,
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Joint letter to the Electricity Authority Board on multiple trading relationships & peer-to-peer trading

Kia ora Erik, Tony, Paula, Ben, and Murray,

Advances in technology and falling costs mean customer-owned solar and batteries can play a critical role in New Zealand's energy infrastructure - improving affordability, resilience and sustainability.

Multiple trading relationships (MTR) and peer-to-peer trading would enable this potential by increasing competition, customer choice, and innovation in the electricity market, unlocking greater consumer benefits from customer solar and batteries.

We ask the Electricity Authority Board to:

1. **Agree to implement MTR; and**
2. **Urgently progress complementary changes to enable peer-to-peer trading and energy sharing.**

Australia, provides a relevant example. With approximately 30 GW of rooftop solar, and 3 GW of batteries, customer investment is now a major contributor to the energy system. This has helped stabilise operation demand[1], reduce reliance on gas generation[2], and is putting downwards pressure on electricity prices[3].

New Zealand could see similar benefits. Here, rooftop solar already stacks up for many homes with average saving of $1,000/year (after loan repayments)[4], making rooftop solar a better investment than many investment funds. There is significant opportunity for on-farm, industrial and commercial scale solar and batteries, to provide extra revenue streams, lower energy costs and support local community resilience.

Currently, household and commercial solar is over 560 MW.[5] Improving solar panels and battery costs can help accelerate uptake, however, **to unlock the full benefits for customers, rapid change to regulatory settings is needed** to:

- provide efficient price signals and payments for customer exports. By doing this, it would signal the value of investing in, and operating technology in homes and

[1] Growth in rooftop solar supply has kept pace with a surge in electricity demand since 2022. https://www.aemo.com.au/energy-systems/electricity/national-electricity-market-nem/data-nem/operational-demand-data

[2]https://www.aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-planning-data/generation-information

[3]https://www.aemo.com.au/-/media/files/major-publications/qed/2026/qed-q1-2026.pdf

[4] https://www.rewiring.nz/electric-homes-report

[5] https://www.emi.ea.govt.nz/retail/Reports/guehmt

businesses which significantly offsets electricity costs and lowers energy bills for all users; and
- enable innovative business models and energy sharing so customers can unlock value from their own energy resources for themselves and their communities.

Implementing MTR and peer-to-peer trading will help create a level playing field for all technology, whether supply comes from grid scale generation or roof top solar. Customer technology can now provide an alternative to generation and network infrastructure, however to deliver the most affordable energy system they need to be able to compete fairly. Currently buy back pricing does not reflect market price or avoided network long run marginal cost. Instead customers receive an artificial price from their direct competitors.

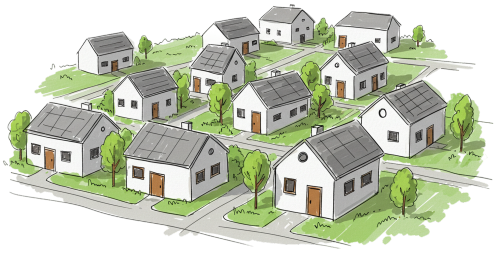
The amount generator-retailers pay for customer solar exports is often based on internal transfer prices, which are consistently below average wholesale prices. This means retailers can buy solar from a customer and then sell it a moment later in the wholesale market for a significant markup.

MTR and peer-to-peer trading aligns with the direction of current policy. For example, the Government is delivering a Consumer Data Right for electricity data, to create greater competition, more innovative solutions and greater choice over how customers meet their energy needs. We encourage the Authority to continue to work closely with government and the Commerce Commission to deliver a framework of regulation and policies that unlocks benefits from customer solar, batteries and other energy resources.

This letter highlights some of the existing use cases and consumer benefits MTR and peer-to-peer trading can unlock. Based on the wide reaching scope of these use cases and the significant consumer benefit from unlocking greater uptake of customer solar and batteries, through MTR, peer-to-peer trading and energy sharing, benefits are likely to significantly outweigh implementation costs. Many of these benefits were not in the scope of the cost benefit analysis published by the Authority with their recent consultation.

