

# Advice to Energy Hardship Expert Panel

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## Key Points

1. Electricity is an unusual consumer product. It is difficult for consumers adjust the behaviour to reflect changing electricity costs, and many find it difficult to switch providers.
2. Competition between electricity retailers to attract customers can still deliver more choices, better prices, and greater innovation. Greater competition can lead to benefits for those facing energy hardship.
3. The threat of entry or expansion is the ultimate driver of competition, and barriers that make entry harder reduce this threat. In this way, barriers to entry reduce competition.
4. Government and the Electricity Authority could, and should, consider whether regulatory requirements pose barriers to social retailers, and whether better information could assist their entry.
5. One of the barriers to entry into electricity retailing is obtaining electricity on the wholesale market. Independent and social retailers can purchase electricity on the spot market, but they find it difficult to obtain longer term arrangements that protect them from price spikes. Existing large retailers are vertically integrated and do not face this barrier.
6. Although the Electricity Authority has taken some steps it believes will improve wholesale competition, a number of market participants, including independent retailers, believe these do not go far enough.
7. The Electricity Authority appears open to further work in this area, but it is unlikely to address energy hardship in the short or medium term.
8. The Electricity Authority, or government, should prioritise further consideration of regulatory requirements designed to directly address the barrier to entry posed by vertical integration.
9. This would likely take the form, at least initially, of requiring some degree of accounting separation of the generation and retail business units of vertically integrated firms, so that the costs, revenues and profits of each business unit, and any transfers between them, can be clearly identified.
10. A number of factors will affect when bulk purchasing by government is likely to be beneficial:
  - a. Can the agency identify a group of customers with similar needs?
  - b. What is the size of any bulk purchasing arrangement?
  - c. How long is the agreement and how stable is customer demand?
  - d. Can the agency reduce the costs or risks faced by the supplier?
  - e. Are there cost savings or quality improvements from combining the Agencies services with electricity retailing?
11. Kāinga Ora – Homes and Communities should be encouraged to investigate such an arrangement and may be in a stronger position to do so as a result of its Winter Energy Study. This should not, however, exclude bulk arrangements from other government agencies, or community and iwi groups.

## Introduction

12. The Energy Hardship Expert Panel (the **Panel**) was created following the Electricity Price Review to provide recommendations on government policy priorities and actions to alleviate energy hardship, and to provide impartial, evidence-based expert advice.
13. In this context, energy hardship is when individuals, households and whānau are unable to obtain and afford adequate energy services to support their wellbeing in their home or kāinga. It has been estimated that around 134,000 households, nearly 8% of all households, could not afford to adequately heat their homes.<sup>1</sup>
14. One of the areas the Panel has considered is "social retailing". In this context, social retailing is energy retailing that provides additional support consumers who are in energy hardship.<sup>2</sup> Social retailing can be provided through a traditional electricity retailer, or a specialised 'social retailer'.
15. The feedback the Panel has received includes that there are barriers to independent and social electricity retailers, and that the wholesale market is not providing them with electricity on terms that enable them to survive and thrive. Independent retailers have historical driven consumer switching and competitive responses from the larger, vertically integrated retailers. Limiting the competition independent retailers can provide may increase energy hardship, through higher prices and service offerings that are not focussed on the needs of all consumers.
16. The Panel has sought advice on four topics to inform its work in this area.
  - a. How improved competition in the wholesale electricity market could better enable affordability for those in energy hardship;
  - b. Whether there are barriers to entry and operation for independent and social electricity retailers, and if so, how these might be addressed;
  - c. Whether there is sufficient transparency in New Zealand's electricity markets to understand if there is a fair and competitive wholesale and retail electricity market, and if not, steps the relevant regulatory agencies could consider to enhance transparency;
  - d. The opportunities and challenges of bulk deals for Kāinga Ora clients, or other similar groups of consumers, including in what circumstances such bulk deals would likely be beneficial.

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<sup>1</sup> MBIE, Defining Energy Hardship, 2022, at p1.1

<sup>2</sup> Concept Consulting, Social Retailing Phase one: problem definition and long list of options, December 2022.

