ELECTRICITY PRICE REVIEW

SUBMISSION

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Summary of questions

Part three: Consumers and prices

Consumer interests

1. *What are your views on the assessment of consumers' priorities?*

We agree the consumers priority are;

- **Reliability**
- **Affordability** / Fair Prices
- **Zero carbon generation**, and the resulting lower prices to the consumer also needs to be ranked as a high priority for the Electricity Price Review Report 1 (EPR1) for the following reasons which are aligned with Reliability and Affordability.
    - ***Lower Prices due to increased Renewables (VRE)***
      In countries where large and growing volumes of renewables have been built, in particular solar and wind, this has resulted in lower wholesale, and sometimes negative costs to the market / consumer. This is confirmed in the EPR1 Figure 9 in relation to countries with high penetration of renewables and Impacts of High Variable Renewable Energy Futures on Wholesale Electricity Prices –Steel et a l2018
    - ***Lower Network Costs due to increased EV Penetration***
      When one considers the added volume on distributor networks due to the move to increased off-peak volume from transport electrification, with only modest upgrades to networks, the average transmission cost per KWh can be reduced.
      Modest investment in generation and the charging infrastructure should enable EV penetration – pg.10 The Oxford Institute for Energy Studies – June 2018
    - ***Reliability***
      A higher degree of renewables and electric vehicle and static battery storage will result in a more reliable grid through a number of services including demand side management, voltage stability and frequency keeping.
      Clean vehicles as an enabler for a clean electricity grid 2017
      Jeffery Greenblatt et al – 2017
    - ***Time is of the absolute essence, the climate cannot wait – 2018 IPCC Report***
      The 2018 IPCC reports notes rapid and dramatic emissions reduction are required by 2030 of 45% below 2010 levels.
      While we appreciate the Climate Change Commission is tasked with nationwide emission reduction, the electricity sector is absolutely central to enabling the transition to zero carbon energy, therefore should be considering low carbon generation concurrent to the Climate Change Commission.
      Further, and as noted in the Electricity Price Review First Report (EPR1)*, 44% of households are concerned about the environmental impact of the electricity they used.
      IPCC 2018 Headline Report
      * EPR1, Pg.15, Para.6

2. *What are your views on whether consumers have an effective voice in the electricity sector?*

We do not believe consumers have an effective voice in the electricity sector.

Similarly, independent retailers have carried little weight with the Electricity Authority (EA) and are therefore subject to abnormal and unfair market pressures from incumbent gentailers.

This is reflected in the EPR1 which we substantially agree with on a number of points in particular:

- There is a growing Two Tier gap between consumers who shop around and those that don't. Incumbent retailers are only offering competitive deals to their consumers when they indicate they are switching out and hence undermining the saves and win backs scheme. Consumers therefore are losing their combined voice when incumbents undermine new competition (EPR1 Pg.5, Para.1);

- There is a growing gap between what consumers are paying compared with commercial customers (EPR1 Pg.4, Para.7);

- The electricity market is too confusing for a number of reasons noted in the EPR1, including prompt payment discounts which are hidden in higher electricity prices (EPR1 Pg.5, Para.2 & 3).
  Consumer NZ Energy Providers Survey

3. *What are your views on whether consumers trust the electricity sector to look after their interests?*

In general, we do not believe consumers trust the electricity sector in general to look after their interests for the following reasons;

- A large number of customers wish to move away from gentailers because their prices are not competitive in general, except when a competing offer is made by a competitor.
- Conversely residential consumers are seeing consistently high profits by gentailers while they are struggling to pay the bills.
- The exceptions where we feel they are being heard are through;
    - Consumer NZ
    - Utilities Disputes Commissioner
    - Social Media
- A number of our environmentally conscious customers switch to Ecotricity because they do not trust the electricity sector is moving fast enough to reduce electricity generation emissions from gas, coal and geothermal generation. NZ Electricity emissions

Prices

4. *What are your views on the assessment of the make-up of recent price changes?*

Distribution

It is noted that the bulk of price increases to Residential Consumers is due to increased lines costs between 1990 and 2018, from 1.2 to 7.5 c/kWh. EPR1 Figure 6. We recommend though that these figures should include network dividends to show a more realistic reflection of distribution cost increases.

Overall however we think it is unfair on Residential Consumers to be paying an increasing rate of electricity per kWh, while Commercial customers appear to be paying a decreasing rate over time.

