24 August 2026

Electricity Authority
PO Box 10041
Wellington 6143

By email to: distribution.pricing@ea.govt.nz

Dear Authority team,

Submission to the Electricity Authority (Authority) on its further reform of distribution connection pricing issues paper consultation

1 Introduction

Electricity Networks Aotearoa (ENA) appreciates the opportunity to comment on the Authority's issues paper on *further reform of distribution connection pricing*.

ENA is the industry membership body that represents the 28 electricity distribution businesses (EDBs) that take power from the national grid and deliver it to homes and businesses (our members are listed in Appendix A).

EDBs employ over 7,800 people, deliver energy to more than two million homes and businesses, and have spent or invested $6.8 billion in network assets over the last five years. ENA harnesses members' collective expertise to promote safe, reliable, and affordable power for our members' customers.

2 Overall observations

ENA supports the Authority's objective of improving connection outcomes. Members recognise that some access seekers have experienced frustration with connection processes, quote transparency, timeliness and the predictability of costs. Those experiences should be taken seriously. At the same time, the next phase of reform should be tightly focused on the problems that evidence shows regulation can solve, and on the customer outcomes the Authority is seeking to improve.

Start with evidence of the problem and define what success looks like

Before designing further connection-pricing interventions, the Authority should clearly identify the problem it is seeking to address, the evidence that the problem is material, and the consumer harm or inefficient behaviour arising from it. The paper describes several desirable features of efficient pricing, but it still does not provide a sufficiently concrete answer to a basic question: what does good connection pricing look like in practice, and what behaviours should the regulatory framework encourage from EDBs and access seekers?

It also acknowledges that important parts of the evidence base remain anecdotal. The existence of variation between EDBs, or the theoretical possibility that an intervention could improve an outcome, is not by itself sufficient to establish that further regulation is warranted.

The Authority should then be clear about the behaviour or outcome it expects any intervention to change and the baseline against which success will be assessed. This is important both to selecting the right regulatory tool and to determining later whether the intervention has actually improved outcomes, had no meaningful effect, or created unintended consequences.

A robust cost-benefit assessment should be central to that decision. The Authority should assess not only the theoretical benefits of an intervention, but their likely scale and probability relative to the full costs of implementation. Those costs include systems changes, additional staff and specialist resource, changes to business processes, guidance and assurance requirements, ongoing administration and the opportunity cost of diverting scarce capability from other work. Ultimately, these costs are borne by consumers.

This is particularly important where the underlying problem has not been quantified. A requirement can be technically achievable and directionally consistent with the Authority's objectives, but still fail to deliver a net consumer benefit if the issue it addresses is infrequent or immaterial relative to the cost of compliance. The Authority should therefore be able to explain, before intervention, the expected benefit, the expected cost and the evidence supporting both.

ENA considers good connection pricing should be transparent and reasonably predictable, reflect efficient incremental costs and fair contributions to shared infrastructure, avoid inefficient subsidies, allocate risks to the parties best able to manage them, and support timely investment while protecting existing customers. Those outcomes should guide the Authority's assessment of options, but the case for intervention should still be demonstrated for the particular problem being addressed.

Where a material problem is established, the Authority should test whether the proposed tool addresses its cause and is likely to produce a net long-term consumer benefit. Clear outcomes and behavioural objectives should be the starting point for assessing each option. Where the problem, harm or likely benefit has not been established, the appropriate next step may instead be targeted evidence gathering, monitoring or engagement rather than further regulation.

Distinguish high costs from inefficient pricing

A connection can be expensive and still be cost-reflective. Customers understandably want lower connection charges, but changing the allocation or presentation of costs does not make underlying costs disappear. Civil works, materials, consenting and temporary traffic management can be material components of a connection and are often driven by councils, contractors or wider market conditions. As we noted in our February 2026 submission,[1] temporary traffic management can account for 20–30% of a job's costs in some cases, but those costs are not set by EDBs. The Authority should separate problems caused by pricing methodology from problems caused by connection processes, technical standards, procurement or genuinely high input costs.

Learn from recent reforms and coordinate the work programme

Three fast-track requirements only took effect on 1 April 2026, a further capacity-costing requirement takes effect on 1 April 2027, and the balance point intervention commenced in August 2026. These measures should generate substantially better information about connection pricing. The Authority should use that information before layering on further requirements, while still making any genuinely DPP5-critical decisions in time to inform 2028 forecasting.

The Authority should also undertake a post-implementation review of the fast-track reforms before the next significant tranche of reform. That review should consider both whether the requirements are delivering the intended outcomes and what can be learned from the Authority's own development and

[1] Electricity Networks Aotearoa, ENA submission to EA on next phase connections consultation Parts A and B - Feb 2026 - FINAL, 4 February 2026

implementation process, including practical testing, sequencing, the timing of guidance and reporting requirements, and whether implementation timeframes were realistic for both the Authority and participants. Those lessons should directly inform how subsequent reforms are designed and implemented.

This is not an argument for delaying reforms where there is a clear problem, a sound evidence base and a demonstrated case for intervention. Rather, it is an argument for sequencing reforms so that they are informed by evidence, learn from recent implementation experience and can be delivered effectively.

The need for coordination is also increasingly important given the wider Government work programme on EDB performance. MBIE's recently released discussion document expressly calls for a joined-up approach across regulatory systems and identifies pricing approaches, customer-facing processes, common standards and network data as areas where the Government is seeking faster system change. The Authority should therefore coordinate its connection-pricing work with that programme, the Commerce Commission, the Energy Competition Task Force and the wider network-connections work programme so that related issues are addressed consistently and unnecessary duplication is avoided.

Regulate the outcome, not just the EDB

The connection supply chain and commercial models differ materially. In a vested-asset model, an applicant or developer procures much of the work directly and the EDB may not set the bulk of the price paid for the connection. Any benchmarking or regulation that relies on full connection costs therefore needs data from the parties that actually incur or set those costs. If relevant providers sit outside the Authority's practical regulatory reach, the Authority should explain how it will obtain comparable information and avoid drawing conclusions from incomplete EDB data.

