

**To:** The Electricity Authority (EA) [taskforce@ea.govt.nz](mailto:taskforce@ea.govt.nz)

**From:** Electricity Engineers' Association of NZ

**Date:** 26 March 2025

**Subject:** EEA Submission – Consultation Paper – *Requiring distributors to pay a rebate when consumers supply electricity at peak times*

## OVERVIEW

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The Electricity Engineers Association (EEA) welcomes the opportunity to provide feedback on the Electricity Authority's (EA) consultation paper regarding Task Force Initiative 2A, which proposes requiring *distributors to pay a rebate when consumers supply electricity at peak times*.

As the professional body representing engineers, technical specialists, and asset managers in New Zealand's electricity supply industry, the EEA is committed to ensuring that regulatory changes contribute to a reliable, efficient, and sustainable electricity network. We support initiatives that encourage greater consumer participation while maintaining the integrity of the distribution system and ensuring long-term benefits for all consumers.

The EEA note the importance of supporting consumers to realise the value of their distributed energy resources (DERs). Fair recognition of the benefits that technologies like solar and batteries can provide to the network helps ensure that incentives are aligned with both efficient grid operation and consumer participation.

Our submission supports the principle of incentivising distributed generation (DG) and demand flexibility as part of a broader effort to improve network efficiency and system resilience.

We see value in well-designed mechanisms—such as rebates or incentives—that can help:

- Reduce peak demand and defer or avoid costly network upgrades.
- Encourage consumer investment in distributed energy resources (DERs) such as solar and batteries.
- Enhance system resilience and reduce reliance on carbon-intensive peaking generation.
- Support consumer participation in the electricity market through clearer signals that reflect the value of their contributions.

At the same time, we acknowledge the design and implementation of such mechanisms can be complex. Key considerations include:

- Ensuring cost-reflectivity and fair cost recovery.
- Aligning with existing pricing structures and emerging flexibility markets.
- Ensuring practicality for network businesses to administer and deliver.
- Maintaining transparency and simplicity for consumers, so they can clearly understand the benefits and risks associated with participation.

The EEA remains committed to supporting approaches that balance efficiency, equity, and feasibility across the sector. We trust this submission will contribute valuable perspectives to the consultation process and look forward to further engagement on this critical initiative.

## Discussion Questions

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### **Q1. Do you agree with the problem definition above? Why, why not?**

The EEA and our members broadly agree that the Electricity Authority has identified a valid and important problem. The efficient use of consumer flexibility during peak times is critical for managing network investment, supporting reliability, and enabling the transition to a low-carbon electricity system. Current pricing and market arrangements do not always provide clear or sufficient incentives for consumers or their service providers to respond to peak demand signals in a way that supports efficient network outcomes.

However, we note that the problem definition could be strengthened by more explicitly acknowledging the broader system context, including:

- The need for coordination across different parts of the electricity sector (distribution, transmission, generation, and retail) to align incentives and avoid unintended consequences.
- The technical and operational challenges of integrating consumer response reliably into distribution network management, particularly at the low voltage level.
- The risk that a prescriptive rebate requirement could undermine the ability of EDBs to adopt locally appropriate solutions, including alternative non-network and contractual flexibility options.

We also encourage the Authority to ensure the problem definition recognises the role of emerging Distribution System Operator (DSO) functions, and how these may evolve to actively enable and manage consumer energy resources in a way that optimises network and system outcomes.

## Q2. Do you agree with these principles? Why, why not?

The EEA supports the intent behind the proposed principles, particularly the focus on delivering value to consumers and encouraging efficient network investment and operation. These principles align with the broader objective of enabling a more flexible, resilient, and consumer-centric electricity system.

However, we encourage the Authority to consider the following refinements and clarifications:

- **Framing as Guiding Design Considerations:** The proposed principles could be better framed as guiding design considerations rather than obligations, to help EDBs align changes in pricing methodology with business and stakeholder needs.
- **Recognition of Local Network Conditions:** While consistency in principles is important, flexibility in implementation is essential. Distribution networks vary significantly in terms of topology, constraint patterns, and available flexibility. Any application of principles should allow for tailoring to local conditions, to ensure effectiveness and fairness.
- **Technology-Neutral and Inclusive Approach:** The principles should explicitly support a technology-neutral stance, allowing all forms of consumer flexibility (e.g., demand response, batteries, solar, EVs, and hot water load control) to participate on equal footing, provided they deliver net benefits to the network.
- **Consumer Enablement and Informed Participation:** It's critical that consumers understand the value they are providing to the system and how they can participate. The principles should include a commitment to transparency and clear communication to support informed, voluntary participation.
- **Cost-Effectiveness and Proportionality:** The principle of efficiency must consider the administrative and implementation costs of a rebate mechanism. The design should ensure that the cost of delivering the rebate does not outweigh the value of the flexibility being incentivised.
- **Alignment with Broader Regulatory and Market Developments:** The principles should recognise the evolving role of distributors and the development of Distribution System Operator (DSO) capabilities. They should be aligned with other regulatory workstreams (e.g., pricing reform, flexibility markets, access arrangements) to ensure coherent system-wide outcomes.

In summary, the EEA support the overarching direction of the proposed principles, but recommend they be adapted to reflect practical implementation realities, promote local innovation, and ensure alignment with the long-term transition to a more dynamic electricity system.

**Q3. Do you agree that the principles should only apply to mass-market consumers, or should they apply to larger consumers and generators also? Why, why not?**

The EEA support the proposed focus on mass-market consumers for the application of these principles, as this aligns with the primary policy objective of unlocking new flexibility from distributed energy resources (DER) such as household batteries, EVs, and solar PV. These consumers have historically faced limited incentives to provide demand-side flexibility, and the proposed rebate mechanism has the potential to activate this segment more effectively.

We note, however, that larger consumers and generators are typically more sophisticated market participants with existing commercial pathways to participate in flexibility markets, such as demand response, interruptible load arrangements, or participation in ancillary services markets. Including them under this specific rebate framework risks duplicating or conflicting with these established mechanisms. That said, we encourage the Authority to consider how the broader principles of access to flexibility value and transparency of network conditions could be applied in a consistent way across all consumer segments over time. This would help ensure long-term coherence and fairness in how flexibility services are procured and valued, especially as more consumers—regardless of size—invest in controllable energy technologies.

In summary, we support the proposed focus on mass-market consumers at this stage, with a view to extending or aligning the principles more broadly in future as part of a comprehensive and technology-neutral framework for distributed flexibility.

**Q4. Do you agree the principles should apply to all mass-market DG, including inflexible generation (noting that the amount of rebate provided will still be based on the benefit the DG provides)?**

Yes, we broadly agree that the principles should apply to all mass-market DG, including inflexible generation, provided that any rebate is based on the actual benefit that the DG provides to the network at peak times.

It is important that any DG output occurs when needed by the network. Without sufficient certainty on the timing of generation, there's a risk that rebates may not align with network needs, potentially resulting in cross-subsidisation.

From a network engineering and planning perspective, it is important to recognise that all forms of DG—whether flexible or inflexible—can contribute to reducing peak demand or deferring investment, depending on their operational characteristics and the specific network context. Inflexible DG may provide value in some circumstances (e.g. solar PV coinciding with daytime peaks on rural feeders), but less so in others.

We support an approach that is technology-neutral and outcomes-focused, where the level of rebate is proportionate to the quantifiable benefit delivered. This allows distributors to appropriately reward generation that provides genuine system value, while maintaining fairness and consistency across consumer types and technology classes.

We also note that implementing such a regime will require robust methodologies to assess the actual benefit to the network, including appropriate treatment of locational and temporal aspects of value. These methodologies should be transparent and practical for distributors to implement without imposing excessive compliance burdens.

As a general principle, any rebate mechanism should align with the efficient operation, planning, and development of the distribution network, and avoid unintended consequences such as overcompensating for non-contributing or incidental generation.

**Q5. Do you agree with the direction of the guidance that would likely accompany the principles? Why, why not?**

The EEA generally support the direction of the proposed guidance accompanying the principles, as it offers a pragmatic framework to help distributors operationalise the proposed rebate mechanism in a way that is consistent, transparent, and aligned with consumer interests.

We particularly welcome the emphasis on flexibility for distributors to design solutions appropriate to their network characteristics and customer needs, while still operating within a consistent set of principles. This is critical given the diversity of New Zealand's distribution networks, consumer bases, and legacy systems.

