TRANSPOWER

Load and other non-generation application process

Decision paper

Date: November 2026



Contents

1 Executive Summary 3

2 Transpower needed to continue to evolve its connections process 6

3 The latest enhancement to our CMF 8

4 Feedback on the June consultation and our response 14

1 Executive Summary

1. This paper presents our decision on the implementation of a new load and other non-generation formal application process as an enhancement to our Connections Management Framework.

2. The paper explains the process undertaken for consultation on a proposed load and other non-generation application process, key feedback received, our consideration of that feedback, and our response to the feedback received.

3. This document is accompanied by the following:

    - Connections Management Framework process document (V4.0) which included the new application form and guidance notes

1.1 Transpower needs to continue evolving its connections process

4. There has been a significant increase in connection enquiries to Transpower for new renewable generation and load. Transpower, as the owner of the grid, has a responsibility and obligation to offer fair, reasonable and transparent grid connection terms.

5. Transpower responded to the initial increase in generation connection requests by implementing and subsequently adjusting our Connections Management Framework (CMF) including a formal application process for generation and storage connections[1]. This process incorporates readiness criteria and an application fee. Since then, both internal and external reviews have identified our CMF as delivering significant efficiency benefits.

6. As part of continuing to evolve our CMF, with the objective of further increasing resource allocation efficiency and overall connection throughput, we believe there is merit in introducing a similar formal application process for load connections and other customer projects.

7. In June 2026 Transpower consulted on introducing a formal application for load and other non-generation projects similar to our existing[2] generation and storage application process.

[1] In 2022, Transpower introduced the Connection Management Framework (CMF), adding an application stage, increasing transparency and certainty for investors, and shifting our operating model from first-come-first-served to first-ready-first-served. Two years later, we reviewed our processes in an end-to-end programme, revised the CMF settings and started an acceleration programme. Since then, we have measured our progress relative to international norms and identified improvement opportunities.

[2] Application stage for generation and storage connections

1.2 We are now introducing a companion Application Stage to the CMF for load and other non-generation customer projects

8. The Application Stage occurs at the beginning of the Investigation components of our process (see Figure 1) and acts as a gatekeeper to projects wishing to progress into the connection pipeline.

9. To enter the pipeline customers need to:

- provide evidence of project readiness via an Application Form;
- agree to publish limited project information;
- pay an Application Fee for commercially driven projects; and,
- meet project milestones to demonstrate progress during the Solution Proposal, Investigation and Delivery stages.

10. There are no changes to the other Stages in the connections process.



Figure 1: Customer Journey

1.3 Listening to feedback

11. We have carefully considered the feedback received in the submissions and provided additional detail to reflect this feedback.

12. The key themes of the feedback, and our high-level responses, are as follows.

- *Wide support for the introduction of a formal application*
- *It was unclear how the Application Fee would be applied and used*

  We agree and have provided additional detail in our updated process document of how we define commercially driven, fee refundability, and how the fee can offset construction costs.

- *Readiness requirement should be tiered to increase with project progression*

  We have provided additional detail in the guidance notes section of our process document on the applicability and reasonableness of readiness criteria within the application and later as contract milestones.

- *Maintaining confidentiality was identified as important*

  We are not proposing to materially extend the information shared in our pipeline beyond that which we already publish.

- *More information was requested on how we prioritise load and other non-generation projects*

  We have included more information to provide additional clarity on how we prioritise allocation of scarce investigation resources to connection applications.

13. While we may not have specifically addressed every piece of feedback we received in this decision paper, we have carefully considered all feedback. We have aggregated our responses to submissions that covered the same or similar points.

1.4 The CMF will continue to be reviewed and adjusted

14. We are aware of the importance of an effective Connections Management Framework and therefore commit to regular review the effectiveness of the Framework and incrementally implement any enhancements we identify.

2 Transpower needed to continue to evolve its connections process

2.1 A significant increase in load and other non-generation connection enquiries

15. There has been a significant increase in load and other non-generation enquiries to Transpower in the last financial year, especially for process heat electrification and new large industrial load.

