



Assessment of Electricity Price Review implementation

Final report

03 July 2023



ALLEN + CLARKE



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Executive Summary

Allen + Clarke was commissioned by the Consumer Advocacy Council (the Council) to assess the implementation of key recommendations from the Electricity Price Review (the Review) impacting small consumers. The key recommendations are from Sections B to F in the Review's Final Report. This assessment is intended to inform the Council's ongoing work to advocate on behalf of residential and small business electricity consumers by providing evidence-based advocacy on policy and regulatory consultations, and in decision-making processes.

Allen + Clarke used publicly available documents to conduct the assessment – primarily documents published on the Electricity Authority (the Authority) and Ministry of Business, Innovation and Employment (MBIE) websites.

MBIE has implemented or is in the process of implementing half (four of eight) of the recommendations from **Section B: Reducing energy hardship**. The Government established the Energy Hardship Expert Panel (the Panel) and Energy Hardship Reference Group (the Reference Group) (**B1**). MBIE finalised the definition of energy hardship in June 2022 (**B2**). The Government has also established various funds related to energy hardship, including the \$8 million Support for Energy Education in Communities (SEEC) programme (**B4**), the \$28 million Māori and Public Housing Renewable Energy Fund and the \$16m Community Energy Fund (**B4**). The SEEC programme is the first step in developing a nationwide network of organisations to support those in energy hardship (**B3**).

The recommendations to provide extra financial support for households in energy hardship (**B5**), mandate minimum standards for vulnerable and medically dependent consumers (**B6**) and ban prompt payment discounts (**B7**) have not been implemented. While an energy sharing trial to reduce energy hardship for Kāinga Ora tenants has been funded, we could not find evidence of bulk deals for social housing or Work and Income clients (**B8**).

The Authority has fully implemented four of the six recommendations from **Section C: Increasing retail competition**. In 2019, the Authority merged its price comparison website with Consumer NZ's (**C1**). In 2020, the Authority added the Default Distributor Agreement template to the Code (**C4**), and prohibited saves and win-backs (**C5**). In August 2021, the Authority undertook a mail-based pilot, testing two behavioural-insight based variations of a consumer information letter. Both letters were designed to encourage the use of Powerswitch by consumers to check their electricity plan to find out whether they could be getting a better deal (**C6**). In 2020, the Authority placed new requirements on retailers and distributors to inform consumers about Utilities Disputes and Powerswitch (**C2**). However, we consider this recommendation partly met as consumer awareness of Utilities Disputes can be further improved. The Authority is also in the process of developing a streamlined way to process customer requests for consumption data (**C3**).

The Authority has implemented all the recommendations from **Section D: Reinforcing wholesale market competition**. New rules for gas production and storage facility outage information came into effect in April 2023 (**D1**). In 2021, the Authority introduced rules requiring disclosure of internal transfer prices by vertically integrated generator-retailers, and retail gross margins by retailers (**D1 and D3**). It is also progressing various proposals to improve



the availability of wholesale market information that were included in public consultations in 2022 and 2023 (D1). Since September 2022, both the commercial and regulated market makers are required to market-make under the new service level parameters (D2). In 2022, the Authority commissioned a survey analysis of contract prices compared to new generation costs and released the results of this analysis in mid-2022. The Authority will be repeating this survey in the second half of 2023. (D4).

The Government has not fully implemented any of the recommendations from **Section E: Improving transmission and distribution**. MBIE paused work on developing a Government Policy Statement for transmission pricing (E1) and distribution pricing (E2) while the Authority completed its Transmission Pricing Methodology work programme, which finished in April 2023. The Authority considers improving access to smart meter data to be one of “the most pressing” needs in the short term¹ but work to ensure distributors have access is still in the early stages (E3). Giving the Commerce Commission more powers to regulate distributors was agreed to in principle in 2020, but no progress has been made (E4).

The Government has fully implemented three of the four recommendations from **Section F: Improving the regulatory system**. The Electricity Industry Amendment Act 2022 (the Act) gave the Authority jurisdiction to regulate transmission and distribution access terms and conditions (F1), an explicit statutory function under the Act to protect residential and small business electricity consumers (F2), clarified the Authority’s information gathering powers (F3) and made several changes to the compliance framework (F3). Following the Act amendment, the Authority updated its information gathering powers in the Electricity Industry Participation Code 2010 (F3). Updating the Authority’s compliance framework (F3) also requires amendments to the Electricity Industry (Enforcement) Regulations 2010, which is expected in 2023. On 1 April 2022, the Government initiated the five-year phase-out of low fixed charge tariff regulations (F4).

Monitoring of the implementation of the recommendations and their impact varies widely. There is a clear absence of coherent and consistent monitoring and reporting mechanisms to allow timely access to good quality information.

The Review proposed a high-level review in three years to confirm that the recommendations had their intended effect. A follow-up review would supplement this assessment and provide a solid base for the Government to identify gaps in the package of recommendations and where more far-reaching measures are needed to see the intended improvements.

¹ [Updating regulatory settings for distribution networks: Issues Paper](#)



Introduction

Context

In 2018, the Minister of Energy and Resources established the Electricity Price Review (the Review) to examine the electricity sector. The Review investigated whether the electricity sector is delivering fair and equitable prices to consumers. It also considered whether the electricity market and the regulatory framework will continue to be appropriate in the future, particularly with the emergence of new technologies and the Government's goal of moving to a low emissions economy.

Purpose

The purpose of this assessment is to understand the implementation status, monitoring measures, and impact of recommendations from the following sections of the Final Report:²

- Section B: Reducing energy hardship**
- Section C: Increasing retail competition**
- Section D: Reinforcing wholesale market competition**
- Section E: Improving transmission and distribution**
- Section F: Improving the regulatory system**

This work has been commissioned in the context of the Consumer Advocacy Council's (the Council) ongoing work to advocate on behalf of households and small business electricity consumers by providing evidence-based advocacy on policy and regulatory consultations, and in decision-making processes.

Scope

The Council commissioned *Allen + Clarke* to assess the implementation of key recommendations from the Review impacting small consumers. The assessment questions are:

1. Have the recommendations been fully implemented?
2. If the recommendation has not been fully implemented, why not? What are the shortfalls and by which agencies? What factors have influenced this?
3. Have measures been put in place by the appropriate agency/s to monitor implementation of the recommendations?
4. Are these monitoring measures likely to be effective? If not, what are the gaps?

The assessment was undertaken between 11-21 April 2023. It relied on a comprehensive review of public documents with limited engagement with a small number of stakeholders.

² [Electricity Price Review Hikohiko Te Uira Final Report](#)

A draft of the report was provided to the agencies responsible for implementation of the EPR. Their responses were considered in this final report.

Data Collection

Allen + Clarke undertook a document review to support the assessment. The data collection process was underpinned by a Terms of Reference (ToR) that was developed in conjunction with the Council. The ToR was drafted by identifying the criteria for assessing evidence of implementation and impact across the five agreed sections of the Review (see **Appendix A**).

We searched key websites (identified in the planning phase) for documents that report on implementation of, or progress against, the key recommendations. Where possible (subject to database functionality), the keywords included in the ToR search strategy were used. These search terms were supplemented as the work progressed by browsing specific areas of websites and further information gathered during the analysis phase.

On 12 April 2023, Allen + Clarke provided the Council with an initial document list of 75 documents sourced from key government websites and some non-government organisations. The list included information such as organisation, date of publication, document type and the key recommendations that the document addresses.

Allen + Clarke performed an in-depth analysis of these documents with a primary focus on the implementation of recommendations and monitoring measures. Following analysis of the initial documents, websites were searched again to identify relevant documents where information gaps were identified. In total, 120 documents were identified and analysed (see **Appendix B**).

Limitations

Several limitations of this methodology are outlined in the bullet points below.

- For the documents that were reviewed, our analysis was limited to the relevant sections that related to the Review's recommendations. We did not review the documents in full, and therefore are unable to comment on the integrity of a document overall.
- The Authority recently updated its website and some links from search engines (e.g., Google) are no longer active. We were unable to locate all documents that were previously available on the Authority's website. Where possible, we located documents with inactive links using the Internet Archive.³
- With the exception of limited engagement with a small number of advisors,⁴ and information supplied on the draft report by the Electricity Authority, MBIE and MSD, the assessment was entirely desk-based. Due to timeframe limitations, the data collection is limited to documents that have been proactively released.

³ The Internet Archive is a digital library that provides free access to collections of digitised materials like websites, software applications, music, audiovisual and print materials. Users can enter a URL to view and interact with past versions of any website contained in the Archive, even if the site no longer exists on the "live" web.

⁴ The project team would like to thank Ron Beatty and Jennifer Van der Merwe for the assistance and helpful advice on the electricity sector and Kāinga Ora's energy sharing pilot.

Summary: Implementation of EPR recommendations

Recommendation			Lead agency	Estimate time to complete	Progress	Monitoring measures in place
B	1	Establish a cross-sector energy hardship group	MBIE	Short	Partly met	Yes
	2	Define energy hardship	MBIE	Medium	Met	Yes
	3	Establish a network of community-level support services to help consumers in energy hardship	MBIE	Medium	Partly met	Yes
	4	Set up a fund to help households in energy hardship become more energy efficient	MBIE	Medium	Met	Yes
	5	Offer extra financial support for households in energy hardship	MSD	Longer	Not met	No
	6	Set mandatory minimum standards to protect vulnerable and medically dependent consumers	EA	Medium	Not met	No*
	7	Prohibit prompt payment discounts but allow reasonable late payment fees	MBIE	Short	Not met	No*
	8	Encourage bulk deals for social housing and/or Work and Income clients	MSD / MHUD	Medium	Not met	No
C	1	Merge the Electricity Authority and Consumer NZ price comparison websites	EA	Medium	Met	Yes
	2	Improve consumer awareness of Powerswitch and Utilities Disputes	EA	Medium	Partly met	Yes
	3	Develop a streamlined way to process customer requests for consumption data	EA	Medium	Partly met	No
	4	Make distributors offer retailers standard default terms for network access	EA	Medium	Met	Yes

Recommendation			Lead agency	Estimate time to complete	Progress	Monitoring measures in place
	5	Prohibit saves and win-backs	EA	Short	Met	Yes
	6	Establish a pilot scheme to help non-switching consumers find better deals	EA	Longer	Met	N/A
D	1	Improve availability of wholesale market information	EA	Medium	Met	Yes
	2	Introduce mandatory market-making obligations unless the sector develops an effective incentive-based scheme	EA	Medium	Met	Yes
	3	Make generator-retailers release information about the profitability of their retailing activities	EA	Longer	Met	Yes
	4	Monitor contract prices and new-generation costs more closely	EA	Medium	Met	Yes
E	1	Issue a government policy statement on transmission pricing	MBIE	Short	Not met	Yes
	2	Issue a government policy statement on distribution pricing	MBIE	Short	Not met	Yes
	3	Ensure distributors have access to smart meter data on reasonable terms	EA	Medium	Partly met	Yes
	4	Give the Commerce Commission more powers to regulate distributors	MBIE	Longer	Not met	Yes
F	1	Give the Electricity Authority more powers to regulate network access	MBIE	Longer	Met	Yes
	2	Give the Electricity Authority an explicit customer protection function	MBIE	Longer	Met	Yes
	3	Update the Electricity Authority's compliance framework and strengthen its information-gathering powers	MBIE	Longer	Partly Met	Yes
	4	Phase out low fixed charge tariff regulations	MBIE	Longer	Met	Yes

* Measures are only in place to monitor industry adherence to voluntary guidelines.



Monitoring and reporting are fragmented

There is a clear absence of a coherent and consistent reporting mechanism to allow timely access to good quality monitoring and other reporting data. When making changes in response to the Review, MBIE and the Authority often commit to monitor and evaluate the impact of the changes, but there is a general lack of publicly available information about monitoring and evaluation activities. The MBIE website sets out progress against some of the recommendations, including a dashboard from October 2022 that provides a high-level indication of the progress of nine of the 32 recommendations. The Authority does not have an equivalent centralised progress report. The Ministry of Social Development (MSD) and Ministry of Housing and Urban Development (MHUD) have not published any information tracking the progress of the recommendations they are responsible for implementing.