We believe that:

- Distribution costs should be shared more evenly with Commercial and Industrial (C&I) users;
- There needs to be substantial consolidation of distributors from 29 to less than 10 (preferably 5) distributors to get economies of scale and more standardisation of distribution pricing for retailers.

Retailing Margin Increases

It is noted in the EPR1 that retailing residential margin has increased to 3.5 c/kWh in 2018.

However it should be noted that 90% of the customers are supplied by vertically integrated retailers, therefore internal transfer prices are masking the real margins gentailers are making or subsidized using their generation assets.

We discuss this in more detail in the wholesale section of this submission below.

A more worthwhile exercise would be to canvas the profitability of independent retailers and comparing this to gentailer owned retailers. While gentailers continue to announce healthy net profits, the majority of independent retailers are not consistently profitable, if at all, and certainly not to the same extent as gentailers.

Further, we are seeing a number of independent retailers exiting the electricity market in the following segments;

Commercial – Opunake hydro – exited

Commercial – Pioneer Energy – winding down commercial book over time

Commercial – Simply Energy - winding down commercial book over time

Commercial – Others we understand are exiting the commercial market

Residential – We understand a number of independent retailers are either exiting the residential market or potentially will be folding.

5. *What are your views on the assessment of how electricity prices compare internationally?*

New Zealand Expensive Compared to other Renewable Countries

It is no surprise that New Zealand electricity prices, generally speaking are at the lower end of the spectrum when you consider the renewable component of electricity being generated by renewables (65% non thermal renewable + 15% geothermal).

However, when you consider Norway (98% renewable) and Sweden (55% renewable) then electricity in New Zealand is not considered competitive on an international basis.

New Zealand Gentailers operating illegally if operating in the European Union

As noted in more detail in section 12 below, if the Gentailers were operating in the EU, they would be deemed to be operating illegally.

In 1996 the EU introduced directives around unbundling which was formally adopted by all member states between 1998 and 2009, such that generators, suppliers and networks must be completed unbundled from each other, the extant all entrants have the same priced access to the EU electricity market.

6. *What are your views on the outlook for electricity prices?*

Over the medium term, if renewables such as wind and solar are supported in the market, then we expect electricity prices to drop gradually over the next 5 – 15 years.

This is due to the lower long run marginal costs associated with renewables. This has resulted in lower prices in Sweden and Norway which both have reasonable amounts of renewable generation.

Further, with the rise of electric vehicles (EVs) and static batteries which provide a storage medium for further renewable development. EV and static batteries will be able to respond to peak demands and ultimately participate in the wholesale market, therefore decreasing diurnal volatility.

We agree also that charging EVs at off-peak times, incentivized through Time of Use (TOU) pricing, will increase network utilisation and lower average network charges.

However, in the short term, we are seeing extremely volatile and high wholesale prices, because of our reliance on thermal generation, namely gas and gas pipelines and coal which is not as reliable it would appear, as wind, hydro and solar.

Affordability

7. *What are your views on the assessment of the size of the affordability problem?*

We agree there is energy poverty with respect to all forms of energy including electricity. We don't have nationwide statistics available other than those presented in the EPR1, however we are not surprised with those statistics.

We have a limited customer base of 5,000 electricity customers, however we are seeing a number of low income users struggling to pay bills.

We agree there that the size of the affordability issue is large and has grave medical consequences for economically vulnerable customers.

8. *What are your views of the assessment of the causes of the affordability problem?*

We agree with the assessments of the cause of the affordability problem.

We agree is particular that

- Low user tariffs in many cases have increased the cost of electricity to some low income high use households. Network fees therefore have a substantial part to play in the affordability issue.
- Retailers are choosing which customers they take on based on prior credit history and postal codes
- Gentailers are bypassing the intent of Saves and Win-backs and providing better prices only to customers intending to switch, or have a good credit history.
- An inefficient wholesale market that is illiquid, and therefore over inflated in terms of price. As noted in section 12 below, the new Zealand wholesale market would be deemed to be illegal in the European Union.

9. *What are your views of the assessment of the outlook for the affordability problem?*

Unless changes are made to the electricity market, on many levels, these issues will continue to be exacerbated.

Summary of feedback on Part three

10. *Please summarise your key points on Part three.*

Energy poverty is a substantial issue for the **lowest 20%** of household income earners.

