

# Submission Form

**The Energy Hardship Expert Panel welcomes your feedback on its Discussion Paper 'Te Kore, Te Pō, Te Ao Marama | Energy Hardship – the challenges and a way forward.'**

## We welcome your feedback

This is the Submission Form for responding to the Discussion Paper released by the Energy Hardship Expert Panel '[Te Kore, Te Pō, Te Ao Marama | Energy Hardship – the challenges and a way forward.](#)' The Expert Panel welcomes your comments by **5pm on Friday 28 April 2023.**

Please make your submission as follows:

1. Please see the full Discussion Paper [here](#) to help you have your say.
2. Please read the privacy statement and fill out your details under the 'Submission information' section.
3. Please fill out your responses to the questions in the tables provided. Your submission may respond to any or all of the questions. Questions which we require you to answer are indicated with an asterisk (\*). Where possible, please include evidence to support your views, for example references to independent research, facts and figures, or relevant examples.
4. Before sending your submission:
  - a. delete this first page of instructions; and
  - b. if your submission contains any confidential information, please:
    - State this in the cover page or in the e-mail accompanying your submission and respond to questions 8,9 and 10 below explaining which parts should be withheld and why.
    - Indicate this on the front of your submission (e.g., the first page header may state "In Confidence"). Any confidential information should be clearly marked within the text of your submission.
    - Provide an alternative version of your submission with confidential information removed in both Word and as a PDF for publication by MBIE.
5. Submit your submission by:
  - a. emailing this form as both a Microsoft Word and PDF document to the MBIE secretariat at [energyhardshipMBIE@mbie.govt.nz](mailto:energyhardshipMBIE@mbie.govt.nz); or
  - b. posting your submission to:  
Energy Hardship Expert Panel  
c/- Energy Use team  
Ministry of Business, Innovation and Employment  
15 Stout Street  
PO Box 1473  
Wellington 6140

Please direct any questions that you have in relation to the submissions process to [energyhardshipMBIE@mbie.govt.nz](mailto:energyhardshipMBIE@mbie.govt.nz).

## **Privacy statement**

The information provided in your submission will be used to inform the Panel's final recommendations to government on energy hardship and related policy development, and will inform government agencies' advice to Ministers. Your submission will also become official information, which means it may be requested under the Official Information Act 1982 (OIA). The OIA specifies that information is to be made available upon request unless there are sufficient grounds for withholding it.

## **Use and release of information**

To support transparency in our decision-making, MBIE, as the secretariat for the Energy Hardship Expert Panel, proactively releases a wide range of information. MBIE will upload copies of all submissions to its website at [www.mbie.govt.nz](http://www.mbie.govt.nz). Your name, and/or that of your organisation, will be published with your submission on the MBIE website unless you clearly specify you would like your submission to be published anonymously. Please tick the box provided if you would like your submission to be published anonymously i.e. without your name attached to it.

If you consider that we should not publish any part of your submission, please indicate which part should not be published, explain why you consider we should not publish that part, and provide a version of your submission that we can publish (if we agree not to publish your full submission). If you indicate that part of your submission should not be published, we will discuss with you before deciding whether to not publish that part of your submission.

We encourage you not to provide personally identifiable or sensitive information about yourself or others except if you feel it is required for the purposes of this consultation.

## **Personal information**

All information you provide will be visible to Energy Hardship Expert Panel members and to the MBIE officials who are analysing the submissions and/or working on related policy matters, in line with the Privacy Act 2020. The Privacy Act 2020 includes principles that guide how personal information can be collected, used, stored and disclosed by agencies in New Zealand.

## **Contacting you about your submission**

The Energy Hardship Expert Panel or MBIE officials may use the information you provide to contact you regarding your submission. By making a submission, MBIE will consider you to have consented to being contacted, unless you clearly specify otherwise in your submission.

## **Viewing or correcting your information**

This information will be securely held by MBIE. Generally, MBIE keep public submission information for ten years. After that, it will be destroyed in line with MBIE's records retention and disposal policy. You have the right to ask for a copy of any personal information you provided in this submission, and to ask for it to be corrected if you think it is wrong. If you'd like to ask for a copy of your information, or to have it corrected, please contact the MBIE secretariat by emailing [energyhardshipMBIE@mbie.govt.nz](mailto:energyhardshipMBIE@mbie.govt.nz)

## Submission information

(Please note we require responses to all questions marked with an \*)

