

28 April 2023

Nova Energy Limited  
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Energy Hardship Expert Panel  
c/ - Energy Use Team  
Ministry of Business, Innovation and Employment  
15 Stout Street  
PO Box 1473  
Wellington 6140

By email: [energyhardshipMBIE@mbie.govt.nz](mailto:energyhardshipMBIE@mbie.govt.nz):

**Re: Energy Hardship discussion paper submission**

Nova Energy (Nova) supports the work undertaken by the Energy Hardship Expert Panel. The issues being addressed are complex and challenging. People that face difficulties paying for their energy bills also face difficulty in paying for housing, food, education, and health costs.

The phasing out of the regulation on the low user fixed charge is already a step in the right direction<sup>1</sup>. While the transition will increase the costs to a minority of consumers, there will be more consumers for which the more cost reflective charges will come as a relief. Further, once the transition is complete, both retailers and distributors will have greater flexibility to match tariffs with customer needs. In the meantime, the funds allocated by retailers and distributors to the low fixed charge power credits scheme to assist customers in difficulty through the transition is having a beneficial impact.

Over time there has been more market differentiation by retailers aimed at meeting the needs of different customer groupings. Not all of these are focussed on high net worth customers, and the Panel has highlighted the role of social retailers. In its deliberations the Panel should recognise that increased regulation can have as much impact, and likely more, on increasing costs for niche retailers including social retailers.

With a growing focus on ESG reporting for publicly listed companies, and the importance of branding for any retailer, Nova believes that the market can and will provide for disadvantaged consumers. Interventions should focus on support for retail plans and retailer actions favourable to disadvantaged consumers rather than overlaying additional mandatory obligations.

An example is the potential for increased regulation of how customer invoices are presented. This alone could influence what products are developed and how they are charged, thereby reducing options for consumers, such as reducing the opportunity for multi-utility offerings. There could perhaps be a role for a consumer advisory service to help consumers understand the charges on their invoice.

Nova is a member of the Electricity Retailers Association NZ (ERANZ) and supports the content of its submission. ERANZ has a program actively working to contribute to positive outcomes for people experiencing hardship. In addition to the low fixed charge power credits scheme currently operating, ERANZ members have contributed such initiatives as:

- the scheme developed to assist people experiencing hardship during the covid lockdown periods,

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<sup>1</sup> Refer to the report on the phase-out of the low fixed charge prepared by Concept Consulting for ERANZ in April 2023: [Microsoft Word - LFC update pack for Minister Woods \[6\].docx \(squarespace.com\)](#)

- The Energymate program, in partnership with community service providers delivering direct advice and support to customer experiencing hardship, and
- Piloting a project to test the ability for consumers with low credit ratings to gain access energy supply more easily.

Yours sincerely



Paul Baker

Commercial & Regulatory Manager

Privacy of natural persons