

16 December 2025

Sarah Gillies
Chief Executive
Electricity Authority
PO Box 10041
WELLINGTON 6143

Sent via email: appropriations@ea.govt.nz

Dear Sarah

Electricity Authority 2026/27 levy-funded appropriations

1. This is a brief submission from the Major Electricity Users' Group (MEUG) on the Electricity Authority's (Authority) consultation paper "*Electricity Authority 2026/27 levy-funded appropriations consultation*"¹ published on 18 November 2025.
2. MEUG members have been consulted on the approach to this submission. This submission does not contain any confidential information and can be published on the Authority's website unaltered. Members may lodge separate submissions.

Need for interventions to improve competition and affordability in electricity market

3. MEUG welcomes the Authority's proposed approach to its funding for 2026/27. We consider that it is a prudent approach given the cost-of-living pressures facing all electricity consumers, alongside the Government's call for all public service agencies to cut spending.² We recognise that it is important that the Authority meets its contractual obligations to service providers while noting that the Authority has already had a considerable lift in funding in recent years.³ We support:
 - The Authority's proposal for the *Electricity Industry Governance and Market Operations* appropriation, where the Authority will:
 - Absorb the expected cost pressures of approximately \$3.2 million, plus costs associated with its enhanced monitoring and enforcement capability, while
 - Seeking a small increase of \$0.3 million to cover contractually obligated inflation adjustments for its service providers.
 - The Authority maintaining the *Managing the Security of New Zealand's Electricity Supply* appropriation at the current level of funding until 30 June 2027.
 - The Authority maintaining the *Electricity Litigation Fund* appropriation at its current funding level of \$1.5 million.

¹ https://www.ea.govt.nz/documents/8629/Levy-funded_appropriations_2026-27.pdf

² *The public service agencies asked to cut spending*, 26 January 2024, RNZ.

³ We note that the Authority's expenses have increased from \$92.9 million in 2022/23 (actual) up to \$106.8 million in 2024/25 (actual), with forecast expenditure of \$119.7 million in 2025/26, as per the Authority's annual reports and statement of performance expectations.

4. We are encouraged to see that the Authority has recently refreshed its strategy⁴ and sharpened its organisational systems and processes, while striving for value for money for levy payers. However, MEUG is still concerned that the Authority has too large a work programme that is not sufficiently focused on delivering tangible outcomes for consumers, nor addressing the core underlying issues facing the electricity market.
5. We would like to see the Authority move towards better demonstrating how each of its initiatives individually and collectively delivers affordability and / or security improvements for consumers. We recognise that the Authority has improved the cost benefit analysis provided with several of its recent proposals, but many proposals are still based around theoretical outcomes and broad outcomes. We would also like to see greater information published on the customer group(s) targeted through each initiative, to help quantify the benefits.
6. We hope that the organisational design review⁵ of the Electricity Authority commissioned by its Board will assist the Authority with further sharpening its focus and ensuring that it is a fit for purpose, high-performing regulator.

Next steps

7. MEUG looks forward to continued engagement with Authority staff and its Board in the coming year. 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

⁴ <https://www.ea.govt.nz/news/general-news/introducing-the-electricity-authoritys-refreshed-strategy/>

⁵ <https://www.gets.govt.nz/EA/ExternalTenderDetails.htm?id=32920046>