There may be internal monitoring programmes that are not publicly reported. However, there also needs to be effective communication, engagement, and a shared understanding about the progress against the recommendations and the impact of changes that have been implemented.

In December 2022, the Authority's Market Development Advisory Group (MDAG) consulted on a range of options to prepare the electricity market for a renewable-based system. This included proposals to enhance the Authority's monitoring function by reviewing the level of resources devoted to monitoring and establishing a monitoring and enforcement 'unit' within the Authority to create more independence between monitoring and rulemaking. MDAG will provide its final recommendations to the Authority's Board in mid-2023.



Section B: Reducing energy hardship

Assessment of progress

MBIE is responsible for the implementation of six of the eight recommendations focused on reducing energy hardship in Section B (**B1**, **B2**, **B3**, **B4**, **B6** and **B7**). MSD is responsible for two of the eight recommendations (**B5** and **B8**) and MHUD for one recommendation (**B8**).

Overall, four of the eight recommendations have been met/partly met and four recommendations have not been met.

Broadly, recommendations focused on establishing new groups and declaring new key positions have been met. These recommendations dispense industry facing services and awareness. Of the implemented/partly implemented recommendations, three were estimated to have medium term implementation timelines (**B2**, **B3** and **B4**), and the other (**B1**) short term. Due to this, the nature of these recommendations paves the foundation for future work.

Recommendations with this future focus require further action to be met. These recommendations involve a degree of direct financial support and regulatory-type change. Because of this the government is committed to waiting for further consultation. **B5** has a long-term implementation timeline and has not been implemented by MSD. MSD also has not met **B8** which has a medium-term timeline. MBIE has not met **B6** and **B7** which contain short and medium implementation timelines.

B1: Establish a cross-sector energy hardship group: Partly met

The Minister of Energy and Resources accepted this recommendation in the Government's initial response to the Review.⁵ The Government established the Energy Hardship Expert Panel (the Panel) and Energy Hardship Reference Group (the Reference Group) in September 2021.⁶

The Reference Group provides a forum to share information and encourage coordination across industry, NGOs, and government agencies.

The Panel brings together five leaders from a range of backgrounds who collectively hold key insights, connections and experience working directly with households living in, or at risk of energy hardship. The objective of the Panel is to recommend to government policy priorities and actions to alleviate energy hardship, and provide impartial, evidence-based expert advice.⁷

⁵ [Electricity Price Review: Government Response to Final Report](#)

⁶ [Energy Hardship Expert Panel and Reference Group](#)

⁷ [Energy Hardship Expert Panel Terms of Reference](#)



The Panel released a discussion document for public consultation from 26 March - 28 April 2023.⁸ The discussion document proposes 27 strategies to support households experiencing energy hardship. The Panel will present its final report to the Government by 30 June 2023.

We consider this recommendation to be partly met as the recommendation referred to a permanent cross-sector group and the Panel was established as a group to “run for up to two years or less if the work has been completed sooner.”⁹ Additionally, the Review recommended that the group undertake a high-level stocktake of initiatives to avoid duplicating existing groups’ work. It considered this “a high-priority task that needs to be completed to proceed with other recommendations.”¹⁰ The Panel and MBIE have jointly commissioned four pieces of research, including an overview of international research and programmes on energy hardship.¹¹ While it has not published a stocktake of the initiatives in New Zealand, MBIE advises that the Reference Group is progressing a stocktake titled “Energy Well-being Directory” that it expects to publish in 2023.

B2: Define energy hardship: Met

The Minister of Energy and Resources accepted this recommendation in the Government’s initial response to the Review.¹² The Minister of Energy and Resources tasked MBIE to work with a range of government agencies and non-government organisations to explore a framework for measuring and monitoring energy hardship in New Zealand. In 2021, MBIE developed a definition of energy wellbeing and consulted on the following definition of energy hardship:

“energy hardship is when individuals, households and whānau are not able to obtain adequate energy services to support their wellbeing in their home or kāinga.”

MBIE finalised the definition in June 2022 and is developing a suite of energy hardship measures based on consultation feedback.¹³

B3: Establish a network of community-level support services to help consumers in energy hardship: Partly met

The Minister of Energy and Resources accepted this recommendation.¹⁴ As a first step, the Minister of Energy and Resources reported that the Panel would undertake a stocktake of existing community-level services, including pilot services, to help identify opportunities to join and leverage them.¹⁵ The Panel’s Terms of Reference states that the Panel’s work programme

⁸ [Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward](#)

⁹ [Energy Hardship Expert Panel Terms of Reference](#)

¹⁰ [Electricity Price Review: Final Report](#)

¹¹ [Summarising international research on energy hardship undertaken for MBIE’s Energy Hardship Expert Panel \(Sustainable Energy Advice memo\)](#)

¹² [Electricity Price Review: Government Response to Final Report](#)

¹³ [Components of the energy wellbeing framework](#)

¹⁴ [Electricity Price Review: Government Response to Final Report](#)

¹⁵ [Electricity Price Review: Government Response to Final Report](#)

“may include a high-level stocktake of energy hardship initiatives and exploring approaches used in other relevant jurisdictions.”¹⁶

In August 2020, the Government established the \$8 million Support for Energy Education in Communities (SEEC) programme as part of the COVID-19 Response and Recovery Fund.¹⁷ The SEEC programme includes funding to build and expand the network of services to support people experiencing energy hardship to achieve warmer, more energy-efficient homes and lower their energy bills. A total of \$4.96 million has been allocated to 41 projects over four funding rounds.

The Panel’s 2023 discussion document also included several proposed strategies related to this recommendation, including to:

- Fund broader building repair and improvement work to support home retrofit programmes.
- Strengthen advocacy and support services for tenants.
- 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.
- 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.
- 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.
- Develop and deliver an Energy Wellbeing Education Strategy for targeted education on energy-saving practices, consumer protection rights, and how to access authoritative information.
- 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.
- 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.
- Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group.¹⁸

We consider this recommendation to be partly met. The SEEC programme is the first step in joining up energy hardship support services with existing community-based services, including

¹⁶ [Energy Hardship Expert Panel Terms of Reference](#)

¹⁷ [Support for Energy Education in Communities Programme](#)

¹⁸ [Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward](#)



those relating to public health, healthy homes and financial capability to establish a nation-wide network.

B4: Set up a fund to help households in energy hardship become more energy efficient: Met

In response to this recommendation, the Minister of Energy and Resources proposed a fund to complement the development of community-level support.¹⁹

As mentioned above, the Government established the \$8 million SEEC programme in 2020 and has allocated \$4.69 million to 41 projects over four funding rounds.

In August 2020, the Government also announced the \$28 million Māori and Public Housing Renewable Energy Fund to trial small-scale renewable energy technologies.²⁰ As part of the public housing branch of the fund, Kāinga Ora began carrying out trials with existing and new homes to understand more about delivering renewable energy technology and its benefits to customers. Under the Māori housing branch, a total of \$8.1 million has been allocated to 42 projects over three funding rounds.

In May 2022, the Government announced \$16 million over 4 years to support small-scale community renewable energy projects. This builds on and expands the Māori and Public Housing Renewable Energy Fund and aims to support low-income communities or communities with insecure access to energy.

The Panel's 2023 discussion document also included several proposed strategies related to this recommendation, including to:

- Strengthen and expand Warmer Kiwi Homes (WKH) programme.
- Fund broader building repair and improvement work to support home retrofit programmes.
- Strengthen the monitoring, compliance and enforcement of the Healthy Homes Standards.
- Expand all energy-related MSD purchase assistance programmes for household appliances to offer energy efficient choices.
- 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.
- 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.

¹⁹ [Electricity Price Review: Government Response to Final Report](#)
²⁰ [Māori and Public Housing Renewable Energy Fund](#)



- 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.
- Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group.²¹

B5: Offer extra financial support for households in energy hardship: Not met

In response to the Review, the Minister of Energy and Resources stated she supported the intent of this recommendation,²² but noted further analysis was needed to understand how extra support would fit within the social welfare framework and proposed that the recommendation be considered as part of the welfare overhaul in tandem with the Government’s response to the Welfare Expert Advisory Group’s report.

In November 2019, Cabinet endorsed a short, medium and long-term welfare overhaul work programme.²³ In response to the COVID-19 pandemic, the Government temporarily doubled the Winter Energy Payment.²⁴ In 2021, the Government committed to increasing benefits by up to \$55 a week over two years. Although the welfare overhaul work programme does not explicitly reference the Review or this specific recommendation, it includes the following related priorities:

- Improving supports and services for disabled people, people with health conditions and their carers.
- Improving the income support system and addressing debt.
- Reviewing Working for Families and the Accommodation Supplement.²⁵

On 7 December 2022, the Ministry of Social Development provided Cabinet with an update on the key priorities and next steps for the welfare overhaul work programme.²⁶ It noted the Governments improvements to the income support system since 2017 (e.g., increases to main benefits and abatement thresholds of main benefits). It reported that these changes improved the average income for 351,000 individuals, families and whānau by \$113 per week. Additionally, all measures of child poverty have trended downwards since 2017/18.

While the Government has not established additional sources of financial support for households in energy hardship,²⁷ the Electricity Networks Association and the Electricity Retailers’ Association of New Zealand established a \$5 million power credits scheme to support low-use households that struggle to pay their power bills during the phasing-out of the

²¹ [Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward](#)

²² [Electricity Price Review: Government Response to Final Report](#)

²³ [Welfare overhaul: Update on progress and long-term plan](#)

²⁴ [The impacts of COVID-19 on one-off hardship assistance](#)

²⁵ [Welfare overhaul: Work programme update 2021](#)

²⁶ [Welfare Overhaul work programme update: key priorities and next steps](#)

²⁷ The Winter Energy Payment was announced by the Government in December 2017.



low fixed charge regulations.²⁸ Customers of participating retailers²⁹ are eligible to receive a maximum of two \$110 credits per year.

The Panel's 2023 discussion document also included several proposed strategies related to this recommendation, including to:

- Expand all energy-related MSD purchase assistance programmes for household appliances to offer energy efficient choices.
- 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.
- Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group.³⁰

B6: Set mandatory minimum standards to protect vulnerable and medically dependent consumers: Not met

The Government supported this recommendation and stated an intention to regulate minimum standards under the Electricity Industry Act 2020 in 2020.³¹ To date, the Government has not introduced minimum standards.

In April 2020, the Authority sent a letter of expectation to retailers reminding them to follow the two existing guidelines and to treat all domestic customers facing disconnection as vulnerable during the COVID-19 pandemic.

In 2021, the Authority replaced the *Guideline on arrangements to assist vulnerable consumers* and the *Guideline on arrangements to assist medically dependent consumers* with the *Consumer Care Guidelines*.³² The Authority also published a fact sheet to assist health and support agencies.³³

In its decision to make the Consumer Care Guidelines voluntary, the Authority reported that it may initiate a process to consider mandating certain aspects of the guidelines if retailers do not align with the purpose, principles and intended outcomes.³⁴ The Authority's Chief Strategy Officer, stated:

"We're confident that [retailers] will continue to do the right thing by their most vulnerable consumers. Guidelines are one of our key tools for facilitating positive

²⁸ [Support available](#)

²⁹ Contact Energy, Genesis Energy, Mercury, Meridian Energy and Nova Energy.

