

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

Taumarunui Residents' & Ratepayers' Association Inc.

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Region

Manawatu-Whanganui

Category

Consumers, Consumer Groups and Advocates

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. It gets into your bones. 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

Yes and please get that energy hardship definition by actually talking to those suffering hardship, not some academic that's never actually experienced it.

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

That is critical. And be careful with that because in certain areas there are 3 overlapping Iwi and they don't always want to work with one provider if they are seen as benefiting their own Iwi. Else you're wasting your time.

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

Absolutely! And get the power industry to contribute some of their profit and staff to it, so they can see how tough it really is. In fact the power players should all have a community liaison officer seeing to it that their customers are looked after in that regard. Kiwis need to be encouraged to get their hands dirty and help their fellow Kiwis.

B5. Offer extra financial support for households in energy hardship

Yes, for sure and those already disconnected to be re-connected. Retailers, especially the Gentailers and lines companies should help with costs in that regard.

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

Yes

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

Yes, with the accent on reasonable. Who defines that?

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

Yes, great idea! The T.R.R.A. would be happy to assist in that regard.

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 gentailers, 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 modeled is for the benefit of 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

Yes

C3. Make it easier to access electricity usage data

For consumers yes. Not for marketing / advertising agencies /any business wanting to profit from that info.

C4. Make distributors offer retailers standard terms for network access

Yes and keep it reasonable, not another avenue for lines company executives to look after their shareholders / keep their jobs.

C5. Prohibit win-backs

We would like more info on how it doesn't benefit a customer if he is offered a better deal from his existing retailer to keep their custom. Doesn't that fall under shopping around?

C6. Help non-switching consumers find better deals

Sure.

C7. Introduce retail price caps

Price caps won't be necessary to an informed public. Problem is the public are getting sucked in by clever marketing ploys as was the case with the kuia in the King Country. So yes, I think reasonable caps are necessary until the public gets better informed.

D1. Toughen rules on disclosing wholesale market information

Totally!

D2. Introduce mandatory market-making obligations

Yes

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

Critical. They need to be accountable to their customers.

D4. Monitor contract prices and generation costs more closely

For sure!

D5. Prohibit vertically integrated companies

Yes, if it's not benefiting the customer and only shareholders. But if those efficiencies get passed on to the customer, we're all for it, but that would have to be monitored as no one can be trusted to do the right thing anymore when it comes to money.

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.

So we recommend:

1) A totally independent, forensic investigation with a knowledgeable member of the public overseeing that investigation day to day in a paid role into everything pertaining to The Lines Company. One that can tell the investigators where to look and what to look for.

2) An organisation like The Taumarunui Residents' & Ratepayers' Association helping residents with their power bills to get them on the correct plans that suit individual families best and educating them on how to save power so they don't have to be disconnected like 30 000 Kiwis are every year! Another disgrace. How does a network sustain itself with ever-decreasing consumers?

3) A serious investigation has to be launched into the possibility of an amalgamation / buy-out with one of the other lines companies., as a matter of urgency as Winter is coming! Bills are expected to spike with the new, not-improved Time of Use system, which has seen those in energy hardship's bills spike already by 100% since its introduction. And this in Summer!

So yes, the EPR is not doing enough when it comes to distribution and just because it only affects one area, it should not be overlooked as a result, because other lines companies can follow suit if they see The Lines Company getting away with it.

Why wouldn't they?

There are serious loopholes in distribution legislation, regulation and oversight that has to be closed and closed now. Human rights are being violated and have been violated for 11 years so far. And if the EPR has its way nothing significant will change as was predicted at the start of this EPR.

4) Why was the recommendation for a cap on lines charges at 30% of the total bill not even tabled as an option when it was put forward to the Expert Advisory Panel in writing? We recommend that that option at least be discussed and thoroughly

investigated and not just discarded by those who didn't even properly investigate its merits. Need I remind you that Rt. Hon. Peters said that we're being ripped off, not once, but 3 times during his speech in Taumarunui? Is anybody listening to him? A cap can be tweaked to be fair. There just has to be a will to tweak it, which seems not to be there. Why?

5) Start taking your citizens seriously when they voice real concerns they have lived through for 11 years. Don't just fob them off like they don't matter. Will the Consumer Council you are recommending be fobbed off like this too? Please treat us with respect and the dignity we deserve, by including the options we've put forth that have a lot of merit in options papers, so everyone can consider good ideas. Variations of the idea was not even considered, which we believe to be very short-sighted and border-line rude.

E2. Issue a government policy statement on distribution pricing

Yes, there needs to be a cap. A lines bill should never be more than a power usage bill, which happens a lot in the King Country under The Lines Company. The lines component can be as high as 75% of the total bill for a customer which is unbelievable. The ENA, which represents lines companies say it should be around 26% of the total bill. We say cap it at 30% and if lines companies can't function charging that they need to be amalgamated plain and simple. 29 lines companies in NZ is just so inefficient and it's the poor and vulnerable paying way more than their fair share to The Lines Company. It needs to stop immediately as it's discrimination of the most cruel kind.

E3. Regulate distribution cost allocation principles

Yes, especially The Lines Company need a lot more rules.

E4. Limit price shocks from distribution price increases

Yes, some of our poorest have had to try and deal with 100% price hikes since The Lines Company introduced their new and not improved pricing regime.

E5. Phase out low fixed charge tariff regulations

Depends on how that will eventually affect those that battle to pay for an essential service monopoly with top-heavy management structures with six figure salaries.

E6. Ensure access to smart meter data on reasonable terms

For customers individually yes, not businesses wanting to profit off the info.

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

Yes please and give them the teeth / resources to properly enforce closing the loopholes and holding those breaking the tighter rules to account. Seems like because the Commerce Commission is full of ex-industry managers there has been way too much leniency in this regard. That needs to stop. If you break the rules you need to pay the price, plain and simple. What's the point of coming up with all the rules so that people can just break them and not be held to account?

E8. Require smaller distributors to amalgamate

Yes for sure, especially after investigating whether they're efficient or inefficient. If they are sucking the life out of communities with managers on 6 figure salaries that a normal business would not be able to sustain, they need to be amalgamated with a lines company that does know how to run a tight ship.

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

Yes, asset valuations is a joke. A \$50m hike in asset valuations? How is that

possible in one year for a small lines company that may or may not have as many assets as they claim? Who checks how many poles The Lines Company actually owns?

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

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

Yes, one body to regulate the whole thing. There can then be no overlapping or grey areas and everyone can be on one page regarding the whole picture relating to a company breaching regulations and punished accordingly.

F3. Give regulators environmental and fairness goals

Fairness goals for sure! That is why the lines company needs to not charge some customers out of the market, because they are low users. Most are low users because they cannot afford to use more. Why punish them for it? That's unfair and downright wrong! And if it is uncontrolled why do the ones not contributing to the load on the grid have to pay for those that are loading the grid? Again unfair. Should never be allowed to happen. You shouldn't be charged more than anybody else for a service you don't use / be discriminated against because you are helping to lessen the load on the grid. Who comes up with these charges? Sadists?

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

For sure. Even if that role becomes the role of the Commerce Commission, there should still be an avenue for a second opinion and more in-depth scrutiny.

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

Yes, but only if they keep these functions.

F6. Establish an electricity and gas regulator

If you have the EA and the Commerce Commission, is another regulator with admin staff etc necessary?

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

Definitely resilience as knocking 30 000 customers off the grid per annum is going to make the whole industry implode.

G3. Encourage more co-ordination among agencies

Of course, why is that not happening already?

G4. Improve the energy efficiency of new and existing buildings

A no-brainer.