



Contact Energy Submission

Responding to – Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward

28 April 2023

Introduction and summary

1. We want to congratulate the Energy Hardship Expert Panel (the Panel) on a thorough and well-considered paper. Alleviating the challenges faced by those in energy hardship is important mahi, and the leadership shown by the Panel provides a guiding light for the next stage of this work.
2. Overall, we agree with the direction of travel set out by the Panel. In responding we have focussed on three areas:

- a. **Energy retailers have a key role to play in addressing energy hardship.** We provide a service critical to the everyday lives of New Zealanders, we have a responsibility to support those in hardship to have the opportunity to have a warm, safe and dry home.

For our part, we have a number of initiatives underway to provide additional support for those in energy hardship, including financial support, a partnership with Women's Refuge, referrals to social support organisations, and payment plans. We also consider that pre-pay plans are an important part of the mix to serve the small number of customers with the highest credit risk.

- b. **Wider system changes are necessary for long-term success.** We agree that the quality of our housing stock needs to improve, and government support needs to be better targeted to really shift the dial. We also support wider smart meter roll out, looking at the role of lines companies, and making the Consumer Care Guidelines mandatory.
- c. **Some recommendations require further work before the report is finalised.** We focus on four recommendations:
 - i. We do not consider that the presentation of consumer bills materially contributes to, energy hardship.
 - ii. We are concerned with the idea of government intervention in pricing tariffs. This risks holding back pricing innovations that are needed to shift demand away from peak times.
 - iii. We consider that reporting on a specific metric on the number of customers failing credit checks could be misleading. There may be better ways to understand the problem the Panel is concerned about, such as collecting data on credit thresholds used by retailers when deciding whether to accept a customer.
 - iv. We support social retailers, but do not consider that a mandated donation is necessary, or in consumers' best interests. We also consider funding social generation assets to be a highly inefficient way of supporting consumers.

3. At the end of this submission, we have attached the standard submission form. In large part we have completed that by referring back to paragraphs in the main body of this submission.

We have a critical role to play in supporting our vulnerable customers

4. Contact Energy is one of the largest energy retailers in New Zealand, serving approximately 20% of consumers. This is a privilege and a responsibility to ensure that those customers are treated fairly, and we support the most vulnerable.
5. While consumers today pay less for electricity than they did 10 years ago in real terms,¹ the current cost of living crisis, and the looming recession, make a focus on energy hardship necessary. Energy is a significant part of consumer expenses, and if there are things that can be done to support customers through these tough times, then it is our obligation to do so.

We have in place a number of initiatives to provide additional support to consumers who are in energy hardship

6. In recognising the challenges facing vulnerable consumers we have a number of initiatives in place to support those in energy hardship:
 - a. Discretionary financial support, including:
 - i. 'Energy Wellbeing Credits' for customers going through extreme hardship.
 - ii. removal of fees for those identified as being in hardship
 - iii. disaster related credits, currently being applied to customers impacted by Cyclone Gabrielle.
 - iv. participation in the 'Power Credits' scheme, where the industry has dedicated \$5 million to support customers moving off the low fixed charge plans
 - b. Partnership with Women's Refuge. We donate all the power and broadband to Women's Refuge and their safe houses nationwide for free, so the organisation can just focus on their core services without having to worry about how they'll keep the lights on or their safe houses warm. We are also supporting victims of domestic violence exiting the refuge by placing them on a post-pay plan - regardless of their credit score.

¹ [Electricity cost and price monitoring | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz/electricity-cost-and-price-monitoring)

- c. Engagement with social support agencies to set up wrap around support for those in the most need. This includes Work and Income, Money Talk, Aged Concern, Salvation Army, Presbyterian Support, etc.
 - d. Payment arrangements such as smoothpay that keeps electricity costs consistent throughout the year, payment plans for debt, and weekly and fortnightly billing.
 - e. Support and funding for sector initiatives like Energy Mate which delivers in-home coaching and community hui to help whānau get the most out of their electricity consumption.²
7. But we won't stop here. Recognising the scale of the issues facing New Zealanders we are well advanced in developing further support for customers facing hardship. This new support is well aligned with the recommendations from the Panel, and we will be able to share further details shortly.

