

Privacy of natural persons

Page 2: Privacy statement

Q1

Yes

I have read and understand the Privacy Statement above.
Please select 'Yes' if you wish to continue

Page 3: Submission information

Q2

What is your name?

Helen Viggers, Kimberley O'Sullivan, Lucy Telfar-Barnard, Rachel Dohig, Caroline Fyfe, on behalf of He Kāinga Oranga, University of Otago Wellington

Q3

Yes, I give consent to my name being published

Do you consent to your name being published with your submission?

Q4

What is your email address? Please note this will not be published with your submission.

Privacy of natural persons

Q5

Organisation

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

Page 4: Submitting on behalf of an organisation

Q6

Yes, I am authorised to make a submission on behalf of my organisation

If on behalf of an organisation, we require confirmation you are authorised to make a submission on behalf of this organisation.

Q7

What is your organisation's name? Please note this will be published with your submission.

He Kāinga Oranga/ Housing and Health Research Group, University of Otago, Wellington

Q8

Academic/Research

Which of these best describes your organisation? Please tick one.

Page 5: Confidentiality

Q9

No, my submission may be published in its entirety

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

Page 6: Please upload a publishable version of your submission

Q10

Respondent skipped this question

Please provide your reasons and grounds under section 9 of the Official Information Act that you believe apply, for consideration by MBIE.

Q11

Respondent skipped this question

Please provide publishable versions of your submission in both Word and in PDF by uploading them here - clearly labelling both "for publication"

Page 7: SECTIONS OF INTEREST

Q12

Which sections would you like to provide feedback on?

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

Page 8: HEALTH OF THE HOME KETE

Q13

Yes

Do you broadly support the proposed strategy HH1?

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.

We support the strengthening and expansion of the Warmer Kiwi Homes programme. We are cautious however that “refocusing” especially if commensurate additional funding is not secured may result in a reduction in the important health focus and benefits that has seen the programme succeed so far.

In addition to the relatively low-cost low/medium reward measures suggested for expansion (LED lights, draft stopping, cylinder wraps) another possible expansion of the programme could be into the area of high-cost high reward deep retrofits which could both reduce energy hardship more meaningfully and help with the carbon transition.

The IPCC report highlights the great potential of home energy efficiency for emissions reductions as a key priority area for action. So there is an urgent need for expanding retrofit programmes worldwide with the goal of achieving deep retrofit during renovation to maximise environmental and health benefits.

Additionally, focusing on improving housing for marginalised groups may also work toward achieving the other strategies of the Discussion Document including AC6 (just transition).

Intergovernmental Panel on Climate Change, 2022. Climate Change 2022: Mitigation of Climate Change. Intergovernmental Panel on Climate Change.

Cabeza, L.F., Bai, Q., Bertoldi, P., Kihila, J., Lucena, A.F.P., Mata, E., Mirasgedis, B., Novikova, A., Saheb, Y., Berrill, P., Caldas, L.R., Chafer, M., Hu, S., Khosla, R., Lamb, W., Verez, D., Wanemark, J., Keenan, J., Serrano Dina, M., 2022. Chapter 9: Buildings, in: Working Group III (Ed.), IPCC Sixth Assessment Report: Mitigation of Climate Change. Intergovernmental Panel on Climate Change, Geneva.

Q15

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

Expanding and strengthening existing successful programmes including the Healthy Homes Initiatives can usefully build on the trust that has been gained by working closely with communities who would most benefit from increasing energy efficiency measures to achieve deep retrofits. A trial deep retrofit HHI expansion programme targeting a few key areas could explore: what is achievable, what further human or financial resourcing is necessary, and the additional environmental and health gains from achieving deep retrofit. This would provide helpful information before rolling deep retrofits out nationally.

Q16

Yes

Do you broadly support the proposed strategy HH2?

Q17

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

We support programmes to improve the weathertightness of dwellings. There are many dwellings in need of minor repairs which would substantially improve their liveability.

We consider a risk with this strategy to be the need to decide when a dwelling is in sufficiently poor condition that there is no point in further repair. This will be especially problematic if there are people living in it with no realistic alternative accommodation option. There is also a danger that providing minor repairs that improve livability in substandard dwellings may increase the length of time that people remain living in them.

Funding broader home repairs is welcomed and may help stem heat loss resulting from draftiness. It should also include repairs to all parts of the energy system, for example leaking hot water pipes. These were reported as contributing contribute to high power bills, however fixing them may be unaffordable to householders already struggling with power energy bills and it is often difficult for tenants to arrange.

