24 March 2026

By email: distribution.feedback@ea.govt.nz

Response to joint letter to distributors on non-network solutions

Introduction and summary

Meridian appreciates the opportunity to provide feedback on the joint letter on non-network solutions (NNS), from the Commerce Commission, the Electricity Authority and EECA.

Meridian supports the joint regulator's objectives to:

- improve system efficiency
- reduce long-run consumer costs, and
- support the energy transition through using least-cost solutions.

Non-network solutions have an important and growing role alongside traditional network investment. Meridian welcomes a coordinated regulatory approach, through the support of early consideration of non-network solutions, better price signals, and more transparent and competitive procurement. Meridian also encourages having clear roles, consistency across distributors, and careful treatment of risks and accountability. Our view is that the market will deliver flexible services, and that distributors have a role to play as enablers of this.

While the letter is directed primarily to electricity distribution businesses, we note that retailers and other consumer agents will play an increasingly important role in enabling non-network solutions and price-responsive demand. Many of the future-state outcomes described in the letter, especially those relating to automation, consumer choice, and aggregation, sit beyond the direct control of distributors and require coordination across the value chain.

Meridian's role in energy markets and our position on NNS

Meridian participates in NNS markets as a large retailer managing customer relationships, a demand-side flexibility enabler, and a generator whose system outcomes depends on efficient network investment. Meridian has a strong interest in predictable, technology-neutral frameworks, scalable approaches that work across networks, and avoiding complex and inefficient distributor arrangements. We are also heavily involved in delivering consumer energy resources for consumers. In that light, this submission will focus on system efficiency, positive consumer outcomes, and practical deliverability.

Meridian agrees that demand growth, electrification and distributed energy resource (DER) uptake are increasing network pressure. At the same time, traditional network investment is capital-intensive and difficult to unwind once committed. NNS have the potential to defer or avoid investment, improve asset use, and lower total system costs when well-designed. Meridian is supportive of NNS as complements for network investment, where the economics and business case support this approach.

Meridian's views on the three proposed actions

Ensuring that both NNS and network solutions are considered in network planning

Meridian supports formal, documented consideration of NNS in network planning. Early screening in processes for flexibility opportunities would also be beneficial.

Our view is that this approach would be more effective when backed up with guidance from the regulator, setting out minimum standards for NNS assessment within AMP planning. This guidance could cover:

- Transparency: clear disclosure of when and why NNS are shortlisted or ruled out in all projects.
- Network visibility: this should be made open access for participants. If market participants can identify network capacity and constraints (along with price), they will be able to respond. For example, participants could target specific tariffs and demand response payments and target deployments of EV chargers to areas where capacity is already available.

- Comparable assessment: consistent methodologies for comparing cost, reliability and risk.
- Timing constraints and practical assessments: clarity on when NNS can realistically deliver compared with other options. While NNS may be theoretically cheaper or desirable for some projects, it may not be operationally ready or scalable within the relevant timeframe.
- Flexible commercial contracts: it is essential that participants are able to negotiate specific terms and conditions to enable flexibility. Participants operating in flexible markets also need to manage the combined effect of upfront and ongoing use of system charges. These have a direct impact on the development of smart load solutions, as well as a wide range of vehicle charging (fleet, heavy vehicle and public) and other electrification projects.

Pricing as an enabler of flexibility

Meridian strongly agrees that price signals are the foundation for unlocking efficient flexibility, and that distributor tariff design has the potential to help lift consumer participation. Distributors can and should play a role in pricing flexibility.

Meridian is supportive of cost-reflective distribution pricing, and designing signals that are durable, understandable and predictable. Poorly designed signals however have the potential to deter participation or shift costs in a way that could be inefficient.

Meridian is strongly supportive of the regulator's articulation of a future where flexibility is enabled through price-responsive electricity use rather than direct distributor control. Meridian agrees that consumers should not be expected to actively manage their electricity use on a day-to-day basis. Instead, retailers or other customer agents are well placed to respond to network price signals (as well as optimising to other parts of the system) on consumers' behalf, using automation and smart technologies to manage assets such as EV chargers, batteries, and hot water systems in ways that reflect consumer preferences and deliver system value. We note however that some customers will still want to manage their use and make decisions on what they will respond to. Maintaining this optionality and adapting to customer preference will be key.

We are supportive of continued coordination between the Electricity Authority's pricing work and distributor implementation. As tariff design evolves, we would also like to encourage more engagement with consumers and retailers to inform design.

Engaging with the market

Meridian supports transparent, technology-neutral procurement processes, and standardisation where possible across distributors. The current processes are highly bespoke and very fragmented across the 29 distributors. This creates high transaction costs for providers. Meridian operates the Zero EV charging network nationwide, and our efforts to build out the network have demonstrated very wide-ranging costs across the different networks.[1] Regulatory interventions such as standard template contracts and clear performance metrics also would help. We note however that there is a balance with flexible commercial terms, particularly if customers can operate within existing capacity limits.

Meridian suggests that the regulators also encourage cross-distributor alignment and continue to put clear expectations on distributors for information disclosure and transparency.

Standardisation should be promoted in a way that mitigates any risk of inadvertently prescribing specific solutions in a rapidly evolving market. The most efficient pathways to delivering flexibility are still emerging, especially in residential settings. There is value to allowing multiple approaches to compete and evolve in competitive settings. Our suggestion to regulators is to focus on enabling outcomes (flexibility, responsiveness, positive consumer outcomes) rather than favouring certain technical solutions. Preferring some solutions over others can increase complexity and slow the uptake, while also constraining innovation in an area that is rapidly changing.

Role clarity and risk allocation

While NNS have the potential to support electrification and the electricity system, it is also important that roles are clarified and risks are understood. Meridian encourages more clarity on issues such as who bears the delivery risks if NNS underperform, and NNS being held to performance standards comparable to the network solutions they are being

[1] See for example Meridian's submission from February 2026 on barriers to new connections, where we noted that from the 22 high capacity public DC charging connection projects undertaken in 2025, the regional cost variation in upfront customer contributions to network costs varied from $0/kVA to $738/kVA. Link to submission: Meridian-submission-reducing-barriers-to-new-connections-4-February-2025.pdf

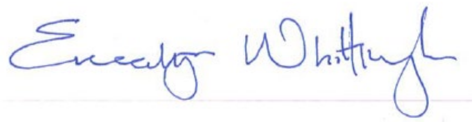
designed to replace. Transparent fallback arrangements should also be in place for instances where NNS could fail.

Closing remarks

Meridian is supportive of a coordinated approach by the three regulators, and alignment with other upcoming reforms. We would be happy to discuss this feedback, and we welcome future engagement as this work evolves.

Nothing in this submission is confidential and it can be released in full.

Nāku noa, nā



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