

## Electricity connection pricing updates – Updated 20.04.26

### What you need to know

From 1 April 2026, electricity distributors across New Zealand are updating how connection charges are presented in customer quotes.

These changes have been introduced by the Electricity Authority to improve transparency and consistency in how connection charges are explained.

For customers requesting a new connection or upgrade, this means quotes will provide clearer information about the work required and how connection charges relate to your project.

The FAQs below explain what to expect.

### What's changing?

From 1 April 2026, the way electricity connection charges are presented is changing. This follows new requirements introduced by the Electricity Authority to improve transparency and consistency across electricity distributors.

You'll see more detail in how your connection costs are broken down. This is about how costs are shown, not about introducing new charges.

### Will connection charges go up?

These changes do not automatically increase connection charges or introduce new fees. They primarily change how connection costs are structured and explained under the new regulatory requirements.

Connection costs will continue to vary depending on what a customer needs. Factors include:

- how much capacity is required
- whether optional enhancements are chosen
- how the connection affects the wider network

These factors have always affected connection pricing and are not a result of this change.

The updated requirements have been introduced by the Electricity Authority and apply to all electricity distributors in New Zealand. They intend to provide clearer and more consistent information about how connection costs are presented nationally.

### Why does my quote look different?

Your quote may look different because of new changes introduced by the Electricity Authority that apply to all electricity distributors in New Zealand.

You will see clearer information on:

- The lowest-cost design that meets your capacity requirements and Vector's network standards to connect your property or upgrade your existing electricity connection
- Any optional enhancements that you request above the lowest-cost design (shown separately in your quote)
- The cost of wider network capacity needed to support your connection or connection upgrade (shown as development contributions)

Quotes are subject to change if the project scope, timing, or network conditions change, or if a new quote is requested after the original quote period has lapsed. This has always been the case and is not a result of this update.

## **How will my connection quote be calculated?**

Your quote is based on the lowest-cost design that safely connects you to the electricity network while meeting your capacity requirements and Vector's network standards.

If you also choose optional enhancements, the cost of those upgrades will be added to your quote.

## **Can connection prices still vary between customers?**

Yes. Connection costs will still differ depending on what a customer needs. For example:

- How much capacity is required
- Whether optional enhancements are chosen (e.g. enhancements above the lowest-cost design, which may include options such as underground cables, extra redundancy, or a specific route)
- Whether civil work and/or traffic management is required, and who organises it

These factors have always affected connection pricing and are not related to this change.

## **What does 'capacity' mean?**

Capacity refers to the amount of electricity the network can safely deliver through a new connection.

When a new connection is installed or an existing connection is upgraded, it uses some of the available capacity on the electricity network. If there isn't enough capacity available, parts of the network may need to be upgraded to support the additional demand.

The amount of capacity a customer requires depends on how much electricity their connection is expected to use.

## **Can I see a breakdown of my connection charges?**

Yes. Your quote already includes a breakdown explaining the work required for your connection and any optional enhancements you request.

If you would like additional detail, you can request a connection charge reconciliation once your quote has been issued.

The reconciliation is a standard explanation required by the Electricity Authority. It shows how your quoted connection charge is presented in a national regulatory format, including:

- The direct cost of connecting you
- Your share of wider network costs
- The expected future network revenue from your connection

Your quote describes your project and the work involved.

The reconciliation explains how that quoted charge is shown under the regulatory framework used across all electricity distributors.

The reconciliation is provided for transparency and does not change the price in your quote.

## **Will this affect existing connections?**

These changes apply to new connections and upgrades from 1 April 2026.

If you already have a connection in progress, you won't be affected unless you request a redesign or a new quote for that connection after 1 April 2026. If this happens, the standard charges for that type of request will apply.

## **I received a quote before 1 April 2026. Can I request a new one?**

Quotes issued before 1 April 2026 will remain valid for the period stated in the quote.

If the scope of your project changes, you can request a new quote. Any quote requested after 1 April 2026 will be prepared using the Electricity Authority's updated requirements for presenting connection charges.

A new quote will replace your previous quote for that connection request. If you have already accepted a quote, you will need to cancel that agreement before requesting a new one. Any contributions paid will be refunded, less any costs already incurred.

If your quote lapses before you proceed, you'll need to submit a new request, and the quote will be prepared under the new requirements.