Pre-pay is an important part of the solution – if implemented well

8. Currently about 1% of our customers are on a pre-pay plan. For some customers this is a choice to help better manage their finances, but for others it is the only option because of a poor credit score. These are customers that have a track record of not meeting credit obligations and would otherwise be denied an electricity connection altogether. The Panel has captured the nature of this service well on page 73.
9. We strongly agree with the panel that pre-pay plans should not include any extra charges or fees (AC3 and AC4). This practice preys on the vulnerable and must be stamped out of the industry. We don't include any such extra charges for pre-pay plans, all costs are identical to customers on post-pay plans.
10. As our most vulnerable customers we put special attention on pre-pay connections. For these customers we:
- a. do not disconnect on a Tuesday as this is the most common payday for customers using pre-pay.
 - b. allow for debt of up to two days' worth of consumption before disconnecting so that customers are not cut off for small overdue amounts.
 - c. stopped charging customers disconnection fees. This is a charge we receive from metering providers but from last winter decided to absorb it rather than pass on to consumers.

² <https://www.energymate.nz/>

- d. support pre-pay customers experiencing multiple disconnections, including directing them to support agencies, and in some cases transferring them to a post-pay plan supported by a payment plan.
11. We recognise the desire for more information about pre-pay customers and the number of disconnections they face. However, as noted by the Panel, in some cases disconnections are an intentional budgeting tool, or reflect the way a property is used (i.e. a holiday house that is not always in use). A crude measure of disconnections may therefore be misleading.
12. We propose that further work is undertaken to develop a pre-pay monitoring scheme that takes into account the nature of the service. This work could include representatives from the industry as well as the Panel, the Electricity Authority, and any other interested parties co-designing such monitoring.
13. Beyond these recommendations the panel has also proposed a principle that all customers should have access to post-pay as an option regardless of their credit score.³ We support the intent of this principle but achieving it will require further consideration of how to address the credit risk issue, and who is best to manage this risk.

Other parties have a role to play too

14. Without detracting from the critical role that retailers have to play in supporting customers in energy hardship, we agree with the Panel that there are a wider set of changes that can be made to improve wellbeing. Below we highlight those that we consider will have the greatest impact.

The quality of New Zealand homes is a significant contributor to energy hardship

15. As was shown in the Electricity Price Review, New Zealand has one of the lower per-KWh prices of electricity in the OECD. However, New Zealanders tend to consume more electricity than in most other countries,⁴ likely because of the higher cost to heat poorly insulated homes.
16. Improving the quality of our housing stock would have the most material impact on energy hardship in the longer term. We therefore fully support the 'health of the home' kete proposed by the Panel.
17. We are an enthusiastic supporter of EnergyMate. This is a programme established by the Energy Retailers Association of New Zealand (ERANZ) which

³ p50

⁴ [Electricity Price Review: Final Report \(mbie.govt.nz\)](https://www.mbie.govt.nz/energy-price-review), p1

delivers in-home coaching and community hui to help whānau get the most out of their electricity consumption.⁵

18. However, programmes such as EnergyMate can only go so far. Requirements like the Healthy Home Standards fill an important role too, particularly for rental properties. While cost effective in the long term, many energy efficiency investments such as improved insulation can take many years to pay off. But with most renters staying in their property for less than five years, it is often irrational for the person renting to invest in any given property.⁶ These obligations are rightly placed on the landlord and need to be better enforced to have a material effect.

Better targeting of government support

19. The government's flagship energy hardship support programme is the Winter Energy Payment. This provides cash payments of over half a billion dollars annually to people on any type of benefit, including people on superannuation.

20. We support the Panel's recommendation AF2 to better target this support. It is well overdue to implement means testing for this support so that more can be done to help those in the most need.

21. We know that better targeting is possible. Europe is currently experiencing extreme energy prices due to the conflict in the Ukraine. Wide support is being offered by governments, but often the most generous payments are being targeted to those most in need. For example, in the UK the £900 'Cost of Living Payment' is means tested, and in France €100-200 is being provided to those with the lowest incomes.

22. We also strongly agree with improving the support provided by MSD for its clients that are in energy hardship, such as expanding purchase assistance to cover energy efficient choices (HH5), improving lines of communication to MSD (AF1), and improved benefit supplements to cover energy costs (AF2).

