

5 May 2025

Ben Woodham
Electricity Distribution Manager
By email: Ben.Woodham@comcom.govt.nz

Tēnā koe,

This letter is in response to the Commerce Commission's (**Commission**) request for additional information. Please see below for our replies to the three follow up questions.

1. What happens when another EDB wants to join the platform? Is some of the initial investment returned to the early adopters?

The rollout stage of this project is currently planned to run through until November 2026 and is expected to involve at least 3 participating EDBs. At that point, the platform used in this project is intended to have a commercial offering in market, an expanding user base of EDBs and flexibility service providers (**FSPs**), and substantially growing volumes of flexibility transactions.

There is potential for different EDBs to join the rollout stage at different times between now and November 2026. While no specific terms have been discussed yet, Our Energy has indicated to us that it will consider how EDBs participating in the rollout stage may benefit from discounted platform access for the commercialisation stage for a defined period after November 2026.

This would be a way of enabling early adopters like Powerco to be rewarded for investment in the rollout stage. Our Energy has applied a similar approach already by offering EDB participants in its 2024 pilot co-design process, which included Powerco, a 25% discount on onboarding fees for the rollout stage.

2. What is the total cost of the project and what, if any, other sources of funding are being used to fund the project?

As above, the project as a whole is expected to involve at least 3 participating EDBs. All participating EDBs are contributing onboarding and operational funding, as well as committing their own internal resourcing to help support the project's success.

Powerco's share of these costs are covered in its INTSA application. Given commercial sensitivity, Our Energy is happy to discuss with the Commission directly if it has questions about platform costs specifically. To get to this point, Our Energy has been supported via a co-funded repayable grant from Ara Ake.

3. Is the platform limited to electricity distributors, or can all participants in the electricity value stack access the platform should they wish to?

Initially, the platform will be limited to use by EDBs and FSPs. Retailers or third-party aggregators are expected to be key FSPs, offering services using the platform.

In the longer term, the platform could also be used for transmission level procurement of flexibility. There may also be longer term potential for generators and/or retailers to access the platform and bid for flexibility too.

Please do not hesitate to reach out if you have any further questions, by contacting Irene Clarke in the first instance ([REDACTED]).

Nāku noa, nā,
[REDACTED]

Emma Wilson

Head of Regulatory, Policy and Markets
POWERCO