## How improved competition helps those in energy hardship

17. Electricity is an unusual consumer product. It is a homogeneous commodity, and most quality related aspects of electricity supply are regulated, meaning it is hard for retailers to offer product or brand differentiation.
18. Consumers use electricity continuously, but the amount they use can vary significantly depending on the time of day, time of year, and location. The cost to retail consumers can be split between daily fixed costs and variable usage costs, with the variable component changing depending on the time of day. All of this means it difficult for consumers to match and adjust their usage based on electricity costs.
19. Even if they could make these comparisons, consumers are not able to easily switch between providers to take advantage of short term differences between them. Switching electricity company is something that is comparatively time consuming and is done infrequently.<sup>3</sup> The Electricity Price Review found that consumers who don't or can't easily shop around are paying more than they need to. It also found that many consumers are not on the best plan for them, and they also find it hard to compare prices and plans, choose the best one, and make the switch.
20. Nevertheless, increased competition between providers may still result in an increased variety of offers, enabling informed customers to choose the offer that best reflects their needs. There are a number of areas where competition is likely to deliver benefits for all customers:
  - a. **Price competition:** In competitive electricity markets, multiple suppliers compete to provide electricity to customers. This competition can lead to lower prices as suppliers strive to attract and retain customers, which may involve offering discounted rates, or promotional offers to appeal to price-conscious customers.
  - b. **Customer focussed service offerings:** In competitive markets, suppliers' focus on attracting and retaining customers means they place a greater priority on meeting customers' needs. They are more likely to invest in customer service, provide transparent billing, and address customer complaints or disputes promptly. That could include assistance in choosing the right electricity plan, flexible payment options, and better integration with existing energy efficiency programs that may reduce energy use.
  - c. **Innovation:** Competitive markets incentivize suppliers to innovate. They strive to differentiate themselves from other retailers by introducing innovative products, which may include cost-saving technologies that reduce electricity use or shift it to lower cost times.
21. While much of the focus on electricity prices will naturally be on the daily charge or per kw/h charge for electricity, there are other fees and charges that consumers facing energy

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<sup>3</sup> It has been suggested that on average, customers switch every four years: see TBD Advisory, The Determination of Retail Prices in the NZ Electricity Market, November 2021 at 4.1.

hardship may be required to bear, such as for connection, disconnection, or late payment. In a competitive market, fees and charges will generally be no more than the efficient costs of the service to which they relate. It is not clear whether charges set by electricity retailers for are reflective of efficient costs, and some submitters to the Panel have suggested regulation of such charges.<sup>4</sup>

22. It is unclear whether, at present, the benefits of competition are seen by those in energy hardship. Competitive offers are likely to provide direct benefits to customers who are likely to switch provider. The factors that contribute to energy hardship can also make it more difficult for consumers take advantage of the benefits of competition through switching. For example:

- a. Information from electricity retailers, and the tools that enable comparisons and switching, are usually available online only, are complex, and particularly unsuited for those for whom English is not their first language.
- b. Many innovations in electricity retailing require internet access or the installation of an application on a smart phone.

23. The potential benefits from competition for those in energy hardship go beyond lower prices. Consider a hypothetical world where electricity retailers were competing to supply customers suffering from energy hardship, and were rewarded when those customers stayed out of energy hardship. Their competitive response could be expected to more tailored to the needs of those customers. For example:

- a. Customers benefits and discounts are often only available when electricity is purchased in conjunction with high-speed internet, mobile phone services, or entertainment. Instead, they might be bundled with services like budgeting, or discounts on essential items like groceries.
- b. Fixed term contracts are often used to provide supplier certainty, and to reduce customer switching, often through the use of penalties. Instead, they might be used to provide certainty to customers over their energy spending.
- c. Payment difficulties are often responded to with measures that increase the cost of electricity, such as penalties, default interest, debt collection costs, and prepayment electricity arrangements. Instead, payment difficulties might trigger support services, more flexible payment arrangements, or even lower cost electricity.

### **The barriers faced by social/independent retailers**

24. In competitive markets, firms who do not perform lose their customers to others. Where the current firms in a market are not meeting consumer needs, whether in pricing or service or innovation, other firms will see the opportunity to enter and take their customers. This

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<sup>4</sup> Section 45 of the Credit Contracts and Consumer Finance Act 2003 provides a useful model for limiting charges to the reasonable costs incurred for the service that is the subject of the charge.

potential for entry has sometimes been described as “the ultimate regulator” of how firms compete.<sup>5</sup>

25. In this context "barriers to entry" are the conditions that must be met, or the obstacles that must be overcome, for a new retailer to successfully enter and expand into electricity retailing in New Zealand. The more significant the barriers to entry, the more difficult it is for new firms to enter and compete, reducing competition and innovation in electricity retailing.