Improved smart meter roll-out

23. The vast majority of New Zealand households have a smart meter installed on their property. These meters allow remote meter reading and other control systems. They are a necessity for several plans we offer, such as pre-pay, good nights⁷ and dream charge.⁸

⁵ <https://www.energymate.nz/>

⁶ <https://www.stats.govt.nz/assets/Uploads/Reports/Housing-in-Aotearoa-2020/Download-data/housing-in-aotearoa-2020.pdf>

⁷ Goodnights offers three free hours of power between 9.00pm to 12.00am every day.

⁸ Dream charge offers cheaper rates from 11.00pm to 7.00am every night. It is primarily targeted at owners of electric vehicles to encourage charging during off-peak times.

24. Contact Energy does not own any meters for residential properties. These are provided by metering providers such as Vector Metering and Intellihub. Property owners can also request a smart meter to be installed at their expense by the metering provider.
25. There can be a number of reasons some properties do not have smart meters, such as the quality of the wiring at the premise, asbestos, access to the meter, mobile coverage, and unique circumstances like some properties that share a single meter. Most of these barriers can be overcome with further investment, but providing smart meters to the last few percent is likely to be extremely costly.
26. We believe it is the responsibility of the metering providers to show leadership with their plans to get more New Zealanders on modern equipment. For example, what is the pathway to get 95% of customers on to a smart meter?
27. For the remaining few percent, it may be appropriate to place the obligation on the property owner as part of a healthy homes standard. These costs are significant, and it may be inappropriate for that cost to be passed on to other electricity customers. Without such a requirement some landlords may not undertake the upgrades at rental properties necessary for a smart meter to be installed, such as upgrading wiring or removing asbestos.

The role of lines companies could use some further consideration

28. The cost of getting electricity from a generation site to a residential property is significant. On average it contributes about 40% of a customer's bill (about 30% for intra-city distribution networks, and about 10% for Transpower's nationwide grid).⁹
29. Often customer bills directly reflect the pricing structure passed on to retailers from the 29 lines companies operating in different parts of New Zealand. For example, lines companies set a certain amount of costs that are fixed regardless of consumption, and different rates apply across the country for different lines company regions, and by connection type. If simplification of billing is required (which we don't believe is warranted), then a ground up review would be necessary to amend the pricing principles that these organisations are subject to.
30. The lines companies are natural monopolies regulated by the Commerce Commission. In April 2025 they will move on to a new revenue cap, and our expectation is that this will significantly increase the lines related charges in residential prices, likely phased in over a number of years. The Panel may wish to explore what is driving this significant cost increase and whether anything can be done to support those in energy hardship.

⁹ <https://www.ea.govt.nz/your-power/bill/>

Mandatory consumer care guidelines would ensure that all retailers are up to the same standard

31. We diligently ensure that we fully comply with the Consumer Care Guidelines, and we support the guidelines becoming mandatory for all energy retailers. Sufficient time has now passed since they were implemented in 2021 to bed them in to every retailer. Making them a minimum standard will ensure that no New Zealanders fall through the cracks and aren't provided with an acceptable baseline of support.
32. If these guidelines are made mandatory, we would also recommend that the different requirements are reviewed and consolidated to improve the ease of implementation. This should include the Consumer Care Guidelines for electricity, and the Consumer Care Guidelines for gas.

Some of the Panel's recommendations require further refinement

33. While we are broadly supportive of the recommendations proposed by the Panel, there are a few that need further refinement before they could achieve the intended effect. We are happy to engage further with the Panel, or any government agency on improving these recommendations.

Most retail bills are already very simple

34. We do not consider that the Panel has sufficient evidence to say that retail bills are too complex or are contributing to energy hardship in a material way. Over the last few years, we have put significant effort into simplifying our online bills. These are the bills that most consumers engage with, and digital technology allow us to present the information in new ways that best serve the customer.
35. In our online bill we provide a simple overview of charges and how these add up to the final bill. Customers can then tap into each area to find out more, including a breakdown of fixed and variable charges, levies and other costs.
36. Like with any service there will be exceptional cases where bills are more complex. This is usually in cases that we have little control over, such as a shared property, imbedded networks or similar. Resolving these complexities will require engaging with the particular causes. We believe that this would be a more impactful piece of work than simply looking at terminology issues contemplated in KN6.

Government has no role in setting tariff structures in competitive markets

37. We were particularly concerned by the recommendation in KN6 for the government to intervene on tariff structures. Such interventions often cause more problems than they solve as the bureaucrats setting tariff structures are further removed from the needs of consumers and cannot adapt as nimbly to changing

consumer preferences. Governments therefore usually take a very high bar for directly intervening in tariff structures.