Our summation of the main reasons are:

- General cost increases of residential network fees
- More specifically, low user network charges increasing costs to low income large user households
- Wholesale costs not reducing over time because the wholesale market is illiquid and prices are therefore artificially too high
- Wholesale costs not reducing over time as quickly as they should be because not enough renewables are being built
- Incumbent Retailers picking and choosing which customers they take on based previous credit history or postal codes and bypassing the Saves and Win-backs scheme to retain high value customers.

Hence overall low income families are receiving the most expensive overall power costs for all of the above reasons.

Meanwhile, excess profits of $5.4 billion have been made by the gentailers between 2010 and 2016.

Solutions to issues and concerns raised in Part three

11. *Please* briefly describe any potential solutions to the issues and concerns raised in Part three.

The electricity market therefore needs to be structured to support the take up of more cheap renewables such as wind and solar.

Over time the penetration of more renewables will decrease the cost to the consumer as has been seen in other markets, including Sweden, Norway, Germany, Spain and Mexico.

The single largest reason however for residential price increases since 1990 has been the allocation of higher network costs to residential customers, effectively subsidising network costs to commercial customers.

Our suggestions therefore are;

- Abolish Low User network capacity codes
- Standardise TOU pricing to incentivize more off peak consumption
- Consolidate Distributors to increase economies of scale
- Support More Renewables on the Grid – which reduces wholesale costs in the medium to long term as seen in other countries
- Impose a proper Saves and Win-backs scheme which protects new entrant competition and does not allow incumbent retailers which customers they retain or release.

12. *What are your views on the assessment of generation sector performance?*

Corrupt

The electricity generation market, from the perspective of a new entrant to the market over the last four years is nothing short of corrupt.

- Generators are absolutely rigging the Spot market. We have seen an increase, not a decrease in the volatility of the Spot market. It appears not to be following normal supply and demand rules.
- Generators are rigging the ASX forward market. This has had the affect of intimidating new retailer entrants and other participants in the market to the point where small retailers are choosing not to participate on the ASX. Small bids, for example, on the ASX have wild price outcomes, which if the market was liquid, should not be experienced.
- We have experienced on a regular occasion C&I gentailer retail divisions from Contact Energy, Genesis Energy and Mercury in particular, hunting down commercial C&I customers, especially in times of high spot and ASX prices, and undercut the ASX prices in the commercial tender market.

Abysmal

We have noted to the EA on a number occasions over the last 4 years the misbehaviour of the gentailers on a number of occasions but with no outcomes. The complaints have been in relation to the above issues, and Saves and Win-backs. But no real progress or action has been taken against the gentailers by the EA other than establishing Market Design workgroups which appear to have objectives which have been narrowed to the extent where no real change can happen.

We also attach confirmation that both Contact Energy and Meridian Energy have admitted internal transfer prices to their retail businesses which sit below the ASX. Indeed, more recently Contacts CEO Dennis Barnes has noted *"C&I prices have trended to ASX, and have "no margin", he says".* We find it hard to accept the EA sits by while these types of comments have been made in public by listed companies.

Criminal x 2

Thermal generators in particular have been playing the market to the point of stifling new grid based renewable generation on the market, in particular wind. Further there are not the attributes required to support the development of new wind generation in the market. This begs the question, on an international basis there could be reason to argue that not allowing, indeed not supporting, new renewables is criminal.
UN says Climate Genocide is coming
Now that Genesis, the largest thermal generator, has announced a wind farm in perfectly high priced ASX conditions, it is absolutely apparent they were able to skew market prices in their own favour to support their own projects.

When you also consider people are struggling to keep their homes warm and dry in winter, and the resulting medical conditions people are experiencing, this has a direct and negative affect on New Zealands population. Meanwhile, and as noted earlier, $5.4 billion has been extracted from the New Zealand economy in general.

12 Continued

Gentailers would be Illegal – if operating in the European Union

Based on the 1996 EU Directive 96/92/EC all EU member states started to bring the EU directive into law. EU Directive was then put formally enhanced as a legal directive in 2009,

The role of the EU directive / is to separate production, transmission and supply of electricity such that

1. A competitive Energy market is achieved - every retailer should be able to get the same price on the wholesale market under fair competitive rules.