### What are the barriers in New Zealand?

26. Barriers to entry can arise through government regulation, industry structure, and the behaviour of market participants and consumers. Three barriers in particular are particularly likely to affect new entrants into electricity retailing in New Zealand:

- a. **Regulatory requirements:** Electricity retailing in New Zealand is subject to various regulatory requirements aimed at protecting consumers and ensuring market efficiency. Compliance with these regulations can impose additional costs and administrative burdens on new entrants, potentially creating barriers to entry. For example, electricity market participants must comply with the industry code,<sup>6</sup> pay levies,<sup>7</sup> enter into arrangements with other market participants,<sup>8</sup> and comply with prudential requirements, either by obtaining a credit rating from a credit agency, or making available an acceptable form of security.
- b. **Wholesale market access:** Independent and social retailers need access to the wholesale electricity market to secure a reliable supply of electricity for their customers. While a wholesale market exists in New Zealand, independent retailers have indicated that it is not providing them with competitive price and non-price terms that meet their needs and enable them to compete. In particular, they are exposed to volatile spot market prices, and have difficulty in obtaining hedging contracts that mitigate these risks.

Vertically integrated retailers do not face this barrier to entry, as their generation business gives them a natural hedge against high spot prices. This gives them a significant competitive advantage over other new retailers.<sup>9</sup>

- c. **Customers acquisition costs:** Established retailers often benefit from brand recognition and customer loyalty, which can make it difficult for new entrants to

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<sup>5</sup> This point was made in the case that provides the foundation for competition law in New Zealand and Australia, *Re QCMA and Defiance Holdings* (1976) ATPR 40-012 at p17,426.

<sup>6</sup> Electricity Industry Participation Code 2010. As at 31 May 2023 the code is 1305 pages long.

<sup>7</sup> Electricity Industry (Levy of Industry Participants) Regulations 2010.

<sup>8</sup> For example, they must enter into agreements with distributors in every area in which they trade, which would be 27 electricity lines companies for a nationwide retailer.

<sup>9</sup> While a sufficiently large independent or social retailer could invest in generation, there are significant resource management requirements for new generation, and the capital costs are significant. Investment in new generation, and the financing required to make that investment, is less likely if the wholesale market is not functioning well.

attract customers. In addition, there are real costs to consumers in New Zealand when changing electricity retailers. In addition to the time involved in making a switching decision, there can be contract termination fees, and the inconvenience associated with changing suppliers. Where consumers take a bundle of services from a provider, these costs can be even more significant.

Taken together, these factors reduce consumers' willingness to switch to new entrants, increasing the costs a new entrant faces to acquire customers.

27. Of these barriers, access to wholesale electricity appears to be the most significant barrier to successful entry. Vertically integrated firms enjoy a substantial competitive advantage, and wholesale market volatility has limited the ability of independent retailers to compete.<sup>10</sup> It has been suggested that the functioning of the wholesale electricity market is in part responsible for slowing growth, and increasing exit, of independent retailers. This includes one of the three social retailers operating in the New Zealand market.
28. While these barriers arise for all potential entrants, they are likely to be more significant for a social retailer. A social retailer may also face additional challenges, such as in recruiting the necessary industry expertise, particularly if entry is seen as unlikely to succeed.

#### **How could these barriers be addressed?**

29. Some of these barriers were considered by the Electricity Review, and the government has been implementing measures to address some of these concerns. The Panel's Knowledge and Navigation Kete contains a number of recommendations intended to promote consumers ability and willingness to switch providers.
30. In relation to the regulatory barriers, it is not clear that the Government or Electricity Authority have specifically considered the position of social retailers, and whether they.
  - a. The Government and/or the Electricity Authority could **undertake a review of the regulatory framework to ensure it promotes retail entry**, including by social retailers. It may be desirable to review the requirements imposed by the Electricity Industry Participation Code 2010 to ensure that these do not discourage entry, and in particular do not discourage entry by social retailers. Even if no change to the rules is required, it may be that it is appropriate to exempt social retailers from some of the obligations under that code, or to apply them only once they reach a certain size.
  - b. In addition, the Government and the Electricity Authority could **consider whether the existing information and support available for new market participants is appropriate for social retailers**, who may not be on the same position as a for-profit new entrant. Similar recommendations have been made by the Electricity Authority

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<sup>10</sup> NZIER, Report for the Consumer Advocacy Council - Assessing the New Zealand wholesale electricity market Issues affecting the benefits for small electricity consumers, 13 December 2022 at pp 17-18 and 22.