Personal details and privacy	
<b>Q1.</b>	<b>I have read and understand the Privacy Statement above. Please tick Yes if you wish to continue*</b> [To check the boxes above: Double click on box, then select 'checked'] <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Q2.</b>	<b>What is your name?*</b> Paul Moreno
<b>Q3.</b>	<b>Do you consent to your name being published with your submission?*</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Q4.</b>	<b>What is your email address? Please note this will not be published with your submission.*</b> paul@udl.co.nz
<b>Q5.</b>	<b>Are you submitting as an individual or on behalf of an organisation?*</b> <input type="checkbox"/> Individual (skip to Q8) <input checked="" type="checkbox"/> Organisation
<b>Q6.</b>	<b>If on behalf of an organisation, we require confirmation you are authorised to make a submission on behalf of this organisation.</b> <input checked="" type="checkbox"/> Yes, I am authorised to make a submission on behalf of my organisation
<b>Q7.</b>	<b>If you are submitting on behalf of an organisation, what is your organisation's name? Please note this will be published with your submission.</b> <b>Tautohetohe Whaipanga: Utilities Disputes Limited (UDL)</b>
<b>Q8.</b>	<b>If you are submitting on behalf of an organisation, which of these best describes your organisation? Please tick one.</b> <input type="checkbox"/> Iwi, hapū or Māori organisation <input type="checkbox"/> Energy retailer <input type="checkbox"/> Energy regulator <input type="checkbox"/> Energy distributor <input type="checkbox"/> Registered charity

- Non-governmental organisation
- Local Government
- Central Government
- Academic/Research
- Other. Please describe: Energy sector dispute resolution organisation

**Q9. I would like my submission or parts of my submission to be kept confidential.\***

- Yes
- No

**Q10. If you answered yes to Q9 above, please provide your reasons and grounds under [section 9 of the Official Information Act](#) that you believe apply, for consideration by MBIE.**

**Q11. If you answered yes to Q9 above, please confirm you will provide publishable versions of your submission in both Word and in PDF by emailing them to the MBIE secretariat at [energyhardshipMBIE@mbie.govt.nz](mailto:energyhardshipMBIE@mbie.govt.nz) - clearly labelling both "for publication"**

- Yes
- No

## Responses to questions

The Energy Hardship Expert Panel welcomes your feedback on as many sections as you wish to respond to, please note you do not need to answer every question.

**Q12. Please tick those sections which you wish to provide feedback on:**

- HEALTH OF THE HOME KETE
- KNOWLEDGE NAVIGATION KETE
- ENERGY ACCESSIBILITY AND CHOICE KETE
- ENERGY AFFORDABILITY KETE
- CONSUMER PROTECTION KETE

### HEALTH OF THE HOME KETE

Improving individual, house and whānau energy wellbeing through healthier homes

*Challenge: A significant number of New Zealand homes require retrofit to bring them to a healthy standard of energy performance*

*Strategy HH1: Strengthen and expand Warmer Kiwi Homes (WKH) programme (measures, reach and funding) so more low-income New Zealanders are supported into energy wellbeing*

**Q13. Do you broadly support the proposed strategy HH1?**

Yes

**Q14. Please share your comments on the proposed strategy HH1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

UDL supports initiatives that will improve the efficiency of homes of low-income New Zealanders. We receive numerous complaints about high energy bills and work with the energy provider and consumer to resolve these. Initially we ascertain whether the complaint is appropriate. In many cases there is an issue with the home or appliances reducing the efficiency of electricity usage causing the high bills. These issues can be more problematic for consumers who are renting and do not have the resources or authority to address the issues.

Any initiatives in this area need to be supported with a comprehensive education programme as in our experience, vulnerable consumers are unlikely to change their electricity use unless they can trust there will be no adverse impact on the price they are required to pay. Heat pumps for example are vastly more efficient, but the costs of

operating a heat pump is not as certain as the cost of purchasing a trailer of wood. The cost benefit of using a heat pump therefore needs to be understood and appreciated before a consumer will change their habits. The same can be said for low-cost vampire appliances.

**Q15. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

We agree with the focus and were pleased to see the research that had been done to identify the inequitable impact on Māori and Pacific peoples. We wondered if any additional research was undertaken to identify the impact on medically dependent consumers as we believe this is another vulnerable segment of electricity users that may intersect with these groups. We believe Whaikaha – Ministry of Disabled People should be consulted also. Healthy homes initiatives might wish to actively consider any undue impact on these groups.

*Challenge: The full benefits of energy efficiency improvements cannot be accessed unless a home is weathertight and reasonable quality*

*Strategy HH2: Fund broader building repair and improvement work to support home retrofit programmes*

**Q16. Do you broadly support the proposed strategy HH2?**

Yes

**Q17. Please share your comments on the proposed strategy HH2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

Broadly for the same reasons we have set out above. We would defer to the advocacy and support agencies who work directly in this area with consumers, such as Money Talks, Consumer NZ, Consumer Advocacy Council etc.

We also believe not all consumers currently have access to the various healthy homes' initiatives due to their location and availability.

