



# **ELECTRICITY PRICE REVIEW**

**SUBMISSION FORM**

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**People powered wellbeing, together**

PO Box 648, Cambridge, 3420 | 027 655 8812 | [www.communityenergy.org.nz](http://www.communityenergy.org.nz)

## How to have your say

We are seeking submissions from the public and industry on our first report into the state of the electricity sector. The report contains a series of questions, which are listed in this form in the order in which they appear. You are free to answer some or all of them.

Where possible, please include evidence (such as facts, figures or relevant examples) to support your views. Please be sure to focus on the question asked and keep each answer short. There are also boxes for you to summarise your key points on Parts three, four and five of the report – we will use these when publishing a summary of responses. There are also boxes to briefly set out potential solutions to issues and concerns raised in the report, and one box at the end for you to include additional information not covered by the other questions.

We would prefer if you completed this form electronically. (The answer boxes will expand as you write.) You can print the form and write your responses. (In that case, expand the boxes before printing. If you still run out of room, continue your responses on an attached piece of paper, but be sure to label it so we know which question it relates to.)

We may contact you if we need to clarify any aspect of your submission.

Email your submission to [energymarkets@mbie.govt.nz](mailto:energymarkets@mbie.govt.nz) or post it to:

Electricity Price Review

Secretariat, Ministry of Business, Innovation and Employment

15 Stout Street

PO Box 1473

Wellington 6140

### Contact details

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## **Use of information**

We will use your feedback to help us prepare a report to the Government. This second report will recommend improvements to the structure and conduct of the sector, including to the regulatory framework.

We will publish all submissions in PDF form on the website of the Ministry of Business, Innovation and Employment (MBIE), except any material you identify as confidential or that we consider may be defamatory. By making a submission, we consider you have agreed to publication of your submission unless you clearly specify otherwise.

## **Release of information**

Please indicate on the front of your submission whether it contains confidential information and mark the text accordingly. If your submission includes confidential information, please send us a separate public version of the submission.

Please be aware that all information in submissions is subject to the Official Information Act 1982. If we receive an official information request to release confidential parts of a submission, we will contact the submitter when responding to the request.

## **Private information**

The Privacy Act 1993 establishes certain principles regarding the collection, use and disclosure of information about individuals by various agencies, including MBIE. Any personal information in your submission will be used solely to help develop policy advice for this review. Please clearly indicate in your submission whether you want your name to be excluded from any summary of submissions we may publish.

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## Submission

The Community Energy Network (CEN) is made up of 17 members throughout the county who are deeply committed to improving the health and resilience of their communities. Over the past 15 years CEN members have improved more than 110,000 homes, funded primarily through the Warm Up New Zealand (WUNZ) programme run by the Energy Efficiency and Conservation Authority (EECA). CEN members have also been very successful in cultivating long term relationships with community based third party funders who have contributed substantial additional funds towards WUNZ, significantly extending the number of homes insulated. This includes practical, budget friendly solutions to household energy use, founding several curtain banks, as well as emphasising education and behavioural change as co-founders of the highly collaborative Home Performance Advice training programme.

CEN would like to make the following points and recommendations to the Electricity Pricing Review (EPR).

### Energy Hardship

1. The definition used in the report for 'energy hardship' is an inappropriate measure for determining affordability and therefore the real impact of energy hardship. It is noted that Stats NZ has used a number of indicators that provides a significantly better approach.
2. There are many policy positions across multiple Government agencies that have an impact on the outcome for those in energy hardship. The latest discussion is on the development of the Healthy Homes Standards under the recently update Residential Tenancies Act. In discussions with MBIE staff on these Standards it has been mentioned that energy poverty is 'outside the scope' of those Standards as the issue is considerably broader than what can be covered in a rental standard. In that sense, they are correct but that thinking also limits the ability of any policy setting to make any real impact. CEN believes that the EPR should take into account the system impacts of the review and consider adoption of processes accordingly. Such as the point below.
3. That key stakeholders should come together to address energy hardship is supported. This needs to included a cross ministry working party, industry, non-government and consumer organisations. Perhaps the first stage for this work would be to get agreement on the best indicators for energy hardship/fuel poverty. This would then become an important measure for the Living Standards Framework/Wellbeing Budget.

### Affordability

1. Affordability is a measure that again, includes a wide range of issues. At the forefront, this includes the quality of the house with regards to heating performance and thermal envelope. If the EPR is to provide any meaningful impact for the very large part of the population that is unable to maintain a warm dry home affordably, then it must include provision for how the energy sector can support efforts to improve the quality of the homes. It is probably not outside the scope of the review to consider how countries like the UK have structured their sector to allow for this work to be done effectively.

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2. Consider Consumer NZ<sup>1</sup> has recently suggested representation of diversity in consumers: *“Consumers want: fair prices and contract terms; an effective complaints process; penalties for misleading behaviour; better protection for vulnerable consumers; and consumer participation in regulatory processes”*.
3. If ‘effective voice’ is meant to mean that consumers are able to influence policy in the sector then this is most certainly not the case for many consumers. Especially those who are considered vulnerable (low income, mental health, etc). Once you add in the technical nature of ensuring their homes are run as efficiently as possible, then any sort of effective engagement will be minimal.

CEN recommends that the EPR investigate the development of a consumer advocacy group that is representative of the large number of consumers who are currently alienated from the process. This group would be able to fairly influence policy and provide an appropriate communication channel for all stakeholders. In many cases this representation should be able to be maintained at the appropriate level – a national body will have limited impact at the household level.

### Final Comments

1. CEN has been unable to give full attention to the EPR largely due to the submissions on the proposed Healthy Housing Standards, due on Monday 22 Oct, proving to take most available resources. For this reason, we have been unable to provide any sort of detailed comments ourselves (we have read the submission written by Ian McChesney and concur with his detailed assessment however).
2. On the surface, CEN also notes that the impact of Climate Change on the grid as it is currently designed is almost certainly going to be high. This will include the costs of many communities not having access to electricity at all due to storm damage and/or drought. CEN strongly believes that the electricity sector should be working to develop the most resilient system it can and should recognise that in many cases, the most resilient model is based on micro grids. The EPR should therefore reflect this likely future scenario in how it incentivises individuals and communities to support this need for much higher resilience.
3. CEN welcomes the opportunity to engage with the EPR and is more than willing to provide further comments and feedback at any time in the future.

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<sup>1</sup> Jessica Wilson, Consumer NZ quoted in Utilities Disputes:  
[https://www.utilitiesdisputes.co.nz/UD/WhatsHappening/News/2018/Interview\\_with\\_Jessica\\_Wilson,\\_Consumer\\_NZ.aspx](https://www.utilitiesdisputes.co.nz/UD/WhatsHappening/News/2018/Interview_with_Jessica_Wilson,_Consumer_NZ.aspx)