2. Balance between produced electricity and demand – security of supply

3. Generation/storage of electricity must be environmental friendly, efficient, flexible, save, stable etc.

4. Full Unbundling = retailers, generators and transmission must be separated.

More specifically part 24 of the 2009/72/EC Directive reads, *"To ensure that network activities and supply and generation activities throughout the Community remain independent from each other, regulatory authorities should be empowered to refuse certification to transmission system operators that do not comply with the unbundling rules."*

If New Zealand Gentailers were regarded under the EU directive, they would be deemed to be illegal on a number on levels.

We consider the New Zealand wholesale electricity market therefore to be outdated by a minimum of 10 years.

13. *What are your views of the assessment of barriers to competition in the generation sector?*

High Barriers in New Zealand

The barriers to new grid tied generation are very high. Further the ASX maximum available trading period of 3 years is too short to finance large scale renewable projects such as wind, unless you are a gentailer with large scale hydro generation.

A trading period for the ASX needs to be increased to 10 years to allow for renewables development including wind. This has been successful in other markets including Mexico which has attracted large scale and cheaper priced renewable generation.

From experience with Wind Farm Group, gaining Power Purchase agreements from gentailers for new generation is extremely difficult, and priced substantially below the ASX.

This is reflected by the fact that, only a very small percentage, mainly generated by New Zealand Wind Farms, is generated by new independent generators. And those generators, historically have struggled to survive and gain meaningful long term Power Purchase Agreements because gentailers have historically been required to be the counter offtake party and not wanting to support generation competition.

Low Barriers Overseas

However, in Europe, Australia, the US and Mexico, independent generators are able to compete and put new and cheaper generation on the grid as there is a liquid and competitive market to do so.

Overseas, historically 40 – 50% of new generation has been developed independently.

In New Zealand however only a small fraction of new generation has been developed by independent developers, and historically has not been profitable for these developers.

Ironically however, New Zealand companies such as Meridian and Trustpower have been able to compete profitably in Australia to build new independent wind generation.

Why then it should be so hard to do in New Zealand?

The reason, vertical integration of gentailers is precluding both independent generators, and independent retailers from being competitive.

14. *What are your views on whether current arrangements will ensure sufficient new generation to meet demand?*

Wind

Definitely not. Wind will be developed by gentailers, case in point, the only recent new generation announced was by Genesis, and not likely to be by independent developers as noted by John Worth, CEO of New Zealand Wind Farms.

New renewable generation needs to be tendered on an independent basis by the whole market and allowing independent wind developers to enter the generation market.

Solar

Yes, but at a growth rate that may not be able to keep up with demand growth in the short to medium term. Further, solar needs to be supported by increased wind generation during the winter.

Retailing

15. *What are your views on the assessment of retail sector performance?*

Retail in general

Similar to the generation sector, the retail sector is structured in favor of gentailers.

This is reflected in the following realities;

- Independent Electricity retailers are exiting the commercial market because they cannot compete with gentailers
- Some smaller Independent Electricity retailers will either exit the residential market or some will fail in the coming months
- Only 9% of ICP's are with independent retailers, AND
- Only 7% of volume of kWh delivered by independent retailers

Compare this with the telecoms market which has a far higher penetration of independent retailers.

C&I Commercial Retail Market

In the C&I the commercial retail market, it is clear that independent retailers are exiting. The reason for this is simple. As noted in the section 4 above, the gentailers are undercutting the ASX in the commercial market, a minimum 12% of the time as per the EA's own Review of fixed price variable volume commercial offers report. We have asked for the raw data from the EA to be independently reviewed which the EA has declined as we believe the reality is markedly worse especially during low hydro storage periods.