Apply proportionality consistently across network types

For secondary networks, the key question should be the scale of customer harm or access activity, not simply whether a network is labelled 'primary' or 'secondary'. A materiality threshold based on connection activity or another relevant measure could bring sizeable development or pocket networks within scope while avoiding disproportionate requirements for networks with very few connection requests. The Authority already uses threshold-based obligations in other contexts, including the requirement for retailers with 5% or more market share to offer time-varying pricing plans. ENA is not suggesting that 5% is the right threshold here, only that targeted rather than full coverage is an established regulatory tool.

Focus on total customer outcomes

The objective should not be lower up-front charges in isolation. Shifting costs from a connection charge into future lines charges can change who finances the asset and who bears risk, but it does not necessarily reduce total system cost. The Authority should assess options against total lifetime cost, investment incentives, service quality, financing effects and distributional impacts between new and existing customers.

3 Conclusion

ENA appreciates the opportunity to provide feedback and welcomes the Authority's continued work to improve connection pricing. ENA recommends that the Authority:

- demonstrate the material problem or consumer harm that justifies further intervention, define the behaviour or outcome each intervention is intended to change, and establish a baseline against which success can be assessed;
- undertake robust cost-benefit assessment that accounts for the full implementation and ongoing compliance costs borne by industry and ultimately consumers, as well as the likely scale and probability of the benefits;
- use the new 2026–27 information and a clear materiality test to identify where problems are systemic and where targeted intervention is justified;
- prioritise use of existing information and proportionate transparency, guidance or data improvements where these address a demonstrated evidence gap, ahead of rigid allocation formulas, caps, bands or blanket assurance requirements unless a strong cost-benefit case is demonstrated;
- coordinate connection-pricing work with the Commerce Commission, the Energy Competition Task Force, DPP5 and the Authority's wider network-connections programme; and
- design and test requirements with practitioners so they work across different EDB operating models, vested-asset arrangements, large connections and material secondary network, can be implemented within realistic timeframes, and do not create avoidable compliance costs or shift risk inefficiently.

We have provided responses to the specific questions asked by the Authority in Appendix B.

ENA thanks the Authority for considering these comments. If you have any questions about ENA's submission please contact Gemma Pascall, Regulatory Manager ( ).

Yours sincerely

Gemma Pascall
Regulatory Manager

Appendix A: ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members. Listed below are the lines companies represented:

- Alpine Energy
- Aurora Energy
- Buller Electricity
- Centralines
- Counties Energy
- EA Networks
- Electra
- Electricity Invercargill
- Firstlight Network – owned by Powerco
- Horizon Networks
- MainPower
- Marlborough Lines
- Network Tasman Limited
- Network Waitaki
- Northpower
- Orion New Zealand
- OtagoNet – represented by PowerNet
- Powerco
- Scanpower
- The Power Company – represented by PowerNet
- Top Energy
- The Lines Company
- Unison Networks
- Vector
- Waipa Networks
- WEL Networks
- Wellington Electricity
- Westpower

Appendix B: Responses to specific questions

QUESTION	RESPONSE
Q1. Do you agree with the background and context summary above? Why, why not?	ENA broadly agrees with the high-level context and with the Authority's objectives of cost-reflectivity, predictability, incentive alignment and transparency. We also agree that connection arrangements matter for electrification, housing and economic growth. However, the background places too much weight on variation in EDB practices as evidence of inefficiency. Variation can reflect legitimate differences in network topology, growth, customer mix, contracting models, asset standards and risk. The Authority should also distinguish the level of a connection charge from the efficiency of the underlying costs and the allocation of those costs. A high connection cost is not, by itself, evidence that pricing is inefficient. ENA supports greater standardisation of connection processes, terminology, information and customer interfaces where this reduces cost and complexity. That should not be conflated with requiring identical pricing outcomes or methodologies where network circumstances, costs and risks genuinely differ
Q2. Is there additional background, evidence or context relevant to the issues covered in this paper?	Yes. Four additional pieces of context are important. **First,** most of the new connection-pricing requirements are very recent. Three fast-track measures took effect on 1 April 2026, capacity costing follows in April 2027, and the targeted balance-point intervention only commenced in August 2026. The Authority should use the evidence generated by these changes before concluding that further prescriptive rules are required. **Second,** the Authority should distinguish between connection pricing issues and wider issues that affect the underlying cost of a connection. Many concerns raised by access seekers relate to process, service, technical design or external input costs rather than the pricing methodology used by the EDB. Temporary traffic management is a good example: these costs can be material and remain real costs even where an EDB has limited control over them. Over-specification is another example. It can arise from EDB requirements, but it can also arise from designs prepared by consultants, developers or other parties involved in a connection. To the extent the concern is that an EDB selects a more costly solution than is necessary to provide the connection, the new fast-track requirements already address this through the minimum scheme requirement: connection pricing must distinguish the least-cost technically acceptable solution from distributor-selected enhancements. The Authority should allow this requirement to

QUESTION	RESPONSE
	operate and assess the evidence it produces before introducing further pricing regulation to address the same concern. There is also separate work under way on the technical standards themselves. The Streamlining Connections programme, undertaken with the Authority, the EEA and ENA, is specifically seeking to improve the consistency and efficiency of network connection requirements. Its Technical Connections Review identified variation in distributor connection standards and is being used as the basis for developing more standardised national connection guidance. The Authority's own issues paper recognises that network standards can affect both the upfront and lifetime cost of connections and identifies this wider technical standards work alongside the pricing programme. Further connection-pricing rules should therefore be targeted at demonstrated residual pricing problems, rather than duplicating work already directed at connection design and technical standards. **Third,** operating models differ. Under vested-asset arrangements, customers or developers procure substantial parts of the connection works directly. Comparing EDB connection charges without the corresponding third-party costs would not create a level playing field. **Finally,** contestability is now the subject of active Commerce Commission and Energy Competition Task Force work. The Authority should avoid duplicating or pre-empting that work through this pricing reform.
Q3. How should the Authority prioritise across possible options identified in this paper?	The Authority should prioritise using five tests: • evidence of a material problem; • likely long-term consumer benefit; • whether the proposed tool addresses the identified cause; • dependencies with other workstreams; and • implementation/compliance cost. DPP5 timing is relevant, particularly where a change could materially affect the allocation of connection expenditure between capital contributions and regulated revenue. However, DPP5 should not become an artificial deadline for locking in enduring methodology requirements before the problem, desired behaviour and likely effects are sufficiently understood. The Authority should distinguish between changes for which there is already a clear evidence base and policy direction, and areas where further information and experience are needed. In the latter case, the priority ahead of DPP5 should be to build the evidence base and prepare for future reform — for example through targeted disclosure, monitoring, guidance or clearer principles — rather than prematurely settling an enduring regulatory solution. This is particularly important given that several of the 2026–27