However, we note that further clarity will be needed on several key elements in the guidance, including:

- Defining peak times in a way that reflects both local constraints and broader system conditions.
- Ensuring cost-reflectivity and equity, particularly in networks where data or technology limitations may hinder precise targeting.
- Supporting phased implementation to allow for operational readiness, investment in enabling systems, and consumer education.
- Clarifying how the guidance will align with existing pricing reform workstreams and regulatory obligations.
- The guidance should also remain adaptable as the market evolves, particularly as distributors move toward greater integration of Distributed Energy Resources (DERs) and new flexibility services.

In summary, we support the direction of the guidance, provided it remains principle-based, practical to implement, and capable of evolving alongside the sector's transition. We welcome the opportunity to collaborate further as the guidance is developed.

**Q6. Are there any additional issues with the principles where guidance would be particularly helpful?**

The EEA and its members support the development of clear and consistent guidance to ensure any rebate scheme is implemented effectively and equitably across distributors. In addition to the principles outlined, we suggest that guidance would be particularly helpful in the following areas:

- **Alignment with Existing Tariff Structures:** Distributors operate under different pricing methodologies, and it would be valuable to provide guidance on how rebate mechanisms can be integrated or aligned with existing time-of-use or demand-based pricing. This includes ensuring that rebates do not unintentionally duplicate existing incentives or distort price signals.
- **Defining 'Peak' Times:** While some guidance is provided, more clarity is needed on how to define peak periods in a way that is consistent across networks but still allows for local variation. This is critical for ensuring that consumers understand the rebate and can respond appropriately.
- **Verification and Settlement Processes:** Additional guidance on how to verify consumer contributions and how settlements should be processed (including metering data standards, treatment of estimation vs. actuals, and treatment of exports from batteries vs. solar PV) would support consistent implementation and reduce disputes.
- **Interaction with Flexibility Markets and DER Integration:** As the industry moves toward more dynamic and market-based approaches to demand-side participation, it is important that any rebate scheme complements, rather than competes with, emerging flexibility markets. Guidance should consider how rebates interact with aggregator models and emerging DER coordination frameworks.
- **Equity and Consumer Impact Considerations:** Guidance on how to assess and mitigate potential equity impacts would be valuable, particularly for vulnerable consumers or those without access to distributed energy resources. There is a risk that rebate schemes could inadvertently favour more affluent consumers unless designed with these issues in mind.
- **Defining the Role of Aggregators:** There is a pressing need to define the role of aggregators within the rebate framework. Aggregators will likely act as intermediaries between consumers and distributors, facilitating participation, verifying performance, and distributing rebates.

Clear guidance on their responsibilities, eligibility, data access, commercial arrangements, and compliance obligations is necessary to ensure they can operate effectively and that consumer trust is maintained.

- **Regulatory Certainty and Duration:** Distributors and other stakeholders would benefit from clarity around the longevity of the rebate scheme, any transitional arrangements, and how success will be measured. This includes guidance on how the principles might evolve over time as more advanced coordination and flexibility platforms are introduced.

We suggest the EA consider developing a companion guidance note or implementation handbook in collaboration with the industry to support the practical roll-out of the rebate scheme. This could be supported through workshops or technical forums to ensure a shared understanding and consistent application.

**Q7. Do you agree the principles should be incorporated within the Code, rather than being voluntary principles outside the Code? Why, why not?**

The EEA support referencing the principles within the Code to provide clear expectations and a consistent signal to the sector. However, we believe that retaining the detailed content of the principles outside the Code provides important flexibility, especially as the market for consumer energy resources and demand-side participation continues to evolve.

Embedding the high-level intent or purpose of the principles in the Code ensures they are visible, taken seriously, and provide a framework for distributor behaviour. At the same time, maintaining the detailed principles in a supporting guideline or similar mechanism allows for more agile updates in response to technology change, market learning, or new use cases — without requiring a formal Code amendment process.

This approach also provides the Electricity Authority with a graduated path for regulatory response. Should there be evidence of non-compliance or inconsistent application of the principles, the Authority could then consider incorporating them more stringently into the Code over time.

The EEA therefore supports a hybrid approach: reference the principles in the Code to give them weight and visibility but retain the detailed content outside the Code to allow for practical flexibility and adaptive management.

**Q8. Do you agree with the proposed implementation timeline for this proposal? If not, please set out your preferred timeline and explain why that is preferable.**

The EEA and our members support the direction of the proposal to incentivise consumer participation in managing peak demand. However, we have reservations about the feasibility of the proposed implementation timeline.