in relation to overseas investment in renewable energy generation.<sup>11</sup> It may also be that there is benefit in public support for social retailers, for example by providing guarantees that assist in meeting the prudential requirements.<sup>12</sup>

31. The Electricity Authority recently concluded a review of competition in the wholesale electricity markets.<sup>13</sup> Independent retailers advocated for significant improvements and consumer advocates also supported further work on whether the current wholesale market model was fit for purpose. The Electricity Authority has indicated that it intends to undertake some additional measures to improve competition in the wholesale electricity market.<sup>14</sup>
32. Many submitters disagreed with the Electricity Authority's assessment of competition and of the appropriate responses.<sup>15</sup> A number specifically criticised the failure to address vertical integration.<sup>16</sup> Although the Electricity Authority rejected these submissions, its decision paper does not provide a fulsome explanation of why.<sup>17</sup> It appears to be two-fold:
  - a. First, it's overall approach places considerable weight on regulatory changes already made, industry-led improvements, measures to ease barriers to entry in generation, and ensuring that existing market conduct rules are complied with. It is not clear these measures will address concerns arising from vertical integration, except perhaps in the longer term if additional generation capacity is introduced by independent generators.<sup>18</sup>
  - b. Second, the Electricity Authority has not completely ruled out further action to address concerns over vertical integration, noting that it would continue to monitor existing disclosure of internal transfer pricing, and to gather information on offtake and hedge contracts. It appears this work is likely to occur over the long term.
33. This long term response, even if sufficient, does not appear likely to reduce energy hardship in the short to medium term.

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<sup>11</sup> Electricity Authority, Promoting competition in the wholesale electricity market in the transition towards a renewables-based electricity system, Decision paper, 23 May 2023, Recommendation N and O, p 18.

<sup>12</sup> I note that other forms of support were considered in Concept Consulting's work.

<sup>13</sup> Electricity Authority, Promoting competition in the wholesale electricity market in the transition towards a renewables-based electricity system, Decision paper, 23 May 2023.

<sup>14</sup> In particular: Item D - Clarify disclosure requirements about current or expected constraints that could impact generation capacity, and arrange a centralised location for disclosure; Item H - Improve the Electricity Hedge Disclosure System to improve its functionality and make contract details more transparent; and Item I - Investigate and test the case for providing or requiring longer-dated futures .

<sup>15</sup> Bryan Leyland, Consumer Advocacy Council, Electra, Entrust, Haast & Independent Retailers, Major Electricity Users Group, NZ Steel, Octopus Energy, and Winstone Pulp International.

<sup>16</sup> Consumer Advisory Council, Electra, Haas & Independent Retailers, MEUG, NZ Steel, Winstone Pulp International, and Octopus Energy.

<sup>17</sup> Electricity Authority, Promoting competition in the wholesale electricity market in the transition towards a renewables-based electricity system, Decision paper, 23 May 2023 at 4.12, 4.14, 4.15 – 4.21

<sup>18</sup> There is something of a chicken-and-egg problem however, as in the absence of independent retailers and a functioning wholesale market, these generators will necessarily be required to enter into arrangements with the existing vertically integrated retailers.



34. The Panel has received feedback that smaller independent and social retailers may struggle to obtain services to enable them to participate in wholesale markets following the exit of Jardin in 2022. Ensuring that these services are available would be an obvious measure to reduce barriers to entry for independent and social retailers who are about to or have recently entered.
35. This measure would not address the underlying incentives of vertically integrated retailers. Where a firm is vertical integrated and has control over an input that its retail rivals need, and the rivals have few alternative options,<sup>19</sup> it is likely to have an incentive to favour its own retail business and hamper its rivals. The Electricity Authority's approach does not appear to address those incentives.
36. Additional regulatory requirements designed to directly address the barrier to entry posed by vertical integration could require some degree of separation of the generation and retail business units of vertically integrated firms to address those incentives.
- a. **Accounting separation** would require that the financial accounting of these business units be kept separate, which would ensure that the costs, revenues and profits of each business unit, and any transfers between them, could be clearly identified. This would enable comparison of prices offered in the wholesale market with the effective prices paid by the vertically integrated firms. It would also identify conduct issues such as below-cost pricing.
  - b. **Operational separation** would go a step further, and require that the business units be separately, and independently, managed with their own business strategies and key performance indicators. In effect, the generation business would be required to deal with the retail business on an arm's length commercial basis, as it would when dealing with an independent retailer.
  - c. **Structural separation** would require the legal separation of the business units into separate independent companies, with separate management and boards of directors, and which may or may not have overlapping shareholdings.
37. Separation of the generation and retail business would not be inconsistent with the other regulatory measures being undertaken by the Electricity Authority. Of these options, some form of accounting separation should be considered first to ensure the regulation did not increase energy hardship:
- a. It is well accepted that "**sunshine regulation**" - enhanced transparency, disclosure and published analysis of the type promoted by accounting separation - can be a **low cost, or lower cost, way of promoting behaviour change**.
  - b. **Regulatory measures** designed to separate vertically integrated **businesses impose costs** on the separated business and on the responsible regulator. These costs,