³⁰ [Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward](#)

³¹ [Electricity Price Review: Government Response to Final Report](#)

³² [Consumer Care Guidelines: Decision](#)

³³ [Electricity consumer care guidelines: Overview for support agencies and health practitioners](#)

³⁴ [Consumer Care Guidelines: Decision](#)



outcomes for consumers. They've worked well for us in the past and we've got every reason to expect this will continue to be the case."³⁵

On 1 June 2023, the Authority published a summary of the first annual review of electricity retail brands' alignment with the Guidelines.³⁶ Five of the six large retail brands stated that they were fully aligned to the Guidelines. Six out of eight medium-sized retailers provided their self-assessment, with four of those reporting full alignment. The remaining two of the responding medium-sized retailers reported partial alignment. 17 of the 24 small retailers provided a self-assessment, with 11 of those 17 stating full alignment and the other small retailers that responded reporting partial alignment. The Authority expressed concern that a significant portion of the non-alignment was with the provisions related to vulnerable customers and medically dependent consumers.

The Electricity Industry Amendment Act 2022 gave the Authority an explicit consumer protection function. This removed ambiguity around its ability to add consumer protection provisions to the Code related to medically dependent consumers and to consumers in energy hardship. MBIE considers that this transfers the lead role for this recommendation from MBIE to the Authority. This is also reflected in the Minister of Energy and Resources 2023/24 Letter of Expectations for the Authority. In the letter, the Minister states her expectation that the Authority delivers improved outcomes to protect the interests of consumers, including:

*"... to consider the Electricity Price Review's recommendation to establish mandatory minimum standards for vulnerable and medically dependent domestic consumers."*³⁷

The Panel's 2023 discussion document also included several proposed strategies related to this recommendation, including to:

- Develop mandatory rules for electricity retailers to follow before disconnecting for non-payment so that disconnection becomes the last resort, including penalties.
- 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.
- Ensure all fees and costs charged to energy consumers are cost-reflective and reasonable.
- 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.
- Require retailers to include payment options that recognise the difficulty those in energy hardship face.
- Review and strengthen the Consumer Care Guidelines including expanding to include mandatory consumer care obligations on all electricity retailers.

³⁵ [Incoming electricity consumer care guidelines not enforceable \(RNZ, 2021\).](#)

³⁶ [Summary of Retail Brands' self-assessments of alignment with the Consumer Care Guidelines](#)

³⁷ [2023/24 Letter of Expectations for the Electricity Authority](#)



- Strengthen monitoring, compliance and enforcement of the Consumer Care Guidelines, including a penalty and reporting regime for non-compliance.
- Require electricity retailers to report key energy hardship indicators to the Electricity Authority for it to monitor and publish.
- Expand consumer protection and existing dispute resolution schemes to cover other forms of energy provider relationships taking an energy hardship lens.³⁸

B7: Prohibit prompt payment discounts but allow reasonable late payment fees: Not met

The Review considered that this recommendation could be implemented in six months, with three months to draft and pass the regulations and a further three months to conclude transition arrangements.

Before banning prompt payment discounts (PPDs), the Government proposed to write to electricity retailers highlighting the unfairness of PPDs and invite them all to ensure any PPDs are reasonable.³⁹ In 2019, the Minister of Energy and Resources published an open letter to electricity retailers encouraging them to ensure PPDs reflect a reasonable estimate of the costs actually incurred when a customer does not pay an account.⁴⁰ The letter also stated an intention to reconsider the recommendation to prohibit PPDs in six months.

The MBIE website states that a follow-up letter was sent to retailers in July 2020 requesting details on retailers' PPD offers to inform future decisions. This letter or further policy work on this recommendation could not be located.

The Panel's 2023 discussion document also included several proposed strategies related to this recommendation, including to:

- Develop mandatory rules for electricity retailers to follow before disconnecting for non-payment so that disconnection becomes the last resort, including penalties.
- Ensure all fees and costs charged to energy consumers are cost-reflective and reasonable.
- Require retailers to include payment options that recognise the difficulty those in energy hardship face.⁴¹

B8: Encourage bulk deals for social housing and/or Work and Income clients: Not met

In response to this recommendation, the Minister of Energy and Resources noted that Housing New Zealand had begun exploring ways to help its customers navigate the electricity system.⁴²

³⁸ [Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward](#)

³⁹ [Electricity Price Review: Government Response to Final Report](#)

⁴⁰ [Letter from Hon Megan Woods to Retailer re prompt payment discounts](#)

⁴¹ [Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward](#)

⁴² [Electricity Price Review: Government Response to Final Report](#)



It was proposed that the Associate Minister of Housing and Minister for Social Development request further advice from officials on how such initiatives could be advanced.

To date there is no encouragement of bulk deals for social housing and / or Work and Income clients.

Kāinga Ora and Ara Ake are developing an energy sharing pilot in Lower Hutt and Porirua that aims to reduce energy hardship for social housing tenants (Kāinga Ora customers).⁴³ The Government's Māori and Public Housing Renewable Energy Fund provided Kāinga Ora with the funds to invest in and install the solar assets at almost 200 homes in the area.

The trial aims to demonstrate a means to redistribute the benefit of solar panels more broadly amongst Kāinga Ora customers. During the trial, the Kāinga Ora customer with solar on their roof can continue to buy their electricity from the retailer of their choice, while the exported electricity would be managed by a retailer contracted to Kāinga Ora. Contracting with one retailer to purchase all the exported electricity will allow Kāinga Ora to seek the best market price, maximising the benefit of this investment in solar.

While the proposed arrangement is not permitted under the Electricity Industry Participation Code 2010 (the Code), in June 2023 the Authority granted Kāinga Ora and Ara Ake two exemptions and approved technical and non-controversial amendments to the Code to facilitate the pilot.⁴⁴

Monitoring practices

MBIE monitors the progress of four recommendations from Section B on its Electricity Price Review Dashboard, which provides a high-level overview of progress of key MBIE work streams. Further monitoring practices for Section B are outlined below.

Support for Energy Education in Communities Programme

MBIE monitors initiatives that receive SEEC Programme funding to help understand the challenges and benefits of the schemes, and measure the support being delivered to communities. MBIE's progress reporting on the fund was most recently updated on 28 October 2022.⁴⁵ The website provides a breakdown of the following statistics:

- households reached
- low-cost energy-saving items delivered
- energy education/assessments completed
- staff trained
- resources, educational material and tools developed

⁴³ [Kāinga Ora and Ara Ake partner to enable solar energy sharing trial](#)

⁴⁴ [Solar energy sharing for social housing trial approved](#)

⁴⁵ [Progress reporting \(SEEC Programme\)](#)



- community events held, and
- completed projects.

Māori and Public Housing Renewable Energy Fund

MBIE has contracted an independent evaluation of the effectiveness of the Fund and to assess the feasibility of continuing the interventions.⁴⁶ Energy generation and use will be monitored for 100 Māori homes and the full sample of Kāinga Ora homes. Further, qualitative data will be collected for a sample of homes to assess health, wellbeing, energy use behaviours, and the participant's responses to the change in their energy accessibility. The trial period for the monitoring and evaluation commenced on 11 November 2021 and a final report is expected in November 2026.

Consumer Care Guidelines

The Consumer Care Guidelines recommend that each retailer provides the Authority with a consumer care annual alignment statement and quarterly monitoring information in the format set out in the 'consumer care information disclosure practice note'.⁴⁷

As mentioned above, on 1 June 2023, the Authority published a summary of the first annual review of electricity retail brands' alignment with the Guidelines.⁴⁸ It found that retailers' alignment with the Guidelines was variable - 9 of the 38 retailers that responded to the Authority's request reported only partial alignment. The Authority expressed concern that a significant portion of the non-alignment was with the provisions related to vulnerable customers and medically dependent consumers.

Prompt payment discounts

MBIE reports that the Authority monitors retailers' early payment discounts and late payment penalties.⁴⁹ In her 2023/24 Letter of Expectations to the Authority (dated 6 April 2023), the Minister of Energy and Resources states the EA should:

"Monitor retailers' conduct regarding vulnerable consumers and prompt payment discounts and late payment fees..."⁵⁰

No public reports could be located.

Assessment of impact

There is no publicly available evidence of the impact of changes made in response to the recommendations in Section B, except for the SEEC programme which has allocated a total of \$4.96 million to 41 projects over four funding rounds.

⁴⁶ [Public and Māori Housing Renewable Energy Fund](#)

⁴⁷ [Consumer care guidelines](#)

⁴⁸ [Summary of Retail Brands' self-assessments of alignment with the Consumer Care Guidelines](#)

⁴⁹ [Electricity Price Review](#)

⁵⁰ [2023/24 Letter of Expectations for the Electricity Authority](#)



The most recent progress report was published on 28 October 2022 and covered the 24 projects funded across rounds one and two.⁵¹ The table below provides a full breakdown of the reported measures.

	Round 1	Round 2	Funding boost	Total
Total households reached	6,440	4,455	2,195	13,054
through events	1,500	272	149	1,921
through other means (e.g., a home visit, video call, door knock, referral)	3052	1,944	1880	6,876
through an event or by other means (i.e., not specified)	1888	2239	130	4257
Community / group events held	420	18	2	440
Energy education / assessments completed	2,923	1,695	1,458	6,076
Staff trained	69	70	0	139
Resources, educational material and tools developed	10	8	0	18
Total low-cost energy-saving items provided	47,656	38,641	17,636	103,933
LEDs	41,129	24,811	14,700	80,640
other equipment (e.g. low-flow showerheads, draught stoppers)	6527	13,830	2936	23,293

⁵¹ [Progress reporting \(SEEC Programme\)](#)

Section C: Increasing retail competition

Assessment of progress

The Authority is the lead agency responsible for implementation of the six recommendations related to increasing retail competition in the electricity sector.

All the recommendations have been met/partly met. While consumer awareness of Powerswitch has improved, awareness of Utilities Disputes remains low (C2).

Work is still underway to develop a streamlined way to process customer requests for consumption data (C3). The Review identified this as a medium-term recommendation which should be implemented within 12 months. Given that almost 4 years have elapsed since the Review, completion of this work should be given high priority.

C1: Merge the Electricity Authority and Consumer NZ price comparison websites: Met

The Government supported this recommendation and instructed the Authority to work collaboratively with Consumer NZ to merge their price comparison websites.⁵² The Government felt that merging the websites may also be an opportunity to develop additional features regarding other improvements recommended by the Review, such as access to historical consumption data. It was acknowledged that this may incur additional costs for the Authority, which could be funded from the industry levy considered as part of the Authority's budget setting process.

Each organisation issued a press release in December 2019 announcing the merging of the Electricity Authority and Consumer NZ price comparison websites into [Powerswitch](#), run by Consumer New Zealand.⁵³ It should be noted that there are other price comparison websites.⁵⁴

C2: Improve consumer awareness of Powerswitch and Utilities Disputes: Partly met

The Government supported this recommendation in its initial response to the Review and deferred to the Authority for consideration and appropriate action.⁵⁵

In 2020, the Authority issued a gazette notice informing of a change to the Code in relation to this recommendation.⁵⁶ The Code amendment (clauses 11.30A to 11.30E) placed new requirements on retailers and distributors to provide clear and prominent information on their

⁵² [Electricity Price Review: Government Response to Final Report](#)

⁵³ [Merging price comparison sites with Consumer NZ](#)

⁵⁴ For example, [glimp](#).

⁵⁵ [Electricity Price Review: Government Response to Final Report](#)

⁵⁶ [EIPCA \(Requirements to Improve Awareness of Dispute Resolution Scheme and the Electricity Plan Comparison Site\) 2020](#)



websites and in their communications to inform consumers on the dispute resolution scheme (Utilities Disputes) and the electricity plan comparison site (Powerswitch).

In a subsequent decision paper, the Authority approved guidelines to support retailers and distributors to comply with clauses in the Code that place requirements on them to raise consumer awareness.⁵⁷

The Authority considers that this recommendation has been met and advises that it will continue to consider improvements as part of supporting the operation of the market. We consider this recommendation partly met as consumer awareness of Utilities Disputes can be further improved. A 2022 survey of residential consumers found that 63% of respondents had heard of Powerswitch and only 12% had heard of Utilities Disputes.⁵⁸ Research commissioned by the Consumer Advocacy Council found that only 10% of respondents would contact the Utilities Disputes to resolve a complaint they had with their electricity provider.⁵⁹ More respondents did not know who they would contact (26%) or would contact the Authority (18%), the Citizens Advice Bureau (17%), Consumer Affairs (15%), and the Commerce Commission (11%). This is discussed in more detail under *Assessment of impact* below.

