

Media Release: Commerce Commission draft decision on line charges

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Consumers must brace for sharp rise in power bills if Commerce Commission draft decision confirmed

The Commerce Commission is urged to carefully consider all the alternatives before confirming its draft decision on transmission and power line charges which would see power bills increase on average by \$15 a month from next April.

"Consumers are already feeling the pain of rising electricity costs and for power bills to rise further will only further squeeze household budgets," said Deborah Hart, Chair of the Consumer Advocacy Council.

"High inflation, the phased removal of the low fixed user fees and problems with the wholesale electricity market are already driving prices higher. The removal of the low fixed user charges have to date added 90 cents a day to electricity bills for those on these plans.

"Today's draft decision raises the prospect of power bills rising on average by at least \$15 a month from next April, with the prospect of further increases on top of that in the following years.

"We know people are struggling now. MBIE's 2022 research found that 110,000 households already cannot afford to heat their homes."

The 2023 Consumer Advocacy Council Sentiment Survey indicated 72% of residential consumers and 62% of small businesses were already concerned that electricity would become unaffordable for some. 65% of households were concerned about the cost of electricity.

"We will be advocating strongly for households and small businesses that we need to urgently do everything possible to ensure we innovate and embrace efficiencies so we don't always rely on investing in expensive infrastructure."

The Consumer Advocacy Council will be making a submission and urged New Zealanders to do the same.

"Consumers understand that we need to build infrastructure to electrify and maintain the electricity network, but fear that we will have a beautiful electricity system that increasing numbers of New Zealanders won't be able to afford.

"We will look closely at the justification for the proposed increases on behalf of consumers," said Deborah Hart.