

**From:** energymarkets@mbie.govt.nz  
**To:** [Energy Markets](#)  
**Subject:** Electricity Price Review submission  
**Date:** Wednesday, 20 March 2019 1:07:21 a.m.

---

**Name (full)**

Bern Sommerfeld

**Company (if applicable)**

Grey Power NZ Federation Inc

**Email**

9(2)(a)

**Contact number**

9(2)(a)

**Region**

Canterbury

**Category**

Consumers, Consumer Groups and Advocates

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

Yes

**A1. Establish a consumer advisory council**

Agree - Grey Power believes that consumers voices need to be strengthened and a consumer advisory council may provide more direct influence over decisions that affect their electricity supply

**A2. Ensure regulators listen to consumers**

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

Grey Power agrees that a cross-sector energy hardship group is a useful suggestion because as the options discussion paper states hardship is a cross-sector issue

**B2. Define energy hardship**

Grey Power agrees that without a clear definition of energy hardship, measurement is difficult. And that the cross-sector group should play a key role in this work as part of the Living standards Frame-work = well-beings.

We believe that Stats NZ energy hardship indicators do in a simplified way inform that households that cannot afford to heat their homes adequately, or afford other basic energy services such as sufficient hot water or heating are in energy hardship.

[http://archive.stats.govt.nz/browse\\_for\\_stats/people\\_and\\_communities/Households/energy-hardship-report.aspx](http://archive.stats.govt.nz/browse_for_stats/people_and_communities/Households/energy-hardship-report.aspx)

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

Grey Power agrees with the sentiments in the options paper and believes that a network of community-level support services to help consumers would provide the information and expertise to assist vulnerable people suffering energy hardship and other hardships

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

Grey Power agrees with this option because some our members tell us that the barriers mentioned in the options papers are very real for them.

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

Grey Power agrees that there should be extra financial assistance for households experiencing energy hardship and this should be provided by Government, however, we believe that this support should be easily accessible to those in need and not require an in-

depth involvement with Work and Income.

We know that many superannuitants will not ask for assistance but will 'suffer in silence.'

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

Grey Power agrees with mandatory minimum standards because as stated in the options document not all entities will adhere to voluntary standards.

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

Grey Power agrees because it has long been a change that we have wanted

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

Grey Power agrees - we consider, as stated in the options document that 'there is merit in government agencies exploring bulk power deals, and work in this area should continue.'

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

Grey Power agrees - easier access to information etc. so consumers can shop around may help energy hardship

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

Grey Power agrees - see C1.

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

Grey Power agrees for the reasons stated in the options document

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

Grey Power agrees for the reasons stated in the options document

**C5. Prohibit win-backs**

Grey Power agrees for the reasons stated in the options document - in the interests of fairness to loyal customers etc.

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

Grey Power agrees - we note that in the UK trial, mentioned in the options paper, almost a quarter of those who switched were over 75. We would suggest that some people in the age cohort 75 years-old and over find it very difficult to go through the process of switching retailers. Therefore any assistance would be valuable

**C7. Introduce retail price caps**

Grey Power disagrees with this option for the reasons stated in the options paper

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

Grey Power agrees - disclosure rules are necessary for a robust market to ensure that the domestic consumer is supplied with affordable power

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

Grey Power agrees as an interim measure with an incentives-based scheme as the final aim.

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

Grey Power agrees because we believe in consistency and transparency in all commercial dealings

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

Grey Power agrees with more closely monitored contract prices and generation costs because excessive costs may increase energy hardship

**D5. Prohibit vertically integrated companies**

Grey Power is not sure about the advantages and disadvantages of separating generation and retailing

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

Grey Power agrees - the Electricity Authority is mainly concerned with efficiency and consumer protection

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

Grey Power agrees because affordability for customers through minimizing price shocks etc. is fundamental to easing energy hardship

**E3. Regulate distribution cost allocation principles**

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

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

Grey Power disagrees with this option – the low fixed charge tariff if phased out will exacerbate energy hardship – no viable alternative has been proposed.

When it was introduced in 2004 the Government of the day perceived that it fitted a need.

The well-being of the domestic consumer is paramount and this requires affordably supplied electricity if energy hardship is to be avoided. When a viable, affordable alternative is proposed we will give due consideration to it.

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

Grey Power agrees

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

Grey Power agrees provided the Commerce Commission is adequately resourced to carry out expanded functions

**E8. Require smaller distributors to amalgamate**

Grey Power does not favour amalgamations, especially legislatively imposed ones, for the following reasons - some trust-owned distributors clearly value the close connection to their communities and fear an ownership change would lead to higher prices or lower service. And overseas research discloses that local residents believe that community ownership is important because it can, to a certain degree, allow more public participation and permit local agencies to serve vulnerable people in an effective yet compassionate manner, provide more control of the environment e.g. conserving precious resources and so on. [http://www.ijhssnet.com/journals/Vol\\_1\\_No\\_18\\_Special\\_Issue/16.pdf](http://www.ijhssnet.com/journals/Vol_1_No_18_Special_Issue/16.pdf)

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

Grey Power disagrees because if there is an over-valuation of the existing asset how would the over-payment by consumers be paid out?

The rate of return of distribution companies and Transpower returns needs to be examined by the Commerce Commission in 2019 terms.

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

Grey Power agrees however the flexibility approach needs more definition and developments that can provide affordability and well-being to the consumer.

Both the Electricity Authority and the Commerce Commission should work in a cooperative manner to ensure lower electricity prices for the consumer and small business

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

Grey Power disagrees with this option because the retention of the Electricity Authority with the amendments to the Electricity Industry Act will ensure a reduction in energy hardship

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

Grey Power agrees that the Electricity Authority should be given a consumer protection function.

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

Grey Power agrees because the right of appeal is a democratic right in NZ

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

Grey Power agrees with this option

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

No answer

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

Grey Power agrees because we are in favour of research and development for examining technology that has yet to be proved as environmental and economically viable for our country. Our universities could be obtain research grants funded by Regional Development Grants. Private enterprise could also be assisted by the Regional Development Grants (Hirangi Energy hydrogen development.)

In the mid 1980s considerable development and research was made into biogas for transport. For private enterprise engaged in innovation energy research, tax incentives would assist.

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

Grey Power agrees - the resilience of the electricity system needs to be considered, because some of the hydro schemes such as the Waitaki Scheme which was constructed in the 1960s and the Waitaki Dam in the late 1930s are ageing.

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

Grey Power agrees - more coordination is essential to ensure that communication does not occur in isolation, as the options paper states more coordinated action among a range of agencies, not solely energy regulators is required.

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

Grey Power agrees that improving the energy efficiency of both new and existing buildings should be given a high priority,