

Sustainability Options response to the Electricity Price Review options discussion paper, released 18th February

Profile

Sustainability Options (SO) is a social business operating across the Bay of Plenty and neighbouring regions, committed to social and environmental wellbeing. We have been providing independent housing assessments addressing conditions and resource use for warmer, drier, healthier homes since 2012 as well as delivering to the Healthy Homes Initiative (HHI).

SO partners with Rotorua Lakes Council to deliver free home assessments with a focus on the most vulnerable communities and is a founding member of the Healthy Whare Project alongside Western Bay of Plenty District Council, Toi Te Ora, Te Puni Koriri and others. This project was established to improve the housing conditions of Maketu and now extends to other rural Western Bay of Plenty communities. SO has carried out assessments for BRANZ housing condition survey and regularly contributes to the development of other national housing data gathering programmes. Further to this Sustainability Options lead a housing research project of 50 homes with the Energy Efficiency Conservation Authority in 2014.

In our pursuit of better performing housing SO has set up a number of initiatives such as heater and blanket back, as well as [TradeBank](#) which is to help address the needs of deferred maintenance. We collaborate with local government, iwi and agencies, including Whanau Ora to access as many homes as possible and address issues contributing to poor housing.

SO staff are trained Home Performance Assessors through the Home Performance Advisor training programme as well as certified Homefit Assessors. The organisation is a member of the Community Energy Network, Energy Management Association of NZ, Sustainable Business Network and assessors regularly attend Eco Design Advisor hui and other technical training sessions.

Reference Section B: Reducing Energy Hardship

B1: Establish a cross-sector energy hardship group

This option is supported on the provision it includes agencies that carry technical whole of house performance expertise and practical in home experience within vulnerable communities. Members of the group need to have access to the extent of the housing condition contributing to energy hardship and to the diversity between the urban, regional and rural conditions as well as tenure. Energy hardship in Auckland in a private rental can be very different to energy hardship in a whanau owned homestead in Waimana (Eastern Bay of Plenty). Members of this group must understand these differences, Sustainability Options is well positioned to contribute valuable insight in this respect.

B2: Define Energy Hardship

This option is supported provided it takes a focus on inclusion therefore a wider definition which recognises the condition of housing and difference circumstances many regional communities live in in addition to income and access to energy. In many cases the application of strict criteria to access funding can actually result in putting people into hardship if they are on the cusp. In some cases energy hardship is as a result of no connection to energy at all. In other cases as per the following case study, energy hardship is as a result of low income, extended whanau living and poor infrastructure.

Case Study 1:

Extended whanau living of up to 12 people including children under 5 year, limited income. Good heat source (compliant fire and access to dry firewood) but poor thermal envelope so electric heaters also used. Electricity bills of up to \$1000 per month is aggravated by an old, undersized hot water cylinder that is regularly faulty.

The definition would need to allow for this whanau by improving the thermal envelope so the existing heat source can perform better and addressing the hot water system i.e. providing for a more appropriately sized tank with an efficient form of heating (i.e. heat pump hot water).

Case Study 2:

Rural location, whanau homestead, no income, extending whanau including elderly. Poor thermal envelope, no electricity, running off generator, older wood burner.

The definition would need to allow for this whanau by connecting electricity and ensuring they are on an appropriate plan, improving the thermal envelope and ensuring appliances going in to the home are efficient, upgrading wood burner.

In addition to addressing infrastructure, supporting whanau as above in whole of house performance including energy efficiency and budgetary advice would help to improve their own capability to stay out of energy hardship.

An inclusive definition has the potential to be proactive rather than reactive, stopping people from slipping into energy hardship as well as pulling them out.

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

This option is supported provided;

- o existing services (nationally and regionally) are very well canvassed and understood and included
- o a joined up approach is the fundamental kaupapa of any network

Decision makers could refer to the collaborative way in which the Healthy Housing Initiative runs (specifically in the Bay of Plenty) where government, health, iwi and community agencies work together under a shared kaupapa. A key learning from SO's engagement in existing programmes is the need for invitation and trust in the communities needing assistance. Often programmes are run in a way that things are 'done of the community' which have limited impact. Communities need to be engaged so champions can present themselves, ground up activity can evolve and ownership can take place within the home. Existing agencies already engaged in the community are well positioned to deliver to the three following outcomes in a joined up approach. Householders will respond well if they know they are receiving wrap around support, which is well coordinated and resourced – within their own communities where possible.