If you're unsure whether requesting a new quote is appropriate for your project, please contact us at [connectionchanges@vector.co.nz](mailto:connectionchanges@vector.co.nz) and our team can help.

### **Will this affect how long it takes to get a quote?**

Our standard quote timeframes will continue to apply and will depend on the complexity of your connection request and the information provided with your application.

From 1 April 2026, our teams will prepare quotes using the updated pricing framework introduced by the Electricity Authority. As these requirements are introduced, some quotes may initially take a little longer while the new approach is applied and embedded in our systems.

### **What should I do if I'm planning a new connection?**

If you're planning a new electricity connection or an upgrade, you can continue to submit your request through Vector's normal connection application process.

Quotes issued from 1 April 2026 will follow the updated approach for presenting connection charges.

If you're unsure about the process or what type of connection you may need, our team can help guide you. You can contact us at [connectionchanges@vector.co.nz](mailto:connectionchanges@vector.co.nz).

### **What if I want a higher-capacity or higher-spec connection?**

**Higher capacity:** Your connection quote is based on the lowest-cost design that safely connects you to the network at your requested capacity, while meeting Vector's network standards. If you request a higher-capacity connection, this becomes part of the lowest-cost design.

For example, most homes only need a standard single-phase connection. If you need a three-phase connection to power higher-demand equipment (e.g. multiple EV chargers), your lowest-cost design will be based on three-phase from the outset.

**Higher spec:** If you choose a higher-spec connection than the standard for your area, this is an optional enhancement. The additional cost will be shown separately in your quote. For example, if your property is in an area where overground connections are standard and you choose an underground connection instead, you would pay for the additional cost for that upgrade, and it would appear as a separate line item in your quote.

### **What is a flexible connection, and when does it apply?**

From 1 April 2026, customers can ask Vector to assess whether a flexible connection is suitable for their needs. Flexible connections aren't suitable for all customers or uses.

A flexible connection is an option where some of the electricity capacity you request may only be available when there is space on the network, rather than being available at all times.

This can suit customers whose electricity use can be managed or scheduled differently, such as charging equipment at certain times of the day.

In some cases, choosing a flexible connection may reduce the upfront cost of connecting to the network, because it may avoid the need for immediate network upgrades. However, this depends on the specific connection and how the flexibility would affect the wider network.

### What is a pioneer scheme, and when does it apply?

A pioneer scheme is a refund mechanism that electricity distributors are required to set up so that the customer who initially funds a qualifying network extension can be reimbursed by later customers who connect to and use that same extension.

This means that initial connections may receive refunds if others connect later and subsequent connections may be charged to contribute to earlier shared infrastructure.

Pioneer schemes:

- Generally apply to eligible connection work above \$50,000 (inflation-adjusted from December 2025).
- Apply only to the portion of the infrastructure cost that relates to future connection capacity.
- Only include those costs that have initially been funded by a connecting customer
- Are assessed on a case-by-case basis.

If a pioneer scheme is relevant to your connection, we will explain this clearly as part of your quote.

Vector's electricity distribution network connection pricing methodology that will be published on Vector's website from 1 April 2026 will explain how pioneer scheme connection charges, contributions and rebates will be determined.

### Who is NOT eligible for a pioneer scheme?

Pioneer schemes are required under the Electricity Authority's regulatory framework for connection pricing. However, they do not apply in some situations.

A pioneer scheme does **not** apply to the following connections:

1. **Real estate developments:** Connections that form part of a land development for the purpose of on selling, such as subdivisions or projects involving multiple residential, commercial or industrial premises.
2. **Small connections:** Connections where the portion of the infrastructure that could support future connections does not meet the minimum cost threshold: \$50,000 for the initial connection, \$25,000 for later connections using that infrastructure.
3. **Connections where others are unlikely to connect later:** Where the infrastructure built to connect the site is unlikely to be used by other customers in the future.

### How do network capacity costs fit with these changes?

The Electricity Authority's updated requirements include the introduction of how network capacity costs charges are determined if electricity distributors decide to charge for providing network capacity for new or upgraded connections.

The Electricity Authority also requires all electricity distributors to publish a table of capacity rates showing how capacity costs will be charged in accordance with the Electricity Authority's regulations. The published capacity rates will be required to be used to charge connection applicants by 1 April 2027. The capacity rates from 1 April 2027 will replace Vector's current development contribution. Until 1 April 2027 we will continue with our development contribution charge.