QUESTION	RESPONSE
	connection pricing reforms have only recently taken effect, or are yet to take effect, and therefore have had limited opportunity to generate meaningful evidence about their impact. Priority should also be given to learning from those reforms and coordinating with the Commerce Commission, the Energy Competition Task Force and the network-connections programme. Where the evidence is sufficiently mature and a reform genuinely needs to be reflected in DPP5 forecasts, the Authority should provide policy direction in time for EDBs and the Commerce Commission to account for it consistently. Where it is not, preserving flexibility is preferable to making an enduring intervention primarily to meet the DPP5 timetable.
Q4. Which options should have the highest or lowest priority, and why?	Highest priority should be given to measures that improve the evidence base and address clear information or process gaps at modest cost. This includes proportionate cost transparency (A4), workable data on vested-asset costs where the data can actually be obtained, better evidence on and coordination of network-development funding, and a clear framework for what outcomes and behaviours the Authority expects. Lower priority should be given to options that impose significant structural change before a material problem has been demonstrated. In particular, ENA considers broad equivalence obligations (A3) should not run ahead of the Commerce Commission/Task Force work; mandatory allocation caps or bands (B5/B6) require a much stronger evidence and financing analysis; continuance pricing should follow the wider withdrawal-of-supply framework; and blanket assurance or certification should not be introduced without evidence that targeted monitoring is inadequate.
Q5. Do you consider costing methodologies should be a priority for further reform, and do you have any evidence or analysis to support your view?	Not as a broad standalone reform priority. ENA supports work on costing where there is evidence of a specific problem and a proportionate response, particularly transparency and consistent cost categories. But the paper does not establish that EDB costing methodologies are the predominant cause of poor connection outcomes. The Authority should first separate controllable EDB costs from external input costs, process issues and technical-design choices. It should also use charge reconciliations and other 2026–27 data to test the scale of any problem. Prescriptive costing rules should then be targeted only to gaps that materially affect customer outcomes.
Q6. What are your views on the merits of the identified costing methodology options?	**A1 – mandatory capacity costing.** The case for requiring every EDB to include capacity costs has not yet been established. The value of a capacity signal depends on the circumstances of the network. Where parts of a network are genuinely constrained, capacity costing may help signal the cost of scarce capacity and encourage efficient choices about connection size, location or flexibility. Where there is

QUESTION	RESPONSE
	sufficient network headroom, however, the incremental cost of capacity may be low or zero, and mandatory capacity costing may add complexity without materially changing customer behaviour. The Authority itself recognises that capacity cost can be zero where there is excess capacity. More broadly, not every capacity or congestion issue needs to be addressed through connection pricing. Depending on the cause of the issue and the behaviour sought, other tools — such as congestion management policies, flexible connection arrangements or more targeted network signals — may be better suited. The Authority should therefore start with the problem and desired behaviour, rather than assume a universal pricing intervention is required. If A1 is pursued, the Authority should consider appropriate size or cost thresholds and avoid forcing artificial precision where capacity costs are genuinely negligible. **A2 – construction risk allocation.** Risk should sit with the party best able to manage it. That does not support a blanket restriction on pass-throughs. Some variations are controllable by the party managing construction; others arise from scope changes, ground conditions, consenting, traffic management or customer choices. Overly rigid fixed-price rules would be likely to increase contingency margins. The better approach is clear quote terms, transparent risk allocation and incentives around controllable outturns. **A3 – equivalence obligation.** This should be low priority while the Commerce Commission and Energy Competition Task Force are actively examining competition in connection works. “Consistent” pricing also needs to allow legitimate differences in scale, programme certainty, procurement arrangements and risk. Duplicative or inconsistent regulation would increase cost without improving contestability. **A4 – cost transparency.** ENA supports proportionate, standardised itemisation where it helps access seekers understand the main drivers of a quote and identify choices. Requirements should build on existing charge-reconciliation and Commerce Commission disclosure obligations rather than create a second, overlapping reporting system. **A5 – costing requirements.** Principles and guardrails may be useful where evidence identifies a recurring problem, but detailed rules risk replacing engineering and commercial judgement with regulatory accounting. Where avoided costs or incidental benefits are demonstrably attributable to a connection, it may be appropriate for these to be reflected in the incremental cost estimate. Equally, such adjustments should be evidence-based and should not assume that every wider network benefit can or should be credited to the

QUESTION	RESPONSE
	connecting party. The objective should be a robust estimate of the incremental cost attributable to the connection. As noted above, the Authority should also recognise that design choices and over-specification can originate from consultants or access seekers as well as EDBs. **A6 – input assurance.** Assurance should be risk-based and targeted. Routine engineer or director certification of multiple inputs across every EDB could be costly and may not improve outcomes where there is no evidence of a problem. Targeted review, sampling and safe-harbour guidance are preferable first steps. **A7 – in-kind contribution costing.** In its targeted reform paper last December, the EA stated that around one third of EDBs use a vested-asset approach for at least some connections. In those cases, the EDB may not set, pay or directly observe much of the price of the connection works. Full-cost benchmarking therefore requires information from developers, contractors or other providers, not simply a requirement on the EDB to report data it does not hold. The Authority should first establish how consistent third-party data can be obtained, what it will be used for, and whether the compliance burden is proportionate.
Q7. Are there any other costing methodology options you think the Authority should consider?	ENA does not propose additional costing methodology options at this stage. Before adding further costing rules, the Authority should consider a problem-diagnosis framework. That framework could require it to distinguish: (a) pricing-methodology issues; (b) connection-process or service issues; (c) technical-standard/design issues; and (d) external input-cost pressures. The Authority should first use available evidence about customer outcomes — including quote timeliness, quote-to-outturn variance, reasons for material cost changes and complaints — to identify whether there is a material costing problem and what is causing it. Only where that exercise identifies a clear evidence gap should additional information requirements be considered. These measures would help identify which behaviours need to change and whether pricing regulation is the right tool. Where benchmarking is used, categories should be comparable across different delivery models and should capture third-party/vested costs. Common definitions are more useful than an assumption that common dollar values should result across very different networks. If considering benchmarking, reporting and performance measures, the Authority should work closely with the Commerce Commission