C3: Develop a streamlined way to process customer requests for consumption data: Partly met

In its initial response to the Review, the Government indicated that it expected the Authority to action this recommendation with high priority.⁶⁰ The response also acknowledged that while some progress has been made, “questions remain about the potential for privacy concerns to limit the effectiveness of streamlined data access by third parties”. It was anticipated that the Authority would continue to investigate its options and report back to Government on its progress, however no timeline for this was stipulated.

In 2019, the Authority put forth proposed amendments to clause 11.32E of the Code and EIEPs 13A, 13B and 13C to improve the timeliness of the delivery of consumer data by retailers to consumers’ agents.⁶¹ These proposed changes would make it easier for consumers to share their data with organisations they trust, however, they would not streamline the process for consumers requesting their own data.

The Authority then published *Requests for consumer consumption information* guidelines in March 2020 that set out procedures that apply to retailers when they respond to consumers requests for information about their electricity consumption.⁶² The document also contains information to assist consumers and their agents to make requests, stating:

⁵⁷ [Raising consumer awareness of Utilities Disputes and Powerswitch: Decisions and reasons paper](#)

⁵⁸ [Electricity Authority survey of residential electricity consumer perceptions 2021/22](#)

⁵⁹ [Electricity consumer sentiment survey – residential consumers and small businesses \(Kantar Public report\)](#)

⁶⁰ [Electricity Price Review: Government Response to Final Report](#)

⁶¹ [Amendments to clause 11.32E of the Electricity Industry Participation Code and EIEPs 13A, 13B and 13C](#)

⁶² [Requests for consumer consumption information](#)



"Agents and third-party providers can request a consumer's consumption data from the last 2 years with the consumer's authorisation. Power companies must provide the most granular data [they have] used for the consumer - from monthly, to daily, half-hourly or more frequent data."⁶³

There has been no update to the five-day timeframe in which power companies must comply with the request and provide the consumption data. This is the same timeframe that has been in place since 2015. The Review found that "5 days is too long."

We consider this recommendation to be partly met as the Authority is continuing to implement this recommendation through its *Streamlining consumers' access to electricity consumption data* project. In its discussion paper on updating regulatory settings for distribution networks, the Authority included a summary of potential options to improve access to information:

1. Inform and educate consumers on how to request their consumption data
2. Encourage distributors to collaborate in finding the most efficient way of capturing and publishing utilisation data
3. Assess options to implement shared data arrangements
4. Publish guidance for distributors to report on export congestion and network investment needs
5. Shared data through API
6. Central meter data store.⁶⁴

Following this, the Authority released an issues paper at the end of 2022 and invited submissions from key stakeholders on the options put forward.⁶⁵ The Consumer Advocacy Council has continued to push for improved access to consumer data:

"Access to customer metering data is of primary concern as metering data enables many of the potential technology benefits for consumers, and we consider that current access provisions are inadequate. Access to metering data can help consumers benefit from pricing offers from retailers, load aggregators or network/s. While we acknowledge there are privacy issues involved, we recommend the Authority be more active in this area and reconsider a virtual or actual centralised metering database."⁶⁶

The Authority's website indicates that the next steps in this process are the release of a summary of submissions on the January/February 2023 consultation (expected to be published between April and June 2023), and a decision paper setting out its medium-term work programme for updating regulatory settings for distribution networks (expected in July/August 2023). Future dates for the implementation of updates to the regulatory settings are expected to be outlined following the release of this decision paper.

⁶³ [Requests for consumer consumption information](#)

⁶⁴ [Updating the regulatory settings for distribution networks: Improving competition and supporting a low emissions economy](#)

⁶⁵ [Issues paper: Updating the regulatory settings for distribution networks](#)

⁶⁶ [Submission on Updating the regulatory settings for distribution networks](#)

C4: Make distributors offer retailers standard default terms for network access: Met

The Minister of Energy and Resources strongly supported this recommendation and noted that the Authority was undertaking a consultation process on default distribution agreements.⁶⁷ In July 2020, the Authority added the Default Distributor Agreement (DDA) Template to the Code.⁶⁸ The Code amendment:

- contains more standardised default terms for distributors and traders on distribution networks using an interposed arrangement, and
- requires distributors to develop, publish and offer a DDA based on the DDA Template written by the Authority to all traders seeking to trade on their distribution network.⁶⁹

C5: Prohibit saves and win-backs: Met

The Government supported this recommendation to prohibit win-backs for a period so that their impact on consumers can be properly evaluated.⁷⁰

In February 2020, the Authority released a decision paper outlining an amendment to Part 11 of the Code that prohibits a losing retailer from targeted marketing to a customer that has switched to another retailer (the gaining retailer) for a 180-day period, along with a gazette notice notifying the change has legal effect.⁷¹

In addition, the Electricity Industry Amendment Act 2022 included the provision of time limited powers to the Minister of Energy and Resources to amend the Code if the Minister considers that the current code is unsatisfactory, including to prohibit saves and win-backs.

C6: Establish a pilot scheme to help non-switching consumers find better deals: Met

The Government supported this recommendation and indicated it would encourage the Authority to develop a business case for a suitable pilot scheme.⁷²

As an additional backstop, the Electricity Industry Amendment Act 2022 included provisions to give time limited powers to the Minister of Energy and Resources to amend the Code if the Minister considers that the current code is unsatisfactory, including to establish a pilot scheme to help non-switching consumers find better deals.

In August 2021, the Authority undertook a mail-based pilot, testing two behavioural-insight based variations of a consumer information letter. Both letters were designed to encourage the use of Powerswitch by consumers to check their electricity plan to find out whether they

⁶⁷ [Electricity Price Review: Government Response to Final Report](#)

⁶⁸ [The Default Distributor Agreement: Decision Paper](#)

⁶⁹ [Notice of the Electricity Industry Participation Code Amendment \(Default Distributor Agreement\) 2020](#)

⁷⁰ [Electricity Price Review: Government Response to Final Report](#)

⁷¹ [Saves and Win-backs Code Amendment: Decision Paper](#)

⁷² [Electricity Price Review: Government Response to Final Report](#)

could be getting a better deal. A pilot evaluation report was published on the Authority's website on 15 February 2022.⁷³

Monitoring practices

There is evidence of monitoring practices having been thought about or implemented with regard to half of the recommendations in Section C.

Merge the Electricity Authority and Consumer NZ price comparison websites

The Authority advises that it maintains significant and continuous engagement with Consumer NZ as the operator of Powerswitch, which provides the Authority with data including the number of visitors to the website and the number of switches made.

Improve consumer awareness of Powerswitch and Utilities Disputes

Regarding monitoring practices for this Code change, the Authority's decision paper outlined an intent to monitor effectiveness and compliance:

*" The Authority will work with consumers, the CAC and stakeholders to review the effectiveness of this change [...] Compliance with the Code requirement will be primarily through the participant audit regime. Auditors will assess participants level of compliance during regular audits [...] Other monitoring tools such as self-reviews and ad-hoc checks will be employed as necessary."*⁷⁴

We have seen evidence of this additional monitoring being reported on in the Authority's survey of residential electricity consumer perceptions 2021/22.

Make distributors offer retailers standard default terms for network access:

The DDA introduced by the Authority in 2020 also included its plans for monitoring the implementation of this code change to address the recommendation:

*"We will support distributors in developing and publishing their DDAs...We will help distributors interpret the drafting of the terms inside the DDA Template. We expect the needs of industry to evolve over time as new participants enter and new business models are introduced. We will be monitoring the terms included in all distributor agreements to ensure they continue to promote our statutory objective. We have in place mechanisms to update default terms as industry evolves to ensure the DDA Template, Data Template and default terms for Income Payments remain fit-for-purpose. We expect these updating mechanisms to be used sparingly."*⁷⁵

We could not locate any public monitoring reports. However, the Authority advises that it monitored distributors' progress to ensure they met the deadline for publishing and using

⁷³ [Using behavioural insights to increase 'search and switch' behaviour: Piloting two letters to consumers](#)

⁷⁴ [Raising consumer awareness of Utilities Disputes and Powerswitch: Decisions and reasons paper](#)

⁷⁵ [The Default Distributor Agreement: Decision Paper](#)



DDAs. The Code requires participants who enter distributor agreements to provide a copy of the agreement and any variation to the Authority. These agreements are currently being reviewed as part of an ongoing project to update the DDA. The Authority is also considering, as part of that project, whether to include an explicit monitoring provision in the Code.

Prohibit saves and win-backs

The Authority's 2020 decision paper on a code amendment for saves and win-backs states that the Authority will provide ongoing monitoring to determine whether switching speeds have worsened, and whether tighter standards need to be specified to ensure that retailers continue to switch customers in a timely manner.⁷⁶ The Authority publishes win-back indicator trends and monitors this as part of our business-as-usual compliance approach. Alleged breaches have been identified and progressed as part of the Authority's monitoring function.

It also planned to provide automated reports of market outcomes via the Authority's website and conduct a post-implementation review after three years. The Authority advises that it will conduct a post implementation review of the Code amendments as resources allow.

Establish a pilot scheme to help non-switching consumers find better deals

A pilot evaluation report was published on the Authority's website on 15 February 2022.⁷⁷ The Authority advises that it continues to investigate and support ways to increase consumer 'search and switch' behaviour as part of its statutory function to promote to consumers the benefits of comparing and switching retailers, including leveraging the learnings from the pilot.

Assessment of impact

Evidence of impact was limited for most of Section C recommendations except for improving consumer awareness of Powerswitch and Utilities Disputes (C2), which was captured through consumer survey and annual report data. Whilst there was some consideration of the potential impacts of various options for developing a streamlined way to process customer requests for consumption data, no single option has been fully assessed and implemented.

Consumer awareness of Powerswitch and Utilities Disputes

The Authority's 2020/21 Annual Report provides a statement of performance of Powerswitch and Utilities Disputes since the Code amendment came into effect.⁷⁸ The report noted that since 1 April 2021, there had been significant increases in both the number of visits to the Powerswitch site and the number of cases received by Utilities Disputes (~90% increase from previous year), indicating greater consumer awareness of these resources.

⁷⁶ [Saves and Win-backs Code Amendment: Decision Paper](#)

⁷⁷ [Using behavioural insights to increase 'search and switch' behaviour: Piloting two letters to consumers](#)

⁷⁸ [Annual Report 2020/21](#)



The Authority conducted a survey of residential electricity consumer perceptions in 2022.⁷⁹ The survey included a nationally representative sample of 1030 New Zealanders aged 18 years and over. Respondents were asked about their awareness of Powerswitch:

- 63% of respondents had heard of Powerswitch (up 4% from the previous year).
- Those more likely to say they have heard of Powerswitch were:
 - aged 60+ years (72%)
 - NZ Europeans (68%)
 - homeowners (69%)
 - electricity decision makers (66%).
- Respondents most frequently reported hearing about Powerswitch from:
 - Television (40%) – up 3% from previous years
 - Google or other internet search (27%) – unchanged from previous years
 - Word of mouth (16%) – down 3% from previous years
 - Directly from Consumer New Zealand (15%) – down 1% from previous years
 - Other channels including radio, newspaper, power provider, and work (2-8%)
 - Could not recall where they had heard about it (15%) – up 3% from previous years.
- Among respondents who were aware of Powerswitch, 44% said they had used the service. There were no significant and meaningful demographic differences.