The published capacity rates are therefore:

- Indicative and published for information only. If you request a connection charge reconciliation, the published capacity rates will be used. As only some of these rates are currently reflected in development contributions, the amounts may not match.
- Being tested during the transition period to 31 March 2027, including customer impact; and
- Not yet confirmed and may change before they are required to be used for charging connection applicants from 1 April 2027.

### **What is happening to development contributions from 1 April 2026?**

From 1 April 2026, we've made targeted updates to development contributions as part of the transition to the Electricity Authority's new requirements.

Where the capacity rates suggest prices could decrease from 1 April 2026, we have reflected those decreases in development contributions from 1 April 2026.

Where the capacity rates suggest prices could increase, we have chosen not to apply those increases at this stage. Development contributions will remain unchanged in these cases while we are in the transition period.

For customer types this means that from 1 April 2026:

- Residential connections have a reduction in the development contribution
- Small business connections have either a reduction or unchanged development contribution.
- Commercial and industrial connections have an unchanged development contribution.

### **Why are you reducing development contributions for residential connections from 1 April 2026?**

The capacity rates determined under the Electricity Authority's regulations indicate that prices for residential connections could reduce from 1 April 2027, so we have reflected that in the development contribution that applies from 1 April 2026.

### **Why are you only reducing development contributions for some small business connections from 1 April 2026?**

The capacity rates determined under the Electricity Authority's regulations indicate that prices for small business connections would depend on the capacity of the connection with some having a slight increase and some a decrease from 1 April 2027. We have reflected decreases in development contributions from 1 April 2026. However, we are not currently applying any increases and have chosen to keep development contributions unchanged while we are in the transition period

### **Why are you leaving development contributions unchanged for commercial and industrial connections from 1 April 2026?**

The capacity rates determined under the Electricity Authority's regulations indicate that prices for commercial and industrial connections could increase significantly from 1 April 2027. We are not reflecting that increase in our development contribution that applies from 1 April 2026, and have chosen to leave the development contribution that applies from 1 April 2026 unchanged while we are in the transition period.

### **If you've calculated new capacity rates, why aren't you applying them to all small businesses, commercial and industrial customers now?**

The new capacity rates are being published to give customers more visibility of how costs are worked out and are part of a broader set of Electricity Authority requirements coming into effect from 1 April 2026.

We're currently in a transition period to 31 March 2027, where:

- the rates and supporting information are being tested and refined, and
- we continue to charge capacity costs using our current development contribution approach unless the new capacity rates indicate that capacity prices from 1 April 2027 could reduce, then we have reflected that in the development contribution that applies from 1 April 2026.

The new approach needs to be fully applied by 1 April 2027, and by then the final rates and methodology will be determined in full to meet the EA requirements.

### **What do these new calculations show for commercial and industrial customers?**

The indicative calculations for 1 April 2027 suggest higher costs for some larger or more complex connections, reflecting the level of network capacity required.

However, these rates are:

- Indicative and published for information only,
- Being tested during the transition period to 31 March 2027, including customer impact, and
- Not yet confirmed for implementation from 1 April 2027

The final pricing approach will be confirmed and communicated once this process is complete.

### **What should I do if I still don't understand my quote?**

If you have questions after reviewing your quote, please contact us at [connectionchanges@vector.co.nz](mailto:connectionchanges@vector.co.nz). We're happy to walk through the information with you and explain what applies to your specific connection.

### **Are these changes related to Vector's annual electricity price updates?**

No. Vector reviews its electricity distribution prices each year, with any approved changes typically taking effect from 1 April. These are part of the normal annual pricing process and are separate from these changes to how connection charges are presented.

The updates described on this page relate specifically to how connection costs are presented in new connection quotes. They do not introduce new charges and are not connected to Vector's annual distribution price review.

If you'd like more information about our annual electricity pricing updates, please visit this [page](#) for more information.

#### ***\*Development contributions explained***

*When a new connection is installed or an existing connection is upgraded, it can increase demand on the wider electricity network.*

*Development contributions help fund upgrades to the shared network infrastructure, such as cables, transformers, and substations that may be needed to support new or increased electricity demand.*

*These contributions help ensure there is enough network capacity to connect new homes and businesses and to support future growth.*