38. The retail energy market is highly competitive and meets the needs of many different types of consumers. Competitive markets ensure that the benefits are passed through to consumers. The Panel has not established how a government set price structure would better meet the needs of consumers.
39. We also note that consumer needs are rapidly changing as new forms of power usage, such as electric vehicles become more popular. Responding to this change will require new tariff structures to encourage customers to use more electricity off-peak, such as Contact Energy's Goodnights and Dream Charge plans. This is critical to ensure that the energy system can better manage its needs. In this context we see government intervention in tariff structures to be counter-productive.

Reporting on customers that fail credit checks could be misleading

40. Recommendation AC1 proposes mandatory provisions in the Consumer Care Guidelines for electricity retailers to monitor and report refusals to supply or conditions imposed.
41. We are unsure what value such information would provide. An increase in refusals could be due to other economic conditions. It does not get to the underlying problem of retail behaviour.
42. Furthermore, the number of refusals to supply is likely to be quite misleading. Oftentimes a customer that fails a credit check will ask another member of the household to sign up instead. The customer may also be able to shop around to find a retailer willing to take them on under a particular support programme. Or the customer could sign up to a plan without a credit requirement like Contact's pre-pay.
43. We consider that there are two pieces of information that the Panel is interested in that could be collected in a more transparent way:
 - a. How many households are there that are unable to get any electricity connection? This number may be better supplied by the network companies.
 - b. What is the credit score threshold that each retailer uses? Do any stand out as having a higher standard, making it harder for those in energy hardship to get connected. It may be more appropriate to collect this information from retailers, rather than customers rejected.

We support the work of social retailers, but a mandate is not the best solution

44. Social retailers such as Nau Mai Ra and Toast Electric play an important role in supporting vulnerable customers. They have a closer connection to the community served, and therefore have a greater level of trust than a larger

corporate like Contact Energy can develop with those in the most need. That means they can get a better level of engagement from customers in energy hardship, which is often critical to make wider support programmes effective.

45. Many of these organisations operate as charities and collect no profit, however they are also reliant on donations to make them viable. This can include a 'social hedge' where a generator may offer a wholesale price lower than what it would for a normal commercial deal.
46. We believe that the most effective way for government to support these entities would be to establish an approval system to demonstrate which social retailers meet minimum standards and will be effective in supporting those in energy hardship. This would significantly lower the due diligence costs currently faced for both the social retailer and prospective donors. It would also help direct the flow of resources to the most effective organisations.
47. We do not support a mandated donation to social retailers. Levying consumers for these costs would mean it is spread evenly across all New Zealanders, increasing bills for everyone. However, if the Panel can show that there is not enough funding going to social retailers, we would support a tax funded payment. Using the tax system has the benefit of being progressive, so that those who can afford it pay the most.
48. We are particularly concerned with options C and D in recommendation AC5. These options propose that the social retailer also builds and maintains generation assets.
49. Right now, there are billions of dollars of private capital being sunk into the New Zealand electricity generation sector. Contact Energy alone has more than \$1.1b of renewable energy investment underway, and well-developed plans for a lot more.
50. Building these assets is not free money. We borrow on global markets at an established rate of return. No social retailer will be able to fund these projects any more cheaply and they are unlikely to have the same level of expertise in delivering and maintaining these assets than companies willing to put their own capital on the line.
51. This approach would likely cost significantly more, could result in inefficient assets, and won't provide better support to those in need. We recommend that this is abandoned and not covered in the final report.

Attachment 1: Submission form

Personal details and privacy	
Q1.	I have read and understand the Privacy Statement above. Please tick Yes if you wish to continue* [To check the boxes above: Double click on box, then select 'checked'] <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Q2.	What is your name?* Brett Woods
Q3.	Do you consent to your name being published with your submission?* <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Q4.	What is your email address? Please note this will not be published with your submission.* Privacy of natural persons
Q5.	Are you submitting as an individual or on behalf of an organisation?* <input type="checkbox"/> Individual (skip to Q8) <input checked="" type="checkbox"/> Organisation
Q6.	If on behalf of an organisation, we require confirmation you are authorised to make a submission on behalf of this organisation. <input checked="" type="checkbox"/> Yes, I am authorised to make a submission on behalf of my organisation
Q7.	If you are submitting on behalf of an organisation, what is your organisation's name? Please note this will be published with your submission. Contact Energy
Q8.	If you are submitting on behalf of an organisation, which of these best describes your organisation? Please tick one. <input type="checkbox"/> Iwi, hapū or Māori organisation <input checked="" type="checkbox"/> Energy retailer <input type="checkbox"/> Energy regulator <input type="checkbox"/> Energy distributor <input type="checkbox"/> Registered charity