White, V., Jones, M., Cowan, V., Chun, S., 2017. BRANZ 2015 House Condition Survey: Comparison of house condition by tenure, SR370.

Q18

Respondent skipped this question

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

Q19

Yes

Do you broadly support the proposed strategy HH3?

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.

In addition to what is outlined in HH3, it would be useful if tenants were able to access an Energy Performance Certificate for dwellings before choosing a rental. There is further elaboration on this at the bottom of the section.

In addition as well as strengthening the compliance protocols it would also be extremely useful to monitor when a dwelling is deemed to meet the Standard because the structure of the building makes it difficult or impossible to actually meet the Standard (for instance when ceiling insulation cannot be installed either because of a flat roof or because the dwelling is in an apartment building). Ideally these would be sub-categorized by the expected effects on the dwelling's energy performance (e.g. an uninsulated flat roof exposed to the weather is likely to be more problematic than an uninsulated ceiling which has another apartment above).

Q21

Yes

Do you broadly support the proposed strategy HH4?

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.

We consider that monitoring of, and compliance with the Healthy Homes Standards is very important. However, we consider the substance described in HH3 and HH4 to be very similar and able to be implemented under one work programme.

Q23

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

It is very difficult for tenants to get landlords to comply with the HHS and to make necessary repairs, even when a 14-day Notice to Remedy is issued. Anecdotally, due to the complexity of reporting non-compliance and the perceived risks to security of tenure, many non-compliant rental properties and landlords go unreported.

A standardised, mandatory, Energy Performance Certification scheme would provide another means to address this, by identifying homes that have a lower level or non-compliant level of energy performance. As well as improving HHS compliance, an energy certification scheme would also address the information gap tenants experience when deciding whether or not to rent a particular property, and how much they can afford to pay for the property given the property's running costs.

Q24

Yes

Do you broadly support the proposed strategy HH5?

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.

We agree that MSD purchase assistance programmes for key household appliances should include options for clients to choose either cheap appliances or ones of better quality and energy efficiency. If the assistance is recoverable, and especially if interest is applied, then the burden of debt for the client over time must be measured against reduced energy cost.

Allowing clients to purchase better quality appliances would also mitigate the Boots Theory problem, where people on low incomes end up paying more over time for a given consumable because they cannot afford the initial outlay for a higher quality item, and therefore make repeat purchases of lower quality items, which wear out or break down faster. These multiple purchases also result in more waste.

Q26

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

We consider that a more structural approach to the problem of low efficiency appliances would be to raise the minimum efficiency standard required for an appliance to be sold in Aotearoa New Zealand. This should include strengthening and improvement of both the MEPS (Minimum Energy Performance Standards) and the MEPL (Mandatory Energy Performance Labelling) so that the costs and benefits of the different appliance options are clear.

Raising the standard of all new appliances entering the market will also over time improve the standard of second-hand appliances. A targeted replacement scheme to remove the least efficient or oldest appliances that are being used by households experiencing energy hardship would also help and could work in tandem with strengthened MEPS.

Q27

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

Dwelling Energy Certificates

A major issue with New Zealand dwellings is that people considering renting or buying them have little but personal experience in similar dwellings to help them estimate how much energy would be required to run the dwelling in an adequate and healthy manner. Thus, there is substantial information asymmetry between current and future owners; current tenants and the landlord, or the landlord and potential future tenants. We recommend that Aotearoa New Zealand develops an energy certificate system to help address this asymmetry. This would enable potential future occupiers to more accurately evaluate if they could afford to live in the dwelling, and current owners to more accurately evaluate its worth. Ensuring both tenants, owners and landlords all had reliable information would create a lever for further change. There should be mandatory disclosure of the dwelling rating when the dwelling is rented or sold. Such certificates are used in many overseas jurisdictions and can include recommendations on how to improve the energy efficiency of the dwelling. They could be of especial benefit to migrant communities who may not have the lived experience of housing and climate in Aotearoa to estimate even vaguely by eye how cold a dwelling will be.

O'Sullivan, K., Viggers, H., 2021. Six ways to help fix energy hardship in New Zealand. Policy Quarterly 17

Viggers, H., Keall, M., Howden-Chapman, P., 2021. Towards dwelling energy certification for New Zealand: normalisation issues. Kotuitui: New Zealand Journal of Social Sciences online 17 10.1080/1177083X.2021.1960866.