We note that enabling a rebate mechanism of this nature will require significant technical, operational, contractual, and regulatory readiness across distribution businesses, retailers, aggregators, and metering providers. In particular:

- **System capability and integration:** Many distributors are still developing or scaling their systems to detect and value peak-time consumer exports in a way that aligns with the proposed rebate mechanism.
- **Market coordination:** The implementation will require clarity on roles, responsibilities, and settlement processes across participants, including the commercial and regulatory relationships between distributors, retailers, and consumers.
- **Consumer protection and equity:** Adequate time is needed to ensure that consumer impacts are well understood and managed, particularly to avoid unintended consequences for those who may not be able to participate.

Given these considerations, we recommend a phased implementation approach, with an initial preparatory phase (12-18 months) to allow for:

- Development of technical standards and protocols.
- Stakeholder engagement and co-design with industry participants.
- Trialling or piloting of the rebate mechanism in selected networks.
- Updating systems and commercial frameworks.

This could be followed by a go-live phase with initial implementation in regions or for customer segments where capability exists, and expansion over time.

A staggered, co-designed approach will help ensure the rebate mechanism is technically feasible, economically efficient, and supports consumer trust and participation. It will also better align with other ongoing industry initiatives relating to flexibility markets, pricing reform, and digital infrastructure.



**Q9. Do you agree the proposal strikes the right balance between encouraging price-based flexibility and contracted flexibility? Why, why not?**

The EEA strongly support the proposal in principle as a step toward unlocking consumer flexibility and creating better signals for efficient network use. The proposal appropriately acknowledges the growing potential of both price-responsive and contracted flexibility, and we support the direction of travel. However, we note several important caveats and design considerations that should be addressed to ensure the long-term effectiveness and fairness of the approach.

Firstly, while price-based flexibility can deliver significant value — particularly when supported by automation, smart devices, and time-of-use tariffs — it may not provide sufficient reliability or predictability for network planning and operational purposes. Distributors still require access to firm, contracted flexibility in many cases, particularly for managing constraints on lower-voltage networks.

Secondly, the proposal could unintentionally favour price-based responses at the expense of developing robust, contracted flexibility markets. If not well coordinated, this may create fragmented signals, undermine investment in aggregator models, or result in inconsistent consumer outcomes. We encourage the Authority to ensure the rebate mechanism complements — rather than competes with — the emerging market for contracted flexibility services.

Thirdly, the proposed approach relies on accurate, timely data to identify and verify peak-time exports. For both price-based and contracted flexibility to succeed, ongoing investment in smart metering infrastructure, interoperability, and access to real-time data will be essential. Clarity is also needed on how network peak periods are defined, and how customers and service providers will be made aware of them in advance. Therefore, it is very important that EDBs have access to smart meter data. The ability to identify and verify peak-time exports requires access to half-hourly smart meter data. Without this, meaningful analysis of the benefits and appropriate rebate design is severely constrained.

Finally, we encourage the Authority to consider how this mechanism integrates with other reforms and pilots in the flexibility space, including distributor-led procurement trials, DSO developments, and trans-Tasman learnings. A coordinated approach will help avoid duplication and deliver better outcomes for consumers and the wider system.

In summary, while we strongly support the proposal in principle, we encourage careful attention to the above issues to ensure the rebate scheme supports both types of flexibility and contributes to a scalable, coordinated, and consumer-focused market.

**Q10. Do you agree the proposal will lead to relatively minor wealth transfers in the short term, and will lead to cost savings for all consumers in the longer term?**

The EEA consider that more analysis is needed to fully understand the wealth transfer impacts of the proposal — particularly how these may vary across different consumer groups and network contexts. However, we agree that the proposal could result in relatively minor wealth transfers in the short term, particularly from consumers without flexible resources to those with the ability to export at peak times.

In the longer term, there is potential for broader cost savings if the mechanism helps to defer or avoid network investment and improves overall system efficiency. Achieving this will depend on how the rebate scheme interacts with other flexibility initiatives and the extent to which consumers are enabled and incentivised to respond to network signals.

We support further work to model these impacts across a range of scenarios and stress the importance of ensuring transparency, fairness, and alignment with existing regulatory and pricing frameworks as the proposal is developed.

**Q11. Do you agree that more prescriptive requirements to provide rebates will be less workable than a principles-based approach, and therefore should not be preferred? Why, why not?**

The EEA supports a principles-based approach to rebate requirements, as it is more likely to be workable, adaptive, and supportive of innovation across the sector. While prescriptive requirements may offer greater short-term clarity, they risk creating rigid obligations that are not fit for the diverse operating environments of different distribution businesses, nor for the rapidly evolving technologies and market arrangements shaping consumer participation in flexibility.