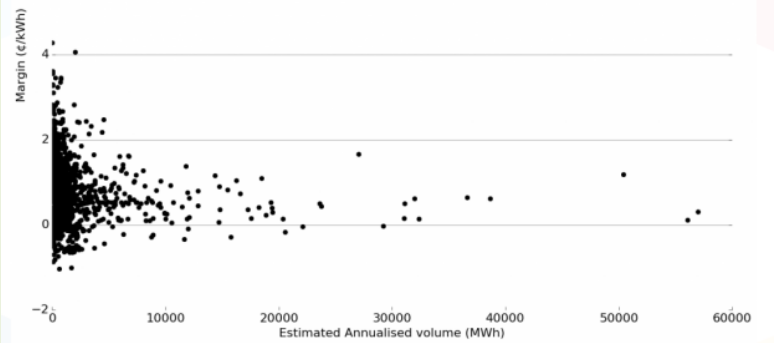
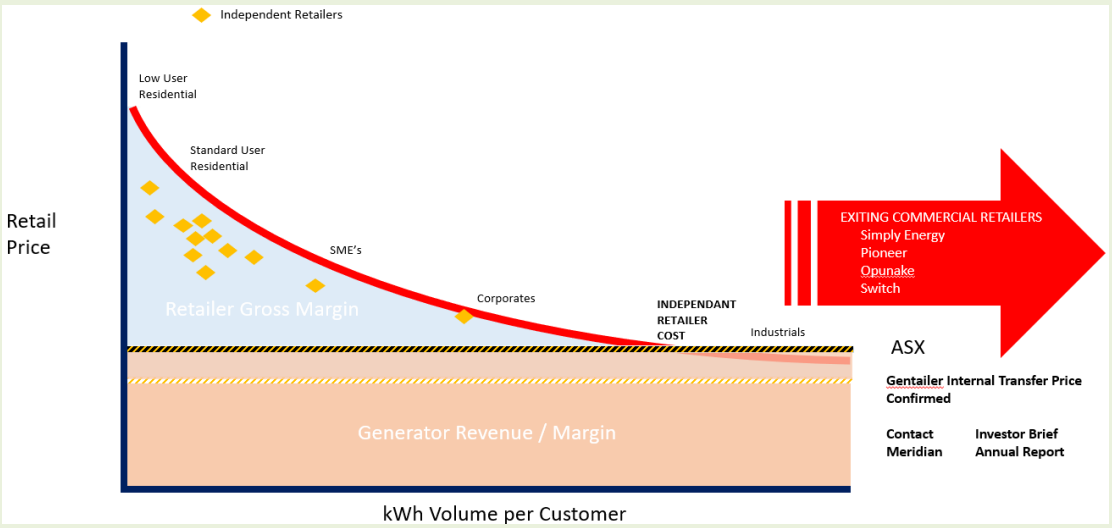


Image from EA report showing number of C&I Contracts in AKL and CHCH only.

Further, when you consider the cost of running a retail business, as noted in EPR1 Figure 17: Retailers Operating Costs, then we would estimate closer to 30 – 40% of C&I commercial offers from gentailers are below cost.



16. *What are your views on the assessment of barriers to competition in retailing?*

There are Massive and we believe now Prohibitive barriers to entry for new electricity retailers.

Gentailers

These barriers are presented mainly by gentailers through anti-competitive behaviors including;

- Illiquid ASX futures market
- Aggressive behaviour circumventing the intention of the in the Saves and Win-scheme
- Undercutting the ASX for C&I Commercial bids

Networks

Networks, more specifically GXP based networks such as Orion and Powerco West are providing barriers to entry for new retailer entrants. GXP network charges are archaic and are subjecting retailers to unnecessary risk which is in turn required to be passed on to customers. It is near impossible for retailers for instance to pass on Orion demand charges for events that occurred 6 months prior.

EA

The Electricity Authority is not responding quickly enough to the above challenges, which have been apparent and highlighted to the EA ….. for over 4 years.

Vertical integration

17. *What are your views on the assessment of vertical integration and the contract market?*

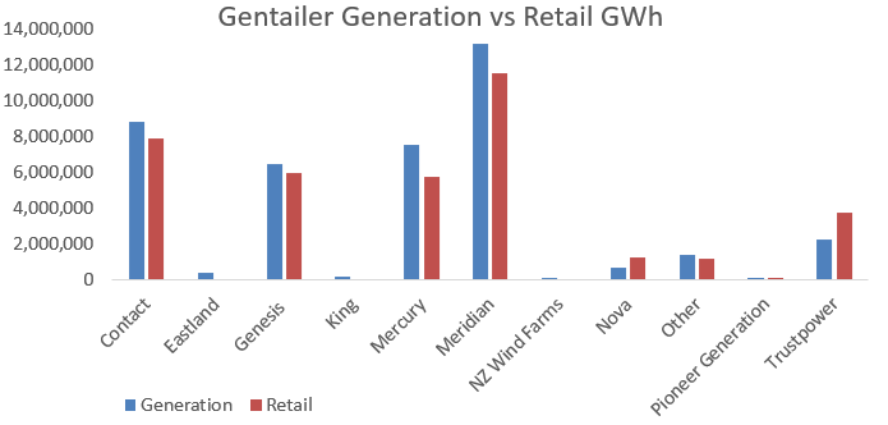
Telecom experience

As was seen in the telecom market some 7 years ago, when Telecom was split into Spark and Chorus, telecom costs to the consumer dropped significantly.