Improved Quality of New Dwellings

Home energy efficiency standards should be increased over time for existing homes, for example by requiring higher levels of insulation, including wall insulation, and double glazing.

All homes should be high quality

We agree that tenants are a vulnerable population whose interests must be protected. However we urge that policies are developed that cover adequately cover all forms of tenure (owner-occupied, rented, shared ownership, provided with employment, temporary / emergency housing and all others). Further work should be undertaken to develop percentage occupancy or other thresholds beyond which short-term rentals (e.g. AirBnB, Bookabach) must comply with HHS, to prevent these being used as a loophole to avoid compliance with regulation.

We note that there are many owner-occupied homes that do not meet the Healthy Homes Standards, and that ideally Aotearoa New Zealand should be working toward all dwellings being of this minimal standard.

Workforce issues

In order for high quality housing to be built, maintained and/or improved there must be a skilled labour force available able to reach all regions. We note that the current shortage of a variety of qualified tradespeople may impact on the ability to implement a systematic programme. We recommend workforce planning including trades training is implemented to ensure that skilled labour force is available for all retrofit, and renovation and build levels from minor repairs through deep retrofits to high quality new builds.

Expanded Healthy Homes Regulations

In addition to greater compliance with the existing Healthy Homes Regulations there is potential to further expand the regulations, for instance requiring the MEPS of the appliances provided in the homes to be reported.

Overall

All the ideas presented in the “Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward” paper have merit. However, we believe that some are much more crucial than others to reach the goal of reducing energy hardship to the point that where no or few households are in energy hardship, and those experiencing energy hardship do so infrequently and for short periods.

Page 9: KNOWLEDGE AND NAVIGATION KETE

Q28 **Yes**

Do you broadly support the proposed strategy KN1?

Q29

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

We support a nationwide energy wellbeing network to help with service integration and collaboration.

Q30

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

We agree that coordination of existing services that work together to reduce energy hardship (for example the community energy agencies comprising the CEN as well as the HHIs) is useful. However, we are also cautious about creating another place for consumers to go for information and advice, putting the onus on those who most need support to find it. This has not been particularly effective in improving the low building performance of the private rental stock that contributes greatly to energy hardship in Aotearoa.

Q31 **Somewhat**

Do you broadly support the proposed strategy KN2?

Q32

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

We support energy advisors being available for any households/whanau that need them. However, we are wary that the creation of an institution which helps clients navigate a difficult energy network is predicated on there being an energy network that is difficult to navigate. We would like at least as much effort going into making the system itself simpler and more transparent for households.

We believe that an Aotearoa New Zealand an Energy Performance Certification scheme for dwellings would provide more useful and valuable information for households/whanau which could help them choose dwelling options without needing a specific navigator.

Q33

Somewhat

Do you broadly support the proposed strategy KN3?

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.

We support energy advisors being available for any households/whanau that need them. However, we are wary that the creation of an institution which helps clients navigate a difficult energy network is predicated on there being an energy network that is difficult to navigate. We would like at least as much effort going into making the system itself simpler and more transparent for households.

Q35

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

Again, an Energy Performance Certificate scheme would provide households with transparency about expected energy costs, and would help to create a market for higher energy performing homes. If information about the energy performance of homes was available, energy literacy would be increased across the population, benefitting everyone and helping to reduce energy hardship through encouraging higher building performance. It would also provide a useful means for targeting dwellings with the poor performance that contributes to energy hardship for remediation.

Q36

Somewhat

Do you broadly support the proposed strategy KN4?

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.

The risk of focusing on such a strategy is that can imply the household is at fault – and not already fairly competent at managing their situation inside its limits. There are people/households with less-than-optimal knowledge. However, a lot of energy hardship is not about what people know or do not know; it is about not having any good choice. Increased specific energy literacy education could be somewhat useful, but should not be high priority. Energy literacy across the entire population could be usefully boosted by Energy Performance Certification for all dwellings.

Q38

Somewhat

Do you broadly support the proposed strategy KN5?

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.

A comprehensive one-stop-shop portal would be useful for some households/whanau in energy hardship. However, there are existing resources available, for instance MBIE's tenancy information website and Consumer NZ's "Powerswitch" which could be expanded rather than another resource created.

Q40

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

Ensure existing platforms, such as those described above are well resourced and up to date. Raise awareness of these as useful places to go to access reliable information.

Q41

Yes

Do you broadly support the proposed strategy KN6?

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.

We support the standardisation of bill formats. We acknowledge that not every bill would be simplified, as Time Of Use charging may become increasingly prevalent, and the standardised bill would have to be designed to allow this possibility. However, once initial learning was complete there could be many advantages.