16. The changes implemented in 2022 for generation connections have proved to be effective in optimising the allocation of scarce resources to projects more likely to be constructed, and away from very speculative projects where that resource effort may be wasted. Continuous improvement since 2022 has further enhanced our process. Similar underlying drivers for change have now emerged for load and other non-generation project requests:

    - **Customers need more certainty** on where their project is in the pipeline of projects and how their project may interact with other competing projects.
    - **Speculative projects may block more fully developed projects.** This is relevant for regional and system wide transmission and connection capacity new large point loads.
    - **Projects should be further developed** to justify moving to the Solution Proposal stage and then to Investigation so that Transpower resources are applied to projects that are more likely to be built.

2.2 Enhancements align with the objectives of the CMF

17. The framework is designed to meet the following objectives:

    - A **transparent and efficient Investigation and Delivery process** for new connections, focusing resources to well-developed projects and promoting standardisation of end-to-end connection processes.
    - Investors are provided with **increased certainty**, supporting New Zealand's continued position as an attractive place to invest in new generation and energy storage.
    - Transpower **maximises our enabling contribution** to the Government's targets for GDP growth, resilience and decarbonisation.

18. We consider that the CMF provides applicants with increased confidence that the connections process is efficient and transparent and that it will allow for better decision making by applicants, by providing more information and further clarity in the connections process.

2.3 The CMF is applicable to most customer projects requiring new Transpower capital assets

19. It applies to all onshore connections and other customer projects requiring new Transpower capital assets or upgrades which are not dependent on a Transpower Major Capital Proposal MCP.

20. Connections dependent on a Transpower MCP and offshore projects will be considered on a case-by-case basis and may need to meet some or all the requirements of the Framework.

21. The Framework excludes distributed projects where the Electricity Distribution Business (EDB) confirms it can progress their connection without new or upgraded Transpower assets, including new Special Protection Schemes, and where all thermal, harmonic, dynamics and voltage issues can be managed within the EDB's existing operating limits and allocations.

22. Large connections within distribution networks will still need to undertake relevant studies and share these with Transpower, but these are managed outside the CMF. Transpower may need to recover costs where the time required to support these connections is more than minor.

3 The latest enhancement to our CMF

3.1 The Framework, Application Form and guidance

23. Accompanying this decision paper, we are publishing for external stakeholders:
    - Connections Management Framework – process document (v4.0): which includes
        i. Process information
        ii. Blank Application Forms: Application Forms applicants must submit to lodge projects for generation and energy storage or load and other non-generation projects.
        iii. Guidance Notes to accompany the Application Forms: these should be read in association with the Application Form.
24. Section 4 of this decision paper sets out the feedback we received from submitters, by theme, and how we have responded to this.

3.2 The latest CMF enhancements introduce a formal Application Stage for load and other non-generation projects

25. Load and other non-generation customers will need to:
    - provide evidence of project readiness via an Application Form, and
    - agree to publish limited project information, and
    - meet project milestones to demonstrate progress during the Solution Proposal, Investigation and Delivery Stages.
26. Commercially driven projects will need to pay an Application Fee which is refunded if the project is completed.
27. In this CMF update we are also introducing addition requirements for large load connections, to address emerging challenges with integrating large loads onto the power system following a recent significant increase in requests for these connections.
28. There are no changes to the other stages in the connections process.

3.3 Applicants will follow a clearly defined process

29. Applicants will proceed to the Application Stage following the development of a project concept. This will involve early due diligence and readiness progression for their project with Transpower and may involve a Concept Assessment by Transpower.
30. The applicant will then need to make a submission as per Figure 2.