Example of community activity:**[Cosy Homes Mangakino](#)**

The programme was established in mid-2016 with the aspiration of families working together towards getting their homes warmer and drier, five locals were initially trained as community assessors. The Mangakino Cosy Homes Project was handed over to the Mangakino Health Services in 2017 for ongoing sustainability.

Over 40 homes have been assessed (since 2016) with the mentoring support of Sustainability Options. Whanau requiring second home visits receive a starter kit including mould removal, draught stopping, bubble wrap, energy saving light bulbs and a humidity monitor. The establishment

of a curtain bank and a wood bank account are the latest initiatives to be included into the programme to help release the vision.

Switching and plans: This needs a dedicated resource that is linked to, but not necessarily the same as delivery agencies in the other two services (energy use and building skills). It also has the potential for very limited impact as those suffering from significant energy hardship are often those with bad credit, so have little capacity to switch retailers. Given the 'low user' plan is to be discontinued, consideration needs to be given to how low income customers can benefit from off peak rates such as overnight to allow for bedroom heating.

Energy Use: This needs to happen at a household level at a 'whole of house' response which includes technical understanding of the key principles of the healthy home. It needs to extend past the provision of LED's, insulation and curtains which are in some cases already accessible and in many cases only band aids to bigger problems. Space heating and hot water heating are the two biggest uses of energy therefore need significant attention from an education and infrastructure perspective. Understanding how to 'drive a home' plays a role and requires engagement from household occupants which can take considerable time. A re-education of how to manage homes from a thermal perspective needs to take place across New Zealand as well as an improvement to infrastructure. Depending on need and the structure of the community, engagement may take place in the form of home assessments, community based workshops, practical skills learning and application. Communities also need to have the capacity to develop their own pathways with the support of trusted agencies and organisations as well as dedicated resources through this initiative.

Build Skills: Sustainability Options provides home performance mentoring for agencies and organisations entering homes to deliver to a health or social service. The intention is to build awareness of the impact poor housing has on its occupants and to raise it as an issue to be addressed through the most appropriate channels (i.e. HHI, at a household level if manageable, through iwi or by linking to another home performance programme).

To achieve the desired goal of more accurate and tailored advice on energy use (and switching), independence and technical consistency must be prioritised. This comes as two parts 1) The nationally recognised Home Performance Training programme and 2) on the ground mentoring for those entering the homes.

Example of community workshops:

Over the course of the Healthy Whare Project in Maketu, Sustainability Options ran 6 workshops within the wider community sharing fundamental and practical 'DIY' knowledge and skills including: what makes a good curtain and how to hang them, draught stopping, reducing moisture, how to best run an electric heater and wood burner, ventilation.

Example of agency workshops:

Sustainability Options has run many coaching and mentoring sessions within the North Island with Healthy Homes Initiative teams complementary to the formal Home Performance Advisor training programme.

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

Householder access to funds is essential to address energy hardship, however this needs to extend past technologies such as LED lighting and hot water cylinder wraps. Statistics NZ show that in 2013, electricity was used for heating in 79.2 percent of occupied private dwellings¹ and this number has steadily climbed. Combine this with the two single biggest uses of energy in New Zealand homes are hot water and space heating, providing dedicated funding into reducing heat loss within the home is

necessary to have significant impact. In order to do this (reduce heat loss and improve energy efficiency) deferred maintenance needs to be addressed. The House Repairs Study completed by BRANZ in 2013 show that 87% of (owner occupied) households with an income of under \$20,000 require immediate repairs of \$5800 and that priorities are cladding and windows, and that rental houses are in worse condition².

Unless the built environment can provide a strong thermal envelope without draughts and leaks and damage, energy efficiency will remain a challenge even with the best of behaviours and technologies. This is why a key indicator for the definition must include housing condition.

Further to this, access to efficient appliances is fundamental. Many low income households are restricted financially to cheap and inefficient appliances which cost them less in the initial purchase price but more to run.

B5: Offer extra financial support for households in energy hardship

This option needs to be very closely aligned as part of a 'joined up approach' with the other measures mentioned above to address the key indicators of energy hardship, including housing condition. If energy is perceived to be cheaper (either through lower prices for low income or additional financial support) a negative impact can be households use more.

¹<http://archive.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-about-housing/heating-fuels.aspx>

²https://www.branz.co.nz/cms_show_download.php?id=4158d0bdfcc81dacb0caf37e9423259fabec292d

Prepared by:

Jo Wills
Sustainability Options
jo.wills@so.org.nz

9(2)(a)

59 Seventh Ave,
Tauranga