Non-governmental organisation

Local Government

Central Government

Academic/Research

Other. Please describe:

Q9. I would like my submission or parts of my submission to be kept confidential.*

Yes

No

Q10. If you answered yes to Q9 above, please provide your reasons and grounds under [section 9 of the Official Information Act](#) that you believe apply, for consideration by MBIE.

Q11. If you answered yes to Q9 above, please confirm you will provide publishable versions of your submission in both Word and in PDF by emailing them to the MBIE secretariat at energyhardshipMBIE@mbie.govt.nz - clearly labelling both "for publication"

Yes

No

Responses to questions

The Energy Hardship Expert Panel welcomes your feedback on as many sections as you wish to respond to, please note you do not need to answer every question.

Q12. Please tick those sections which you wish to provide feedback on:

- HEALTH OF THE HOME KETE
- KNOWLEDGE NAVIGATION KETE
- ENERGY ACCESSIBILITY AND CHOICE KETE
- ENERGY AFFORDABILITY KETE
- CONSUMER PROTECTION KETE

HEALTH OF THE HOME KETE

Improving individual, house and whānau energy wellbeing through healthier homes

Challenge: A significant number of New Zealand homes require retrofit to bring them to a healthy standard of energy performance

Strategy HH2: Strengthen and expand Warmer Kiwi Homes (WKH) programme (measures, reach and funding) so more low-income New Zealanders are supported into energy wellbeing

Q13. Do you broadly support the proposed strategy HH1?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q14. Please share your comments on the proposed strategy HH1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

Comments in paragraphs 15 to 18 above

Q15. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Comments in paragraphs 15 to 18 above

Challenge: The full benefits of energy efficiency improvements cannot be accessed unless a home is weathertight and reasonable quality

Strategy HH2: Fund broader building repair and improvement work to support home retrofit programmes

Q16. Do you broadly support the proposed strategy HH2?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q17. Please share your comments on the proposed strategy HH2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

Q18. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: Tenants are four to five times more likely to experience energy hardship than owner-occupiers

Strategy HH3: Strengthen the monitoring, compliance and enforcement of the Healthy Homes Standards

Q19. Do you broadly support the proposed strategy HH3?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q20. Please share your comments on the proposed strategy HH3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Comments in paragraphs 15 to 18 above

Challenge: Tenants are four to five times more likely to experience energy hardship than owner-occupiers

Strategy HH4: Strengthen advocacy and support services for tenants

Q21. Do you broadly support the proposed strategy HH4?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q22. Please share your comments on the proposed strategy HH4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Q23. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: Energy efficient household appliances (e.g. whiteware, lighting, cooking) offer important long-run cost savings but the higher purchase price often puts them out of reach

Strategy HH5: Expand all energy-related MSD purchase assistance programmes for household appliances to offer energy efficient choices

Q24. Do you broadly support the proposed strategy HH5?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q25. Please share your comments on the proposed strategy HH5. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Comments in paragraph 22 above

Q26. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

FINAL QUESTION FOR HEALTH OF THE HOME:

Q27. Are there any other key challenges and/or corresponding solutions relating to the HEALTH OF THE HOME KETE that we have missed? If so, please outline these below.

KNOWLEDGE AND NAVIGATION KETE

Supporting and empowering whānau energy decisions

Challenge: Stronger coordination and collaboration across providers of energy hardship programmes and support services is needed to improve effectiveness and coverage

Strategy KN1: Establish and fund a nation-wide “energy wellbeing sector network” to facilitate and support enhanced service integration and collaboration between local organisations and establish co-networks for Māori and Pacific practitioners

Q28. Do you broadly support the proposed strategy KN1?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q29. Please share your comments on the proposed strategy KN1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

Important to ensure that any network is providing value for money and is resolving a known problem.

