

24 March 2026

Andy Burgess
General Manager, Infrastructure Regulation
Commerce Commission
PO Box 2351
WELLINGTON 6140

Sent via email: distribution.feedback@ea.govt.nz

Dear Andy

Ensuring consumers benefit from efficient investment in non-network solutions

1. The Major Electricity Users' Group (MEUG) welcomes the opportunity to provide feedback on the joint letter from the Commerce Commission (Commission), Electricity Authority (Authority) and the Energy Efficiency and Conservation Authority (EECA) "*Ensuring consumers benefit from efficient investment in non-network solutions*"¹ published on 24 February 2026.
2. This submission does not contain any confidential information and can be published on the government websites unaltered. Members may lodge separate responses.

Support greater use of non-network solutions by distributors

3. MEUG welcomes the Commerce Commission, the Electricity Authority and the Energy Efficiency and Conservation Authority (EECA) working together to set out their shared understanding of non-network solutions and the benefits this could bring consumers. With electricity distribution charges increasing each year,² there is increasingly urgent need to focus on efficient use of our networks, ensuring we deliver the best outcomes for the lowest possible investment. This joint letter from the three agencies clearly articulates how non-network solutions can play a key role within our electricity sector going forward and help address the increasing costs of operating these distribution networks.
4. MEUG supports the three areas that the agencies have set out in this joint letter. MEUG has long called for greater scrutiny of electricity distributors by the Commerce Commission, as well as greater oversight by the Electricity Authority. We believe that the government needs to amend Part 4 of the *Commerce Act 1986* so that the Commission has stronger tools, levers and incentive mechanisms, to ensure that:
 - Distribution networks (and transmission lines) are well utilised before approval is sought to extend existing networks and/or EDBs are rewarded for greater utilisation.
 - EDBs are encouraged to use innovation and non-network solutions to lower costs to consumers, and that earnings are quickly shared and deployed.

¹https://www.ea.govt.nz/documents/9322/Joint_letter_to_distributors_-_non-network_solutions.pdf

² Within this current regulatory period out to 2030 and most likely the next regulatory period out to 2035.

- There is greater and more consistent performance across all distributors, and that the Commission can use benchmarking as part of the official process of setting EDBs' regulated revenue.
5. This joint letter sets out clear expectations for EDBs – the need to make non-network solutions a foundation of their planning, the need to optimise the technologies now available to them (through internal operations and/or the competitive market), and the importance of learning from trials, both here and overseas, and ensuring any cost-effective solutions are deployed across the country at pace. The joint letter also highlights the importance of growing a sustainable non-network solutions market and the need for government to consider how it is best placed to assist this.
 6. The release of this joint letter is a welcome step and will certainly help the three agencies to coordinate and refine their individual work programmes, based on their varying responsibilities and tools for driving change. We look forward to continued engagement on this work.

Next steps

7. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at karen@meug.co.nz.

Yours sincerely



Karen Boyes
Major Electricity Users' Group

Cc: Sarah Gillies, Chief Executive, Electricity Authority
Dr. Marcos Pelenur, Chief Executive, Energy Efficiency and Conservation Authority