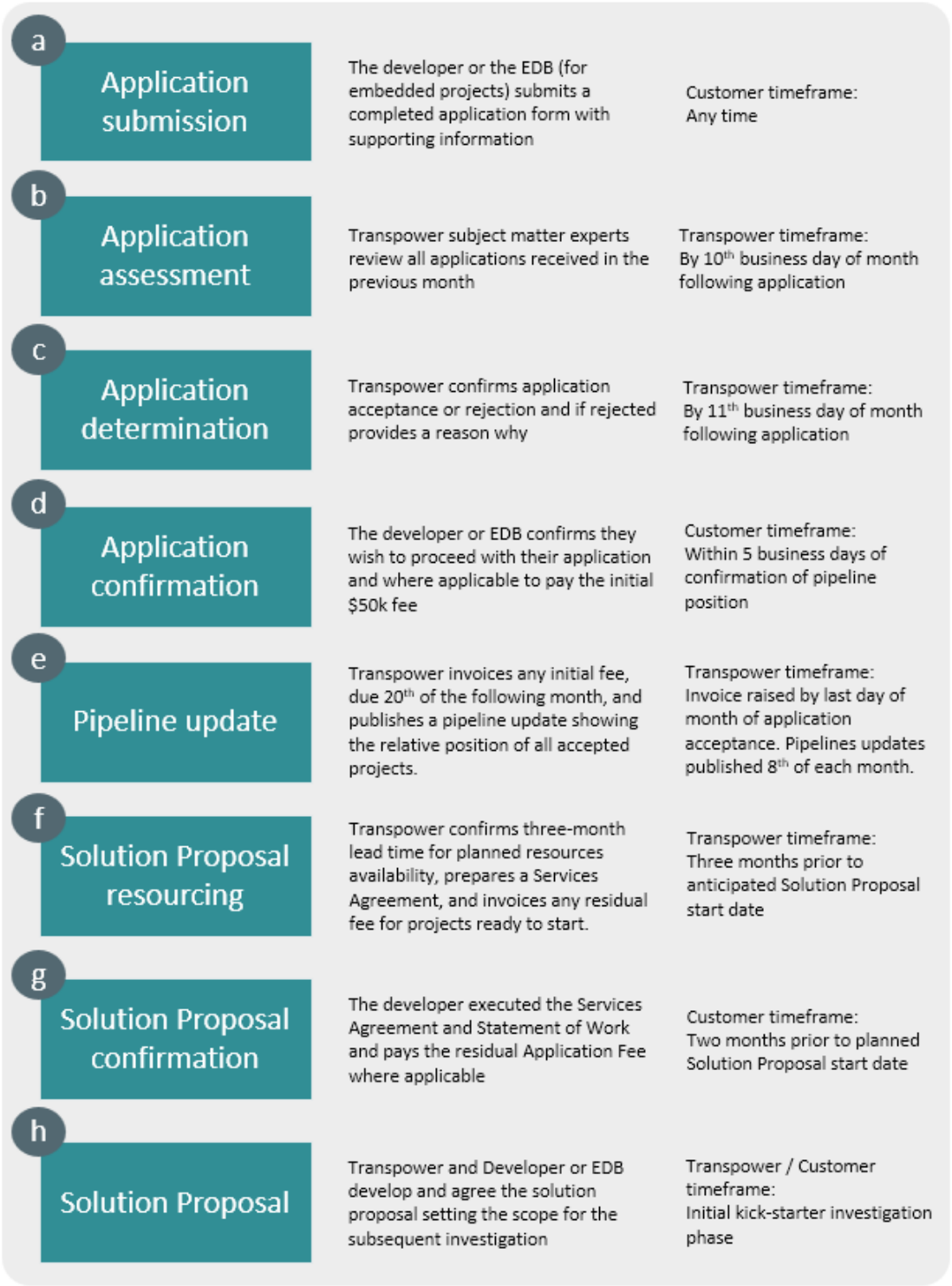


Figure 2: Application Stage

31. Applicants will need to submit information on a project by completing the Application Form. The Application Form is designed to ensure Applications that are successful are ready to progress to Solution Proposal.

32. Applicants are required to complete the whole Application Form. Missing or incomplete information will result in a failed application.

33. The Guidance Notes that accompany the Application Form provide applicants with guidance on what information is required and what will result in a failed application.

3.4 Agree to publish limited project information

34. We plan to continue to publish limited pipeline information of customer projects from acceptance of application to commissioning. Information will include:

- Maximum MW
- Project Type
- Connection region
- Transpower connection or asset location (not customer site location)
- Project stage (Application, Solution Proposal, Investigation, Delivery)
- Project stage status
- Project status flag (progressing, customer action, Transpower action, on hold)
- Stage % complete
- Consenting status
- Readiness to proceed (for application awaiting Transpower resources)

35. We believe visibility of the above information for prospective new customer projects supports efficient developer investment decisions.