Q30. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: There is a lack of widespread, easy access to trusted and informed community-based energy advisers, home assessors and service navigators

Strategy KN2: Strengthen and deliver energy wellbeing ‘navigator’ training (such as Home Performance Advisor), including Māori and Pacific energy wellbeing training wananga/programmes that are grounded in Te Ao Māori and Pacific worldviews

Q31. Do you broadly support the proposed strategy KN2?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q32. Please share your comments on the proposed strategy KN2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

EnergyMate is an excellent example of a programme that can support more efficient energy use.

Challenge: There is a lack of widespread, easy access to trusted and informed community-based energy advisers, home assessors and service navigators

Strategy KN3: Strengthen and extend MBIE's Support for Energy Education in Communities (SEEC) programme, and ensure funding targeting and programme design recognise those groups over-represented in energy hardship such as Māori, Pacific peoples and tenants

Q33. Do you broadly support the proposed strategy KN3?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q34. Please share your comments on the proposed strategy KN3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

EnergyMate is an excellent example of a programme that can support more efficient energy use.

Q35. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: Increased support is needed to boost energy literacy among tenants, landlords and homeowners

Strategy KN4: Develop and deliver an Energy Wellbeing Education Strategy for targeted education on energy-saving practices, consumer protection rights, and how to access authoritative information (including targeting for specific groups over-represented in energy hardship)

Q36. Do you broadly support the proposed strategy KN4?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q37. Please share your comments on the proposed strategy KN4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

This is best delivered by programmes such as EnergyMate funded through the SEEC programme.

Challenge: Increased support is needed to boost energy literacy among tenants, landlords and homeowners

Strategy KN5: Develop and maintain a comprehensive online portal as a "go-to" for accurate, up-to-date and complete information for tenants, landlords and homeowners to support improved energy wellbeing, good energy choices, efficient energy use in the home and consumer protection rights

Q38. Do you broadly support the proposed strategy KN5?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q39. Please share your comments on the proposed strategy KN5. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

More evidence is needed that this would be value for money.

Q40. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: Households can face challenges in accessing and understanding bill and pricing information and options

Strategy KN6: Simplify energy bills and information access, improve comparability across electricity tariff structures, and improve price comparison services

Q41. Do you broadly support the proposed strategy KN6?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q42. Please share your comments on the proposed strategy KN6. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Comments in paragraphs 34 to 39 above

Q43. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

FINAL QUESTION FOR KNOWLEDGE AND NAVIGATION KETE:

Q44. Are there any other key challenges and/or corresponding solutions relating to the KNOWLEDGE AND NAVIGATION KETE that we have missed? If so, please outline these below.

ENERGY ACCESSIBILITY AND CHOICE KETE

Improving individual, house and whānau energy wellbeing through healthier homes

Challenge: Credit issues can prevent individuals, households and whānau from having choice in an electricity supplier or switching suppliers

Strategy AC1: Develop mechanism(s) to ensure all residential consumers can obtain a post-pay electricity supply despite "adverse credit"

Q45. Do you broadly support the proposed strategy AC1?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q46. Please share your comments on the proposed strategy AC1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

Comments in paragraphs 8 to 13 above

Q47. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Comments in paragraphs 8 to 13 above

Challenge: Households struggling to pay their bills face disconnection

Strategy AC2: Develop mandatory rules for electricity retailers to follow before disconnecting for non-payment so that disconnection becomes the last resort, including penalties e.g. for wrongful disconnection

Q48. Do you broadly support the proposed strategy AC2?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q49. Please share your comments on the proposed strategy AC2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

We consider that this is already adequately covered by the Consumer Care Guidelines. We support these guidelines becoming mandatory.

Q50. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: Metering technology may constrain a household's access to energy supply and tariff choice

Strategy AC3: Identify and address the barriers to completing smart meter roll-out, prioritising areas of low coverage, and requests from households in energy hardship

Q51. Do you broadly support the proposed strategy AC3?

- Yes
- Somewhat

No

Don't know/Not sure

Q52. Please share your comments on the proposed strategy AC3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Comments in paragraphs 23 to 27 above

Q53. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Comments in paragraphs 23 to 27 above

Challenge: Rural and off-grid households or communities, and those living on communal or ancestral land, need additional support to build their energy access, resilience and sovereignty

Strategy AC4: Provide increased funding and support for community energy schemes and capability-building in rural communities to ensure rural and off-grid households and those on communal or ancestral lands (including Papakāinga) in energy hardship can access secure energy supply, linking with other energy programmes such as WKH and SEEC

Q54. Do you broadly support the proposed strategy AC4?