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<sup>19</sup> Where the alternative options are other vertically integrated retailers with substantially similar incentives, the independent/social retailers are likely to receive substantially similar offers from them unless there is effective competition in the wholesale market.

which will ultimately be passed on to end-consumers, would be greater with operational and structural separation.

- c. Vertical integration in electricity markets can result in efficiencies, by eliminating contracting costs and providing co-ordination between development of supply (generation) and demand (retailing). **Operational and Structural separation could theoretically lessen these efficiencies**, although a well-functioning wholesale market may in practice minimise any efficiency losses.

38. The Electricity Authority could do more to address energy hardship by giving greater priority to directly addressing concerns over vertical integration to lower the barriers to entry and expansion for independent and social retailers. This would likely involve considering whether the cost of accounting separation would outweigh the likely benefits through providing additional information to the regulator and market participants, enabling greater competition and better future regulatory decisions.

39. It is important to note, however, that the improved transparency provided by Accounting Separation is only likely reduce energy hardship to the extent that it changes in behaviour of vertically integrated retailers, either directly or as a consequence of action by regulators or independent/social retailers. One reason operational or structural separation may be preferred would be if accounting separation was not seen as delivering sufficient change within the desired timeframe.

## Transparency in New Zealand's electricity markets

40. Energy markets are inherently complex, and involve significant data, some of which will be commercially sensitive. Regulatory design must account for the fact that the sharing of commercial information, particularly pricing information, can facilitate co-ordination between firms and lessen competition.<sup>20</sup>

41. That does not mean, however that there are not steps that could be taken to improve transparency in New Zealand's electricity markets. Disclosure of good quality information promotes competition and assists the stakeholders and the Electricity Authority to understand if the wholesale and retail electricity markets are producing fair and competitive outcomes.

42. In 2021 the Electricity Authority introduced new provisions in the Electricity Industry Code mandating disclosure of mass market internal transfer prices by vertically integrated retailers. This was intended giving transparency over whether vertically integrated retailers provide themselves with better terms than the contracts they offer independent retailers.<sup>21</sup>

43. In 2023, the Electricity Authority indicated that it intends to undertake some additional measures to improve competition in the wholesale electricity market by improving transparency. This includes:

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<sup>20</sup> See for example, in the context of retail fuel, Commerce Commission, Market Study into Retail Fuel, December 2019 at X33-X36, and 7.89 – 7.97.

<sup>21</sup> Electricity Authority, Wholesale markets - Internal transfer prices and segmented profitability reporting Decision Paper, 31 August 2021.

- a. Clarifying disclosure requirements about current or expected constraints that could impact generation capacity, and arrange a centralised location for disclosure;
  - b. Collecting information on offtake and ‘firming’ agreements (and if feasible declined requests);
  - c. Improving the Electricity Hedge Disclosure System to improve its functionality and make contract details more transparent.
44. While these measures are likely to improve transparency, there are a number of limitations on the information disclosed by vertically integrated retailers under the Electricity Industry Code:
- a. The information is disclosed at a highly aggregated level and is not released in a timely fashion. In particular, the information aggregates all customer and geographic groups, and is disclosed on an annual basis, not later than three months after the end of the relevant financial year.
  - b. Within the confines of the code requirements, vertically integrated retailers can determine the methodology they apply to the calculation of their disclosure. This creates the potential for inconsistency between retailers, changes over time that impair comparisons, or the use of inappropriate methodologies.
45. If the purpose of the disclosure is to enable comparison between the terms vertically integrated firms provide themselves on the one hand, and the contracts offered to independent or social retailers on the other, then further consideration needs to be given to the substance and form of disclosure. More granular information that is more current is likely to be of greater use in such comparisons. This is likely to require a methodology specified by the Electricity Authority after consultation with both vertically integrated and independent retailers.
46. It is important to note, however, that improved transparency arrangements will not necessarily reduce energy hardship in anything other than the very long term. To address the barriers to entry referred to earlier, and therefore increase competition, changes in the pricing behaviour of vertically integrated retailers would be required.

