

Hon Simeon Brown

Minister of Health
Minister for Energy
Minister for State Owned Enterprises



7 July 2026

To: Electricity Distribution Business Chief Executives

Chief Executive, Electricity Networks Aotearoa

Dear Chief Executives,

Thank you for your letters in January 2026 identifying opportunities to strengthen collaboration across electricity distribution businesses (EDBs).

A lot of positive work is underway across the sector, but it is clear further improvement is needed to ensure EDBs support a reliable and affordable electricity system for the households and businesses that depend on it. With power prices rising and lines charges making up a growing share of what New Zealanders pay for electricity, keeping distribution costs in check is a priority.

Improving outcomes for the distribution sector

I expect to see a strong focus on measures that will improve efficiency across the distribution sector. As distribution charges are a significant and growing part of what households and businesses pay for power, electricity consumers must be confident that network investment and operating decisions represent value for money, and that cost pressures are being actively addressed.

I also expect EDBs to be providing a platform that supports innovation and investment from others. Connections to EDB networks are critical for success in other areas, such as driving uptake of solar generation or rolling out charge points for electric vehicles. These are exactly the kinds of options that help households and businesses manage their own energy costs, and EDBs have an important role to play in making them straightforward and affordable to connect.

To achieve these outcomes, it is critical that EDBs address the challenges of scale and fragmentation. While the Government remains of the view that forced amalgamation is not required at this time, the variable size and relatively large number of EDBs must not be an impediment to better outcomes for the consumers who ultimately pay for it.

There remains a clear opportunity to address fragmentation, lift performance and reduce duplication and unnecessary cost through stronger collaboration and standardisation between distributors, including the sharing of capability, data, tools, and good practice.

Priority actions

The Ministry of Business, Innovation and Employment (MBIE) commissioned an independent report from Asset Dynamics, which identified priority actions from your January responses, and interviews with a representative of EDBs, the ENA, the Commerce Commission, the Electricity Authority (EA), and the Energy Efficiency and Conservation Authority.

The link to this report can be found here <https://www.mbie.govt.nz/dmsdocument/32273-independent-advice-and-recommendations-electricity-distribution-business-efficiency>.

To support transparent and effective action I ask that EDBs develop a programme of work for sector collaboration and provide quarterly updates to me from 31 July 2026. Since the Asset Dynamics report has summarised and assessed your previous responses, and identified priority actions, I expect you to refer to its recommendations in your response and highlight any reasons for proposing different options.

I expect to see the use of clear and measurable performance indicators that bring the delivery of actions into sharp focus. These indicators should demonstrate how and when projects will be translated into tangible improvements for EDB performance, and ultimately, into better value for the households and businesses these networks serve.

Given some EDB actions may require engagement or support from the EA, Commission or Transpower, MBIE will ensure these agencies are involved in the next steps as EDBs develop and implement a coordinated programme of work.

Other matters

Response letters from EDBs provided a range of views on the regulatory framework under Part 4 of the Commerce Act 1986. The Government is still considering options in this area.

I acknowledge that a number of letters also highlighted cost drivers outside of EDBs' direct control - such as temporary traffic management (TTM), tree management and resource management rules. The Government has work underway in these areas, including:

- Amendments to the Tree Regulations, which were agreed by Cabinet in late June and commence on 23 July.
- Reform of TTM guidance with publication of the New Zealand guide to temporary traffic management <https://www.nzta.govt.nz/roads-and-rail/new-zealand-guide-to-temporary-traffic-management>. This introduces a risk-based approach allowing traffic management controls to be tailored to the level of risk at each site.
- New national environmental standards under the Resource Management Act 1991 for electricity networks to reduce the consenting burden on EDBs.

The cost of electricity is front of mind for New Zealand households and businesses, and I expect the distribution sector to play its part in keeping prices affordable. I look forward to hearing further from you.

Yours sincerely



Hon Simeon Brown
Minister for Energy