Yes

Somewhat

No

Don't know/Not sure

Q55. Please share your comments on the proposed strategy AC4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Q56. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: Individuals, households and whānau in energy hardship often have limited options in choosing, and engaging with, an energy retailer

Strategy AC5: Explore ways to facilitate and support social retailing which can provide post-pay supply to those in energy hardship with low credit scores, deliver targeted wrap-around services, and provide tailored pricing and payment plans. Options may include one or more of:

a. Provide support for accredited social retailers eg through an industry fund, social generation hedge obligations or government funding

b. Government contracts one or more retailer(s) to act as a social retailer

c. Government support for community/regional integrated social generator-retailers

d. Government support for a nationwide integrated social generator-retailer

Q57. Do you broadly support the proposed strategy AC5?

Yes

Somewhat

No

Don't know/Not sure

Q58. Please share your comments on the proposed strategy AC5. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Comments in paragraphs 44 to 51 above

Q59. Please share your comments on each of the social retailing options listed above. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with these options.

Comments in paragraphs 48 to 51 above

Q60. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Comments in paragraph 47 above

Challenge: The energy transition presents new opportunities but risks leaving lower-socio-economic whānau behind

Strategy AC6: Ensure those in energy hardship can access the benefits of, and do not face undue costs from, the transition to low emissions energy, including explicitly reflecting energy wellbeing requirements in Government's Equitable Transition Strategy, Energy Strategy and Gas Transition Plan

Q61. Do you broadly support the proposed strategy AC6?

Yes

Somewhat

No

Don't know/Not sure

Q62. Please share your comments on the proposed strategy AC6. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Q63. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

FINAL QUESTION FOR ENERGY ACCESSIBILITY AND CHOICE KETE:

Q64. Are there any other key challenges and/or corresponding solutions relating to the ENERGY ACCESSIBILITY AND CHOICE KETE that we have missed? If so, please outline these below.

ENERGY AFFORDABILITY KETE

Affording the energy whānau need for their wellbeing

Challenge: Low income is a major barrier for many whānau to afford the energy they need for wellbeing in their home

Strategy AF1: Prioritise lack of energy access as an emergency issue and implement nationally consistent processes and timeframes for responding to requests for assistance from customers in energy hardship/their advocate/retailer, and establish clear and direct lines of communications between MSD and those customers/their retailer/advocate

Q65. Do you broadly support the proposed strategy AF1?

Yes

Somewhat

No

Don't know/Not sure

Q66. Please share your comments on the proposed strategy AF1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

Comments in paragraph 22 above

Challenge: Low income is a major barrier for many whānau to afford the energy they need for wellbeing in their home

Strategy AF2: Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group. Possible mechanisms include better targeting of the Winter Energy Payment (WEP) eligibility criteria/funding levels, an energy-related income supplement, an energy bill rebate, and making a portion of energy-related grants non-recoverable

Q67. Do you broadly support the proposed strategy AF2?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q68. Please share your comments on the proposed strategy AF2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

Comments in paragraphs 19 to 21 above

Challenge: Low income is a major barrier for many whānau to afford the energy they need for wellbeing in their home

Strategy AF3: Ensure all fees and costs charged to energy consumers are cost-reflective and reasonable (including pre-pay, disconnections, reconnections, top-ups, bonds, metering)

Q69. Do you broadly support the proposed strategy AF3?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q70. Please share your comments on the proposed strategy AF3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

We set all fees and charges on a cost-reflective basis. The exact costs we incur are different for different parts of the country, different meter providers, different meter types, and the specific work involved. We simplify these costs for consumers like we do for many other input costs. However, we can confirm that Contact does not derive profit from these fees,

in fact we collect a lower \$ amount of fees from customers than it costs us to perform these services.

We provide specific comments on extra fees related to pre-pay in paragraph 9 above

Q71. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: Pre-pay accounts often impose significantly higher costs on those most in need and self-disconnection is hidden

Strategy AF4: Review and monitor the use and pricing of pre-pay accounts to ensure they do not create or exacerbate disadvantage, including tracking and publishing self-disconnection (how many, how often, for how long) and reviewing pre-pay terms and conditions, fees, wraparound support

Q72. Do you broadly support the proposed strategy AF4?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q72. Please share your comments on the proposed strategy AF4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Comments in paragraphs 10 to 12 above

Q74. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Comments in paragraph 12 above

Challenge: Payment options may impact affordability and choice

Strategy AF5: Require retailers to include payment options that recognise the difficulty those in energy hardship face, e.g. cash payment, smooth pay, weekly or fortnightly billing/payment

Q75. Do you broadly support the proposed strategy AF5?

