

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

Support - as end users of the electricity network it is important a range of consumer advocates are given the opportunity to represent consumers interests.

A2. Ensure regulators listen to consumers

Support - in the context that documenting consumers opinions to provide a mechanism to measure the influence those opinions have had on regulation, policy etc.

B1. Establish a cross-sector energy hardship group

Support

B2. Define energy hardship

Support

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

Support

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

Support - in conjunction with question B5 the fund should have the ability to pay energy costs directly on behalf of the recipient and have a mandate to benchmark energy costs so appropriate government wrap-around services (warm home grants, budgeting services etc.) can be applied.

B5. Offer extra financial support for households in energy hardship

Support

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

Support

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

Support. Unless a energy retailer can quantify and justify the pre-prompt payment discount rates reflect real costs borne by the energy retailer through the receipt of late payments.

We see many instances of consumers that were sold on prompt payment discounts ending up in a debt trap simply by missing one or two payment dates - particularly during the winter months. When unable to clear the debt prior to the next billing cycle they are unable to switch away and are unable to access the prompt payment rates originally sold to them.

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

Strongly support. We have built independent bulk tender platforms of New Zealand's Big Winter Switch (2017) and One Big Switch New Zealand (2018) to provide these services on a free, no-obligation basis. Our platforms also have the ability to submit tenders based on consumer preferences which negates the "one size fits all" argument. We recommend any such Government initiative to run bulk tenders is itself opened up for tender to ensure a cost effective outcome is achieved for the taxpayer.

C1. Make it easier for consumers to shop around

We support the concept of making it easier for consumers to shop around but do not support the view that merging two government funded comparison sites is the best way to achieve this outcome.

We are supporters of competition in the aggregation space and we have concerns around the government providing financial support to a single aggregator when that aggregator is also invoicing energy retailers for the service it is providing consumers.

Such structures limit investment, innovation and competition in the aggregator space.

We support the government creating a singular point of truth for generally available tariffs. This single point of truth should be:

1. 100% government funded; and
2. subject to regular re-tendering, and
3. provide opensource API's on all government funded data to facilitate competition in the aggregation market.

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

Support - We recommend that if the focus is seeking better deals for consumers regulation need not force a switch to obtain a better deal. Switches can create negative and contentious outcomes like win-backs that create cost to the industry that are ultimately funded by the consumer.

Regulation has the ability to provide simple mechanisms that can empower consumers. As an example in 2018 we surveyed over 4,500 New Zealand consumers. 98% supported the view that "New Zealand power companies should be forced to tell customers what is the cheapest plan they can offer them."

C3. Make it easier to access electricity usage data

Strong support - timely access to relevant data is a key requirement to investment and innovation.

We recommend consumer owned consumption data is made available from the source (i.e. MEP's) to ensure the most granular data is available.

We support implementing standardised end to end processes to access the data. Leaving the access process to the market does not work as evidenced by application of the 11.32e code change.

C4. Make distributors offer retailers standard terms for network access

C5. Prohibit win-backs

Strongly support - the win-back process provides the incumbent retailer with a final right of reply. With a largely apathetic consumer base (9% trader switches p.a.) there is no commercial incentive for incumbent retailers to promote better offers to their customers. Which is evidenced by the two tier market that exists in New Zealand.

The existence of win-backs limits investment and new competitors entering the market. Particularly when the New Zealand market is small in the global sense.

C6. Help non-switching consumers find better deals

Support - refer answer in C2

C7. Introduce retail price caps

Do not support. Caps are likely to become targets - refer low user daily charges.

We are more in favor of removing barriers to investment and competition (like removal of win-backs, timely access to complete consumption data etc).

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

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

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**
- 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**