



we⁺
★ wellington electricity™

Cross-submission on Requiring distributors to pay a rebate when consumers supply electricity at peak times

11 April 2025

1 Submission and contact details

Consultation	Requiring distributors to pay a rebate when consumers supply electricity at peak times
Submitted to	Energy Competition Task Force c/o Electricity Authority
Submission address	taskforce@ea.govt.nz
Date submitted	11 April 2025
Submitter	Greg Skelton, CEO
Contact	Peter Anderson, Commercial and Regulatory Analyst
Email	[REDACTED]
Phone	[REDACTED]

2 Confidential information

There is no confidential information provided in this submission. This submission can be publicly disclosed.

3 Introduction

Wellington Electricity Lines Limited (**WELL**) welcomes the opportunity to provide a cross-submission on the Electricity Authority's (EA) consultation '*Requiring distributors to pay a rebate when consumers supply electricity at peak times*' (**the paper**).

As mentioned in our original submission, WELL's preferred option would be to maintain the status quo, or for voluntary principles to be produced outside of the Code. This is because we do not see any material network benefit associated with injection due to the reasons outlined in our original submission.

After reviewing the submissions made by other parties, we support the views of the Electricity Retailers' Association of New Zealand (ERANZ) in relation to unfair wealth transfer and a lack of incentive for distributed generation (DG) uptake that rebates are expected to provide. We point specifically to ERANZ's response to 2A: Q15 and have provided our own additional commentary below.

4 Rationale

We are particularly concerned that the EA's proposal could contribute to economic inequality amongst consumers. We do not necessarily see any benefit – long-term or otherwise – to those consumers who do not have the means to install solar and battery systems.

This is because injection (by those who have the means) is unlikely to be consistent enough to provide sufficient confidence for EDBs to defer investment in light of their regulatory obligations for network quality.

As such, those consumers who cannot export electricity may end up paying for the pass-through cost of rebates on an ongoing basis, with no network investment deferral benefit to offset this cost through lines charge reductions.

For those who have invested in DG, the value of any rebates paid is unlikely to offset their own costs and similarly, is likely to result in them paying for both the DG investment and network investment costs through lines charges. Furthermore, for those who are considering installing DG, we do not believe that rebates would provide sufficient incentive for investment due to the fact that the expected network benefit would be negligible (thus, any rebates offered would be minimal).

If export rebates were to be introduced, we disagree with Ecotricity's views that they should be offered on a network-wide basis. While we understand Ecotricity's reasoning behind this in that it could simplify the approach and reduce administration costs, it fails to take into account the cross-subsidisation concerns outlined in ERANZ and other parties' submissions. We note that any network benefit to be gained from DG injection would be localised to the component of the network that is constrained – in other words, a specific location rather than network wide.

5 Closing

In summary, households that cannot afford solar and battery systems or are unable to install them due to other circumstances (such as not owning their home) should not be paying for those who are able to install the systems necessary to inject electricity into the network.

To avoid this, we would like to see more quantification from the EA of the network benefits it sees eventuating over time. As noted in our original submission, there will be costs that EDBs incur under the proposed requirements set out in the paper, so the value of deferred network investment would need to outweigh those costs. WELL's view, as discussed above, is that currently there would be no material network benefit.

WELL appreciates the opportunity to provide a cross-submission on this consultation. If you have further questions regarding any aspect of our submission, please contact Peter Anderson, Commercial and Regulatory Analyst, at [REDACTED]