be so seamless. Utilities Disputes does receive complaints about DERs particularly about solar. 13% of our solar complaints also have a battery issue.¹²

¹¹ EA, *Working Together to Ensure our Electricity System meets the Future Needs of all New Zealanders*, Green Paper (Working together), 30 April 2025, paras 2.1-2.3.

¹² As a further indication of the complaints that can arise in this area we note the Clean Energy Regulator in Australia (CER) recently found that 60% of batteries installations were substandard when monitoring the Australia’s Small-scale Renewable Energy Scheme. See CER, “Solar Battery Inspection Results Report,” (29 April 2025), Webpage, [Link](#).

As we have previously advised the EA, solar consumers have complained about the length of contracts, large exit fees and issues over the promotion of the contracts.¹³

Therefore, we encourage the EA in any policy and regulatory analysis to reflect on ways to ensure interoperability issues can be managed for the consumer in a seamless way, as part of its consumer protection focus. This would be through a consistent application of the Consumer Care Obligations and other regulatory instruments across traditional providers and providers who are retailing and distributing DERs. It is not in a consumer's interest to have different aspects of their supply being considered by different regulators or not at all.¹⁴ An all-encompassing consumer and regulatory approach would seem to be consistent with the requirement to create a level playing field for all types of retailers and distributors.¹⁵

Secondary Networks

We are also concerned about embedded networks and how they fit within the proposed pricing reform. Part 6 of the Code provides an exemption for embedded networks below 5 GWh per annum. However, there appears to be uncertainty regarding the extent to which these provisions apply to customer networks (another secondary network type where lines are not owned by distributor but owned by another company such as a mall owners). In our view, this regulatory ambiguity requires clarification.

Customers connected to secondary network types of embedded networks below the 5 GWh threshold, or to customer networks, may not receive the benefits of distribution pricing reform unless the relevant distributor voluntarily elects to apply Code-equivalent arrangements. We do not consider this to be an appropriate or equitable outcome for affected consumers.

More generally, consumers connected to customer networks such as those in retirement villages and apartments may have limited or no practical ability to participate in competitive retail electricity markets. As a consequence, these consumers may not be adequately represented or protected within current EA policy, consumer protection, and pricing frameworks.

¹³ See for example: UDL, *Energy Competition Task Force Work Programme*, 9 February 2026, 2-4, [Link](#); *Improving Electricity Billing*, 12 November 2025, 14, [Link](#). *Working Together to Ensure our Electricity System meets the Future Needs of all New Zealanders*, 25 June 2025, 2-3, 4-5, 8-9, [Link](#). Australia Regulators have also noted similar issues and risks: Australian Energy Regulator (AER), *Review of Consumer Protections for Future Energy Services*, November 2023, 17.

¹⁴ The possibility of the distributor turning off solar deliberately or by accident to manage network load may raise quality of supply issues and has the potential to effect medically dependent customers.

¹⁵ See for context Hon Simon Watts, *Letter of Expectations to the Electricity Authority 2025-2026*, 1. Australian Regulators also advocate an all encompassing approach See AER, *Review of Consumer Protections for Future Energy Services*, 22.

Next Steps

Thank you for the opportunity to comment on the *Reform Network Pricing*. If you have any questions, please at the first instance contact me at: paulb@udl.co.nz



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