QUESTION	RESPONSE
	to avoid creating duplicative reporting regimes. This coordination is particularly important given MBIE is now consulting on potential changes to the Commerce Commission's benchmarking and information-gathering powers; the Authority should avoid developing parallel connection-specific reporting or benchmarking arrangements before that wider work is settled.
Q8. Do you consider allocation methodologies should be a priority for further reform, and do you have any evidence or analysis to support your view?	ENA recognises that allocation methodologies have an important linkage to DPP5 because material changes to the balance between upfront connection charges and ongoing lines charges can affect distributor financing and revenue path assumptions. However, that linkage should not itself create a presumption that enduring allocation reforms must be settled before DPP5. The timing creates a genuine evidence challenge. Several of the Authority's fast-track measures have only recently taken effect, and the network capacity costing requirements will not apply until April 2027. These measures should provide information that is directly relevant to understanding how current allocation approaches operate in practice. There is a risk that requiring major enduring reforms to be settled by the end of 2027 would leave insufficient time to collect and assess that evidence, meaning significant changes could still be based largely on assumptions about the problem rather than observed outcomes. ENA therefore supports a staged approach. The Authority should progress measures that improve transparency, reporting and the evidence base ahead of DPP5, and make substantive allocation changes where there is already a clear and demonstrated case. Where the evidence is not yet sufficient, it would be preferable to preserve flexibility and revisit the issue once the recent reforms have had time to operate, rather than introduce enduring requirements primarily to meet the DPP5 timetable.
Q9. How well do the identified allocation methodology options meet the allocation objectives discussed in this paper?	Overall, ENA considers the allocation objectives identified by the Authority provide a useful framework for assessing the options. However, on the evidence presented, it is difficult to reach firm conclusions about how well many of the individual options would achieve those objectives in practice. We recognise that this is an issues paper and that the options are therefore necessarily preliminary. However, the Authority's connection pricing reform programme has now been under way for several years and has included a number of consultation and implementation stages. Given the maturity of the reform programme, the case for further intervention should now be grounded in observed problems and evidence about their materiality, rather than principally in the theoretical effects that particular interventions *could* have. Before progressing any of these options, the Authority should more clearly identify, for each intervention, the behaviour or outcome it is

QUESTION	RESPONSE
	seeking to change, the evidence that the problem is material, why the proposed option is likely to address its cause, and the expected benefits and trade-offs. An option being capable in theory of advancing one of the allocation objectives is not, by itself, sufficient to establish that regulatory intervention is necessary or that the option would deliver a net benefit in practice. Against that background, our comments on the individual options below reflect both their potential merits and the current limitations of the evidence base. **B1 – standard process.** There is merit in a common high-level description of the steps in connection pricing if it improves clarity without forcing materially different operating models into an artificial structure. **B2 – standard allocation formula.** ENA is not convinced a single formula is yet justified. It would create significant implementation change and risks turning one analytical representation of pricing into the regulatory end state before its behaviour, financing effects and interaction with lines pricing are fully tested. **B3 – allocation floor.** The subsidy-free objective is sound. If an enduring floor is needed, methodology-level compliance or a safe harbour is preferable to transaction-by-transaction top-ups, which could create volatility and unnecessary administration. **B4 – change limit.** Stability is a legitimate objective, but any limit must allow EDBs to respond to genuine changes in costs, financing, consumer groups and pricing structures. The Authority should first evaluate the operation of the interim balance-point principle. Please refer to our separate submission on the draft balance point guidance. **B5/B6 – allocation cap or band.** These are high-intervention options. They can materially shift financing obligations to EDBs and future lines charges, with DPP5, capital-management and vested-asset consequences. They should be low priority unless the Authority can demonstrate a material consumer problem and quantify the benefits of the chosen range. **B7 – negative charges.** There may be limited circumstances where incentives are efficient, but ENA does not see this as a near-term priority. Any guidance should be permissive rather than creating an expectation of negative charges. **B8 – network cost contribution for large connections.** ENA agrees with the Authority that large connections can require greater flexibility than connections assigned to standard consumer groups. As the Authority recognises in Appendix D, large connections may involve bespoke arrangements for network cost contributions and the balance between upfront and ongoing recovery, reflecting

QUESTION	RESPONSE
	matters such as stranding risk, capex uncertainty, financing preferences and the circumstances of the connecting customer. Existing arrangements already recognise the value of this flexibility. In particular, qualifying Large Connection Contracts (LCCs) are entered into by mutual agreement and are exempt from most connection pricing methodology requirements, while charge reconciliation remains as a safeguard against subsidy. ENA considers this provides a useful starting point: where an EDB and a sophisticated large customer can agree commercial terms that both consider reasonable, regulation should be cautious about unnecessarily constraining that agreement. We acknowledge the Authority's concern that an upper limit on network cost contributions could improve predictability and protect against hold-up risk. However, the paper does not identify evidence that existing arrangements are producing a material problem of this kind. Before introducing prescriptive limits, the Authority should establish whether large customers are in fact experiencing unreasonable outcomes under current arrangements, including whether there are complaints or disputes that existing safeguards are failing to address. ENA agrees with the Authority that a lower limit above zero could be counterproductive, as it could prevent otherwise efficient connections from proceeding. On the evidence currently presented, the better approach is to retain flexibility, including the ability for EDBs and large customers to agree bespoke arrangements, rather than prescribe generic bounds on network cost contributions. **B9 – prudent discounts.** ENA agrees that prudent discounts can be an efficiency-enhancing tool, including where they avoid inefficient bypass or enable an efficient connection that would otherwise not proceed. The same general principle of flexibility is relevant here. Large connections can involve materially different commercial, risk and financing circumstances, and the Authority already recognises scope for selective discounting within existing arrangements. ENA would therefore be cautious about requirements that replace commercial judgement with a prescriptive formula. High-level guidance or transparency expectations may have merit if the Authority identifies evidence that current practices are creating uncertainty or inconsistent outcomes. However, before imposing additional requirements, it should establish what problem is occurring, how material it is, and why the existing ability of large customers and EDBs to negotiate arrangements — including through LCCs where applicable — is insufficient.