Electricity Market going backwards

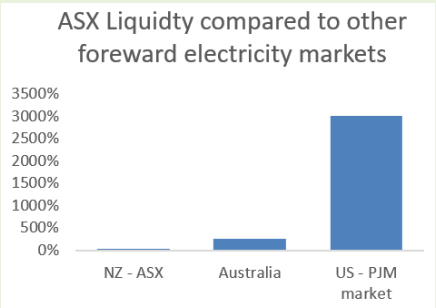
In the electricity market however, prices have continually been edging upwards and competition has largely been muted both in the generation and retailer segments. The net result is the consumer is paying more than they should be for electricity. The amount of vertical integration in the New Zealand market is very evident, as we have noted in the commercial C&I market. But it is also reflective of the difficulty new entrants have in establishing themselves, without generation.

The amount of generation matched to retail in the gentailer market is very evident as shown below. There is a very high correlation between retail and generation.



Further, when you consider the ASX liquidity is a fraction of what it is in comparison to liquidity in other countries, the picture becomes even more apparent. Roughly 20% of New Zealand physicals are traded on the ASX versus, Australia which is closer to 200 – 250% and 3,000% on the PJM US market,

That is factor of difference of 100 to 1 when comparing the NZ market to the PJM market in the US. Note, liquidity, is not a measure of the market size but of the volume traded compared to physical generation.



For the above reasons, gentailers either need to be split up to generation and retail OR they need to be forced to trade a minimum of 250% of their generation on the ASX forward market to make the ASX more liquid.

At the moment, the liquidity of the ASX as also been deteriorating. We understand that independent traders, including Macquarie's have left the ASX market because of the asymmetrical volatility, which is predominantly in favour of the gentailers.

18. ***What are your views on the assessment of generators' and retailers' profits?***

Gentailer profits, in particular compared to the lack of substantial profits from independent retailers, is further evidence cross subsidization (vertical integration) between gentailers and their retail operations is occurring.

Transmission

19. *What are your views on the process, timing and fairness aspects of the transmission pricing methodology?*

All Ecotricity purchases are hedged through Pioneer Generation so we are not exposed to transmission pricing methodology.

Distribution

20. *What are your views on the assessment of distributors' profits?*

Distributors are regulated monopolies and hence their returns are largely managed by the Commerce Commission.

Distributors are however responsible for a large proportion of the cost increases in the electricity market.

We have no view on the distributor profits, however, as noted in the section below, there are a number of inefficiencies in the distributor market that need to be addressed.

21. *What are your views on the assessment of barriers to greater efficiency for distributors?*

The distributor sector of the market has provided for a large number of inefficienes in the following forms;

- Inconsistent charging regimes between networks
- Inconsistent reporting requirements between networks
- Increasing costs being passed onto the retailer / consumer
- There are simply too many distributors for the size of the New Zealand market to be efficient.

All these items above add up to further costs that need to be passed on to the consumer.

Our view, as a retailer, is that many distributors may be difficult to change in terms of shareholding because of their trust ownership structures. However, the reality is that there are families that are struggling, and health is being compromised, because of the cost of electricity the consumer has to pay is too high.

The question therefore needs to be asked. Who are the trusts truly serving by being inefficient and making it too expensive for consumers in New Zealand?

22. *What are your views on the assessment of the allocation of distribution costs?*

Our views are that residential consumers are paying too much proportionally for the cost of delivery of electricity compared to commercial operations.

23. *What are your views on the assessment of challenges facing electricity distribution?*

The challenges distributors are facing;

- Costs are too high for residential consumers
- There are too many of them, economies of scale are needed in the sector
- Many are not responding to new technological challenges including solar and batteries, and if not careful, will become irrelevant to the average consumer. This potentially presents itself as another two tier system for consumers and creating more social inequity.

Summary of feedback on Part four

24. *Please summarise your key points on Part four.*

New Zealand consumers and business are paying dearly for a vertically integrated gentailer market.

Competition in the retail and generation markets is very limited compared to other industries in New Zealand and falls well below benchmarks of other electricity markets around the globe, providing for higher barriers to entry.

Gentailers are not competing on the same footing as independent retailers, nor independent generators.

The distribution sector has provided the biggest increase in electricity pricing, in particular for residential consumers. There are too many distributors for the size of the New Zealand market, and lacks economies of scale. Further, different capacity codes that retailers are expected to provision for are a barrier to entry for new retailers.

