

**From:** energymarkets@mbie.govt.nz  
**To:** [Energy Markets](#)  
**Subject:** Electricity Price Review submission  
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**Region**

Canterbury

**Category**

Consumers, Consumer Groups and Advocates

**Do you accept these terms & conditions?**

Yes

**A1. Establish a consumer advisory council**

Agree in principle and in practice

**A2. Ensure regulators listen to consumers**

Agree in principle and practice but process of setting out the consultation process should be more, far more, than using the 1-10 agree/support/disagree system which simply averages and is meaningless relating to consumer satisfaction.

**B1. Establish a cross-sector energy hardship group**

who will comprise the group? What are the processes, if any, to ensure those affected i.e. the poor, are represented, as generally low socio/economic sectors do not have the time/energy to put forward their views. They are mostly trying to keep warm in straitened economic circumstances.

**B2. Define energy hardship**

Energy hardship is when a family has such outgoings in other areas such as rental, food and transport costs consume the majority of the family, income with the result that the family, even if they are provided with adequate heat source systems - heat pump, wood burner, gas heater etc - cannot afford to run them.

**B3. Establish a network of community-level support services to help consumers in energy hardship**

Community-level support services simply do not succeed in assisting those with energy pricing hardship issues. It must be a much more radical change rather than tinkering round the edges which appears to be the direction the electricity commission is heading. An example of radical change would be to end the exploitation of low use energy consumers in the form of the higher daily rate presently in place which subsidises the higher use consumers which is morally repugnant.

A second radical change would be to introduce a low price regime of perhaps the first 300 kwh being at a substantially lower hourly rate for all consumers and raise

the average consumer usage rate, presently about 8000 per annum to an equivalent amount, thus making the change fiscally neutral.

I repeat: relying on community-level support services is simply tinkering and overall of minimal value.

**B4. Set up a fund to help households in energy hardship become more energy efficient**

It is not clear how this (a fund) would benefit over and above the insulation subsidies which have already been widely available. Such a fund would also have the effect of lessening or removing entirely the responsibility of landlords to properly maintain their rental properties.

**B5. Offer extra financial support for households in energy hardship**

Refer to comments already set put in B3. Special financial extra financial support is generally mired in the bureaucratic hoops poor households must jump through to obtain additional financial support and it is in the nature of special financial support that WINZ and universally disinclined yo make the extra support permanent or semi-permanent. A more efficient and equitable way would to use the Community Services Card system to focus on those in need.

**B6. Set mandatory minimum standards to protect vulnerable and medically dependent consumers**

Some power companies already compile lists of consumers who can be categorised as 'vulnerable' or 'medically dependent' but system as presently run is of a varying standard, hence should be standardised and mandatory.

**B7. Prohibit prompt payment discounts but allow reasonable late payment fees**

It is my understanding that prompt payments are being progressively eliminated but such a more should be a standard and compulsory as such discounts are discriminatory in that they subsidise the wealthy.

**B8. Seek bulk deals for social housing and/or Work and Income clients**

This concept goes beyond what is socially healthy as it suggests the general inability of the poor and socially disadvantaged cannot manage their finances, which is insulting. Generally poor families are very good money managers. The problem is they simply do not have an adequate, living income.

**C1. Make it easier for consumers to shop around**

It is already easy to shop around. The problem essentially is there is little real price competition and where there is it is generally a temporary price improvement as retailers are well-practised in the raising of prices once a new customer has been signed up

**C2. Include information on power bills to help consumers switch retailer or resolve billing disputes**

Tinkering as a very weak defence. If the Commission wanted to provide assistance relating to dispute they would introduce a level on all retailers with a call waiting time of more than 5 minutes.

**C3. Make it easier to access electricity usage data**

Consumer beneficial smart meters should have been compulsory years ago. Presently they are solely of retailer-benefit and offer no improved service, financially or otherwise for the consumer.

**C4. Make distributors offer retailers standard terms for network access**

No comment

**C5. Prohibit win-backs**

Much like consumer loyalty rewards they offer no real benefit to the consumer.  
Eliminate them

**C6. Help non-switching consumers find better deals**

Support is generally adequate at present. The real problem is that the present system remains skewed in the retailers' advantage.

**C7. Introduce retail price caps**

Refer to my comments in B3.

**D1. Toughen rules on disclosing wholesale market information**

There does seem to be some price gouging, justified by dubious reasons which are on the surface not reasonable. More clarity is certainly overdue.

**D2. Introduce mandatory market-making obligations**

Absolutely!!!!

**D3. Make generator-retailers release information about the profitability of their retailing activities**

The real and underlying problem, which has existed since the beginning of the profit and competition driven era is that there was never any challenge to those companies' own assessment of original financial worth of the companies. I believe the horse has bolted on this issue.

**D4. Monitor contract prices and generation costs more closely**

The prices and generation costs are available but the average consumer has to dig too deeply to find them.

**D5. Prohibit vertically integrated companies**

Prohibit them if there is no clear consumer advantage resulting in lower retail prices but vertically integrated companies should be properly investigated for any consumer benefit before outlawing them

**E1. Issue a government policy statement on transmission pricing**

Not sure it would be of any real benefit

**E2. Issue a government policy statement on distribution pricing**

Needs looking at as at present there are anomalies and inconsistencies, specifically the closeness of the generating system relating to the charging regime

**E3. Regulate distribution cost allocation principles**

Not sure about regulation but there does seem inconsistencies in that existing customers appear to be paying twice when new and extended supply networks are added for new residential and commercial/industrial developments.

**E4. Limit price shocks from distribution price increases**

Certainly there should be no shock price rises as such issues should have been written into a company's financial record.

**E5. Phase out low fixed charge tariff regulations**

Dealt with earlier

**E6. Ensure access to smart meter data on reasonable terms**

Dealt with earlier. Smart meters must be financially beneficial for consumers, not

simply for company benefit as they are now.

**E7. Strengthen the Commerce Commission's powers to regulate distributors' performance**

Not sure this would be of any help for the consumer as the Commission's attitude remains a 'once over lightly' philosophy.

**E8. Require smaller distributors to amalgamate**

No unless they are price gouging.

**E9. Lower Transpower and distributors' asset values and rates of return**

Commented earlier. The original asset values always seemed to me to "pick and amount and double it with now proper financial justification. I always thought the valuation of the assets relating to the Roxburgh power station were scurrilously over-valued.

**F1. Give the Electricity Authority clearer, more flexible powers to regulate network access for distributed energy services**

Not until proper and clear management principle have been set out. As I have said earlier the present Board is content to tinker.

**F2. Transfer the Electricity Authority's transmission and distribution-related regulatory functions to the Commerce Commission**

Can't think that this would help in the present culture.

**F3. Give regulators environmental and fairness goals**

Difficulty is in the definition of fairness.

**F4. Allow Electricity Authority decisions to be appealed on their merits**

Unconditionally YES

**F5. Update the Electricity Authority's compliance framework and strengthen its information-gathering powers**

No view

**F6. Establish an electricity and gas regulator**

Probably bureaucratic overkill

**G1. Set up a fund to encourage more innovation**

It reeks of more bureaucracy.....

**G2. Examine security and resilience of electricity supply**

I thought this is what the review is all about!!!!!!!!!!!!!!!!!!!!!!

**G3. Encourage more co-ordination among agencies**

I am surprised there is not proper inter-agency already

**G4. Improve the energy efficiency of new and existing buildings**

Isn't that a no-brainer!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!