QUESTION	RESPONSE
Q10. Are there any other allocation methodology options you think the Authority should consider?	ENA does not propose additional prescriptive allocation options at this stage. If evidence later supports enduring reform, the Authority should consider an outcome-based approach using principles, guardrails and safe harbours rather than defaulting to a standard formula. For example, an EDB could demonstrate that its methodology is subsidy-free, reasonably stable, cost-reflective and transparent without being required to use one formula. The existing targeted balance-point mechanism can also provide evidence about where intervention is actually needed. If the Authority finds persistent outliers, it can then assess whether a floor, change limit or other constraint is the least-cost response. Any enduring framework should include materiality thresholds and flexibility for large individually priced connections.
Q11. Are you aware of any issues relating to network development funding? Please provide examples, evidence or analysis where possible.	ENA agrees that there are important issues associated with funding network development, particularly investment undertaken in anticipation of future connection growth. Electrification will require networks to invest ahead of demand in some circumstances, often where the timing, scale and location of future uptake cannot be known with certainty. These investments can be large and lumpy and can involve material uptake and financing risk. The appropriate approach will therefore depend on factors such as the expected beneficiaries, the strength of the link to particular future connections, uptake risk, investment scale and the distributor's ability to finance the investment. However, ENA cautions against characterising this principally as a connection-pricing problem. There is already significant work across the sector considering how the investment required to support electrification can be funded and de-risked. For example, the Powering Change Energy Transition Framework brings together participants from across the energy system, and its work on removing finance-related barriers to commercial and industrial electrification is considering network funding and connection risks alongside a range of potential funding and coordination mechanisms. This wider context is important. Government policy is increasingly focused on enabling electrification and removing unnecessary barriers to the infrastructure needed to support it, and the Authority itself has framed much of its connections work in terms of reducing barriers to electrification. Additional regulation should not itself become a barrier to timely and efficient anticipatory investment. Before developing further connection-pricing requirements in this area, the Authority should therefore engage with and understand the work already under way across the sector and be clear about the particular problem and behaviour it is seeking to address. The objective should be to enable efficient investment while managing the associated risks appropriately, rather than constrain emerging

QUESTION	RESPONSE
	funding approaches before there is evidence that regulatory intervention is needed.
Q12. What options, if any, should the Authority consider for promoting efficient pricing for network development?	ENA does not consider the Authority should move directly to prescriptive rules for network development funding. The immediate priority should be to establish clearly what outcomes it is seeking to achieve, understand the different circumstances in which anticipatory investment arises, and engage with the wider work already under way on funding investment required for electrification. If further Authority work is warranted, ENA would favour high-level principles or guidance that preserve flexibility to develop efficient funding arrangements. Relevant considerations could include beneficiaries, causation, uptake risk, investment scale, the timing of expected demand and the appropriate balance between connection charges, targeted cost-recovery mechanisms and wider network funding. This flexibility is particularly important because there may be no single funding model that is efficient in all circumstances. The Powering Change work,[2] for example, is considering approaches including demand aggregation and regional coordination, mechanisms to bridge timing and scale gaps, co-investment and other means of sharing early-stage risk. The Authority should be cautious about introducing connection-pricing requirements that inadvertently foreclose or complicate these approaches. The Authority can add most value at this stage by clarifying the outcomes it wants to see and identifying any demonstrated regulatory gaps, rather than prescribing a solution before the problem and desired behaviour are sufficiently understood. Any intervention should support, rather than impede, the wider objective of enabling timely and efficient electrification.
Q13. Are you aware of any issues relating to network modification charges? Please provide examples, evidence or analysis where possible.	ENA is not aware of evidence of a material or systemic problem with network-modification charges. These works cover a wide range of circumstances, and some are already subject to statutory or contractual cost-allocation rules. The Authority's own data indicates that asset-relocation contributions are materially smaller than consumer-connection contributions and we are not aware of issues having been identified with these. Before extending Part 6B-style requirements, the Authority should establish whether there are recurring complaints or material consumer harm that existing Electricity Act provisions, contracts and Commerce Commission disclosures do not address.
Q14. What options, if any, should the Authority	If evidence identifies a problem, ENA would support proportionate principles: the requesting/benefiting party should generally face the

[2] Energy Transition Framework, Final-report-removing-financial-barriers-from-C-and-I-electrification.pdf, July 2025

QUESTION	RESPONSE
consider for promoting efficient pricing for network modifications?	efficient incremental cost it causes; EDB-selected betterment should not be loaded onto the requester; and the basis of material charges should be explainable. The Authority should start with targeted information gathering and guidance. Extending the full connection-pricing methodology framework to network modifications would be disproportionate without evidence of material harm.
Q15. Are you aware of any issues relating to connection downgrade or disconnection charges? Please provide examples, evidence or analysis where possible.	ENA is not currently aware of material or systemic issues relating to connection downgrade or disconnection charges. We broadly agree with the considerations identified by the Authority in this section. EDBs should be able to recover the reasonable costs directly associated with a customer-requested downgrade, disconnection or subsequent reconnection. There may also be circumstances where additional charges are appropriate — for example, where repeated or tactical disconnection and reconnection creates administrative or operational costs or is undertaken primarily to avoid charges. Similarly, where a customer-initiated reconfiguration or permanent disconnection strands connection-specific costs, it may be appropriate for those costs to be taken into account rather than shifted to other customers. These issues may become more important as connection pricing evolves. Where a greater proportion of the incremental cost of a connection is recovered over time through lines charges rather than upfront, an early downgrade or disconnection can leave a greater proportion of connection-specific costs yet to be recovered. The Authority should therefore be careful that reforms intended to reduce upfront connection charges do not inadvertently increase the risk that unrecovered costs are transferred to existing customers. This reinforces the need to preserve reasonable flexibility to address disconnection, reconfiguration and stranding where they arise.
Q16. What options, if any, should the Authority consider for promoting efficient pricing for connection downgrades or disconnections?	Given that ENA is not aware of material current problems in this area, we do not see a case at this stage for prescriptive rules that constrain EDBs' ability to recover reasonable downgrade, disconnection or reconnection costs. If the Authority considers further work is warranted, principles or guidance may be preferable to detailed rules. Any framework should preserve EDBs' ability to recover directly attributable costs, address inefficient charge avoidance where it occurs, and take account of connection-specific costs that may be stranded by customer-initiated reconfiguration or disconnection. It should also recognise that the appropriate treatment may differ depending on the circumstances of the connection and whether assets or capacity can subsequently be reused. The Authority should consider this area alongside its wider allocation and financial security reforms. Changes that defer a greater