- Yes
- Somewhat
- No

Don't know/Not sure

Q76. Please share your comments on the proposed strategy AF5. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Contact Energy already provides these sort of payment options to consumers. We understand that is common across larger retailers. If there is evidence that some retailers are not offering such plans then some requirements may be needed.

Q77. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: Distribution pricing methodologies can impact affordability

Strategy AF6: Investigate and address the implications of network pricing methodologies for energy hardship, particularly in high cost-to-serve areas

Q78. Do you broadly support the proposed strategy AF6?

Yes

Somewhat

No

Don't know/Not sure

Q79. Please share your comments on the proposed strategy AF6. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Comments in paragraphs 28 to 30 above

Q80. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Comments in paragraphs 28 to 30 above

FINAL QUESTION FOR THE ENERGY AFFORDABILITY KETE:

Q81. Are there any other key challenges and/or corresponding solutions relating to the ENERGY AFFORDABILITY KETE that we have missed? If so, please outline these below.

CONSUMER PROTECTION KETE

Protecting energy consumers in their relationships with providers

Challenge: The Electricity Authority's Consumer Care Guidelines (CCG) are voluntary and there is no regulatory penalty for not complying

Strategy CP1: Review and strengthen the Consumer Care Guidelines including expanding to include mandatory consumer care obligations on all electricity retailers

Q82. Do you broadly support the proposed strategy CP1?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q83. Please share your comments on the proposed strategy CP1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

Comments in paragraphs 31 to 32 above

Challenge: The Electricity Authority's Consumer Care Guidelines (CCG) are voluntary and there is no regulatory penalty for not complying

Strategy CP2: Strengthen monitoring, compliance and enforcement of the Consumer Care Guidelines, including a penalty and reporting regime for non-compliance

Q84. Do you broadly support the proposed strategy CP2?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q85. Please share your comments on the proposed strategy CP2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.

Establishing a penalty regime can be costly and cumbersome. Relying on director level certification will allow for standard company certification penalties to apply without establishing an entire new regime.

Q86. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Challenge: There is a lack of reporting and monitoring of key energy hardship information from electricity retailers

Strategy CP3: Require electricity retailers to report key energy hardship indicators to the Electricity Authority for it to monitor and publish (e.g. number of customers refused supply, disconnection numbers/durations/reasons, customer debt levels, bonds, pre-pay, referrals to Income Support, retailers' alignment with Consumer Care Guidelines)

Q87. Do you broadly support the proposed strategy CP3?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q88. Please share your comments on the proposed strategy CP3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Comments in paragraphs 40 to 42 above

Q89. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

Comments in paragraph 43 above

Challenge: Other consumer protection regimes and dispute resolution schemes may be too narrow as new technologies and business models emerge

Strategy CP4: Expand consumer protection and existing dispute resolution schemes to cover other forms of energy provider relationships taking an energy hardship lens e.g. solar power providers

Q90. Do you broadly support the proposed strategy CP4?

- Yes
- Somewhat
- No
- Don't know/Not sure

Q91. Please share your comments on the proposed strategy CP4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.

Q92. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.

FINAL QUESTION FOR THE CONSUMER PROTECTION KETE:

Q93. Are there any other key challenges and/or corresponding solutions relating to the CONSUMER PROTECTION KETE that we have missed? If so, please outline these below.

SUPPORTING ENVIRONMENT AND ANY FURTHER COMMENTS

The Panel has identified a number of supporting or enabling elements it considers are important for the landscape surrounding energy hardship initiatives, to ensure the proposed strategies can be implemented effectively and in a long-term sustainable manner.

These include:

- *Data and insights*
- *Learning environment*
- *Leadership and coordination*
- *Participatory approach*
- *Collaborative service models*
- *Durable funding environment*
- *Targeting of solutions*

Please see the Supporting Environment section of the Discussion Paper for more information.

Q95. Do you have any comments on the Supporting Environment section? Please share these below.

Q96. Do you have any other thoughts or comments you would like to make on the Expert Panel's Discussion Paper? If so, please share these below.