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Energy Efficiency and Conservation Authority (EECA)  
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## Submission on EECA's 2026/27 Levy Funding Consultation

1. This is Vector Limited's (Vector) submission on the Energy Efficiency and Conservation Authority's (EECA) consultation on the proposed 2026/27 levy funding appropriation. No part of this response is confidential. We are happy for it to be published in full. If you have any questions about this submission or would like to discuss any of the points we have raised, please contact us for clarification.
2. Vector owns and operates New Zealand's largest electricity distribution business, supplying the Auckland region, and owns and operates Auckland's gas distribution network. Our Symphony strategy is to orchestrate distributed and consumer energy resources (DERs and CERs), such as EV charging, batteries, and hot water, to defer traditional network reinforcement and keep energy as affordable as possible for consumers over the long term.
3. Vector is highly conscious that levies are ultimately borne by consumers through energy bills. We therefore welcome EECA's proposal to maintain total levy recovery at the same dollar level as 2025/26. Maintaining stability and predictability for levy payers is appropriate at a time of ongoing cost pressures, provided funding continues to be targeted at demonstrably high-value activity.
4. Vector strongly supports the intent of EECA's Distributed Flexibility Programme. International experience is increasingly clear that well-designed demand management programmes can materially reduce peak demand, support deferral of network augmentations, and improve affordability and reliability.
5. This reinforces the need to focus on scalable, consumer-centric flexibility solutions that respect network constraints and perform during stressed system conditions, which is what EECA's Scaled Demand Flexibility programme is aiming to demonstrate.
6. For Vector, the critical success factors for levy-funded distributed flexibility activity are:
  - 6.1 close co-design with distributors and market participants so programmes align with operational realities and can share usable learnings across New Zealand;
  - 6.2 interoperability and data visibility so flexibility can be delivered safely and efficiently at low voltage;
  - 6.3 clear outcomes, measurement and transparency so we can measure the value for money; and

- 6.4 strong coordination with the Electricity Authority and Commerce Commission so that ongoing development of policy and regulatory settings are aligned across the agencies.
7. Vector also supports the Technology and Fuel Enabler work that assists businesses to improve energy efficiency and evaluate alternatives to fossil gas. However, gas transition measures should be delivered with an explicit focus on safety, consumer impacts, and an orderly transition pathway, recognising that declining throughput can increase per-unit cost impacts for remaining gas consumers. Coordination with gas infrastructure providers is therefore important to ensure programmes support, rather than undermine, safe and efficient network operation.
8. Finally, we encourage EECA to continue strengthening outcome reporting and accountability, including drawing clear lessons from prior-year expenditure variances. Where programmes are underspent or delivery settings change, transparent reporting and appropriate levy adjustments are important to maintain stakeholder confidence.

### Feedback on levy-funded programme focus

9. Vector supports the proposed programme portfolio, with particular emphasis on the Distributed Flexibility Programme. We encourage EECA to prioritise scalable, interoperable flexibility solutions (residential, commercial and industrial flexibility enablement and EV smart charging/V2X) that can deliver measurable peak reduction and network deferral benefits.
10. For the Technology and Fuel Enabler Programme, Vector supports the focus on assisting gas-using businesses to improve efficiency and evaluate alternatives, noting the importance of coordinating transition impacts with gas infrastructure providers.

### Feedback on reporting of levy funding use in 2024/25

11. Vector welcomes the inclusion of prior-year reporting. Transparent disclosure of expenditure, delivery adjustments, and outcomes is essential for maintaining confidence that levy funding is delivering benefits for consumers. Where material variances occur, EECA should continue to communicate the drivers and the mechanisms by which underspends or over-collections are addressed in future levy settings.

### Other comments

12. Vector encourages continued, visible coordination between EECA, the Electricity Authority, the Commerce Commission and MBIE on flexibility, data and digitalisation, and transition settings. Aligning programme delivery with regulatory reform will reduce duplication, close gaps, and maximise whole-of-system consumer benefits

Kind regards,



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