Q43

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

One potentially useful option which would increase the readability of bills would be to ban the bundling of electricity with other services. There is little conceptual reason to include electricity with for example gas, internet or streaming services as they arrive in the dwelling through different portals. When services are bundled it raises the possibility of cross-subsidisation between services which makes the true cost of each service difficult to determine. If electricity was not bundled with other services, it would also be potentially much easier to switch providers.

Q44

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

Energy Performance Certification

A nationwide rollout of energy performance certificates for dwellings (as discussed in the Health of the Home kete section) would potentially provide much useful information for households/whanau, which might enable some to navigate the system themselves.

Overall

All the ideas presented in the “Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward” paper have merit. However, we believe that some are much more crucial than others to rapidly and significantly reduce energy hardship.

Of all the items presented in this kete we think that the standardisation of energy bills (KN6), increased comparability of tariffs, and potential banning of bundling are the most important for reducing energy hardship.

In our experience many or most households in energy hardship rapidly become extremely adept at prioritising their expenditure. In a study conducted in the early 2000’s for Community Energy Action (CEA) in Christchurch, participants (who were interviewed and had a monitoring device lent to them so they could see their energy consumption in real time,) could reduce energy consumption further only by not using cookers, turning off fridges and not daring to switch on a heater. A later study, using longitudinal interviews over a period of six months with prepayment meter consumers in the Greater Wellington region also found that consumers in energy hardship were acutely aware of where energy was being used in their homes, for what end-use, and how to reduce (or ration) this to keep within their limited budgets and avoid disconnection. Similar behaviours were also reported in an Australian study in 2019.

In order to reduce energy hardship long-term, it is important to ensure that the housing, energy and income system is simple and easy to be navigated. We recommend that while ensuring knowledge and navigators are always available for the households that need it the most, that most efforts need to be concentrated on ensuring the system itself is simply and easy to navigate so that fewer guides are needed. Thus, most of the strategies presented in the Knowledge and Navigation kete are useful but should ultimately be ancillary and needed by only a few households.

Fyfe C (2005). A survey of energy efficiency needs amongst budget advice service users in Christchurch. Community Energy Action Charitable Trust, Christchurch.

O’Sullivan, K.C., Viggers, H., Howden-Chapman, P., 2014. The influence of electricity prepayment meter use on household energy behaviour. Sustainable Cities and Society 13, 182-191. <http://dx.doi.org/10.1016/j.scs.2013.10.004>

Watt G., Harada T, (2019) Space of energy well-being: Social housing tenants’ everyday experiences of fuel poverty. TIBG 44 (4); 794-807; <https://doi.org/10.1111/tran.12320>

Page 10: ENERGY ACCESSIBILITY AND CHOICE KETE

Q45

Yes

Do you broadly support the proposed strategy AC1?

Q46

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

We agree with the strategy, but this is a major change and more detail is needed on how it would be implemented.

We also agree on the reporting of refusals to supply, this could be included in disconnection and supply reporting.

Q47

Respondent skipped this question

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

Q48

Yes

Do you broadly support the proposed strategy AC2?

Q49

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

Much of this could be achieved by, first, and most importantly, making the Electricity Authority’s Consumer Care Guidelines mandatory. We support additional data being gathered to understand the circumstances of households in dwellings that are disconnection, including debt, fees, length of disconnection, and previous disconnections.

We support penalties for wrongful disconnection on two grounds:

*Being forced to potentially pay a penalty may make retailers more circumspect in their decisions to disconnect.

*Households that have been wrongfully disconnected are likely to have experienced significant distress and inconvenience, it is appropriate that they receive compensation.

Q50

Respondent skipped this question

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

Q51

Yes

Do you broadly support the proposed strategy AC3?

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.

There is a risk that some dwellings will not be included in the roll out due to the current occupier opting out, something that can affect future households. Future tenants, in particular, may not be able to easily have a smart meter installed.

Q53

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

It should be possible for households to be proactive in requesting a Smart Meter and there should be an obligation on retailers to provide this on request.

Q54

Yes

Do you broadly support the proposed strategy AC4?

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.

This is essential, has co-benefits particularly in terms of resilience to climate change, and should be given a high priority.

Q56

Respondent skipped this question

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

Q57

Yes

Do you broadly support the proposed strategy AC5?

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.

As stated in the document “ access to energy is a basic necessity” – any company choosing to supply a basic necessity in a marketplace should also be required support access to the necessity for those with little market power.