Develop a streamlined way to process customer requests for consumption data

In its discussion paper on updating regulatory settings for distribution networks, the Authority included a summary of potential options to improve access to information, and potential impacts in the form of pros and cons of each option.⁸⁰ Pros included:

- Low cost to implement (Option 1 & 2)
- Improved investments, leading to lower costs and more reliability for consumers (Option 3 & 4)
- Participants can access information enabling increased competition (Option 5 & 6)
- Faster and easier access improves efficiency (Option 5 & 6)
- More efficient investment, leading to lower costs and more reliability for consumers (Option 5 & 6)

⁷⁹ [Electricity Authority survey of residential electricity consumer perceptions 2021/22](#)

⁸⁰ [Updating the regulatory settings for distribution networks: Improving competition and supporting a low emissions economy](#)



The cons included:

- May not improve data (Option 1 & 2)
- Privacy issues associated with data exchange (Option 3 & 4)
- Risk of decreasing competition for flexibility services if data is not published / if access to data is on different terms (Option 3 & 4)
- Risk that reliability is affected if the centralised system goes down (Option 5 & 6)
- Privacy issues associated with data exchange (Option 5 & 6)
- Significant cost to set up and resource intensive to maintain (Option 5 & 6)
- Only as good as the data that goes into it (Option 5 & 6).

Prohibit saves and win-backs

The Authority's decision paper on a code amendment for saves and win-backs notes difficulty of accurately monitoring and quantifying the impact of the Code amendment.⁸¹ Whilst retailer behaviour can be audited and consumers can be, there are still difficulties in observing the full extent of retailer-consumer interactions to ensure that retailers (and their agents) are complying with the provisions. The expected impacts of this code change include:

- increased competition in the electricity retail market; and
- increased innovation in the electricity retail market as retailers seek to develop new products and find new ways to reduce costs.

⁸¹ [Saves and Win-backs Code Amendment: Decision Paper](#)



Section D: Reinforcing wholesale market competition

Assessment of progress

The Authority is the lead agency responsible for implementation of the four recommendations related to reinforcing wholesale market competition. All the recommendations have been met.

D1: Improve availability of wholesale market information: Met

The Government agreed with this recommendation and stated that it expected the Authority and the Gas Industry Company (GIC) to close any gaps in their information disclosure rules.⁸²

The Minister of Energy and Resources had previously asked GIC to assess existing information disclosure requirements in 2018.⁸³ GIC advised that regulation of information disclosure under the Gas Act 1992 is limited to a narrow range of matters and that the Gas Act would need to be amended to provide for further information disclosure requirements.⁸⁴

In 2021, the Gas Act was amended to enable the Minister of Energy and Resources to recommend regulations for the disclosure of information that may have significant downstream impact or may contribute to the risk of critical contingency events.⁸⁵ In February 2022, the GIC recommended new gas governance rules for the disclosure of gas production and storage facility outage information.⁸⁶ In August 2022, Cabinet accepted the recommended rules, which came into effect on 1 April 2023.⁸⁷

In 2022, the Government made a suite of changes to the Electricity Industry Act 2010, including a regulatory backstop that enables the Minister of Energy and Resources to amend the Code to require industry participants to make available information directed at improving the performance of the wholesale market.⁸⁸

In October 2022, the Authority consulted on ways to promote competition for the long-term benefit of consumers in the transition to 100% renewable electricity.⁸⁹ The Authority proposed to:

- clarify disclosure requirements about current or expected constraints that could impact generation capacity, and arrange a centralised location for disclosure

⁸² [Electricity Price Review: Government Response to Final Report](#)

⁸³ [Letter from Hon Dr Megan Woods to GIC re Information Disclosure – 25 July 2018](#)

⁸⁴ [GIC response to the Minister re Information Disclosure - 16 August 2018](#)

⁸⁵ [Gas \(Information Disclosure and Penalties\) Amendment Bill: Approval for Introduction](#)

⁸⁶ [Recommendation to the Minister Production and Storage Outages Information Disclosure](#)

⁸⁷ [Gas Governance Regulations on Production and Storage Facility Outage Information Disclosure](#)

⁸⁸ [Electricity Industry Amendment Act 2022](#)

⁸⁹ [Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity](#)



- improve the Electricity Hedge Disclosure System to improve its functionality and make contract details more transparent, and
- invite MBIE to progress work to improve disclosure of information on availability of gas for electricity supply.

The Authority released its decision from this consultation on 12 May 2023. Its report listed four actions the EA considered would constrain the use of market power and five actions that would facilitate investment in renewables.⁹⁰

In November 2022, the Authority sought feedback on eleven options to better manage residual supply risk in winter 2023.⁹¹ In March 2023, the Authority released its decision on the options, which includes working with the system operator to improve information available on headroom in the supply stack. It is also progressing four other potential options to improve market information.⁹²

In December 2022, the Authority's Market Development Advisory Group (MDAG) publicly consulted on a range of options to ensure economically efficient price signals under a 100% renewable electricity system, including:

- improving short-term forecasts of wind, solar, and demand
- enhancing the information disclosure regime for hedge contracts
- publishing aggregated information on pipeline of new developments, energy and capacity adequacy, and
- increasing information available to participants to improve monitoring of contract market.⁹³

The Authority also introduced rules requiring disclosure of internal transfer prices by vertically integrated generator–retailers, and retail gross margins by retailers. This is discussed in more detail under *Make generator-retailers release information about the profitability of their retailing activities*.

The Authority also has guidelines available online to improve industry understanding of, and compliance with, the wholesale market information disclosure provisions of the Code. The sixth version of the guidelines was published in March 2022.⁹⁴

Although the Review did not mention the information disclosure requirements for electricity distribution businesses under Part 4 of the Commerce Act 1986 in this recommendation, the Commerce Commission (the Commission) is reviewing the information disclosure requirements in two tranches. In November 2022, the Commission updated the requirements

⁹⁰ [Promoting competition in the wholesale electricity market in the transition toward a renewables-based electricity system: Decision paper](#)

⁹¹ [Driving efficient solutions to promote consumer interests through winter 2023: Consultation paper](#)

⁹² [Driving efficient solutions to promote consumer interests through winter 2023: Decision](#)

⁹³ [Price discovery in a renewables-based electricity system: options paper](#)

⁹⁴ [Guidelines for participants on wholesale market information disclosure obligations](#)



it reviewed in Tranche 1, with a staggered implementation over two years from March 2023.⁹⁵ The Commission stated Tranche 2 will begin in 2023 and is likely to include information disclosure around issues such as quality of service, preparation for decarbonisation, and asset management.⁹⁶

D2: Introduce mandatory market-making obligations unless the sector develops an effective incentive-based scheme: Met

The Government considered this to be “one of the most important recommendations to improve the electricity market.” The Minister of Energy and Resources stated that they expected the Authority to treat this recommendation as high priority.⁹⁷ The regulatory backstop added to the Electricity Industry Act 2010 included the time-limited power for the Minister to introduce a mandatory market-making obligation to the Code.⁹⁸

In January 2020, the Authority inserted a temporary dormant mandatory market making scheme into the Code as a backstop measure if the existing market makers did not meet performance expectations.⁹⁹

In October 2020, the Authority decided to transition to a fully incentivised market making arrangement where market-making services are solely provided by commercial market makers.¹⁰⁰ As a first step, the Authority made the dormant mandatory market making scheme permanent in April 2021.¹⁰¹

In July 2022, the Authority selected Bold Trading to provide commercial market-making services.¹⁰² Bold Trading was awarded a contract to provide 20 percent of the total volume of market-making contracts, with the remaining 80 percent being provided by the existing regulated market makers. From September 2022, both the commercial and regulated market makers are required to market-make under the new service level parameters as set out in the Code (for regulated market-makers) and the *Agreement for the provision of Market-Making Services for the New Zealand Electricity Futures Market* for the commercial market maker.

In December 2022, MDAG’s consultation on a range of options to prepare the electricity market for a 100% renewable-based system included proposals to extend the time horizon for futures contracts supported by market making and introduce market-making for shaped contracts (such as a cap contract).¹⁰³

⁹⁵ [Targeted Information Disclosure Review – Electricity Distribution Businesses: Final decision paper – Tranche 1](#)

⁹⁶ [Targeted Information Disclosure Review Tranche 2 – Technical Elements Workshop Notes](#)

⁹⁷ [Electricity Price Review: Government Response to Final Report](#)

⁹⁸ [Electricity Industry Amendment Act 2022](#)

⁹⁹ [Notice of the Electricity Industry Participation Code Amendment \(Hedge Market Arrangements\) 2020](#)

¹⁰⁰ [Hedge Market Enhancements Enduring market making approach](#)

¹⁰¹ [Hedge Market Enhancements: Permanent market making backstop](#)

¹⁰² [Hedge Market Enhancement: Commercial Market-Making Scheme: Commercial Market-making Code Amendment](#)

¹⁰³ [Price discovery in a renewables-based electricity system: options paper](#)

D3: Make generator-retailers release information about the profitability of their retailing activities: Met

The Government stated it places a high priority on this and other recommendations that will provide greater assurance that the wholesale electricity market is performing well.¹⁰⁴

In July 2020, the Authority sent letters to the five largest vertically integrated generator-retailers asking them to voluntarily provide information on their internal transfer pricing.¹⁰⁵

In August 2021, the Authority mandated the disclosure of internal transfer prices (ITPs) by vertically integrated generator-retailers, and retail gross margins by retailers.¹⁰⁶ The amendment to the Code came into force on 30 November 2021.¹⁰⁷

In its August 2021 decision paper, the Authority stated that it marked “the completion of the Authority’s response to the EPR’s D3 recommendation.” The Authority publishes the results of the benchmarking process on *tableau*.¹⁰⁸ It compares ITPs with benchmarks calculated using ASX future prices, a locational factor adjustment to approximate basis risk, and a load and price profile adjustment. Retail gross margin data is also analysed and published on the Authority’s website.¹⁰⁹

The Electricity Industry Amendment Act 2022 included a time-limited power for the Minister of Energy and Resources to make generator-retailers release information about the profitability of their retailing activities.¹¹⁰ This was included in the Act as the Bill was introduced to Parliament before the Authority amended the Code.¹¹¹

D4: Monitor contract prices and new-generation costs more closely: Met

This recommendation specified that the Authority should expand its wholesale market monitoring to include a periodic comparison of wholesale contract prices with new-generation costs.¹¹² The Minister of Energy and Resources stated they would “urge” the Authority to expand its monitoring of the wholesale market to include periodic comparisons of wholesale contract prices with new-generation costs.¹¹³

In 2022, the Authority commissioned a survey analysis of contract prices compared to new generation costs and released the results of this analysis in July 2022.¹¹⁴ The Authority advises that it will repeat this survey in the second half of 2023.

¹⁰⁴ [Electricity Price Review: Government Response to Final Report](#)

¹⁰⁵ For example, [Letter from Electricity Authority to Contact Energy re internal transfer pricing](#)

¹⁰⁶ [Wholesale markets - Internal transfer prices and segmented profitability reporting](#)

¹⁰⁷ [Notice of the Electricity Industry Participation Code Amendment \(Internal Transfer Prices and Segmented Profitability Reporting\) 2021](#)

¹⁰⁸ [ITP benchmarks](#)

¹⁰⁹ [New Zealand’s electricity retail market: retail gross margins](#)

¹¹⁰ [Electricity Industry Amendment Act 2022](#)

¹¹¹ [Electricity Industry Amendment Bill: Approval for Introduction](#)

¹¹² [Electricity Price Review: Final Report](#)

¹¹³ [Electricity Price Review: Government Response to Final Report](#)

¹¹⁴ [Generation investment survey 2022](#)

Monitoring practices

Improve availability of wholesale market information

The Authority advises that it implemented a suite of reforms to impose obligations on participants to report to the Authority on how they are meeting their disclosure obligations. These changes were designed to ensure participants were complying with their disclosure obligations and enable the Authority to better monitor and enforce participants' compliance. This information is disclosed to the Authority on a quarterly basis and is monitored by the Authority as part of its business-as-usual monitoring function.