3.5 Commercial projects pay an Application Fee

36. We have set a fee for commercial load and other commercial non-generation projects in line with the existing fee structure for generation and storage applications, this is illustrated in Figure 4. For commercial load connections a $/MW fee. The application fee has a cap and ceiling and is calculated on a per MW basis:

- Minimum fee $50,000
- Up to 100 MW: $2,000 per MW
- From 101 to 200 MW: $1,000 per additional MW
- From 201 to 300 MW: $500 per additional MW
- From 301 to 500 MW: $250 per additional MW
- Maximum fee: $400,000

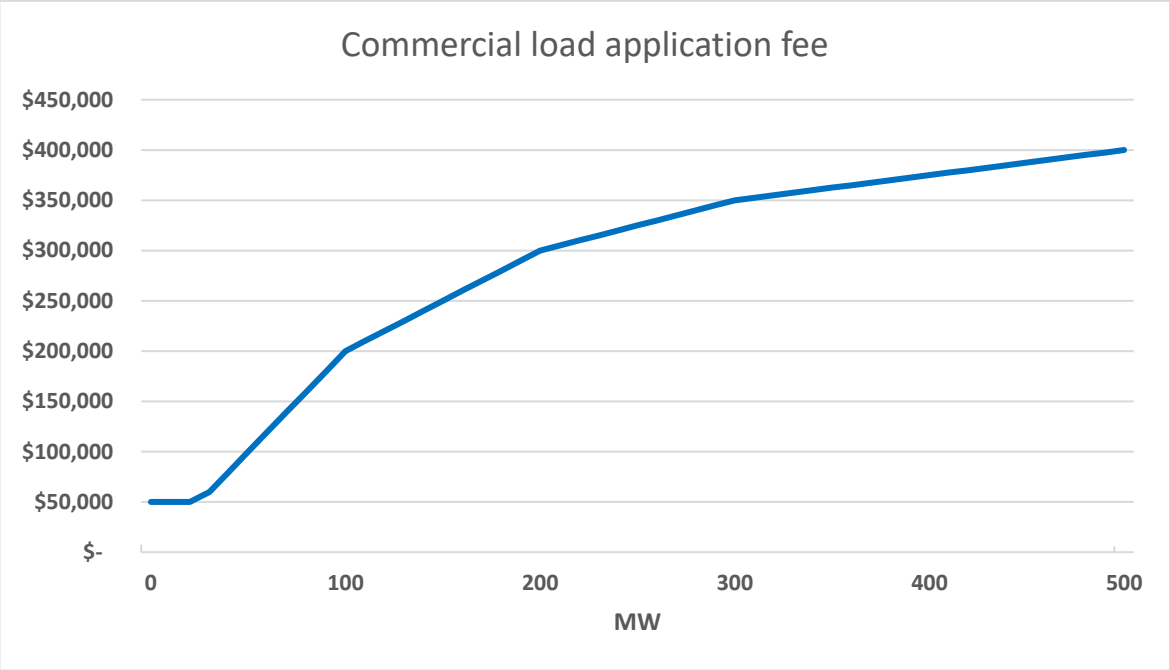


Figure 3: Commercial load application fee

37. For commercial line modifications and line relocations a total fee of $50k per modified structure with the same maximum fee of $400k.

38. There are some circumstances whereby projects are exempt of paying the fee:

- No fee for EDB-connected generation projects requiring no new Transpower assets
- No fee for EDB resilience projects to continue to supply an EDBs commercial and residential customer base
- Fee reduced by 50% for EDB applications requiring only new special protection schemes to release N-security injection capacity for embedded generation projects.

39. The $50,000 initial payment to be placed in the pipeline is non-refundable if the project is subsequently withdrawn or removed. The Fee can be used to offset the final washup costs of

a Transpower Works Agreement (TWA) for the same connection. The Fee cannot be used to offset project costs incurred pre commissioning.

