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Defining Energy Hardship Team
Ministry of Business, Innovation and Employment
15 Stout Street
PO Box 1473
Wellington 6140
By email: definingenergyhardship@mbie.govt.nz

Re: Defining Energy Hardship Discussion Document

Genesis Energy appreciates the opportunity to comment on MBIE's proposed definition of energy hardship. Genesis has been supportive of this work since it was proposed during the Electricity Price Review and progress is welcome.

The economic pressures emerging from New Zealand's response to Covid-19, and the increased reliance on energy in residential settings resulting from alert level restrictions, have highlighted the importance of addressing energy hardship. Furthermore, these circumstances have increased the complexity of the issue and different customer segments are now at greater risk of vulnerability through multi-layered factors like job loss or reduced hours. Inflationary pressures could add further impact going forward.

In this context, action to address energy hardship is as or more important now as ever. Recent announcements regarding the establishment of a Consumer Advocacy Council and Energy Hardship Panel and Reference Groups – also EPR recommendations – are welcome.

Aspirational approach

Genesis supports MBIE's proposed 'aspirational' approach to defining energy hardship, whereby the definition refers to 'energy wellbeing' as the desirable end state. This is directionally consistent with our thinking. However, hardship and wellbeing exist on a continuum and it is important to remain mindful of the problem to be solved and the variety of ways in which it manifests.

We broadly support the construction of the energy wellbeing definition, and in particular the way in which it recognises the array of factors that contribute to energy supporting people's wellbeing.

Similarly, the proposed energy wellbeing framework is sensible. However, Genesis agrees with ERANZ that greater emphasis should be placed on household income levels. Household income can often be a 'root cause' that itself gives rise to issues with other parts of the framework (fuel availability/choice and dwelling functionality, for example).

The coverage of the definition is appropriate, however Genesis agrees that MBIE should monitor trends to establish whether and when to include transport energy as contributing to energy wellbeing. Electricity is increasingly becoming an important transport fuel, and this is likely to have a material impact on domestic energy wellbeing in future.

Practicality

While the draft definition, framework, and supporting indicators are likely to be useful for the purposes of policy development and community-wide monitoring, Genesis considers they are too complex and nuanced to be of practical use 'on the ground'.

Accepting that MBIE has more to do on this workstream, we nonetheless consider there is likely to be value in partnering with industry and NGOs to develop a simplified form of the definition that can be used in practice.

Through the customer care programme we have in place at Genesis, Te Tira Manaaki o Kenehi, we have seen firsthand the value for customers and suppliers in intervening early to help customers avoid debt. Adapting our approach to customers experiencing payment difficulties from debt recovery to proactive support has yielded tangible benefits.

Our approach has been multi-faceted, but we have found that establishing a data-driven, proactive approach to supporting customers' wellbeing has helped us address the more complex, and transient issues that can result in customers falling short of achieving energy wellbeing.

Related to this, we consider that there is likely to be considerable benefit in taking steps to enable earlier intervention. Event-driven, potentially transient factors (an interruption to or reduction in income, for example) can develop into persistent and increasingly serious issues if unaddressed. Energy hardship often becomes self-fulfilling and worse over time, making resolutions more difficult. Caught early, people can take more control over their situations (limitations around income, dwelling quality and other factors notwithstanding).

Conclusion

Genesis appreciates the engagement with MBIE to date as this definition has been developed. We are happy to discuss any element of this submission.

Furthermore, it would be appreciated if a broader open discussion could be facilitated on how providers can support energy wellbeing, and how policy and service delivery may work together.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Matt Ritchie', with a horizontal line extending to the left.

Matt Ritchie
Senior Advisor, Regulatory Affairs and Government Relations

Privacy of natural persons

Page 2: We will keep your information safe

Q1

Yes

Have you read and understood the Privacy Statement?

Page 3: About you

Q2

What is your name?

Matt Ritchie

Q3

What is your email address? We may need to contact you for clarification on your submission, or regarding Official Information Act requests. Your email address will not be used for any other purpose.

Privacy of natural persons

Q4

Organisation

Are you submitting as an individual or on behalf of an organisation?

Q5

If on behalf of an organisation, what is its name?

Genesis Energy Limited

Q6

Energy retailer

If on behalf of an organisation, which of these best describes it?

Page 4: Proposed Definition for energy wellbeing

Q7

Agree

To what extent do you agree or disagree that the proposed definition for energy wellbeing is right for Aotearoa?

Q8

Do you have comments on why have you chosen this answer?

See accompanying submission.

Q9

Agree

To what extent do you agree or disagree with the inclusions in the proposed definition?

Q10

Do you have any comments on what is included in the definition?

See accompanying submission.

Q11

Agree

To what extent do you agree or disagree with what is excluded by the definition?

Q12

Do you have any comments on what is excluded by the definition?

See accompanying submission.

Q13

Respondent skipped this question

Do you have any further comments on the proposed definition of energy wellbeing? - Is it clear and easy to understand?- Do you think there is anything missing?- Is it relevant to you and your community?

Page 5: Proposed framework for energy wellbeing

Q14

Agree

To what extent do you agree or disagree that the framework represents the factors that influence energy wellbeing in Aotearoa?

Q15

Respondent skipped this question

Do you have comments on why have you chosen this answer?

Q16

Do you have any other comments on the proposed framework? You may want to consider:- The layout of the framework, and if it is easy to understand - If anything is missing, or should be added- Which factors you think are most significant in your community

See accompanying submission.

Page 6: Proposed indicators for energy wellbeing

Q17

Neither agree nor disagree

To what extent do you agree or disagree with the proposed indicators for energy wellbeing?

Q18

Respondent skipped this question

Do you have comments on why have you chosen this answer? You may want to consider: - Are the indicators comprehensive?- Are there any other indicators of energy wellbeing that should be considered?

Page 7: Measuring energy hardship

Q19

Yes

We are proposing to use a set of primary and secondary measures for energy hardship. Do you support this proposal?

Q20

Respondent skipped this question

Do you have comments on why you have chosen this answer?

Q21

Neither agree nor disagree

To what extent do you agree or disagree with the proposed primary measures?

Q22

Neither agree nor disagree

To what extent do you agree or disagree with the potential secondary measures?

Q23

Respondent skipped this question

Do you have any comments on the proposed primary and secondary measures? You may want to consider:- How many primary and secondary measures you think we should consider- Which measures you think should be primary or secondary (and why)



Q24

Respondent skipped this question

Do you have any comments on measuring the depth of hardship? You may want to consider: - If we should use these measurements in Aotearoa, in addition to the primary and secondary measures- Combining measures (i.e. a DEP-17 style approach) - Measuring the energy hardship gap

Page 8: Data gaps and proposed way forward

Q25

Rank the following proposals in order of most important (1) to least important (4).

Further analyse any currently available data	3
Work to fill existing data gaps/limitations	1
Model required energy use for households in Aotearoa	2
Research energy hardship-related indicators	4

Q26

Respondent skipped this question

Do you have any suggestions for alternatives or changes to the proposed way forward? You may want to consider:- Are there gaps in the measurement we haven't identified?- Are there data sets or measures you know of that should be included?- Do you have any other suggestions for future analysis?

Page 9: Final thoughts

Q27

Do you have anything else you would like to mention?

See accompanying submission.

Q28

Yes

Can we publish your submission on the MBIE website? If your submission contains personally identifiable information that should not be made public, please make clear what can and cannot be made public. For example, information about other people that you are sharing without their consent or information about children. Your name, and that of your organisation will be visible. Email addresses will not be visible.
