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Submissions  
Electricity Authority  
Level 7, AON Centre  
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## **SUBMISSION ON THE NETWORK CONNECTIONS PROJECT – STAGE ONE CONSULTATION PAPER**

The Electricity Retailers' Association of New Zealand ('ERANZ') welcomes the opportunity to provide feedback on the Electricity Authority's consultation paper 'Network connections project – stage one' from October 2024.

ERANZ is the industry association representing companies that sell electricity to Kiwi households and businesses. Collectively, our members supply almost 90 per cent of New Zealand's electricity. We work for a competitive, fair, and sustainable electricity market that benefits consumers.

### **General comments**

ERANZ support the Authority's objective with the stage one amendments, specifically through saving consumers costs by increasing the efficiency, reliability and competitiveness of distribution networks, and preparing the networks for new types of demand.

The way New Zealanders use electricity is changing, and significant new sources of load are emerging and growing. Public EV chargers are putting new types of loads on the network, with each charger capable of drawing hundreds of kW. More and more Kiwis are installing solar panels, and exporting their excess power back to the grid. Decarbonisation initiatives are pushing industry to electrify, and onshore datacentres are needing more and more capacity to cope with our ever-growing demand for online services.

These changes present exciting opportunities, but they also add complexity. ERANZ supports the Authority's work to identify ways to simplify processes to make it easier and cheaper to connect these more complex loads to the distribution networks.

### **Consultation comments**

*Proposal A: Amend the application processes for larger-capacity DG applications*

ERANZ supports the Authority's proposal to use maximum export power rather than nameplate capacity when considering DG size thresholds.

Using maximum export power as the measure more accurately reflects the effect the DG activity has on the distribution network, with applications considered on the basis of electricity they actually export, rather than their maximum potential to export. This would help distributors more accurately assess the impact the DG will have on their distribution networks. Using maximum export power as the measure also encourages efficient network use and a lowest-cost approach when considering expansions to network capacity, which helps keep energy prices down for consumers.

ERANZ also supports the Authority's approach to standardising DG application processes. Standardisation means that medium and large DG applications can be processed more efficiently, and grouping DG applications by size means that less complex applications can be processed more readily commensurate with their lower complexity.

If a 'complex application' process was developed, ERANZ would be interested in participating to make sure customer-facing implications are considered and policies are as consistent as possible between distributors to avoid confusion for retailers who operate nationwide.

*Proposal B: Add application processes for larger-capacity load to the Code*

ERANZ supports adding application processes for larger-capacity load to the Code, where this standardisation makes it demonstrably easier for industrial and commercial consumers to connect their loads to the grid. This will support major industries to electrify and decarbonise their loads, supporting New Zealand's climate goals. It will also support maturing industries like public EV charging operators to build more charge stations, helping to achieve the Government's goal of 10,000 EV charge points by 2030.

Categorising load applications by size helps ensure the application process is proportional, enabling higher application standards for larger, more complex loads, while avoiding putting undue burdens on small-to-medium load applications.

*Proposal C: Require distributors to publish a network connections pipeline for large-capacity DG and load, and provide information on this pipeline to the Authority*

ERANZ supports the Authority's proposal to require distributors to publish a pipeline of projects looking to connect to their networks, so long as the requirement has adequate protections for commercially sensitive information.

*Proposal D: Require distributors to provide more information on network capacity*

ERANZ supports the Authority's proposal to require electricity distributors to publish more granular data on the capacity of their electricity networks. More data on which parts of the network have capacity and which are constrained and would require costly upgrades will make it easier for developers and investors to decide where to install assets such as public EV chargers.

More data on the available capacity of electricity networks would also make it easier for distributors and retailers to encourage non-network solutions to capacity issues, which depending on the situation may be a more efficient solution. For example, distributors and

retailers could incentivise consumers in areas of the network that are constrained to install solar panels, instead of pursuing other more costly distribution network upgrades.

This data would be more useful if presented in map form. However, the Authority must be careful not to place an undue burden on distributors, the costs of which would ultimately be passed on to consumers.

We are also aware that requiring low voltage capacity information would essentially be getting down to the building level, which would be onerous for distributors to provide.

The Authority should weigh the benefits the data will provide to the sector against the costs it will place on distributors, and work with distributors to determine the most efficient way for them to provide it.

### **Conclusion**

ERANZ would like to thank the Authority for considering our submission.

Yours sincerely,

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