

13 August 2026

To: Chief Executives of electricity networks regulated under Part 4 of the Commerce Act

By email

Tēnā koutou,

Letter to electricity networks—competition in connection works

Electricity connections are important for economic development and are often the most direct contact consumers have with their electricity network. The costs, timeframes and processes involved in getting a connection can have a significant effect on businesses and consumers and on the reputation of the sector. This can also have flow-on effects on competition in other sectors.

For these reasons, connections are a key part of the current programme of work of the Energy Competition Task Force led by the Commerce Commission and the Electricity Authority.

This letter focuses on competition in electricity connections works, which will be a focus area for the Task Force in early 2027. Ahead of that, we want to make our current expectations clear. These are –

- Wherever safe and practicable, consumers should expect to be able to have a choice of provider for connection works so that they can compare cost, timeliness and service between providers. The network owner should make this choice clear to consumers.
- The incumbent networks – electricity distributors and Transpower – must explain clearly which works (including the different aspects of connection works like civil works, low voltage work, and higher voltage work) are contestable, which are non-contestable, and why.
- The networks must not favour their own contracting arms or internal business unit. This includes making all relevant information available to approved third-party providers in a timely and clear manner and on the same basis that information is

available to their own contracting arms or internal business unit. The network owners with internal business units or contracting arms that provide these services should have clear non-discrimination policies and processes in place to ensure equal treatment of competing providers of connection works. Electricity distributors' capital contributions policies should not favour the distributors' contracting arm or internal business unit.

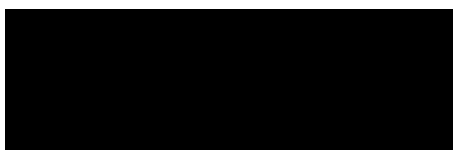
- We accept that network owners need to set technical standards for the quality and safety characteristics of connections to the network and commercial terms (eg, warranties), but these requirements must be reasonable and not differentiate between requirements on third-party contractors and requirements for the network's own contracting arm or internal business unit.
- Networks should have clear, published processes for approval of third-party providers of connections, and smaller networks should take into account providers' approvals by larger networks. We expect electricity networks would only reject an application or cancel an existing approval on reasonable grounds.
- There should be no overall restriction on the number of providers for contestable work who can compete at any time.

We welcome reactions to these expectations, and the performance of the sector in this area will inform our work in 2027.

We wish to remind electricity networks that they may well have substantial market power and that the effect of their behaviour in respect of connections could be a breach of competition law under section 36 of the Commerce Act, whether intentional or not. It is therefore important that our expectations are taken seriously and that competition in connections is not impeded. If we receive complaints about networks' behaviour under section 36, our Competition team will continue to assess these and engage with networks directly where relevant.

We will continue to monitor the extent to which consumers have a choice as the Task Force moves on to this aspect of connections in early 2027.

Nāku noa, nā



Andy Burgess

General Manager, Infrastructure Regulation