**Q18. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

N/A

*Challenge: Tenants are four to five times more likely to experience energy hardship than owner-occupiers*

*Strategy HH3: Strengthen the monitoring, compliance and enforcement of the Healthy Homes Standards*

**Q19. Do you broadly support the proposed strategy HH3?**

Yes

**Q20. Please share your comments on the proposed strategy HH3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

While we are supportive, it would be helpful to have more detail on the practical steps that may be involved, including the success of similar models overseas.

While it's necessary to focus on solutions that can apply to all tenants, it may be sensible to pilot these with larger more advanced landlords in the first instance such as Kainga Ora or Wellington City Council. These organisations have the reach and scale to assess the merits of various approaches given they engage with a significant number of vulnerable, high needs and medically dependent tenants.

One suggestion is that Landlords could be required to assess their rental properties against simple effective criteria, which they are then required to publicise when advertising the property, to better inform consumers and drive compliance.

This assessment could create efficiencies in resolving any subsequent disputes about the standard of the property as a healthy home.

*Challenge: Tenants are four to five times more likely to experience energy hardship than owner-occupiers*

*Strategy HH4: Strengthen advocacy and support services for tenants*

**Q21. Do you broadly support the proposed strategy HH4?**

Yes

**Q22. Please share your comments on the proposed strategy HH4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

UDL's experience demonstrates that tenants can be among the most vulnerable consumers in part due to the power imbalance between them and their landlords. Tenants are often unaware of their rights and mechanisms to enforce them, and when they are they may be apprehensive in doing so, as they believe this may impact on their relationship with their landlord and ultimately their homes.

We believe strengthening advocacy and support services for tenants will assist tenants in enforcing their rights under the Healthy Homes Standards.

We are aware of the high demands on advocacy groups and the need to ensure they are adequately trained and supported. UDL works directly with a number of community support and advocacy groups through its Community Engagement officer. If further work is advanced in this area, thought should be given as to how we can educate advocates so they are aware of the multiple channels' consumers can explore such as dispute resolution organisations. Tenants may prefer to take their concerns to independent third parties.

**Q23. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

The Tenancy Tribunal, in collaboration with a range of agencies such as: Social Housing providers, Citizens Advice Bureau offices, Healthy Home Initiatives, could supply information packs with any rental agreement. We believe a shared link with information on all the websites would create higher awareness and support education.

*Challenge: Energy efficient household appliances (e.g., whiteware, lighting, cooking) offer important long-run cost savings but the higher purchase price often puts them out of reach*

*Strategy HH5: Expand all energy-related MSD purchase assistance programmes for household appliances to offer energy efficient choices*

**Q24. Do you broadly support the proposed strategy HH5?**

Yes

**Q25. Please share your comments on the proposed strategy HH5. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

Around 20 - 30% of all complaints received by UDL include aspects of financial vulnerability. Many of these consumers are in significant arrears on their energy accounts and do not have the option of purchasing more energy efficient products. And may not be aware such products exist.

As stated above, and as acknowledged in the report in other areas, significant efforts will be needed to ensure vulnerable consumers trust and adopt any of the measures proposed.

Perhaps EECA and similar organisations could further expand its reach and further promote energy efficient appliances.

We suggest further collaboration with established community organisations, for example: The Pride Project, I am Mangere. These community support organisations have built trusted relationships in their community. The team of 'Hope Navigators', are from the local community and understand various cultures.

**Q26. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

**FINAL QUESTION FOR HEALTH OF THE HOME:**

**Q27. Are there any other key challenges and/or corresponding solutions relating to the HEALTH OF THE HOME KETE that we have missed? If so, please outline these below.**

UDL investigates cases where hot water cylinders can increase power consumption over long periods of time. Many consumers could benefit from assistance repairing broken hot water cylinders and pipes that are consuming more energy and funding - this may be more effective than ongoing financial support required to pay high bills.



We believe encouragement could be given to quality timers on appliances and a range of similar options to suit different situations.

## KNOWLEDGE AND NAVIGATION KETE

Supporting and empowering whānau energy decisions

*Challenge: Stronger coordination and collaboration across providers of energy hardship programmes and support services is needed to improve effectiveness and coverage*

*Strategy KN1: Establish and fund a nation-wide "energy wellbeing sector network" to facilitate and support enhanced service integration and collaboration between local organisations and establish co-networks for Māori and Pacific practitioners*

**Q28. Do you broadly support the proposed strategy KN1?**

Yes

**Q29. Please share your comments on the proposed strategy KN1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

UDL supports establishing a "energy wellbeing sector network" of community-level support services to help consumers in energy hardship. In our work we encounter many consumers who are unaware of:

- how to switch plans and what plan is right for them
- energy use of different appliances and likely saving from insulation options
- What to do when they are unable to pay their energy bills

We are aware that most community support agencies spend time assisting consumers who are suffering from energy hardship (as part of wider hardship) – if they were co-ordinated this could make an immense difference however this will not be simple to achieve. We welcome the focus on dedicated support for Māori and Pacifica.

