



COVERSHEET

Minister	Hon Simon Watts Hon Shane Jones	Portfolio	Energy Resources
Title of Cabinet paper	Progressing the Energy Package: Building Better Markets	Date to be published	23 February 2026

List of documents that have been proactively released

Date	Title	Author
December 2025	Progressing the Energy Package: Building Better Markets	Offices of the Ministers for Energy and Resources
9 December 2025	Progressing the Energy Package: Building Better Markets EXP-25-MIN-0132 Minute	Cabinet Office
1 December 2025	Regulatory Impact Statement: Strengthening the Electricity Regulatory Regime	MBIE

Information redacted

YES / NO (please select)

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Some information has been withheld for the reasons of:

- Legal professional privilege
- Confidential advice to Government
- Free and frank opinions
- Maintenance of the law
- Privacy of natural persons



Cabinet Expenditure and Regulatory Review Committee

Minute of Decision

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Progressing the Energy Package: Building Better Markets

Portfolio Energy / Resources

On 9 December 2025, the Cabinet Expenditure and Regulatory Review Committee:

Confidential advice to Government

Action 2.2: Strengthening the Electricity Authority (EA)

- 5 **noted** that in September 2025, the Cabinet Business Committee agreed to strengthen the EA by giving it modernised functions, faster rule-making powers and stronger levers to ensure compliance, and an enhanced role in ensuring timely decisions on security, competition, pricing and consumer participation [CBC-25-MIN-0054];
- 6 **agreed** that the Electricity Industry Act 2010 should be amended to give effect to the decisions below:

Providing a credible deterrent to non-compliance

- 7 **agreed** to introduce a maximum pecuniary penalty for a breach of the Code of up to \$10 million, three times the commercial gain, or 10 per cent of turnover, within the jurisdiction of the High Court, with an enabling provision for breaches that attract the above pecuniary penalty to be specified in regulations;

- 8 **agreed** to increase the maximum daily penalty that the Electricity Rulings Panel can impose for a continuing breach from \$10,000 to \$50,000, and;
- 8.1 introduce a new offence for knowingly misleading or attempting to deceive the EA;
 - 8.2 introduce an infringement offence scheme that includes:
 - 8.2.1 a maximum fee of \$2,000;
 - 8.2.2 the EA as the issuing authority;
 - 8.2.3 that the fee is payable to the Crown Bank Account (not the regulator);
 - 8.2.4 an enabling provision for infringeable offences to be specified in regulations;
 - 8.3 allow the EA to publish final enforcement outcomes where it considers this is necessary;
 - 8.4 allow the EA to suspend an industry participant for no more than 15 working days where the industry participant's activities are threatening the integrity, reliability or security of the electricity market;
 - 8.5 enable the EA to compel information from any person when:
 - 8.5.1 monitoring and investigating compliance with the Code and the Electricity Industry Act;
 - 8.5.2 satisfying a request made by the Minister for the EA under section 18 to review and report on a matter relating to the electricity industry;
 - 8.6 create new powers for the EA to impose entry requirements on participants in the Code;

Monitoring competition

- 8.7 include an explicit function to monitor competition in the EA's functions;
- 8.8 introduce requirements for the Electricity Authority to integrate international best practice to competition assessment, integrate international and domestic hydro valuation methodologies into its market monitoring, and publish reports on the state of competition in at least the wholesale, contract and retail markets, on at least an annual basis;

Amendments with minor impact

- 8.9 make the minor and technical amendments listed in Appendix 2 attached to the paper under EXP-25-SUB-0132;

Next Steps

- 9 **authorised** the Minister for Energy to:
- 9.1 make further policy decisions consistent with the scope and direction of the decisions above;

- 9.2 make further policy decisions on whether to defer or discontinue specific amendments, having regard to the complexity of the drafting and the time constraints associated with progressing the proposed Bill;
- 9.3 make minor and technical changes to the policies in the paper under EXP-25-SUB-0132;
- 9.4 determine the threshold for the EA to suspend an industry participant for 15 working days;
- 10 **invited** the Minister for Energy to issue drafting instructions to the Parliamentary Counsel Office to give effect to the decisions above through a bill to amend the Electricity Industry Act 2010;
- 11 **invited** the Minister for Energy to report back to Cabinet in mid-2026 on:
- 11.1 a review of the limits on liability in the Electricity Industry (Enforcement) Regulations;
- 11.2 the specific breaches of the Code that will attract pecuniary penalties greater than \$2 million to be included in regulations;
- 11.3 the offences that will form part of the infringement offence scheme to be prescribed by regulations.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour (Chair)
Hon Nicola Willis
Hon Brooke van Velden
Hon Shane Jones
Hon Paul Goldsmith
Hon Louise Upston
Hon Judith Collins KC
Hon Simon Watts
Hon Andrew Hoggard
Hon Mark Patterson

Officials present from:

Office of Hon Judith Collins KC
Office of Hon Simon Watts
Ministry of Business, Innovation and Employment
Officials Committee for EXP