MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

COVERSHEET

Minister	Minister Watts	**Portfolio**	Energy Markets
Cabinet paper	Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Amendment Regulations 2025	**Date to be published**	4 November 2025

List of documents that have been proactively released		
Date	**Title**	**Author**
September 2025	Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Amendment Regulations 2025	Office of the Minister for Energy
18 September 2025	LEG-25-MIN-0191 Minute	Cabinet Office

Information redacted **NO**

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In Confidence required

Office of the Minister for Energy

Chair, Cabinet Legislation Committee

Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Amendment Regulations 2025

Proposal

1 This paper seeks authorisation for the submission to the Executive Council of the Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2025. These amendment regulations amend the Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Regulations 2004 (the current **regulations**).

Policy

2 The current regulations require electricity distributors and retailers to offer domestic consumers (households) a tariff option that includes only one fixed daily charge that is less than a prescribed maximum. The regulations are being phased out over five years commencing 1 April 2022, due to their adverse incentives on tariff innovation, with full revocation scheduled for 1 April 2027. In the meantime, the regulations continue to impede industry development of efficient retail tariffs, including tariffs that promote efficient operation of household scale solar generation and battery storage.

3 In 2024, an electricity distributor applied to the Minister for Energy for an exemption to the current regulations so that they may offer their customers a new, innovative, tariff that would reward customers for exporting their excess solar generation to the grid. As no exemption clause existed this request could not be granted. The electricity distributor was able to introduce a version of this tariff but viewed that it was significantly less effective in incentivising customers to export surplus energy back into the system.

4 In April 2025, Cabinet agreed that the Minister for Energy may exempt an electricity distributor or retailer from any provision of the current regulations if satisfied that provision unduly limits the design or implementation of a new tariff option and that an exemption would not adversely affect consumers on, or eligible for, a low fixed charge tariff option [ECO-25-MIN-0055 refers].

5 However, there is no empowering provision in primary legislation that would allow for such an exemption. To give effect to Cabinet's decision, the proposal set out in the amendment regulations prescribe conditions under which the current regulations do not apply to a particular type of tariff that includes a payment or credit for electricity injected into a network.

6 The amendment regulations will make it easier for distributors and retailers to develop more efficient tariffs that include a payment or credit for electricity injected into the network, such as from solar panels, before the regulations are revoked in 2027. The draft amendment regulations are attached in Appendix One.

7 I am seeking Cabinet to authorise the amendments to the current regulations so that they do not apply to an 'injection payment tariff' provided that the electricity distribution businesses or retailer continues to offer compliant tariffs that do not include an injection payment.

Timing and 28-day rule

8 The amendment regulations will come into force 28 days after they have been notified in the Gazette.

Compliance

9 The amendment regulations comply with each of the following:

9.1 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;

9.2 the principles and guidelines set out in the Privacy Act 2020;

9.3 relevant international standards and obligations;

9.4 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

10 Under the Electricity Industry Act 2010, I must consult with the Minister of Consumer Affairs and consider advice from the Electricity Authority before recommending regulations about consumer tariffs. These requirements have been met.

Regulations Review Committee

11 I am not aware of any grounds for the Regulations Review Committee to draw the disallowable instrument or regulations to the attention of the House of Representatives as a Standing Order requirement.

Certification by Parliamentary Counsel

12 The attached regulations were certified by the Parliamentary Counsel Office (PCO) as being in order for submission to Cabinet.

Impact Analysis

13 A regulatory impact statement was not prepared. The Ministry for Regulation determined that this proposal is exempt from the requirement to provide a Regulatory Impact Statement on the grounds that it has no or only minor economic, social, or environmental impacts.

Publicity

14 I intend to publicise the amendment regulations as soon as practicable after they are made.

Proactive release

15 I intend to proactively release this paper within 30 days of decisions being confirmed by Cabinet.

Consultation

16 As required by s113(4) of the Electricity Industry Act 2010, I have consulted with the Minister of Consumer Affairs and obtained and considered advice from the Electricity Authority. Officials also conducted targeted engagement with key stakeholders, including electricity distributors, retailers to ensure the amendment regulations give effect to the agreed policy. Feedback received through this process demonstrated strong support for the amendments.

Recommendations

I recommend the committee:

1 **note** that on 9 April 2025 the Cabinet Economic Policy Committee agreed that the Minister for Energy may exempt an electricity distributor or retailer from any provision of the Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Regulations 2004 if satisfied that provision unduly limits the design or implementation of a new tariff option and that an exemption would not adversely affect consumers on, or eligible for, a low fixed charge tariff option [ECO-25-MIN-0055 refers];

2 **note** that the Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2025 will give effect to the decision referred to in paragraph 1 above;

3 **note**, as required by s113(4) of the Electricity Industry Act 2010, I have consulted with the Minister of Consumer Affairs and obtained and considered advice from the Electricity Authority on the impact of the proposed regulatory amendments on the promotion of competition in, the reliable supply by, and the efficient operation of, the electricity industry;

4 **authorise** the submission to the Executive Council of the Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2025;

5 **note** that the Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2025 will come into force 28 days after they are notified in the Gazette.

Authorised for lodgement

Hon Simon Watts

Minister for Energy