The form chosen for the structure that supports the social retailer will have potential long-term consequences for the Aotearoa New Zealand electricity system. We believe a more detailed discussion is required before one is chosen.

We note that care needs to be taken to avoid social retailers becoming unviable in the current market structure and having those most vulnerable consumers being served by social retailers in a position of needing to change retail supplier frequently if the social retailer they are with fails. Social retailers by their nature are likely to have customers who need more wrap-around services and may use less energy than other customers, and thus will be a need for stable long term funding. We consider an industry fund to be one option.

cial retailer will have potential long-term consequences for the Aotearoa New Zealand electricity system. We are

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.

Social retailers need to be assured access to appropriately priced wholesale markets. There also needs to be transparency when a larger energy company is backing a social retailer.

Q60

Respondent skipped this question

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

Q61

Yes

Do you broadly support the proposed strategy AC6?

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.

Ensuring a just transition is very important. It should be prioritised due to the high risk it poses to future security of supply to those in energy hardship. Much more detailed discussion is required on how to achieve it.

Q63

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

Development of a dedicated strategy on how this can be achieved should be prioritised.

Q64

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

Overall

All the ideas presented in the “Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward” paper have merit. However, we believe that some are much more crucial than others to proceeding to a future where only no or few households are in energy hardship, and those only infrequently and for short amounts of time.

We believe that the most important recommendation in this paper is AC6 – ensuring a just energy transition to a more equitable future.

We suggest that the other strategies presented in the Energy Accessibility and Choice kete are on the third level of importance – they are necessary for a system that works.

Page 11: ENERGY AFFORDABILITY KETE

Q65

Yes

Do you broadly support the proposed strategy AF1?

Q66

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

Lack of energy access should be considered an emergency issue, and electricity should be acknowledged formally as an essential service. We support nationally, and retailer independent processes and timeframes for response to requests for assistance.

Q67

Yes

Do you broadly support the proposed strategy AF2?

Q68

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

We support the targeted expansion of the Winter Energy Payment, however it needs to be delivered in such a way that it does not risk becoming an industry supplement.

We support the possibility of a needs based energy bill rebate or additional income support. One particular option could be tying the level of a rebate to the cost of the fixed daily charges of the most popular tariff of the main retailer in a network area, possibly including an additional amount for basic electricity use. Tying the level of rebate to the specific costs experienced by most people in an area acknowledges the very different costs of electricity connections across the country while also allowing economies of scale in implementation.

Q69

Yes

Do you broadly support the proposed strategy AF3?

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.

In addition to being cost-reflective and reasonable we would like transparency, with annual reporting justifying how fees and costs are set.

Q71

Respondent skipped this question

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

Q72

Yes

Do you broadly support the proposed strategy AF4?

Q73

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.

A key part of ensuring the strategy for AF4 works is making the Electricity Authority's Consumer Care Guidelines mandatory and in addition, including required reporting on prepayment disconnections as well as post-payment disconnections.

As the Panel has noted, and has been previously documented by our research and work undertaken by Consumer NZ and other advocacy groups, there is no transparency around prepayment disconnections and therefore no knowledge of trends or potential problems that could or should be addressed.

We strongly recommend that prepayment disconnection data is reported and that this is implemented as soon as possible. To understand prepayment disconnections, frequency and duration data must be collected. Several specific descriptive statistics are meaningful to report as considered together they will allow an estimation of overall level and effect of disconnections. The maximum duration is important as a measure of extreme need (there was a case study from Wellington City Mission of a (non holiday home) dwelling that was disconnected for months). Our research has found that over a third of prepay consumers in Aotearoa that disconnected were without electricity for over 12 hours.

For households with prepayment meters we recommend requiring quarterly statistics on:

* Frequency – total number of ppm disconnections, and mean, median, maximum and 5th, 25th, 75th and 95th percentile of the number of ppm disconnections per dwelling;

* Duration – mean, median, maximum, and 5th, 25th, 75th and 95th percentile of duration of disconnections.

* Both the total number of prepay disconnections of 12 hours or more duration, and number of dwellings experiencing prepay disconnection of 12hrs or more duration.

Although concerns have been raised by the industry that prepay disconnections may include dwellings that are used for holiday homes, regional patterning is likely to make these obvious. When ICP and disconnection data is added to the IDI it would be simple to link disconnections to region and to primary residences to undertake analysis to understand the extent to which holiday houses using prepayment metering is skewing disconnection data. Arguably, having prepay connections to holiday homes would be undesirable for consumers as there would be a potentially large outstanding fee from lines/distribution charges to pay before restoring electricity which would be inconvenient.