Introduce mandatory market-making obligations unless the sector develops an effective incentive-based scheme

In 2020, the Authority released a new report on the EMI website that gives an overview of market-making activity in the market for New Zealand electricity futures.¹¹⁵ Market-makers signed a market-maker incentive agreement with the Australian Securities Exchange (ASX). ASX undertakes performance tests following the close of each trading session. The report summarises how many market-makers met the agreed criteria in each trading session. The market-making activity data that underlies this report is not available for download.

Make generator-retailers release information about the profitability of their retailing activities

In its decision to mandate disclosure of profitability, the Authority stated that it intended to make the disclosed information available to the public and develop a series of benchmarks and indicators and make these metrics available to the public through the EMI website.¹¹⁶

As noted above, the Authority analyses ITP and RGM data and publishes the results of this analysis. The Authority also advises that it intends to publish the full set of disclosed ITP data from 2022 and will do the same for future years.

Monitor contract prices and new-generation costs more closely

As noted above, the Authority commissioned a survey analysis of contract prices compared with new generation costs and released the results of this analysis in July 2022.¹¹⁷ The Authority also confirmed in a May 2023 decision paper that it will regularly collect information to understand and build the evidence base about the nature and scale of current and emerging access issues reported by developers of new generation.¹¹⁸ It also advises that it is reviewing the hedge disclosure rules which will further improve the visibility of contract prices.

Additionally, the EMI website provides the following reports:

¹¹⁵ [Market making activity](#)

¹¹⁶ [Wholesale markets - Internal transfer prices and segmented profitability reporting](#)

¹¹⁷ [Generation investment survey 2022](#)

¹¹⁸ [Promoting competition in the wholesale electricity market in the transition toward a renewables-based electricity system: Decision paper](#)



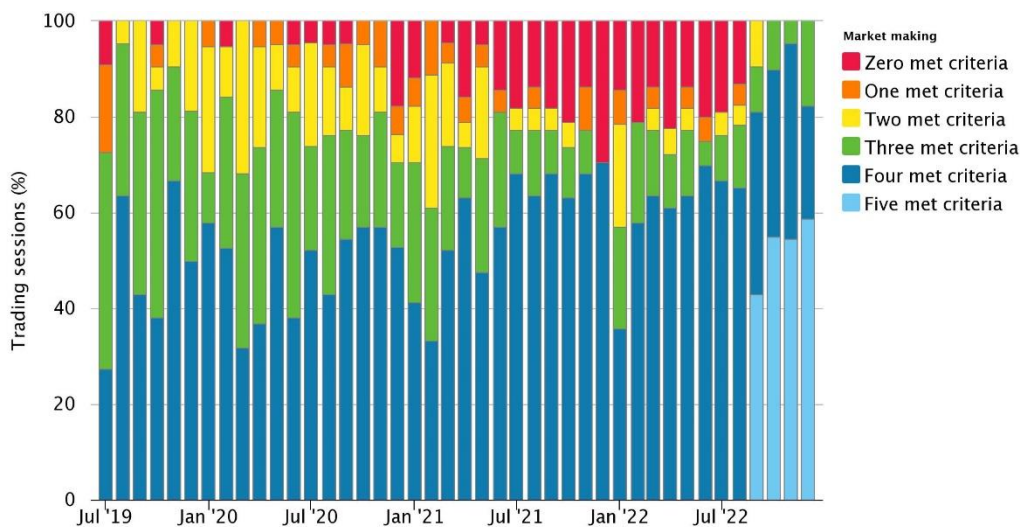
- *Wholesale price trends* that show wholesale energy prices for the electricity spot market.
- *Settlement price trends* that show the trend in the settlement prices of exchange-traded instruments.

MBIE’s Interactive Levelised Cost of Electricity Comparison Tool calculates an estimate of the levelised cost of electricity generation for each potential generation project in MBIE’s Generation Stack.

Assessment of impact

Introduce mandatory market-making obligations unless the sector develops an effective incentive-based scheme

The EMI market making report shows the number of market-making sessions where market-makers met the specified criteria of their agreement with ASX. The graph below shows the results of the market-maker performance tests from July 2019 to December 2022.



From Electricity Market Information. emi.ea.govt.nz/r/acvet

Section E: Improving transmission and distribution

Assessment of progress

One of the recommendations has been partly met (**E3**) from Section E and three of the recommendations have not been met (**E1**, **E2** and **E4**).

E1: Issue a government policy statement on transmission pricing: Not met

E2: Issue a government policy statement on distribution pricing: Not met

The Minister of Energy and Resources proposed to report back to Cabinet on the need for a Government Policy Statement (GPS) on transmission pricing following the Authority's consultation on a new approach to transmission pricing in 2019.¹¹⁹ The Authority underwent a further round of consultation and issued new transmission pricing methodology (TPM) guidelines to Transpower in June 2020.¹²⁰ In June 2020, Trustpower/Manawa appealed to the High Court against the decision to make and publish the guidelines.¹²¹ Transpower developed a new TPM, which the Authority published for consultation in October 2021.¹²² In April 2022, the Authority incorporated the new TPM into the Code.¹²³ The High Court dismissed the legal challenge in June 2022. The new TPM was implemented on 1 April 2023.¹²⁴

Given the linkages between electricity transmission and distribution pricing, the Minister of Energy and Resources proposed to report back to Cabinet on the distribution pricing GPS at the same time as the transmission pricing GPS.¹²⁵

At this point, no transmission pricing or distribution pricing GPS has been issued. MBIE paused this work while the Authority completed its TPM work programme and it is currently considering whether a transmission pricing and distribution pricing GPS are necessary.¹²⁶ MBIE advise that the government is now considering a range of policy measures to support the transition to net zero emissions by 2050. Government policy statements on transmission and distribution pricing remain among the options being considered in that context.

E3: Ensure distributors have access to smart meter data on reasonable terms: Partly met

The Minister of Energy and Resources stated that they would “urge” the Authority to expedite its work on a default agreement for distribution services to ensure distributors have access to

¹¹⁹ [Electricity Price Review: Government Response to Final Report](#)

¹²⁰ [Transmission pricing methodology 2020 Guidelines and process for development of a proposed TPM](#)

¹²¹ [Notice of appeal: New transmission pricing methodology](#)

¹²² [Proposed Transmission Pricing Methodology: Consultation paper](#)

¹²³ [Transmission Pricing Methodology 2022: Decision paper](#)

¹²⁴ [Letter from Electricity Authority to Transpower re TPM commencement](#)

¹²⁵ [Electricity Price Review: Government Response to Final Report](#)

¹²⁶ [Electricity Price Review](#)



metering information.¹²⁷ The Authority consulted on a DDA in 2019 and 2020. In July 2020, the Authority introduced the DDA and a Data Template that includes default terms for providing distributors access to historical consumption data on reasonable terms. The Authority considers that this marked the completion of work on this recommendation.

We consider this recommendation to be partly met as the Authority has ongoing work to improve access to smart meter data as part of its work on the regulation of distribution networks. In December 2022, the Authority consulted on the regulation of distribution networks. It noted this recommendation and stated that it considers improving access to smart meter data to be one of “the most pressing” needs in the short term.¹²⁸ It identified the lack of transparency on the pricing for provision of installation control points (ICP) data as the main barrier to distributor’s accessing smart meter data and sought feedback on an option to require metering equipment providers to publish standard 'pay-as-you-go' terms open to all parties.

E4: Give the Commerce Commission more powers to regulate distributors: Not met

The Minister of Energy and Resources noted that officials supported the intent of the recommendation but advised that further policy work was needed to assess the proposed changes to the Commerce Act.¹²⁹ The Minister proposed reporting to Cabinet with the Minister of Commerce and Consumer Affairs on 30 June 2020 on options to improve the regulation of electricity distributors. As of October 2022, MBIE reports that background policy work has not been carried out.¹³⁰ MBIE advise that this recommendation has not been progressed as there are competing priorities in the economic regulation policy area, such as the water services economic regulation.

Monitoring practices

MBIE monitors the progress of three of the recommendations from Section E on its EPR Dashboard, which provides a high-level overview of progress of key MBIE work streams.¹³¹ All three recommendations have not progressed from the Government’s initial response to the Review.

Assessment of impact

No Section E recommendations have been implemented so there is no evidence of impact.

¹²⁷ [Electricity Price Review: Government Response to Final Report](#)

¹²⁸ [Updating regulatory settings for distribution networks: Issues Paper](#)

¹²⁹ [Electricity Price Review: Government Response to Final Report](#)

¹³⁰ [Electricity Price Review](#)

¹³¹ [Implementing the Electricity Price Review: Dashboard](#)

Section F: Improving the regulatory system

Assessment of progress

MBIE is responsible for the implementation of the four recommendations of Section F.

Overall, three of the four recommendations have been met (**F1**, **F2** and **F4**), the majority of which were implemented through the Electricity Industry Amendment Act 2022. Updating the Authority's compliance framework (**F3**) has been partly met. This will be completed once the Electricity Industry (Enforcement) Regulations 2010 is amended, which is expected in 2023.

F1: Give the Electricity Authority more powers to regulate network access: Met

The Minister of Energy and Resources supported this recommendation and proposed to report back to Cabinet in December 2019 with specific proposals to amend legislation to give the Authority more power to regulate network access.¹³² In February 2020, Cabinet agreed to give the Authority jurisdiction to regulate involvement by Transpower and distributors in contestable electricity markets by incorporating the substance of sections 76 to 79 of the Electricity Industry Act 2010 into the Code and amend the Act to provide for the enforcement of them.¹³³

In August 2021, Cabinet approved the introduction of the Electricity Industry Amendment Bill and agreed to “give the Authority jurisdiction to regulate transmission and distribution access terms and conditions, including setting quality standards and information disclosure requirements as those terms are used in the Commerce Act 1986.”¹³⁴

The Amendment Bill was passed into law in August 2022 becoming the Electricity Industry Amendment Act 2022.

F2: Give the Electricity Authority an explicit customer protection function: Met

The Minister of Energy and Resources supported this recommendation, agreeing that “the Electricity Authority should have a clearer mandate to protect consumers, especially those that are vulnerable or have medical equipment dependent on power.”¹³⁵

In August 2021, Cabinet approved the introduction of the Electricity Industry Amendment Bill and agreed to

“give the Electricity Authority an explicit statutory function under the Act to protect residential and small business electricity consumers, together with any further amendments necessary to ensure consistency with its statutory objective.”¹³⁶

¹³² [Electricity Price Review: Government Response to Final Report](#)

¹³³ [Progressing the Electricity Price Review's Recommendations](#)

¹³⁴ [Electricity Industry Amendment Bill: Approval for Introduction](#)

¹³⁵ [Electricity Price Review: Government Response to Final Report](#)

¹³⁶ [Electricity Industry Amendment Bill: Approval for Introduction](#)



In its submission on the Electricity Amendment Bill, the Consumer Advocacy Council supported giving the Authority an explicit electricity consumer protection function which would further protect the interests of residential and small business consumers.¹³⁷ It recommended expanding the Authority’s consumer protection objective to “ensure that it focuses not only on its existing objectives but those of small consumers.”

