

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

Manawatu-Whanganui

**Category**

Distribution Companies and Associations, Trusts, Transpower

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

Yes

**A1. Establish a consumer advisory council**

The Taumarunui Residents' & Ratepayers' Association is very in favour of strengthening the consumers' voice with a Consumer Council. Such a council should be made up of those that have been fighting the power issue in their personal capacity with their own funds, because it is those people who are the ones that are passionate enough to make a difference and are willing to hold the industry to account, because they have skin in the game and have taken the time to study the issues so as to be able to make informed decisions. The Taumarunui Residents' & Ratepayers' Association is therefor more than willing to assist the government in helping those with energy hardship find the retailer that best suits their needs and educating the people in the Ruapehu how it all works and what to consider when lucrative power deals are dangled in front of their noses. We had an 81 year old kuia that went for such a deal just to find out later that the deal was harming and not helping her. But because she didn't have the skills to know, she made a pretty significant mistake. We helped her to get back on track and now she's well able to pay her bills again.

**A2. Ensure regulators listen to consumers**

We support that regulators listen to consumers. That has been a massive problem in the past. It will be interesting to see how you plan to enforce that.

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

We support all points and hope energy hardship is finally taken seriously. The pain out there is real and I invite politicians to come and spend a few nights in a poorly insulated home in Winter. A reporter from The Hui was shocked how cold and damp these homes are in Winter, especially in Ruapehu & Turangi. So getting this sorted is a Number 1 priority for the government. And please don't forget the tens of thousands of households that have already been disconnected. They have to be reconnected too and given the means to pay their bills by automatic payment, before they get their benefit in-hand. As some are addicted to drugs and alcohol, it is better that it not be left up to them to pay their power bills.

**B2. Define energy hardship**

Families switching of necessity heating in order to pay bills

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

Offer solar energy. Gas calorific would be better and cost less.

**B4. Set up a fund to help households in energy hardship become more energy efficient****B5. Offer extra financial support for households in energy hardship****B6. Set mandatory minimum standards to protect vulnerable and medically dependent consumers****B7. Prohibit prompt payment discounts but allow reasonable late payment fees****B8. Seek bulk deals for social housing and/or Work and Income clients****C1. Make it easier for consumers to shop around**

We support all the points and would like to add that something really has to be done about the generators, because they are reducing competition by having so much control over electricity prices. The generators of power should be separate from the retailers. As 3 of the 5 are owned by the government and generate 60% (see EA website, p29 of "Electricity in NZ") of NZ's power, between the 3 of them, the government really should be doing better, because it is the government who is responsible for power being so expensive in NZ. The other two only generate 29% in total. Less power in the hands of more people always creates a fairer outcome. All-power in the hands of a few leads to trouble every time. One of the smaller retailers have expressed concern that with the recent spike in spot prices they will have no choice but to hike their prices, because it had reached a point where they could no longer carry the cost. The whole point of the EPR is to cause prices to come down, not go up. As a result we've seen four smaller retailers fold (see recent Radio NZ interview with Miriam Dean, Chairperson of the Expert Advisory Panel of the EPR). We feel the whole way the industry is now modelled is for private company shareholders and not the best interest of all Kiwis.

**C2. Include information on power bills to help consumers switch retailer or resolve billing disputes****C3. Make it easier to access electricity usage data****C4. Make distributors offer retailers standard terms for network access****C5. Prohibit win-backs****C6. Help non-switching consumers find better deals****C7. Introduce retail price caps****D1. Toughen rules on disclosing wholesale market information****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**

Rt. Hon. Winston Peters told Taumarunui that the amalgamation of lines companies had to happen because there were too many of them. Nowhere in the world are there so many compared to land mass. Why here? We don't have an issue where the lines component of the total bill is around 26%, which the ENA, which represents lines companies say it should be. But if people are paying up to 75% for lines alone before they've even used power, something is very wrong. In the King Country this is happening. We have been calling for a totally independent from

MBIE / the government / the power industry, forensic investigation into the efficiency of The Lines Company and a raft of valid concerns consumers have regarding spiking asset valuations, poles claimed, a top heavy management structure, overcharging, major billing issues, access to information, where the network maintenance was supposed to be and where it is now, how much power is lost on a poorly maintained network, etc. We call again for this investigation, because something is wrong if a business that represents 1% of the industry receives 35% of the complaints. Something is wrong when Rt. Honourable Peters states Taumarunui is being ripped off and yet the government does nothing to investigate these claims. This government seems to knee-jerk on a lot of issues overnight, but when it comes to an issue that's been ongoing for 11 years and is negatively affecting the health and well-being of its people to the point where 1600 elderly and 15 of our tamariki are dying every year, largely due to damp homes in NZ ( Minister Phil Twyford ) something is horribly wrong! Yes, our people don't have the money to heat up their homes sufficiently during Winter to keep the black mould from growing and to keep it dry. Many have no heating at all. Our Prime Minister talks about child poverty, yet she does nothing in an area where child poverty is rife! What about our elderly, where some are using their food money to pay for power? This is a disgrace!