40. Transpower may allow some or all of the Fee to be transferred with the rights of the project to a different developer. The Fee cannot normally be transferred to a different connection project by the same applicant; however, Transpower may agree to this in exceptional circumstances.

41. For projects that are otherwise cancelled, there are limited circumstances in which the part of the Fee above the minimum $50,000 may be refundable. This will be considered on a case-by-case basis.

42. We understand that there may be circumstances that result in a project being terminated. We have set out the potential for projects to be refunded in the table below.

In limited circumstances, the remaining fee (total fee less $50,0000) may be refundable if the connection application is withdrawn	Refundable % of remaining fee
The connection investigation identifies a connection is now infeasible or has a new cost estimate exceeding the upper range of the associated Transpower concept assessment estimate by at least 50% and the applicant chooses to terminate any contracts and withdraws the connection application.	100%
The applicant chooses to terminate the contract due to Transpower contractual non-performance and withdraws the connection application.	100%
The applicant terminates a Transpower contract under a Force Majeure clause and withdraws the connection application.	100%
The applicant withdraws the connection application due to a materially adverse change in the project's value directly attributable to unforeseen regulatory changes.	100%
Failure to obtain the required resource consents or Overseas Investment Office (OIO) approval and the applicant withdraws the connection application.	0%
Termination by Transpower due to contractual non-performance by the applicant or developer, or withdrawal of the connection application for any other reason.	0%

43. We have made these decisions to incentivise applications for projects that are most likely to be built.

3.6 Continue to meet project milestones to demonstrate progress during the Investigation and Delivery Stages

44. On entering the Investigation Stage applicants need to meet project milestones with Transpower. These milestones are agreed with the applicant and reflect the unique circumstances of the project. Milestones are included in contracts to measure the progress of a contracted customer to meet its connection date. This allows all stakeholders to have better visibility of Transpower's pipeline and have confidence that projects are not blocking connections that might be used by other projects.

45. The milestones will represent the completion of key steps in the Solution Proposal, Investigation and Delivery Stages of projects. Milestones are intended to be transparent and realistic, with an expectation that customers will undertake best endeavours to meet them.

46. Each milestone will need to be supported by timescales and evidence. The applicant will be responsible for providing suitable evidence to demonstrate that they have met the relevant milestones within the timescales. We expect the applicant to work with their project manager to provide this evidence and be in early discussion if it appears likely they will be delayed.

47. Transpower will consider any delays and will seek to agree new timeframes if appropriate. However, we expect this process to have consequences for projects we consider to be deliberately slow. If a milestone is not achieved or the evidence is not provided the project will be put on hold. If a project does not restart within 12 months of being placed on hold it will be removed from the process.

3.7 Project removal and Transpower governance

48. An application may be removed from Transpower's pipeline if:

    - An applicant fails to pay an invoice for an Application Fee. An applicant failing to pay an invoice may reapply after 90 business days.
    - If an applicant fails to meet its milestones and agreement cannot be reached on an extension, or a restart is not requested for a project which has been on hold for 12 months (continuous or cumulative), Transpower may cancel the relevant contract(s) and remove the project from the process. The developer may reapply at a later date where it will be treated as a new application. There will be a degree of tolerance associated with project milestones, recognising the need for reasonable flexibility and that there may be circumstances outside of a developer's control.

49. Transpower has a governance group available as a disputes process. It is informed of all projects that are rejected from the queue and will discuss projects that fail to meet milestones.

4 Feedback on the June consultation and our response

50. Submission volumes were small but representative

51. Only five formal submissions were received but they were representative, covering EDBs, data centre developers and traditional industrial direct connects. The MEUG submission represents multiple connected parties. Most EDBs did not provide a submission.

52. There is broad support for an application process for load and other non-generation projects

53. Almost all of submissions supported Transpower's proposal to develop and implement an application process for load and other non-generation projects, subject to provision of further details. Most respondents acknowledged the intent of the proposed changes and supported the proposed key features.

54. There is broad support for an application fee for commercial load and other non-generation projects

55. "It may not have been clear to respondents that the application fee is intended to act as a bond on construction."