QUESTION	RESPONSE
	proportion of connection cost recovery into future lines charges may alter the consequences of subsequent downgrade, disconnection or stranding. Regulation in one part of the framework should not remove reasonable tools for managing risks created or increased elsewhere. In the absence of evidence of a material problem, information gathering or monitoring would be a more proportionate first step than introducing new restrictions.
Q17. Are you aware of any issues relating to continuance pricing? Please provide examples, evidence or analysis where possible.	The Authority appears to have identified the relevant considerations related to continuance pricing in paras 4.51 and 4.52 of the paper. There are no obvious additional matters to consider. ENA is not aware of evidence showing a material or systemic problem with continuance pricing. The Authority's own analysis recognises that continuance pricing depends on the wider withdrawal-of-supply framework. That supports deferring detailed pricing work until the circumstances and process for withdrawal are settled.
Q18. Should continuance pricing methodologies be a priority for further reform? Please provide reasons for your view.	ENA considers that the nature and scope of regulation (via the Code or otherwise) that will define the mechanisms for withdrawal/ continuation policies should be addressed first. Once these are in place (or at least settled) then appropriate pricing policies can be developed to reflect these. Without understanding the specific circumstances and mechanisms by which EDBs will be able to withdraw supply (including what other consumer supply arrangements must be put in place) it is somewhat speculative to begin designing associated pricing policies. Accordingly, ENA considers continuance pricing should be a low priority in this work programme. Bringing detailed pricing rules forward would risk designing them around assumptions that later change when the withdrawal and alternative-supply framework is settled.
Q19. What options, if any, should the Authority consider for promoting efficient continuance pricing?	As it does in other areas, the Authority could ultimately develop a clear set of principles that underpin efficient continuance pricing and communicate its expectations that individual EDB policies reflect those principles. However, as noted in our responses above, the sequencing matters. The withdrawal/continuation framework should first establish the circumstances in which supply may be withdrawn or continued, the relevant protections for affected customers, and the responsibilities of the parties involved. Without those substantive settings, it is difficult to identify whether there is in fact a continuance-pricing problem, what behaviour may need to change, or what role pricing should play.

QUESTION	RESPONSE
	As noted in our response to Q3, DPP5 timing should not become an artificial deadline for settling enduring requirements before the underlying problem, desired behaviour and likely effects are understood. We do not see a benefit in developing continuance-pricing requirements ahead of the withdrawal/continuation framework simply to align with DPP5. Any further pricing intervention should then depend on evidence that a material problem remains once the wider framework is in place. If such evidence emerges, principles or guidance could be considered, focused on transparent allocation of avoidable costs, efficient incentives and reasonable protections for affected customers. If no material pricing problem is demonstrated, further regulation may not be necessary.
Q20. Are you aware of any issues relating to secondary network access? Please provide examples, evidence or analysis where possible.	ENA is not currently aware of evidence demonstrating material or systemic connection access or pricing problems on secondary networks. Equally, it is not clear that there is sufficient information to conclude that customers on secondary networks experience better or worse outcomes than those connected directly to EDBs. We therefore think the key issue is the current evidence gap. The relevant question is not simply whether a network is classified as primary or secondary, but whether customers and access seekers are exposed to materially different risks or outcomes. Useful evidence could include the volume and value of new connections and upgrades, complaints and disputes, customer satisfaction, connection timeframes, pricing transparency and the extent to which customers have meaningful alternatives. Aggregate customer numbers may also be a poor proxy for risk: a growing secondary network could undertake more connection or upgrade activity than a small, established EDB. ENA therefore agrees with the Authority's observation at paragraph 5.11(a) that any case for intervention should depend on the scale and nature of the network and whether the potential harm from inefficient access pricing is sufficient to outweigh the costs of intervention.
Q21. Should secondary network access be a priority for further reform? Please provide reasons for your view.	ENA does not consider secondary network access should be a high priority for substantive regulatory reform at this stage, given the current lack of evidence of material customer harm. However, it is reasonable for the Authority to do some early groundwork, particularly as the number, scope and scale of secondary networks may increase over time. Given secondary networks are required to join the Utilities Disputes Energy Complaints Scheme, the Authority should first establish how many relevant complaints have been made and how complaint rates compare with primary networks on a per-customer/ICP basis. This information should be readily available from Utilities Disputes Limited. We agree with the Authority that, if concerns do arise, they are likely to be most relevant for networks with meaningful access activity,

QUESTION	RESPONSE
	such as some pocket networks and major infrastructure sites. Priority should therefore be driven by the likely impact on customers and access seekers, rather than by network classification alone. In the near term, the Authority could set out its expectations for the outcomes secondary networks should provide to customers and support those expectations with proportionate information gathering. This would help identify whether more substantive intervention is warranted as the sector develops, without imposing detailed requirements before a material problem has been demonstrated. In particular, the Authority should avoid an outcome where a small EDB with limited connection activity is subject to extensive connection pricing requirements while a growing secondary network with significant connection activity remains outside them solely because of its regulatory status.
Q22. What options or approach, if any, should the Authority consider for addressing secondary network access issues?	ENA broadly supports the phased approach outlined at paragraph 5.17. The Authority should begin with basic, proportionate information requirements to understand the scale, nature and connection activity of secondary networks. The metrics identified by the Authority — such as end-point counts, energy volumes and access activity — are a sensible starting point. Over time, this should be supplemented where practicable with information that sheds light on customer outcomes, such as connection and upgrade volumes, complaints or disputes, customer satisfaction, connection timeframes and pricing transparency. The purpose should be to establish whether there is evidence of harm and where it is concentrated, not to create a substantial new disclosure regime for all secondary networks. That evidence can then be used to determine whether a materiality threshold or other demarcation is needed to identify networks where regulatory oversight would add value. Any future threshold should focus on characteristics relevant to the risk being addressed — for example connection activity, network scale and the extent to which customers have meaningful alternatives — rather than relying solely on existing primary/secondary network classifications. Only where the evidence supports intervention should connection pricing obligations then be extended, with modifications where appropriate to reflect the operating context of secondary networks. The objective should be comparable protection for customers facing comparable risks, not necessarily identical regulation for different types of network.
Q23. Are you aware of any issues relating to financial security requirements? Please provide examples,	ENA is not aware of evidence demonstrating material or systemic problems with EDB financial security requirements. We agree with the Authority that financial security should be proportionate to the risk being managed and should not be unnecessarily onerous or