We also believe the people of the King Country are being discriminated against and therefor our human rights are being violated. Nowhere in the country do residents receive two bills. Why only in the King Country? In 11 years we still have not received a decent answer for this discrimination.

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

**E3. Regulate distribution cost allocation principles**

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

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

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

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

**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**

F. Why not have one body regulating the power industry, because from what we can see two has clearly not been working. The result has been some of the highest power prices in the OECD. So clearly something is very wrong with all the loopholes not being closed.

We also believe fairness needs to re-enter the vocabulary of our so-called regulators. The previous EA CEO said on Maori television that "fairness is in the eye of the beholder". Well now it needs to be put back into legislation, because we have clearly lost the plot when it comes to that.

On the MBIE website under the EPR it says: The Electricity Price Review is investigating whether the current electricity market delivers a fair and equitable price to consumers. Well that's a move in the right direction. Now let's get it into legislation so our regulators can enforce it to protect our citizens.

**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**

Although we support the low carbon initiatives around the globe we feel that Kiwis are already punching well above our weight in this regard in the energy sector.

82% of energy for electricity generation is from renewable sources, making New Zealand one of the lowest carbon dioxide emitting countries in terms of electricity generation.

We do however support the idea of solar panels on all buildings, especially government buildings where possible as free power from the sun is a no-brainer and should be encouraged and supported more in NZ. It doesn't even feature when one does a search for sources of government electricity.

The installation cost of solar panel systems in New Zealand fell 75 percent in the 10 years to 2018. (EA). If so, why is this not getting a lot more support from the government, especially on government owned buildings and state homes? We hit a brick wall on policy with Housing NZ when we approached them about allowing a solar installation on a state owned house for a low income family.

Why does the government seem so dead-set against solar? Is it because the government doesn't own the solar companies?

Is it because they'd rather spend billions on more hydro dams that can cause havoc during an earthquake and leave us dependent on coal again? Already that is our go-to in droughts. So much for a low carbon economy.

It even says in the EA Electricity in NZ document, p.31 "Both solar and wind generation are intermittent as neither energy source can be controlled. When the sun isn't shining, or the wind isn't blowing, electricity needs to be provided by other sources, such as hydro or thermal." Can you see what is being done here?

Actually, solar panels still create a lot of power on a cloudy day, so that statement is actually false and very misleading. Why? The EA really should know better. There seems to be an agenda away from solar even though they admit installation costs have fallen by 75% and the cost of panels have dropped dramatically too. On state owned houses where many people stay that are in their homes during the day, solar could really reduce their power bill considerably! Why is this not even in the option paper for consideration? And who's causing it not to be there? Who is responsible for misleading decision-makers about the merits of solar? These spin-doctors really have to be called out. Three of the fastest growing and biggest economies in the world have invested billions into solar. Apple, the first trillion dollar company has invested heavily into solar too. Are these governments and brilliant business minds deceived? So if they believe in solar, why don't we?

The world bank is helping pacific islands to build solar farms. Why? Because they work?

Solar farms are the quickest and most cost-effective way to keep 30 000 Kiwis

from not being disconnected every year to make our network sustainable again. The way it's going at the moment our networks are heading for major outages, because already the maintenance required is years behind and we're not catching up either. And now with less and less customers to pay for the maintenance less will get done.

Why are the option of solar farms on a mass scale in our 6 priority areas not in your options paper to help with energy hardship? Minister Woods agrees with me that they're a great idea and I have a letter from her to prove it. Minister Shane Jones loves the idea too. I know this because he told me that himself. So again I ask, what's going on here?

Please put forth recommendations that is actually going to make a difference out there, else this whole exercise was just another huge waste of time and resources. Something NZ really can ill-afford.

We need people with vision and courage to sort out the mess in the power industry. Minister Woods has already indicated there's a huge problem. Now she needs your courage to come up with solutions that will actually work and bring relief to thousands of Kiwis experiencing real hardship.

This is your chance to make a real difference. Please make it by being bold and coming up with real solutions that will ensure the greatest results.

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

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

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