56. There is broad support for allowing hybrid projects to join our load and other non-generation pipeline

57. All submissions other than one supported continuing to allow load projects with generation and storage components to apply to join our load and other non-generation pipeline. One EDB suggested combining our generation and storage, and load and other pipelines with a common application process

58. More detail was requested on how we prioritise load and other non-generation projects

59. Most submissions supported the general concept of prioritisation based on strategic importance and urgency, however most also asked for more information on how strategic importance was assessed as well as process transparency.

60. The following tables set out our response to the feedback we received.

4.1 Feedback relating to the introduction of a formal application process for load and other non-generation projects

Feedback received	Comment	Changes in the proposal
One submitter suggested a review of the existing generation connection process to understand aspects delivering benefits	Transpower has already undertaken several reviews of the process for Generation and Storage projects including additional industry consultation in 2023. The proposed features for a formal application process for load and other-non generation projects are based on features used for generation and storage which have been shown to deliver benefits	No changes made
One submitter requested the process is tailored to the needs of load consumers / businesses	Separate application forms and process for load and generation projects allows the associated forms and criteria to be tailored to the needs of these customer groups. Application fees will not apply to mass consumer needs.	Additional clarity provided on fee applicability, and readiness information requirements for different end customer needs
One submitter recommended Transpower consult again on a draft connection policy detailed design	We do not believe further consultation is required for the application process as it is based on our proven process for generation and storage projects. We agree further information is required on resourcing prioritisation.	No changes to the proposed application features. Additional information will be provided on prioritisation of resource allocation.
One submitter asked what projects the process will apply to	The process applies to projects which already need to request to enter our pipeline. That is projects which require new Transpower capital assets. Projects which do not require new Transpower capital assets, both embedding in a distribution network and Transpower connecting directly to Transpower	No changes made

	follow our separate operational change process and will not need to apply to join our pipeline.	
One submitter asked if a common application process was considered for all customer projects	We believe a common process would have more disbenefits than benefits as it cannot be tailored to differing needs and would require a common prioritisation process for resource allocation.	No changes made at this time. Additional information will be provided on prioritisation.
Several submitters asked for the process to retain confidentiality	We plan to continue to only publish the limited pipeline information we already publish. All other project information is already treated as confidential.	No changes made

4.2 Feedback relating to readiness requirements

Feedback received	Comment	Changes in the proposal
A submitter requested readiness criteria do not introduce unnecessary upfront burden, and the application process is as administratively streamlined as possible Another submitter was concerned overly onerous readiness criteria might cause a circular dependency if excessive certainty is required (i.e., capital or contractual commitment prior to commercial feasibility completion aligned to final technical design and capital costing)	Readiness criteria requirements recognise projects will often be at an early stage of maturity when an application is made and will be set accordingly. E.g. an option on development land rather than firm land rights. Some readiness criteria will not be applicable to some projects. This is described in detail in the guidance notes.	No changes made

A submitter suggested a tiered readiness process with associated different levels of application information might successfully solve this potential risk	Readiness criteria at the application stage will be set appropriately recognising typical project maturity. Increasing readiness requirements are already managed through agreed project milestones in our contracts. Together these create a tiered process.	No changes made
A submitter requested more detail on the requirement for a concept assessment	A concept assessment documenting feasible connection options, constraints, costs, timeframes, risks and issues is required for most customer projects. Customers can request a Transpower concept assessment through our existing process or engage an EC to produce an equivalent report.	No changes made. Transpower is happy to discuss this further with any new customers.

4.3 Feedback relating to the Application Fee

Feedback received	Comment	Changes in the proposal
Several submitters requested more detail on how fees will interact with later project or contract charges so customers can clearly understand the overall cost treatment	Our consultation erroneously assumed submitters were familiar with the process for generation and storage projects referenced in the document and did not fully explain our intent. The full application fee can offset delivery costs in the final washup calculation once a project is constructed and commissioned. Full details can be found in 3.5 above.	Additional detail provided