A principles-based framework allows distributors to tailor rebate arrangements to local network needs, customer engagement models, and emerging value streams, while still ensuring that core objectives—such as incentivising export during peak times—are met. It also provides room for iterative improvement and alignment with broader regulatory reforms underway (e.g., distribution pricing reform and future flexibility markets).

That said, the success of a principles-based approach depends on clear regulatory intent, supporting guidance, and mechanisms for transparency and accountability. The Authority could play a valuable role by articulating minimum expectations (e.g., on timing, disclosure, fairness), facilitating industry collaboration, and monitoring outcomes to ensure the intent of the rebate policy is achieved without imposing a one-size-fits-all model.

**Q12. Do you agree that a consumption-linked injection tariff would not be sufficiently targeted, and therefore should not be preferred? Why, why not?**

We broadly agree that a consumption-linked injection tariff is unlikely to provide a sufficiently targeted or cost-reflective signal and therefore should not be preferred. Our reasoning includes the following:

- **Lack of locational and temporal specificity:** A consumption-linked injection tariff does not necessarily reflect the real-time value or location-specific benefits of injections during network peaks. Network constraints are inherently spatial and temporal. A consumption-linked mechanism risks providing rebates where injections do not relieve constraints or are not needed.
- **Weak alignment with cost drivers:** The primary driver of distribution network costs is peak demand and its effect on network asset sizing and utilisation. A consumption-linked injection rebate may reward injections even when they occur outside of peak periods or in unconstrained parts of the network, diluting the intended signal and leading to inefficient incentives.
- **Potential for cross-subsidisation:** If rebates are linked broadly to consumption rather than actual network support provided, this could result in consumers being compensated despite offering limited or no actual value to the system. This misalignment introduces potential for cross-subsidies between consumer groups.
- **Missed opportunity to support flexibility markets:** A more targeted approach—such as a peak-time injection rebate based on actual peak contribution reduction or flexible capacity offered—would better support the emergence of demand flexibility markets and smart device optimisation. This would ensure the incentives encourage behaviour that genuinely benefits the network.

That said, we note that any alternative approach must also be practical to implement, considering data availability, system capability, and regulatory burden. We encourage the EA to continue engaging with industry stakeholders, including EDBs, aggregators, and consumer technology providers, to ensure any rebate mechanism is effective, efficient, and enables innovation.

**Q13. If this approach was progressed, do you think:**

**a) injection rebates should perfectly mirror consumption charges?**

While symmetry might seem fair in principle, the value and impact of consumption versus injection on the network can differ significantly. For example, network congestion, voltage management, and protection settings may be more sensitive to injection than to consumption in some locations. Rebates should reflect the actual marginal value or cost to the network of the injected energy during peak times, rather than defaulting to a mirrored tariff. EEA recommends that EDBs be enabled to develop rebate structures that are consistent with their network characteristics and constraints, informed by good engineering and economic principles.

**b) there are sufficient safeguards in place that would allow distributors to avoid over incentivising injection to the extent that it incurs additional network costs?**

While we support the goal of encouraging DER and consumer participation, we are cautious about introducing a mandatory rebate without sufficient flexibility for EDBs to manage unintended consequences. Over-incentivising injection—particularly in areas with limited hosting capacity—can drive network instability, congestion, and ultimately higher costs for consumers. Current planning and tariff-setting mechanisms may not be sufficient to mitigate this risk, particularly if the rebate is standardised or inflexible. EEA recommends that if the approach is progressed, it should be accompanied by clear provisions that allow EDBs to set location-specific or constraint-aware limits on rebate eligibility, and to dynamically manage exposure based on real-time or forecast network conditions.

Overall, the EEA supports a principles-based approach that gives EDBs the tools and discretion to balance incentives with operational realities and consumer fairness.

**Q14. Do you agree with the objective of the proposed amendment? If not, why not?**

The EEA broadly agrees with the objective of the proposed amendment — to ensure that consumers who export electricity during network peak times are appropriately rewarded for the value their actions provide to the electricity system. We support efforts that improve price signals and enhance the efficiency of electricity distribution networks, particularly as the system transitions to accommodate more distributed energy resources (DER), including solar, batteries, and electric vehicles.