QUESTION	RESPONSE
evidence or analysis where possible.	discriminatory. However, we do not agree with the broad characterisation at paragraph 5.32 that distribution connections generally have negligible stranding risk. Stranding risk is highly dependent on the circumstances of the connection and should be considered relative to the EDB and its customer base. A connection can represent a material financial exposure for an EDB even where it would not be considered particularly large in national terms. Risk may be particularly significant where connection assets are bespoke, located remotely, have limited alternative use or salvage value, or where the future viability or demand of the connecting customer is uncertain. The Authority acknowledges some of these circumstances at paragraph 5.33. Nor does the ability of a regulated EDB to recover stranded asset costs through its wider customer base eliminate the underlying economic risk. It potentially just transfers that cost to existing customers. Appropriate financial security can therefore be an important means of protecting existing customers from risks created by a new connection. This issue may become more important as connection pricing reforms increase the proportion of connection costs recovered over time through lines charges rather than upfront. Deferring recovery increases the amount potentially exposed if a customer subsequently reduces demand, disconnects or fails, and therefore increases the importance of appropriately allocating stranding risk. Against that background, the Authority should distinguish between evidence that particular financial security arrangements are unnecessarily onerous and the legitimate use of financial security to manage genuine risk. The issues paper does not currently provide evidence that existing EDB practices are causing a material problem requiring further intervention.
Q24. Should financial security requirements be a priority for further reform? Please provide reasons for your view.	ENA does not consider financial security requirements should be a priority for further reform on the evidence currently presented. The first question should be whether there is a material problem. The issues paper does not provide evidence that current financial security requirements are resulting in poor customer outcomes, materially deterring efficient connections, or giving rise to significant complaints or disputes. Before considering reform, the Authority should establish whether access seekers are in fact experiencing problems and, if so, their nature, frequency and materiality. This could initially be informed through existing complaints and dispute information and, if necessary, targeted information gathering from EDBs and access seekers. If that evidence demonstrates a material issue, the

QUESTION	RESPONSE
	Authority could then investigate its causes and consider whether regulatory intervention is warranted. If no material problem is identified, there is no obvious case for further regulation. This is particularly important given that financial security can serve a legitimate role in protecting existing customers from stranding risk, and that risk may increase as a greater proportion of connection costs is recovered over time rather than upfront.
Q25. What options or approach, if any, should the Authority consider for financial security requirements?	ENA does not consider the Authority should select a regulatory approach until it has first established that a material problem exists and understood its cause. The issues paper has not demonstrated that current financial security requirements are producing poor customer outcomes, materially deterring efficient connections, or otherwise creating a problem that requires regulatory intervention. The first step should therefore be evidence gathering, focused on whether access seekers are experiencing material difficulties with financial security requirements and, if so, the nature, frequency and consequences of those difficulties. This should be proportionate and could draw initially on complaints, disputes and targeted information from access seekers and EDBs. If that evidence demonstrates a material problem, the Authority should then consider what intervention, if any, is needed to address the specific cause. ENA would favour a risk-based approach over broad or prescriptive restrictions on when financial security may be required or its form and amount. Any future approach would need to recognise that stranding risk varies materially between connections and EDBs. Relevant factors may include the scale of the investment relative to the EDB, the amount of cost not yet recovered, the likelihood and timing of future cost recovery, the extent to which assets can be reused or salvaged, and the consequences of stranding for other customers. ENA would therefore be cautious about the options in paragraph 5.34 that would limit pre-payment or post-commissioning financial security across broad categories of connections. The Authority itself recognises that financial security may be appropriate where stranding risk is material. That risk may become more significant where a greater proportion of connection costs is recovered through future lines charges rather than upfront. If no material problem is identified, ENA does not consider further regulatory requirements are necessary.
Q26. Do you have views on any other measures the Authority should put in place to address connection pricing	**Contestability.** ENA supports customer choice and competitive outcomes in the provision of connection works. However, ENA does not consider this paper should be used to create a separate contestability regime. The Commerce Commission's 13 August 2026 letter to EDBs and Transpower makes clear that competition in

QUESTION	RESPONSE
methodology issues (including Appendix D issues relating to contestability, in-kind contributions, large connections, and real estate developments)?	connection works will be a focus of the Energy Competition Task Force in early 2027, and sets current expectations on choice of provider, non-discrimination, technical standards and contractor approval. Connection pricing rules should be compatible with that work, but should not duplicate or pre-empt it. **For in-kind contributions,** the key issue is data and regulatory reach. Where applicants or developers procure connection works directly, the EDB may not set or observe the bulk of the price. If the Authority wants a true comparison of connection costs, it needs a credible mechanism to obtain consistent data from the providers that incur or set those costs. Requiring EDBs to report information they do not hold will not create a level playing field or improve outcomes for customers. **For large connections,** ENA favours preserving the ability of EDBs and connecting customers to negotiate bespoke arrangements for cost recovery, financing, stranding risk and ongoing charges. As the Authority recognises in Appendix D, these connections can have materially different characteristics and existing arrangements, including LCCs, already provide additional flexibility for qualifying connections. We do not consider the issues paper establishes a case for further restrictions on that flexibility, including generic limits on upfront cost recovery or on the use of individual pricing. Any additional requirements should be supported by evidence of a material problem and should not unnecessarily constrain mutually agreed, efficient arrangements. Refer also to our response to Q9. **For real estate developments,** ENA recognises the concern that the current pioneer scheme carve-out may leave some developers bearing costs that subsequently benefit later connections. The underlying first-mover issue is therefore relevant to real estate developments. However, there are genuine practical differences. Developers may fund infrastructure well before the ultimate network users connect and may later sell lots or units, raising questions about who should receive subsequent pioneer payments and how those benefits would flow through to the customers ultimately funding and using the network. ENA therefore favours retaining the current permissive approach for now. EDBs can already include real estate developments in pioneer schemes where this is workable; they are simply not required to do so. Given the broader pioneer scheme requirements are still new, the Authority should allow experience to develop and, in the meantime, work with EDBs and real estate developers on practical options before considering a mandatory approach. We also agree that pioneer schemes are not the only possible response. The Authority identifies other measures relating to