## **Bulk purchasing arrangements**

47. A number of Government agencies have relationships with those facing energy hardships. There is the potential for those agencies to arrange a bulk purchasing deal which may generate savings and benefits for those in energy hardship. Bulk deals may also boost retail competition, provided they are structured in such a way that independent retailers are able to participate.<sup>22</sup>

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<sup>22</sup> Electricity Price Review Final Report, 21 May 2019, at pp29.

48. Arranging a bulk purchasing deal will require an agency to devote resources to developing or obtaining expertise in relation to the product, and then conducting negotiations with potential providers. Once a deal has been reached, there are additional costs in promoting the deal to consumers, so that they take advantage of the deal.
49. A number of factors will influence whether bulk purchasing is likely to be beneficial for the individuals and families working with a government agency:
- a. Can the agency identify a group of customers with similar needs? Standardised terms and conditions are an essential part of any bulk purchasing arrangement. The more similar the demands of the group, the better the bulk arrangement is likely to be. It will also reduce the cost in conducting the procurement process.
  - b. What is the size of any bulk purchasing arrangement? The government will likely have a greater degree of bargaining power in any negotiation, which will be reflected in the terms agreed. Suppliers are more likely to achieve savings when dealing with larger orders, which can then be passed on to the end consumer. Averaging across a large number of customers may enable government to agree to conditions, such as minimum spending levels, that would not be viable for smaller groups or single customers.
  - c. How long is the agreement and how stable is customer demand? The longer the duration of the agreement, the more willing the retailer is likely to be to invest in systems or innovations that improve efficiency and service quality. Where the demand is consistent, or at least predictable, a supplier is likely to be able to offer better terms of supply.
  - d. Can the agency reduce the costs or risks faced by the supplier? The agency may be able to avoid costs, or might be better placed to carry risks, that the supplier faces. This can then result in better terms including price. For example, payment risk will likely be a factor in setting retail electricity prices. Where Government is able to provide a degree of security over payment, this is likely to result in lower purchase costs, reflecting the reduced risk to the supplier. Where the Government is already funding the needs of the relevant individuals or groups, the additional risk faced by government may be minor.
50. In addition, in some cases an Agency's existing relationship with consumers may enable potential efficiencies that result in either cost savings, that could be passed on to consumers, or higher quality, improving the service to consumers. For example:
- a. The agency may have existing administration such as billing, complaints, and a help desk that could be used to support customers instead of a retailer providing those functions;
  - b. The agency's administrative functions may already cater for the needs of consumers, such as language or other communication difficulties, and so may provide better service than a retailer whose communications are directed at a broader range of consumers;

- c. There may be synergies between the services the agency offers and electricity retailing. For example, the agency may be able to identify a need for support services or financial assistance when it identifies customers who are in energy hardship.
51. Bulk arrangements need not reduce the options available to consumers in energy hardship if they are not mandatory. Similarly, direct deductions from government financial support should occur only with the consent of the concerned individuals. A more appropriate approach would be providing choice to consumers, together with information to assist them in making those choices.
52. An obvious starting point would be those in social housing through Kāinga Ora – Homes and Communities. Given the criteria for obtaining social housing, it is likely that a significant number of those in energy hardship are in social housing.<sup>23</sup> The potential benefits of bulk deals through then Housing New Zealand was noted by the Energy Price Review in 2019, and there is no reason to believe that its conclusions would be any different if that review were conducted again today.<sup>24</sup>
53. Having said that, there are likely to be a number of agencies, both within government and outside of it, who are already providing assistance to individuals or families in energy hardship. The potential benefits of a bulk deal are not limited to large government agencies, and could include community and iwi groups, for example.

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<sup>23</sup> Kāinga Ora – Homes and Communities is currently undertaking a Winter Energy Study in conjunction with Mercury Energy, which may provide useful information to inform future policy decisions in this area. Details of this are available at <https://kaingaora.govt.nz/winter-energy-study>

<sup>24</sup> Electricity Price Review Final Report, 21 May 2019, at pp28 – 30.