

30 April 2026

Gaganpreet Chadha – General Manager, Networks and Operations, Unison

Via email: [REDACTED]

Tēnā koe Gaganpreet,

## **Approval of Unison’s application for the Innovation and Non-traditional Solutions Allowance**

This letter sets out our decision to approve Unison’s application to recover 100% of the \$90,000 forecast costs of its ‘Rhizome GridADAPT trial’ project (the Project) from the Innovation and Non-Traditional Solutions Allowance (INTSA).<sup>1</sup>

### **Unison’s application**

Unison submitted its INTSA application in March 2026.<sup>2</sup> The application sought our approval to recover 100% of the forecast Project costs of \$90,000 from its INTSA allowance, at the completion of the Project. The forecast cost of the Project represents approximately 1% of Unison’s total INTSA allowance.

Unison’s project will trial the use of Rhizome GridADAPT, which is a software that models extreme weather risk. Rhizome GridADAPT uses AI and cloud technology to automate extreme weather risks assessments, and if successful, can be used to inform long-term resilience investment. For example, Rhizome GridADAPT can be used to support identifying areas of the network that are more vulnerable to high-impact low probability events and testing different investment scenarios across Unison’s network. Unison intends to trial the software to see if it can use GridADAPT to plan for and manage climate-related risks to its network.

Unison is collaborating with Horizon Networks for this Project. Horizon had its application for Rhizome GridADAPT approved on 20 November 2025.<sup>3</sup>

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<sup>1</sup> INTSA is provided for under the *Electricity Distribution Services Default Price-Quality Path Determination 2025* [2024] NZCC 28, Schedule 5.3 (the Determination).

<sup>2</sup> The INTSA application requirements can be found in Schedule 5.3 of the Determination.

<sup>3</sup> Commerce Commission, [Horizon – Rhizome GridADAPT – Approval letter](#), (20 November 2025)

## **Commission’s assessment of Unison’s application**

We have assessed and approved Unison’s application to recover 100% of the \$90,000 forecast costs at the completion of the Rhizome GridADAPT trial.

To be eligible for INTSA funding the Project must meet the eligibility criteria set out in paragraph (6) of Schedule 5.3 of the Determination.

### **Assessment of eligibility criteria**

#### *(6)(a) – project relates to the supply of electricity distribution services*

We consider the Project relates to the supply of electricity distribution services. The Project aims to assess the suitability of Rhizome GridAdapt for long-term resilience planning to support efficient investment in Unison’s electricity distribution network. If successful, the Project could help improve the resilience of the distribution assets and decrease the number and/or duration of outages experienced by consumers.

#### *(6)(b) – project promotes the purpose of Part 4 of the Act*

We consider the Project promotes the s52A (1)(a), (b) and (c) limbs of the purpose of Part 4.<sup>4</sup>

The Project promotes the s52A(1)(a) limb, as the climate modelling approach is innovative and has not been tested in New Zealand. The Project intends to evaluate whether this approach performs better than traditional approaches used to inform climate adaptation and resilience investments. The Project, if successful, will also incentivise Unison to invest in the more vulnerable parts of its network at appropriate times to increase resilience to extreme weather events.

The Project promotes the s52A(1)(b) limb by having the potential to improve the efficiency and quality of Unison’s resilience investment planning. If the Project is successful, consumers would benefit from the reduced impact of extreme weather on the network, improving the quality of service in the long term.

The Project promotes the s52A(1)(c) limb as, if it is successful, the potential gains from improved efficiency in investment in the long term will be shared with consumers via the price-quality path mechanisms.

#### *(6)(c)(i) – project is unlikely to otherwise result in any financial benefits to the EDB in the five disclosure years after the expected delivery date*

This criterion is required for the Project to be eligible to recover up to 100% of the Project costs. The test is whether the EDB is “unlikely”<sup>5</sup> to receive some financial benefit within the five years.

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<sup>4</sup> Section 52A of the Commerce Act 1986.

<sup>5</sup> To satisfy this criterion, the financial benefit has to be more unlikely than likely, ie, more than a 50% chance.

We consider the Project satisfies this criterion. The trial represents an assessment of whether Rhizome GridADAPT is suitable for the New Zealand operating environment, recognising the uncertainty involved in whether Rhizome's models can be successfully adapted to predict the probability of asset failures based on data available in New Zealand.

Even if the trial is successful, the Project will only inform Unison's future network expenditure and long-term forecasts, rather than lead to immediate cost reductions or quality improvements that would be recognized by the incentive schemes Unison is subject to under price-quality regulation.

By meeting this criterion (together with the criteria above), Unison is eligible for 100% recovery of the forecast costs of the Project (\$90,000).

### **Next steps**

With the INTSA application now approved, Unison is eligible to draw down the forecast Project costs of \$90,000 on its completion.

Additionally, Unison must submit a closeout report to the Commission that meets the requirements found in paragraph (14) of Schedule 5.3, within 50 working days of completing the Project.

We will publish this approval letter on our website.

Nāku iti nei, nā

Hristina Dantcheva

Head of Price-Quality Regulation