Q74

Respondent skipped this question

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

Q75

Yes

Do you broadly support the proposed strategy AF5?

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.

We support payment options such as smooth pay and weekly or fortnightly billing to be routinely available to all households. Options being available to all customers would reduce any stigma felt by households in energy hardship using the option.

In particular we support weekly or fortnightly billing being more frequently used. The much more frequent feedback given by weekly or fortnightly billing is a relatively painless way of increasing the energy literacy of many households. It also allows households on the brink of energy hardship important information that may prevent the start of a debt spiral.

Q77

Respondent skipped this question

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

Q78

Yes

Do you broadly support the proposed strategy AF6?

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.

Addressing energy cost is one of the two key mechanisms (alongside dwelling quality improvements) for addressing energy hardship directly. Expansion of the WEP programme to additional groups is one option for doing this.

Q80

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

Expanding the WEP carries the risk that this becomes unsustainable and also maintains support for unaffordable electricity charges. The accommodation supplement has raised similar challenges that might be faced were the WEP to become more widely available or significantly increased.

We recommend exploring the use of a non-recoverable MSD grant that could cover lines/distribution (i.e. the fixed daily charges part of a bill) to maintain/restore connection when MSD clients have disconnected or are about to experience disconnection. This would have the benefit of being aligned to the cost of electricity regionally, while households would be left to pay for the per kWh charges that would still send price signals with increasing use.

Another alternative is to explore an MSD subsidy to cover distribution charges for basic electricity services. This would need to be adjusted regionally to cover price variations. Examples of "free basic electricity" provision can be found in South Africa.

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.

Along with housing quality and consumer protections, energy affordability is of utmost importance for reducing energy hardship and some of these strategies should be given higher priority than others (for example in the knowledge kete).

Page 12: CONSUMER PROTECTION KETE

Q82

Yes

Do you broadly support the proposed strategy CP1?

Q83

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

This is an important recommendation (with low costs for implementation relative to other recommendations) and should be given high priority.

Q84

Yes

Do you broadly support the proposed strategy CP2?

Q85

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

This is an important recommendation (with low costs for implementation relative to other recommendations) and should be given high priority.

Q86

Respondent skipped this question

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

Q87

Yes

Do you broadly support the proposed strategy CP3?

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.

We strongly support this recommendation. As above, this should include monitoring and publishing data on prepayment meters with regard to: frequency and duration of self-disconnection as well as overall number of households that self-disconnect.

Q89

Respondent skipped this question

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

Q90

Yes

Do you broadly support the proposed strategy CP4?

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.

We agree with this recommendation; it is important that consumer protections keep up with changes in the industry and the market.

Q92

Respondent skipped this question

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

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.

Strengthening consumer protections is an important and cost-effective measure to reduce energy hardship. We strongly support the recommendations of the Consumer Protection Kete and believe these should be implemented rapidly.

Page 13: Are there any other sections you would like to respond to?

Q94

No, I would like to continue onto the final questions

Please tick yes if you would like to go back and respond to any further sections

Page 14: Supporting Environment

Q95

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

We agree that it is important to look beyond energy hardship to the broad policy and social environment.

The homogenous weighting of priorities recommended in this discussion document may inadvertently remove attention from those areas most critical to achieving the intended goal of and addressing energy hardship in Aotearoa and ensuring everyone can achieve energy wellbeing. Therefore, we believe the following should be given priority:

a just transition that does not disadvantage hard to reach communities;

improving housing quality to increase energy efficiency (supported by the introduction of Energy Performance Certificates);

and fair and transparent charging (which could be supported by social retailers, and increased government support for incidental payments through either the WEP or MSD special grants for maintaining grid connection/fixed daily charges.

While the emphasis on consumer education may be of use to some households experiencing energy hardship, research shows that many energy poor households skillfully navigate their use of power electricity and expenses within their means. The issue being that their means are inadequate to address these issuesir energy needs. Other recommendations, such as those above, that address energy cost, dwelling quality, and transparency and consistency within the energy sector may instead provide us with vehicles for addressing the causes and mechanisms of energy hardship. It is these broader, and more transformational, approaches, which will be needed if the intended goal that every household achieves energy wellbeing is to be achieved.

Page 15: Any other thoughts or comments

Q96

Respondent skipped this question

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.