QUESTION	RESPONSE
	construction-cost risk, minimum-scheme costing, transparency and contestability that may address some developer concerns and should be considered alongside any future review of the carve-out.
Q27. What measures, if any, should the Authority consider to ensure connection pricing methodology requirements are effective in practice?	ENA considers the most important measure is to ensure that connection pricing requirements are workable in practice, not simply theoretically coherent. This requires the Authority to involve people with direct operational experience of designing, pricing, quoting, delivering and accounting for connections throughout the development and implementation of new requirements. The Authority itself recognises that reforming connection pricing methodologies and the associated business systems, processes and artefacts is a significant and complex undertaking. ENA recognises that the Authority already uses technical and industry advisory arrangements to test aspects of its work. However, our experience is that the current approach does not always provide participants with sufficient visibility of the overall policy design, or sufficient time and opportunity to test how the different elements will operate together in practice. Engagement on individual components or late-stage drafting is not a substitute for testing the end-to-end framework. Recent implementation experience reinforces the need for a more iterative and practically focused approach. New requirements should therefore be tested against real connection scenarios before they are finalised, including more complex and atypical cases. This should involve workshops with the people who will actually need to apply the requirements, with sufficient information and time to identify ambiguities, impractical requirements, unintended incentives and interactions with existing systems. ENA and its members would be happy to assist the Authority with this kind of practical testing. Clear practical guidance, worked examples and timely responses to implementation questions can then support consistent application. The Authority itself identifies these as implementation tools. To help identify challenges and inconsistencies earlier, guidance should also be developed and tested alongside the underlying requirements wherever possible, rather than after key policy choices have already been settled. Self-certification, independent assurance or enforcement should not be substitutes for clear, practicable regulatory design. The Authority acknowledges that assurance requirements themselves can impose additional process and compliance costs. Any such measures should therefore be proportionate to demonstrated compliance risks and should avoid duplicating existing Commerce Commission assurance and regulatory requirements. Please also refer to our parallel submission on the recent draft balance point guidance.

QUESTION	RESPONSE
Q28. How should the Authority monitor, review or update connection pricing methodology requirements to ensure they remain fit for purpose over time?	ENA supports ongoing monitoring and periodic review of connection pricing requirements, but effective regulatory stewardship starts before regulation is introduced. The Authority should clearly identify the problem it is seeking to address, the evidence demonstrating its materiality, the behaviour or outcome it expects the intervention to change, and the baseline against which success will be assessed. Without this, it is difficult to determine later whether an intervention has improved outcomes, had no meaningful effect, or created unintended consequences. This is particularly important for future connection pricing reform. As noted elsewhere in our submission, some of the issues identified in this paper are supported primarily by anecdotal or theoretical concerns. Where further intervention is progressed, the evidence used to justify that intervention should also provide the starting point for subsequent monitoring. The Authority should be able to articulate what change it expects to observe and over what period before deciding how that change will be assessed. Once requirements are implemented, they should generally be given sufficient time to operate and generate meaningful evidence before further changes are made. The Authority itself recognises that frequent refinement can create cost and uncertainty, particularly where changes require modifications to business systems and customer processes. ENA also considers there would be value in a formal post-implementation review of the recent fast-track reforms before the next significant tranche of connection pricing reform is implemented. That review should consider not only whether the requirements are operating as intended, but also what can be learned from the regulatory development and implementation process itself. Relevant matters include whether implementation timeframes were realistic for both the Authority and participants, whether final guidance and reporting requirements were available soon enough, and whether technical engagement gave practitioners enough visibility, information and time to test the end-to-end operation of the proposals. ENA has previously raised concerns about late-stage implementation requirements and encouraged the Authority to develop project plans that work backwards from implementation dates so that milestones are achievable for both the Authority and EDBs. These lessons should inform how future reforms are developed and sequenced. As discussed in our response to Q27, technical consultation should be used to test practical implementation, not only the drafting of Code provisions. This includes testing how proposed requirements interact with real connection processes, systems, annual pricing cycles, customer communications and other regulatory obligations. ENA and its members would be happy to work with the Authority through more iterative workshops to support this.

QUESTION	RESPONSE
	Monitoring should make use of information already available before additional reporting or disclosure requirements are introduced. This includes Commerce Commission information disclosures, connection charge reconciliation information, published connection pricing methodologies, complaints and disputes, and targeted information requests where a particular concern has been identified. The Authority already identifies many of these as available monitoring sources. Additional requirements should only be introduced where there is a clear evidence gap and the likely benefit justifies the compliance cost. Reviews should then assess actual outcomes against the original problem definition, baseline and intended behaviour change, including whether the requirements have produced unintended incentives, unnecessary complexity or implementation difficulties. Variation between EDBs should not itself be treated as evidence of failure where it reflects legitimate differences in network circumstances. Where monitoring identifies a problem, the response should be proportionate to its cause. Clarification or improved guidance may be sufficient for implementation issues; substantive regulatory change should be reserved for cases where evidence shows that the underlying settings are not delivering the intended outcome. In particular, monitoring of the recently introduced reforms should first be used to determine whether those reforms are working as intended, rather than treated as a presumption that a further round of intervention is required. The Authority should coordinate monitoring with Commerce Commission information disclosures and DPP processes, and include explicit review/sunset mechanisms for interventions introduced to address transitional or uncertain problems.