A submitter suggested the proposed fee structure was on the high side without any context of what is being covered by the fee	The fee for commercial developers is aligned with the fee applied to generation and storage projects. As it can offset construction cost in the final project washup it is designed to be near neutral for mature projects which are likely to be built, while a barrier to very speculative applications. Experience from our generation and storage pipeline shows this fee structure is our most effective tool to improve resource allocation efficiency.	Additional detail provided
A submitter requested a strong definition of 'commercially driven'	'Commercially driven' is defined as where 'the project would not otherwise be needed at this time except to meet the need of a single commercial end customer'. E.g. a large industrial load customer is connecting to a distribution network and to supply them the EDB needs a transformer upgrade, which will also supply residential consumers, but otherwise would not be needed until 20 years in the future.	Additional detail provided
One submitter asked for more information on how the introduction of an application fee provides an efficiency benefit	As it can offset final construction cost it is designed to be near neutral for mature projects which are likely to be built, while non-refundability is a barrier to very speculative applications. Experience from our generation and storage pipeline shows this fee structure is our most effective tool to allocate scares resources to projects more likely to get built, minimising effort on project which never get built. This allows us to avoid wasted effort, move more projects through our process faster, and deliver more connections with the same resources.	Additional detail provided

4.4 Feedback relating to hybrid projects

Feedback received	Comment	Changes in the proposal
One submitter suggested a common application process should be used for all projects	We do not believe a common application process is viable, and this was not endorsed by others. Different information is applicable to different project types, and they presently have fundamentally different prioritisation for Transpower resourcing. Transpower also needs to be able to adjust resourcing between pipelines to respond to projected market supply and demand needs identified in the System Operator's Security Of Supply Assessment (SOSA).	No changes made

4.5 Feedback relating to prioritisation

Feedback received	Comment	Changes in the proposal
Several submitters recommended that factors such as emissions reduction potential, export value, employment benefits and regional and national economic impact, should be added to the strategic significance test.	Transpower has to date included a range of factors such as these into our assessment of strategic importance, focusing on outcomes for NZ. This is inherently subjective in the absence of specific policy guidance from government. We have noted the feedback and have updated the CMF Process Document to provide additional clarity on prioritisation of resource allocation.	The order in which scarce resources are allocated to load and other non-generation projects is based on matters within our role and expertise, including power-system security, security of supply, project readiness and the efficient use of our workforce and resources, as well as any relevant Government Policy Statements and regulatory settings.
Several submitters asked for additional clarity on the criteria or framework used, and how applicants will be able to understand their relative position in the process, to ensure transparency and predictability for applicants.		
One submitter recommended Generation and load applications should be prioritised together (one process).	We do not believe a common application process is viable and this was not endorsed others. Different information is applicable to different project types, and they presently have fundamentally different prioritisation for Transpower resourcing. Transpower also needs to be able to adjust resourcing between pipelines to respond to projected market supply and demand needs identified in the SOSA.	No changes made
One submitter asked, on urgency, we understand that this reflects the date by which a project needs to commence in order	It is difficult to test need dates provided by customers. To minimise the risk of "gaming" we use a combination of readiness criteria, payment of a portion of the application fee,	No changes made

to meet an underlying need date. We would appreciate clarification on how Transpower plans to manage potential challenges arising from this approach — for example, where applicants may indicate more aggressive timelines to secure prioritisation, which could subsequently evolve after resourcing has been allocated.	project milestones and our on-hold process to disincentivise projects from entering our process too early. This works as a project which enters too early is likely to go on hold and if it stays on hold for 12 months it will be terminated with the loss of the associated paid application fee.	
On submitter noted, the consultation paper does not address how Transpower intends to deal with projects that are accepted into the pipeline but then fail to progress. If Transpower intends to have an ability to suspend or deprioritise stalled projects so that queue positions and resources are not tied up indefinitely, that should be stated clearly and consulted on explicitly	Transpower's connection and services contracts have always allowed stalled projects to be terminated with a notice period. Transpower recognised this was a blunt tool and in the last year formalised a process for putting stalled projects on hold for a period, so scarce resources can be reallocated to other ready projects. If a project stays on hold for 12 months (continuous or cumulative), Transpower will likely terminate the project. As this is our existing process and we are not proposing to change it, it was not included in the consultation.	No changes made



TRANSPOWER