The Electricity Industry Amendment Bill was introduced to Parliament in September 2021 and passed into law in August 2022.¹³⁸

F3: Update the Electricity Authority’s compliance framework and strengthen its information-gathering powers: Partly met

The Minister of Energy and Resources proposed to address this recommendation “as part of a broader review of institutional arrangements for energy policy and regulation.”¹³⁹

In March 2021, MBIE consulted on issues with the existing compliance framework and sought feedback on proposed amendments to the Electricity Industry Act 2010 (the Act) and Electricity Industry (Enforcement) Regulations 2010 (the Regulations).¹⁴⁰

In August 2021, Cabinet approved the introduction of the Electricity Industry Amendment Bill (the Bill) and agreed to “clarify the Electricity Authority’s powers to gather information from industry participants for the purpose of carrying out reviews or investigations requested by the Minister.”¹⁴¹ In February 2022, following the compliance framework review, Cabinet agreed to amend the Bill to:

- Increase maximum penalty for breach of Code from \$200,000 to \$2 million.
- Add a penalty of up to \$10,000 for each day or part of a day that a breach continues.
- Allow the Rulings Panel to award costs when it has not determined a breach of the Code.
- Treat a series of closely related events as a single breach and subject to a single penalty.
- Allow an industry participant to make a complaint directly to the Rulings Panel if the Authority chooses not to investigate it.
- Provide that an investigator may, rather than must, attempt to reach a settlement.
- Remove the target of 30 working days for the investigator to endeavour to reach a settlement.
- Treat a breach of a settlement as though it were a breach of the Code.
- Clarify that the Authority may report a breach of the Code.

¹³⁷ [Submission on Electricity Amendment Bill](#)

¹³⁸ [Electricity Industry Amendment Act 2022](#)

¹³⁹ [Electricity Price Review: Government Response to Final Report](#)

¹⁴⁰ [Compliance Framework: Electricity](#)

¹⁴¹ [Electricity Industry Amendment Bill: Approval for Introduction](#)



- Clarify treatment of confidential information.
- Treat a breach of the mandatory reporting obligation as though it were a breach of the Code.¹⁴²

In July 2022, the Authority released a decision paper outlining its decision to amend the Code to “better enable the Authority to fulfil its monitoring functions by collecting the ongoing information it needs from industry participants using a more efficient approach than under the Authority’s current information gathering framework.”¹⁴³ The Code amendment came into force on 1 August 2022.¹⁴⁴

We consider this recommendation to be partly met as updating the Authority’s compliance framework requires changes to the Regulations. MBIE expected to amend the Regulations in early 2023.¹⁴⁵

F4: Phase out low fixed charge tariff regulations: Met

The Minister of Energy and Resources supported this recommendation but was mindful of the potential for it to increase costs for low-use electricity households, including those already experiencing energy hardship.¹⁴⁶ As such, the phase-out of low fixed charge (LFC) tariff regulations was delayed while the Government implemented recommendations to address energy hardship and help non-switching consumers find better deals.

In a subsequent progress report to Cabinet, the Minister stipulated that the earliest date that the LFC regulations phase-out period could commence was 1 April 2021 (in accordance with the electricity pricing year).¹⁴⁷ Prior to this, a consultation process would take place with industry and consumer groups to better understand the likely impacts and design a phase-out mechanism that balances ensuring a just transition with taking meaningful steps to reduce the harm the regulations create.”

In September 2021, Cabinet agreed to phase-out the regulations after securing industry commitment to develop and fund a power credits scheme.¹⁴⁸ A press release announced, “the regulations will be phased-out over five years, starting from 1 April, 2022, with support for households who might be affected by the changes.”¹⁴⁹ Amendments were made to the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004 in December 2021 to allow for the phase-out of the low fixed charge regulations commencing on 1 April 2022 and continuing over five years to April 2027.¹⁵⁰

¹⁴² [Electricity Industry Act 2010 and the Electricity Industry \(Enforcement\) Regulations 2010: Proposed Amendments](#)

¹⁴³ [Improving the framework for the Authority’s information gathering: Decision](#)

¹⁴⁴ [Electricity Industry Participation Code \(Regular and Event-Driven Provision of Information to the Authority\) 2022](#)

¹⁴⁵ [Electricity Price Review](#)

¹⁴⁶ [Electricity Price Review: Government Response to Final Report](#)

¹⁴⁷ [Progressing the Electricity Price Review’s Recommendations](#)

¹⁴⁸ [Phase-out of the low fixed charge tariff regulations: Cabinet paper](#)

¹⁴⁹ [Power bill changes bring fairness to charges](#)

¹⁵⁰ [Electricity \(Low Fixed Charge Tariff Options for Domestic Consumers\) Amendment Regulations 2021](#)



Monitoring practices

Monitoring practices for the implementation of Section F recommendations are likely to fall under the Authority's usual activities in terms of monitoring compliance with regulations, and conducting regular reviews of its internal procedures, policies, guidelines and systems.

It would be prudent for the Authority to more explicitly articulate how it intends to continually monitor and evaluate its new and more robust customer protection function.

In addition, the Authority's monitoring of its new information-gathering powers should be made transparent.

Update the Electricity Authority's compliance framework and strengthen its information-gathering powers

MBIE produced a Regulatory Impact Statement (RIS) regarding changes made to the Authority's compliance framework, which assessed how the new arrangements would be monitored, evaluated, and reviewed.¹⁵¹ While there is currently no formal process for monitoring and evaluation, the RIS noted that the Authority already conducts regular reviews of its internal procedures, policies, guidelines and systems, and that an evaluation of the new arrangements to the compliance framework would naturally fit within this review process.

Phase out low fixed charge tariff regulations

It is anticipated that monitoring of the phase-out of low fixed charge tariff regulations will become part of the usual activities of the Authority, which is responsible for monitoring the compliance with the regulations. The change also relates to its electricity distribution pricing reform programme. According to the MBIE's RIS:

"Changes to fixed charges will be continually monitored and an annual report will be provided to the Minister of Energy and Resources shortly after the start of the electricity pricing year in April each year. The regulations currently require both distributors and retailers to inform the Electricity Authority of their tariff charges to ensure compliance with the regulations. MBIE will explore with the Electricity Authority whether it is possible for this information to be used for monitoring purposes. However, if this is not possible, information on tariff rates are publicly available and MBIE will be able to monitor changes. This monitoring will help pick up any price shifts over time as the regulations are phased out."¹⁵²

We could not locate any reports to the Minister on the impacts of the low fixed charge phase-out.

¹⁵¹ [Regulatory Impact Statement: Electricity Compliance Framework](#)

¹⁵² [Regulatory Impact Statement: Phase-out of the low fixed charge tariff regulations](#)



Assessment of impact

To date, most of the impact assessment for Section F recommendations has been forecasting potential impacts, or instead only focusing on one element of change.

An opportunity now exists for the Authority to review the changes that have been made to its powers and functions with the passing of the Electricity Industry Amendment Act 2022 and conduct a formal assessment of the real-world impacts these changes have had.

Give the Electricity Authority an explicit customer protection function

In September 2022, the Authority published an independent assessment of its four impact measures related to the Authority's strategic ambitions of consumer centricity, trust and confidence, and low emissions energy.¹⁵³ In particular, the report assessed how the Authority focusses on consumers' needs and the impact of its decision-making on those needs being met, and how the Authority increases participation of, and engagement with, consumers in the organisation's decision-making processes.

Overall, the assessment observed a shift in perspective in the Authority's operations whereby there was a more apparent consumer-centric (defined as impacted consumer groups) focus evidenced in project documents and internal discussions, and a notable emphasis placed on the impact on consumers while making decisions. The assessment also found that there was good quality of engagement with consumers in the Authority's decision-making process but identified a remaining gap in residential consumer voices and perspectives being captured.

Areas for improvement noted by the assessment included:

- A more explicit recognition of consumer groups and intended benefits for consumers in more technical documents, rather than relying on them to make these connections themselves
- Enhanced integration of the voice of domestic consumers in consultation and decision-making
- Exploration of multi-audience, multi-channel content, such as taking more technical content and repackaging into "what this means for you" type guides for residential or small business consumers.

Update the Electricity Authority's compliance framework and strengthen its information-gathering powers

The Authority's decision paper on improving the framework for the Authority's information gathering also outlines expected benefits of the amendments to the Code, including:

- improved and more consistent collection of high-quality information
- better-informed Code development, market facilitation measures, and policy-making

¹⁵³ [Electricity Authority independent assessments of consumer centricity, trust and confidence, and low emissions energy 2021/22](#)



- improvements in the durability of New Zealand’s electricity market arrangements
- ability to provide consumers, participants, and market observers with a more accurate analysis of the state of the electricity market and its performance, and
- reduced transaction costs incurred by the Authority and participants through the collection of information—particularly information collected on an ongoing basis.¹⁵⁴

Phase-out low fixed charge tariff regulations

In 2020, Concept Consulting was commissioned to conduct an independent evaluation of the likely outcomes from continuing with low fixed charge tariffs versus removing tariffs using modelling techniques.¹⁵⁵ The report concluded that continuation of low fixed charge tariffs would likely produce the following negative outcomes:

- Economic costs of ~\$1 to 1.5bn over 30 years (due to poor technology uptake)
- Environmental impacts of ~8 million tonnes of carbon dioxide equivalent higher emissions by 2050
- Continuation of poor social outcomes including that those in greatest energy hardship would continue to face higher electricity bills (with children over-represented).

The report also warned that removal of the low fixed charge tariffs regime would require some “tricky” trade-offs as there are some slightly more deprived households (e.g., elderly low-income households) that would be negatively impacted by this change.

According to an MBIE information brochure on phasing-out the low fixed charge tariff regulations, the expected impacts of the phase-out include:

- Lower power bills for ~970,000 households (60%) on standard-use plans and households on low-use plans using more than about 6500kWh of electricity a year. This figure includes roughly 270,000 households from areas of high deprivation.
- Higher power bills during the phase-out for ~690,000 households (40%) with low electricity use, including smaller households, energy-efficient households, and homes with solar panels. While the rate this group will pay for electricity used is expected to go down, their daily fixed charge may increase by up to 30 cents each year of the phase-out, until it is about the same rate as those on the standard-use plan.
- The sector could implement new, fairer pricing plans for distributing electricity.
- Industry could more efficiently manage the load on the network during peak times, avoiding costly network upgrades and helping to keep prices lower for consumers.
- Less confusion for consumers on electricity pricing (e.g. some consumers are currently opting for the appeal of a ‘low’ tariff even when it leads to overall higher costs of use).
- Households could more easily switch to more sustainable energy sources.¹⁵⁶

¹⁵⁴ [Improving the framework for the Authority’s information gathering: Decision](#)

¹⁵⁵ [Quantifying the LFC counterfactual \(Concept Consulting report\)](#)

¹⁵⁶ [Phasing-out low fixed charge tariff regulations: Brochure](#)



The Electricity Networks Association and the Electricity Retailers' Association of New Zealand established a \$5 million power credits scheme to support low-use households that are struggling to pay their power bills during the phase-out of the low fixed charge regulations.¹⁵⁷

In addition, Cabinet agreed to conduct a review in late 2023 of the regulation phase-out, to assess whether the phase-out is resulting in adverse impacts for low-income households and establish whether additional support is necessary.¹⁵⁸

¹⁵⁷ [Support available](#)

¹⁵⁸ [Phase-out of the low fixed charge tariff regulations: Cabinet paper](#)

Appendix A: Terms of Reference for document review

Background

The Consumer Advocacy Council (the Council) has commissioned *Allen + Clarke* to assess the implementation of key recommendations from the 2018 Electricity Price Review impacting small consumers. Gaining awareness of whether these recommendations have been implemented will enable the Council to make recommendations to regulators and government about any failures to implement recommendations.

The key recommendations, as identified by the Council, include the recommendations in section B to F of the Final Report.

Purpose

This document sets out the search strategy to determine inclusion/exclusion of specific documents.

Scope

The scope of the document review is on documents that report on implementation of, or progress against, the key recommendations agreed to with the Council.

Assessment questions

The assessment questions are:

1. Have the recommendations been fully implemented?
2. If the recommendation has not been fully implemented, why not? What are the shortfalls and by which agencies? What factors have influenced this?
3. Have measures been put in place by the appropriate agency/s to monitor implementation of the recommendations?
4. Are these monitoring measures likely to be effective? If not, what are the gaps?