Solutions to issues and concerns raised in Part four

25. Please briefly describe any potential solutions to the issues and concerns raised in Part four.

There are a number of solutions we have been proposing to the EA in response the above issues raised;

- Increase liquidity on the ASX through either through:
  - Separation of generation and retail business OR
  - Force gentailers to trade a minimum 250% of their generation to be offered to the forward market.
- Increase the length of tradeable futures on the ASX from 3 to 10 years to support the development of new renewable generation.
- Consolidation of distributors to increases economies of scale and reduce the number of capacity codes nationwide.
- Review Saves and Win-backs to support greater and fairer retail competition.

Part five: Technology and regulation

Technology

26. *What are your views on the assessment of the impact of technology on consumers and the electricity industry?*

We agree with the findings of the EPR1.

27. *What are you views on the assessment of the impact of technology on pricing mechanisms and the fairness of prices?*

We feel strongly that the cost of energy will reduce over time for all consumers because of technology and renewables which will, over time, have a downward pressure on fairness of prices.

28. *What are your views on how emerging technology will affect security of supply, resilience and prices?*

Security of supply will increase over time for the following reasons;

- More static battery storage will reduce peaks
- More EV's with demand side management and vehicle to grid
- More solar and wind generation increase the reliability of renewable generation, currently dominated by hydro
- Less reliance on large thermal plant, such as Huntly and single gas fields / lines such as Pohokura will also increase grid resilience and also drop wholesale costs. The market is currently experiencing this impact on the wholesale prices.

Regulation

29. *What are your views on the assessment of the place of environmental sustainability and fairness in the regulatory system?*

Extremely important.

The electricity grid is the most influential lever New Zealand can use to decarbonize the energy sector.

Currently the ASX and spot markets supports incorrectly **higher prices** for thermal and high emission technologies such as coal and gas.

For this reason, it is absolutely imperative the regulatory system and all markets including the ASX, and spot market, are designed to support **lower cost** renewables as a priority and through longer term hedge markets.

30. *What are your views on the assessment of low fixed charge tariff regulations?*

We believe low user fixed charges should be replaced with single user based tariffs with a single higher daily charge and lower KWh usage charges so lower income families can heat their homes for the same cost.

31. *What are your views on the assessment of gaps or overlaps between the regulators?*

We have no views on regulators other than to say the EA has been ineffective in bringing about change that has been for the benefit of competition and the consumer.

32. *What are your views on the assessment of whether the regulatory framework and regulators' workplans enable new technologies and business models to emerge?*

New technologies will emerge regardless, and the regulations should be abreast of those technologies in advance.

However, **as a priority**, the EA should be focusing its efforts on correcting the existing market structure, namely ASX liquidity, Spot price fixing, Save and Win-backs and simplifying the distributor segment.

33. *What are your views on the assessment of other matters for the regulatory framework?*

As noted earlier in this submission, we think the EA has performed abysmally with regards to ASX liquidity, Spot price fixing, and anti-competitive behaviour of the gentailers including undercutting the ASX for commercial customers, and residential Saves and Win-backs.

These are issues that have been made apparent to the EA now for over 4 years, and yet we are in the same position when these issues were raised with the EA …. 4 years later.

Summary of feedback on Part five

34. *Please summarise your key points on Part five*.

As noted above, the EA's performance on correcting anticompetitive behaviour from the gentailers in general has been abysmal.

Solutions to issues and concerns raised in Part five

35. *Please briefly describe any potential solutions to the issues and concerns raised in Part five.*

As we have noted to the EA on a number of occasions and in the previous section above, the changes can largely be made within the existing regulatory framework and is done in many other jurisdictions other:

- Increase liquidity on the ASX through either
  - Separation of generation and retail business OR
  - Force gentailers to trade a minimum 250% of their generation to be offered to the forward market.

- Increase the length of tradeable futures on the ASX from 3 to 10 years to support the development of new renewable generation.

- Consolidation of distributors to increases economies of scale and reduce the number of capacity codes nationwide.

- Support Saves and Win-backs to support greater retail competition.

Additional information

36. *Please briefly provide any additional information or comment you would like to include in your submission.*

It is time for change.

The changes recommended in this submission will not only reduce the cost to New Zealand consumers, but will play a massive part in reducing New Zealand's energy emissions.