However, we note that while the objective is sound in principle, practical implementation challenges must be carefully considered to avoid unintended consequences. These include ensuring that:

- The rebate mechanism aligns with local network conditions and constraints, which can vary significantly across regions.
- Distributors retain the flexibility to design pricing structures and non-price mechanisms that reflect their unique cost drivers, investment profiles, and consumer mix.
- There is clarity on roles and responsibilities across parties — including EDBs, retailers, and aggregators — to avoid complexity in settlement and customer communication.
- Any system-wide rebate design complements and does not duplicate or undermine existing flexibility initiatives or trials already underway.

We encourage the Authority to work closely with industry stakeholders to ensure the final approach supports the broader objective of a more flexible, consumer-participatory electricity system, while remaining practical, proportionate, and cost-effective for implementation by EDBs.

#### **Q15. Do you agree the benefits of the proposed amendment outweigh the costs?**

The EEA acknowledges the Electricity Authority's intent to promote efficient network investment and reward consumer flexibility through the proposed rebate mechanism. However, we have concerns that the costs, complexities, and risks associated with the current proposal may outweigh the potential benefits in its present form.

From a technical and operational standpoint, implementing a mandatory rebate scheme of this nature would require significant system upgrades, new data handling and reconciliation processes, and adjustments to distributor billing frameworks. These changes are non-trivial, particularly for smaller EDBs, and may create cost burdens that ultimately affect all consumers.

Furthermore, without sufficient clarity on how peak contributions will be measured, validated, and settled across diverse network configurations, there is a risk of inefficiencies or unintended consequences—such as overpayments, gaming, or poor alignment with actual network constraints.

We note that some EDBs are already exploring or implementing local flexibility procurement approaches tailored to their network characteristics and consumer base. Mandating a national rebate mechanism may inadvertently disincentivise innovation or prevent more targeted, cost-effective solutions from emerging.

While the principle of rewarding consumer flexibility is strongly supported by the EEA, we suggest the benefits of the proposed amendment would be more likely to outweigh the costs if:

- It was implemented as an opt-in framework, allowing EDBs to adopt it where justified by local network conditions;

- Further work was done to standardise measurement and verification methods, and to align these with existing load control and flexibility programmes;
- A clear, proportionate cost-benefit analysis was completed, including transitional and compliance costs for distributors and retailers.

In summary, we support the underlying objective but believe more refinement is needed to ensure the policy delivers net benefits in practice.

**Q16. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.**

The EEA and its members support in principle the Electricity Authority's objective to incentivise efficient investment and operation of the electricity system, including through greater participation from consumers in providing flexibility services. However, we have reservations about whether the proposed amendment is preferable to the alternative options, especially when considered against the Authority's statutory objective to promote the long-term benefit of consumers through efficient operation, investment, and use of electricity services.

While the proposed amendment seeks to standardise and mandate rebates for consumer exports at peak times, we are concerned it may result in distorted operational signals, implementation complexity, and unintended consequences that reduce efficiency in distribution pricing and flexibility procurement. In particular:

- The one-size-fits-all approach may not reflect the locational and temporal value of flexibility, which is critical for efficient investment signals.
- EDBs are already progressing cost-reflective pricing and exploring market-based procurement of demand-side flexibility in a way that aligns with their unique network needs and characteristics.
- Mandating a rebate could over-ride more sophisticated local arrangements, limit innovation, and reduce the scope for network businesses to develop tailored, efficient solutions with consumers and third parties.

In this context, Option 2 (enhanced transparency and guidance for flexibility procurement) or a phased approach that builds capability and consistency through non-regulatory mechanisms may better promote the Authority's statutory objective. These alternatives would:

- Enable network-specific approaches that preserve efficient investment and operational signals.

- Support innovation and learning as EDBs develop local flexibility markets or non-network solutions.
- Foster collaboration between EDBs, retailers, aggregators, and consumers without prematurely locking in a regulatory solution that may not be fit-for-purpose across all networks.

We acknowledge the Authority's intent to improve consistency and ensure consumers are fairly rewarded for exports at critical times. However, we recommend the Authority continue to work closely with the sector – including through the Flexforum and continued engagement with organisations such as the ENA and EEA– to co-design solutions that enable scalable, efficient, and equitable consumer participation in flexibility, aligned with evolving distribution system operator (DSO) capabilities.

## Contact

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