From: energymarkets@mbie.govt.nz

To: <u>Energy Markets</u>

Subject: Electricity Price Review submission

Date: Wednesday, 20 February 2019 10:17:03 p.m.

Name (full)

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Email



Contact number

Region

Northland

Category

Consumers, Consumer Groups and Advocates

Do you accept these terms & conditions?

Yes

A1. Establish a new consumer advisory council

Undecided about the efficacy of consumer advisory councils and have no relevant research to suggest the advantages or benefits to consumers.

A2. Ensure regulators listen to consumers

Yes. What is the point of establishing consumer participation if the regulator does not have to take on board any feedback.

B1. Establish a cross-sector energy hardship group

Undecided. The objectives of a cross-sector energy hardship group are unclear.

B2. Define energy hardship

The report, "Options for assisting customers in energy hardship", prepared for the Electricity Networks Association in 2017, states a clear definition of energy hardship:

"Households that cannot afford the minimum energy required to maintain a healthy home, that is to heat their home environment adequately, and to maintain other basic energy services such as hot water, lighting and electricity for essential equipment."

Why reinvent the wheel?

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

This network of support services already exists in the many budgeting services, social services provided through community organisations e.g. Salvation Army, Urban Maori Authorities etc.

Fine tune these services; budgeting is not the problem, not enough money is the problem,

perpetuated by trans-generation template of no education, long-term and career beneficiaries supported by a low-wage economy. Financial literacy is key.

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

Funds are readily available through Electricity Companies for people/whanau experiencing hardship.

B5. Offer extra financial support for households in energy hardship

No.

Throwing more money after bad is neither practical nor intelligent.

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

No. Mandatory minimum standards for education is a better proposition for long-term benefits.

Essential equipment for medically dependent customers could be built into a healthcare treatment plan/package and funded through hundreds of millions profited through ACC.

B7. Prohibit prompt payment discounts but allow reasonable late payment fees No.

Discriminating against and punishing people that can afford to pay their energy bill on time will do nothing to benefit energy hardship households.

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

C1. Make it easier for consumers to shop around

This facility is available already.

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

Yes.

C3. Make it easier to access electricity usage data

Electricity companies should provide online access to account usage details.

C4. Make distributors offer retailers standard terms for network access

Yes

C5. Prohibit win-backs

No.

Win backs promote healthy competition.

C6. Help non-switching consumers find better deals

This information is available already.

C7. Introduce retail price caps

Yes

D1. Toughen rules on disclosing wholesale market information

Agree

- D2. Introduce mandatory market-making obligations
- D3. Make generator-retailers release information about the profitability of their retailing activities
- D4. Monitor contract prices and generation costs more closely
- D5. Prohibit vertically integrated companies
- E1. Issue a government policy statement on transmission pricing
- E2. Issue a government policy statement on distribution pricing
- E3. Limit price shocks from distribution price increases
- E4. Phase out low fixed charge tariff regulations
- E5. Ensure access to smart meter data on reasonable terms
- **E6. Strengthen the Commerce Commission's powers to regulate distributors'** performance
- E7. Make more information available to beneficiaries of energy trusts

To what end? Information is at the fingertips of anyone with a laptop.

- E8. Require smaller distributors to amalgamate
- E9. Lower Transpower and distributors' asset values and rates of return
- F1. Give the Electricity Authority clearer, more flexible powers to regulate network access for distributed energy services
- F2. Transfer the Electricity Authority's transmission and distribution-related regulatory functions to the Commerce Commission
- F3. Give regulators environmental and fairness goals
- F4. Allow Electricity Authority decisions to be appealed on their merits
- F5. Update the Electricity Authority's compliance framework and strengthen its information-gathering powers
- F6. Establish an electricity and gas regulator
- **G1.** Set up a fund to encourage more innovation Agree.
- **G2.** Examine security and resilience of electricity supply Agree.
- **G3.** Encourage more co-ordination among agencies Agree.
- **G4.** Improve the energy efficiency of new and existing buildings Agree