Breadth of search

Allen + Clarke will search the websites of the following agencies for relevant policy documents, Cabinet papers, Ministerial briefings, and other relevant documents that have been published:

- Ministry of Business, Innovation and Employment
- Electricity Authority
- Commerce Commission



- Energy Efficiency and Conservation Authority
- Consumer Advocacy Council
- Ministry of Social Development
- Ministry of Housing and Urban Development
- Parliament/Beehive/Minister of Energy and Resources
- Consumer NZ.

Inclusion/exclusion factors

From the results of the search, documents will be prioritised according to the following criteria:

- Currency – focus on documents published within the past four years (published between 25 September 2019 and present)¹⁵⁹
- Relevance to primary research questions
- Specificity to Aotearoa New Zealand
- English language.

The document review will exclude any material that does not relate to the research questions, non-English language sources, and material published before 25 September 2019 (unless appropriate rationale can be provided as to its inclusion). False drops and duplicate results will be removed.

Search terms

Where possible (subject to database functionality), the keywords included in the search strategy are outlined below. Boolean search terms will be used where appropriate. These search terms have been informed by key reference documents provided by the Council to date.

These search terms are subject to change or to be supplemented as the work progresses, particularly as analysis of documents progresses.

General search terms:

- Electricity Price Review OR electricity prices OR wholesale electricity prices
- Electricity consumers OR consumers OR vulnerable consumers OR residential and small business electricity consumers OR domestic electricity consumers
- Prompt payment discounts OR late payment fees
- Electricity affordability OR affordability
- Energy hardship OR energy efficiency
- Government policy statement
- Consumer protection
- Consumer Advocacy Council

¹⁵⁹ [This date is based on the date of the Government's Response to the Final Report.](#)



Appendix B: Reviewed documents

Document	Publication date
<i>Allen + Clarke website</i>	
Public and Māori Housing Renewable Energy Fund	Accessed 14 April 2023
Ara Ake documents	
Ara Ake submission to Electricity Authority regarding issues paper: Updating the Regulatory Settings for Distribution Networks	6 March 2023
Commerce Commission documents	
Targeted Information Disclosure Review – Electricity Distribution Businesses: Final decision paper – Tranche 1	25 November 2022
Targeted Information Disclosure Review Tranche 2 – Technical Elements Workshop Notes	27 March 2023
Consumer Advocacy Council documents	
Assessing the New Zealand wholesale electricity market (NZIER paper)	13 December 2022
Electricity consumer sentiment survey – residential consumers and small businesses (Kantar Public report)	March 2023
Submission on Commerce Commission: 2023 input methodologies review	11 July 2022
Submission on Driving efficient solutions to promote consumer interests through winter 2023	16 December 2022
Submission on Electricity Amendment Bill	17 November 2021
Submission on Price discovery in a renewables-based electricity system	20 March 2023
Submission on Promoting competition in the wholesale electricity market in the transition towards 100% renewable electricity	16 December 2022
Submission on Updating the regulatory settings for distribution networks	28 February 2023
Consumer NZ documents	
Price comparison websites What's My Number and Powerswitch merge	19 December 2019
Electricity Authority documents¹⁶⁰	
2022 Market Performance Quarterly Reviews	March 2022 June 2022 September 2022 December 2022

¹⁶⁰ Documents without links are no longer available on the Authority website. These were located using the Internet Archive.



Document	Publication date
2023/24 Letter of Expectations for the Electricity Authority	6 April 2023
Amendments to clause 11.32E of the Electricity Industry Participation Code and EIEPs 13A, 13B and 13C	29 October 2019
Analysis of Generator Retailer Financial Data (Concept Consulting report)	23 August 2021
Annual Report 2020/21	31 March 2022
Consumer care guidelines	30 March 2021
Consumer Care Guidelines: Decision	30 March 2021
The Default Distributor Agreement: Decision Paper	16 June 2020
Driving efficient solutions to promote consumer interests through winter 2023: consultation paper	25 November 2022
Driving efficient solutions to promote consumer interests through winter 2023: decision paper	March 2023
Electricity Authority independent assessments of consumer centricity, trust and confidence, and low emissions energy 2021/22	8 September 2022
Electricity Authority survey of residential electricity consumer perceptions 2021/22	1 July 2022
Electricity consumer care guidelines: Overview for support agencies and health practitioners	7 December 2021
Generation investment survey 2022 (Concept consulting report)	July 2022
Guidelines for participants on wholesale market information disclosure obligations	2 March 2022
Hedge Market Enhancement: Commercial Market-Making Scheme: Commercial Market-making Code Amendment	26 July 2022
Hedge Market Enhancements: Enduring market making approach	27 October 2020
Hedge Market Enhancements Market Making: Ensuring market making arrangements are fit-for-purpose over time	21 April 2020
Hedge Market Enhancements: Permanent market making backstop	30 March 2021
Improving the framework for the Authority's information gathering: Decision	5 July 2022
Letter from Electricity Authority to Transpower re TPM commencement	31 March 2023
Merging price comparison sites with Consumer NZ	19 December 2019
Monitoring Review of Structure Conduct and Performance in the Wholesale Electricity Market Since the Pohokura Outage in 2018	27 October 2021
Notice of appeal: New transmission pricing methodology	8 July 2020
Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity	12 October 2022

Document	Publication date
Promoting competition in the wholesale electricity market in the transition toward a renewables-based electricity system: Decision paper	May 2023
Proposed Transmission Pricing Methodology: Consultation paper	8 October 2021
Raising consumer awareness of Utilities Disputes and Powerswitch: Decisions and reasons paper	1 September 2020
Raising consumer awareness of regulated dispute resolution service and electricity plan comparison website: Guidelines	2 March 2021
Requests for consumer consumption information	18 February 2020
Saves and Win-backs Code Amendment: Decision Paper	18 February 2020
Summary of Retail Brands' self-assessments of alignment with the Consumer Care Guidelines	1 June 2023
Transmission pricing methodology 2020 Guidelines and process for development of a proposed TPM: Decision	10 June 2020
Transmission Pricing Methodology 2022: Decision paper	12 April 2022
Updating the regulatory settings for distribution networks: Improving competition and supporting a low emissions economy	July 2021
Updating regulatory settings for distribution networks: Issues Paper	December 2022
Using behavioural insights to increase 'search and switch' behaviour: Piloting two letters to consumers	February 2022
Wholesale markets - Internal transfer prices and segmented profitability reporting	31 August 2021
Electricity Authority website	
Access consumer data	Accessed 14 April 2023
Market making activity	
Settlement price trends	
Wholesale price trends	
New Zealand's electricity retail market: retail gross margins	Accessed 7 June 2023
ITP benchmarks (tableau website)	Accessed 7 June 2023
Energy Hardship Expert Panel documents	
Energy Hardship Expert Panel – Roadmap	March 2023
Energy Hardship Expert Panel Terms of Reference	Unknown
Energy Hardship Expert Panel – Letter from the Chair: March 2022	March 2022
Energy Hardship Expert Panel – Letter from the Chair: March 2023	March 2023
Energy Hardship Expert Panel – Letter from the Chair: June 2022	June 2022
Energy Hardship Expert Panel – Letter from the Chair: November 2022	November 2022

Document	Publication date
Energy Hardship Outcomes framework and Focus Areas	November 2022
Summarising international research on energy hardship undertaken for MBIE's Energy Hardship Expert Panel (Sustainable Energy Advice memo)	29 July 2022
Te Kore, Te Pō, Te Ao Marama Energy Hardship: The challenges and a way forward	March 2023
Gas Industry Company documents	
Statement of Proposal: Gas Production and Storage Facility Outage Information	July 2021
Gazette notices	
EIPCA (Requirements to Improve Awareness of Dispute Resolution Scheme and the Electricity Plan Comparison Site) 2020	7 October 2020
Notice of the Electricity Industry Participation Code Amendment (Default Distributor Agreement) 2020	8 June 2020
Notice of the Electricity Industry Participation Code Amendment (Hedge Market Arrangements) 2020	27 January 2020
Notice of the Electricity Industry Participation Code Amendment (Internal Transfer Prices and Segmented Profitability Reporting) 2021	12 October 2021
Electricity Industry Participation Code (Regular and Event-Driven Provision of Information to the Authority) 2022	23 June 2022
Notice of the Electricity Industry Participation Code Amendment (Requirements and Processes for Information Requests by Agents) 2020	21 January 2020
Kāinga Ora website	
Kāinga Ora and Ara Ake partner to enable solar energy sharing trial	Accessed 18 April 2023
New Zealand Legal Information Institute documents	
High Court judgement on the TPM Judicial Review	20 June 2022
Ministry of Business, Innovation and Employment documents	
Compliance Framework: Electricity	March 2021
Defining energy hardship	4 November 2021
Electricity Authority levy increase: funding the commercial market-making scheme	9 November 2021
Electricity Industry Act 2010 and the Electricity Industry (Enforcement) Regulations 2010: Proposed Amendments	4 May 2022
Electricity Industry Amendment Bill: Approval for Introduction	20 September 2021
Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2021	3 December 2021
Electricity Price Review: Final Report	21 May 2019
Electricity Price Review: Government Response to Final Report	3 October 2019

Document	Publication date
Electricity Price Review: Government Response to Final Report DEV-19-MIN-0264 Minute	3 October 2019
Gas Governance Regulations on Production and Storage Facility Outage Information Disclosure	23 September 2022
Gas Industry Company recommendations: Information disclosure arrangements for gas production and storage facility outages	23 September 2022
Gas (Information Disclosure and Penalties) Amendment Bill: Approval for Introduction	28 May 2020
Implementing the Electricity Price Review: Dashboard	October 2022
Interactive Levelised Cost of Electricity (LCOE) Comparison Tool	15 January 2021
Letter from Hon Megan Woods to Retailer re prompt payment discounts	November 2019
Phase-out of the low fixed charge tariff regulations: Cabinet paper	28 October 2021
Phasing-out low fixed charge tariff regulations: Brochure	September 2021
Price discovery in a renewables-based electricity system: Options paper	2 December 2022
Price discovery in a renewables-based electricity system: Library of options	6 December 2022
Progressing the Electricity Price Review's Recommendations	13 February 2020
Quantitative analysis & compendium of past statistics on energy hardship	24 May 2022
Regulatory Impact Statement: Electricity Compliance Framework	4 May 2022
Regulatory Impact Statement: Phase-out of the low fixed charge tariff regulations	28 October 2021
Renewable energy projects for Māori housing goals, objectives and funding criteria	Unknown
Social retailing: phase one – Problem definition and long-list of options (Concept Consulting report)	December 2022
Social retailing: phase two - Development and evaluation of social retailing options requiring further analysis (Concept Consulting report)	December 2022
Supporting renewable and affordable energy in New Zealand communities	12 August 2022
Quantifying the LFC counterfactual (Concept Consulting report)	6 August 2020
Ministry of Business, Innovation and Employment website	
Defining energy hardship	Accessed 14 April 2023
Electricity Price Review	
Energy Hardship Expert Panel and Reference Group	
Funding round 1 recipients – May 2021	
Funding round 2 recipients – November 2021	
Funding Boost recipients – May 2022	



Document	Publication date
Funding round 3 recipients	
Implementing the Electricity Price Review: Dashboard – October 2022	
Māori and Public Housing Renewable Energy Fund	
Phasing-out low fixed charge tariff regulations	
Progress reporting (SEEC Programme)	
Support available	
Support for Energy Education in Communities Programme	
Ministry of Social Development documents	
The impacts of COVID-19 on one-off hardship assistance	July 2020
Welfare Overhaul work programme update: key priorities and next steps	7 December 2022
Welfare overhaul: Update on progress and long-term plan	19 December 2019
Welfare overhaul: Work programme update 2021	8 November 2021
Ministerial press release	
Government gives households extra help to reduce their power bills	7 May 2021
More energy saving advice to hit home thanks to government funding	17 November 2021
Power bill changes bring fairness to charges	17 November 2021
New Zealand Parliament documents	
Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004	1 April 2023
Electricity Industry Amendment Act 2022	31 August 2022



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