Solar for renters' solution

Solar for renters[6] can provide renters and landlords access to fairly share over $1,000 per year of net savings improving energy equity for tenants. Recent analysis by Rewiring Aotearoa shows that facilitating solar for renters could help in unlocking hundreds of millions of dollars of consumer benefit every year.



MTR makes facilitating solar for renters more flexible because it allows the landlord to sell excess solar exports to a retailer of their choice and the tenant is free to choose the

[6] Solar for Renters trial: https://www.qea.nz/solar-for-renters#fixed

retailer that best suits their needs. This unlocks greater competition for export payments – providing more value for homeowners and landlords exporting excess solar to the grid. MTR removes the barrier of the tenant being unable to access solar for renters because they are locked into an existing electricity contract at an individual connection (ICP), and no other retailer can then transact at that ICP. It is a monopoly arrangement caused by the Electricity Industry Participation Code 2010 which is not in the best interest of consumers. MTR can help make solar and batteries accessible for many more households.

Stronger solar & battery investment case for infrastructure investors
For infrastructure investors such as InfraKiwi, MTR and peer-to-peer trading would strengthen the investment case for distributed solar and batteries across housing developments, commercial sites and local infrastructure by allowing locally generated electricity to be shared or sold to customers who value affordable, resilient and renewable supply.

Peer-to-peer trading and energy sharing
Energy sharing for customers in community and state housing and community energy sharing programmes, can increase equity and support benefits for low incomes homes, providing pathways for communities to address energy hardship. Multiple community housing providers have explored this and identified MTR as the best mechanism.

Peer-to-peer trading can provide both buyers and sellers with the opportunity for additional benefit by achieving more value for excess generation and lower cost supply, compared to retail offerings.

Peer-to-peer trading can help customers on large sites that are served by two or more connections to fairly maximise their own generation use. Currently, a customer, such as a large farm with solar on one connection (ICP identifier), sells excess solar to their retailer at a low buy back rate and at the same time buys power at a much higher retail price to serve the energy needs elsewhere on their property that is supplied by a second ICP identifier. This is a market construct, supported by monopoly arrangements which does not reflect the physical reality of what is happening, and subsequently, unfairly disadvantages customers.

Peer-to-peer trading unlocks greater local resilience through enabling local energy users to underwrite more local generation and battery storage investment. Rewiring Aotearoa is actively engaging with several organisations, including Fonterra, on the role of power purchase agreements to accelerate local renewable generation, and support farm solar and battery installations. **We encourage you to reach out to major agricultural energy users and farmers to discuss this use case and are happy to provide relevant contacts.**

Local peer-to-peer trading could provide a mechanism to incentivise loadshifting to times when there is excess local supply, delivering wider benefits by avoiding low

voltage network constraints and supporting greater value from existing low voltage network infrastructure.

We encourage the Authority to ensure any cost benefit analysis fully captures the range of consumer benefits outlined in this letter and is supported by the Authority speaking directly with major agriculture energy users and farmers to hear their use cases

We note that estimates of implementation costs can vary significantly. Greater transparency on these assumptions would support informed decision-making. Based on experience from MTR trials, implementation can be achieved without disproportionate system changes. We would be happy to connect the Authority with independent technical experts who can provide further insight.

Some consumer advocates previously expressed reservations about MTR - not because it is counter to consumer interests, but because more immediate energy hardship issues should be prioritised. Earlier MTR proposals risked over-engineering the solution requiring significant resources to implement. The shift to a simpler, more readily implementable proposal addresses many of these concerns and represents a more proportionate and practical approach.

We urge the Authority to deliver MTR and peer-to-peer trading at pace, enabling greater competition, customer choice, and innovation – whilst supporting a more affordable, secure, resilient and sustainable energy system for New Zealand.

Signed,