

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

Manawatu-Whanganui

Category

Individuals, Researchers and Academics

Do you accept these terms & conditions?

Yes

A1. Establish a consumer advisory council

Support. Such a body must be able to fund ongoing independent expertise who can proactively spot and address systemic issues not otherwise spotted by government or regulators. Funding for organisations to advocate drawing on their experiences assisting people struggling to keep the lights on will lead to better outcomes.

A2. Ensure regulators listen to consumers

Support. The energy system exists for households to access an essential services. Regulators must clearly acknowledge this purpose, adequately consult households, transparently explain their responses to the consultation and accept feedback and adjust where necessary if feedback challenges inadequate responses.

B1. Establish a cross-sector energy hardship group

Support. However, the review must acknowledge the essential service nature of energy and recommend a moratorium on household energy disconnection for non-payment. This should be in place indefinitely. At absolute least it should not be removed until the group is well established, is widely supported by the community and can confidently say that energy disconnection is a last resort in Aotearoa.

An obligation to offer electricity to all homes in Aotearoa (and to all homes with an existing gas connection needed for essential appliance use) must also exist and be easy for any household to assert in a single phone call to request connection to essential services.

This options paper does not address whether pre-pay metering arrangements are appropriate. This appears to need more consideration.

B2. Define energy hardship

Support. The decision makers given this task should consider structuring a definition to ensure all households have a right to timely and tailored assistance to avoid compounding hardship. Studies should be undertaken as to terminology used around hardship. Many may want to avoid the label and in doing so not access assistance to their benefit.

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

Support. This network should have specific funding for proactive, independent and specialist policy and advocacy work based on issues raised by the community.

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

Support. Such a policy will improve health and environmental outcomes as well as assisting households to overcome hardship.

Retailers should be tasked with informing the community of eligibility and making some contributions. The results of the 'Practical Assistance' elements of the Essentials Services Commission (Victoria) Payment Difficulty Framework principles based regulation for energy retailers assisting those unable to pay bills (that will be reported from later in 2019) should be taken into consideration during policy design.

B5. Offer extra financial support for households in energy hardship

Support. Perhaps this could function as a waiver system? The review should recommend that the Government only make payments equivalent to a debt collection agency purchasing a bad debt when waiving the debt of community members seeking to overcome hardship. This would mean Government spending reflects actual value to the company as opposed to a windfall. It would also mean that more households access waivers from an equal amount of resources.

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

Support. Until these are well established and functional there must be a moratorium on disconnections. The minimum standards themselves should include strong penalties for disconnecting anyone who has an inability to pay because of resources or social circumstance.

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

Support. Late payment fees should also be banned for those who have an inability to pay.

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

Support. This should be explored. Energy efficiency and better access to benefits of new technology should also be explored. Meanwhile there must be an obligation to offer and a moratorium on disconnection indefinitely or until it can be proven without doubt that all in Aotearoa can access the essential services they need where disconnection would be unnecessary anyway.

C1. Make it easier for consumers to shop around

Support.

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

Support.

C3. Make it easier to access electricity usage data

Support. Standardisation of data and adequate privacy considerations must be features of regulation about these processes.

C4. Make distributors offer retailers standard terms for network access

C5. Prohibit win-backs

Support.

C6. Help non-switching consumers find better deals

Support. This seems worth further investigation and should be strongly monitored if it is undertaken. Retailers must be incentivised to reward loyalty. Households should be able to reasonably expect that staying with a business means they are more likely to get the best price, not a rip off.

If in an opt out environment someone is switched to a retailer who has inadequate services due to cost cutting, regulators must consider what remedies will be put in place for the households. Enforcement of minimum standards around support for those struggling to make ends meet will be essential.

C7. Introduce retail price caps

Government should regulate pricing to discipline the market to act in the interests of every single household in Aotearoa. No one should be ripped off when accessing a product they must purchase for health, well being and social participation.

D1. Toughen rules on disclosing wholesale market information

Support.

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

Support. The complexity of demand pricing and risk shifted to the customer must be avoided. A focus on incentivising those with technology like air conditioners or electric vehicles to utilise the energy system in a way that creates the best outcomes for all could be an initial focus.

E3. Regulate distribution cost allocation principles

Support exploring this option further. \$90 is a significant amount of money for households struggling to make ends meet. Cross subsidies from households to other users are inappropriate.

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

Support.

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

Support.

E8. Require smaller distributors to amalgamate

Amalgamations seem to make sense on face value so should be supported where it is seen that the community will benefit and have a stake in the governance of these important natural monopolies.

The general comment made by the review on page 29 of the options paper is encouraging. Perhaps enforceable principles for community engagement are needed?

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

Support.

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

F3. Give regulators environmental and fairness goals

Support ensuring consumer protections are explicitly part of regulators' functions. Fairness and environmental considerations should also form part of considerations by decision makers. The electricity system should be understood as existing for households to fairly access essential services.

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

Support.

F6. Establish an electricity and gas regulator

Support the creation of a regulator for both energy sources. This would improve the ability of community advocates to engage on issues with both.

G1. Set up a fund to encourage more innovation

Support the establishment of this fund only if it has specific requirements to only fund projects with a clear benefit to households.

Research on innovation or gaps in facilitation existing but continually improving technologies like energy efficiency to households who need it should be prioritised. Social research is just as important as technological research. Innovation in technology is useless unless it is actually accessed by those who could benefit the most.

G2. Examine security and resilience of electricity supply

All work in this space must ensure that the potential for the ongoing payment of future stranded assets are addressed and 'gold-plating' does not occur.

G3. Encourage more co-ordination among agencies

Support. Guiding high level principles for co-ordination and collaboration should be similar to those in Consumer Action Law Centre's Power Transformed report from 2016.

G4. Improve the energy efficiency of new and existing buildings

Support.