A support network of this kind could involve key consumer support group and advocates as well as stakeholders, regulators, Iwi and hapu representation and other relevant groups and community health organisations.

**Q30. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: There is a lack of widespread, easy access to trusted and informed community-based energy advisers, home assessors and service navigators*

*Strategy KN2: Strengthen and deliver energy wellbeing 'navigator' training (such as Home Performance Advisor), including Māori and Pacific energy wellbeing training wananga/programmes that are grounded in Te Ao Māori and Pacific worldviews*

**Q31. Do you broadly support the proposed strategy KN2?**

Yes

**Q32. Please share your comments on the proposed strategy KN2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

We are supportive of the proposed approach, particularly the assistance to Māori and Pacific peoples and other vulnerable groups. We appreciate considerable investment will be required to support the necessary scaled delivery that is required, noting the work ERANZ has done and its reach. We expect the role of other existing channels such as Money Talks and other community group roles could also be expanded. UDL would be willing to contribute to any initiative aimed at providing ongoing education.

Collaborating with existing community organisations who are familiar with tāngata whaiora, will see an increase in community referrals for healthy home initiatives. The 'navigators', operating in the community may already have access to the whare of tāngata whaiora. For new energy coaches, relationships would need to be established in advance.

*Challenge: There is a lack of widespread, easy access to trusted and informed community-based energy advisers, home assessors and service navigators*

*Strategy KN3: Strengthen and extend MBIE's Support for Energy Education in Communities (SEEC) programme, and ensure funding targeting and programme design recognise those groups over-represented in energy hardship such as Māori, Pacific peoples and tenants*

**Q33. Do you broadly support the proposed strategy KN3?**

Yes

**Q34. Please share your comments on the proposed strategy KN3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

UDL notes the success of the Sustainability Trust in Wellington and similar organisations in other areas. We are aware of retailers/distributors who are starting to offer similar home assessments and note the success of Energy Retailers Association of New Zealand's (ERANZ) Energymate programme which has offered support and coaching for homes. The more support that is available the better. Particularly if it empowers local communities to engage.

**Q35. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: Increased support is needed to boost energy literacy among tenants, landlords and homeowners*

*Strategy KN4: Develop and deliver an Energy Wellbeing Education Strategy for targeted education on energy-saving practices, consumer protection rights, and how to access authoritative information (including targeting for specific groups over-represented in energy hardship)*

**Q36. Do you broadly support the proposed strategy KN4?**

Yes

**Q37. Please share your comments on the proposed strategy KN4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

A targeted education campaign can have numerous benefits so long as it is targeted for the most vulnerable and different ethnic communities. Focus groups could assist identify needs within different localities and communities. This could enable better consultation and co designing of how the targeted energy education can take place. Online training modules in a number of languages could be sent to community support organisations. Those who complete the modules and become trainers could have some sort of qualification – suggest liaising with NZQA in that regard initially.

*Challenge: Increased support is needed to boost energy literacy among tenants, landlords and homeowners*

*Strategy KN5: Develop and maintain a comprehensive online portal as a “go-to” for accurate, up-to-date and complete information for tenants, landlords and homeowners to support improved energy wellbeing, good energy choices, efficient energy use in the home and consumer protection rights*

**Q38. Do you broadly support the proposed strategy KN5?**

Yes

**Q39. Please share your comments on the proposed strategy KN5. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

We support the establishment of an online portal which could include information about Power Switch. Any such channel would need to provide quick and effective assistance.

One suggested area is the ability for consumers to obtain the usage data for their property as this is relevant to assessing what the correct plan is for their electricity needs. This could be enhanced with advice that responds to simple information (household size, age and needs of household members) and increases awareness of the other resources such as community groups and UDL if these may be required. EECA could have input and this portal could be promoted through CABs CLCs student groups and all tenancy advocate organisations.

**Q40. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: Households can face challenges in accessing and understanding bill and pricing information and options*

*Strategy KN6: Simplify energy bills and information access, improve comparability across electricity tariff structures, and improve price comparison services*

**Q41. Do you broadly support the proposed strategy KN6?**

Yes

**Q42. Please share your comments on the proposed strategy KN6. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

UDL supports simpler bills and suggests it is combined with the work being undertaken by the Consumer Advisory Council and Consumer NZ on simplifying bills. We understand similar work is being undertaken in the Australian energy industry. We refer to our previous comments about improving a consumer's ability to obtain and share their consumption data.

Power price comparison sites are only accessible to those consumers with internet access which some older vulnerable consumers may not have and not all electricity providers are listed on comparison sites.

Most new plans entered into involve a direct debit arrangement, which can sometimes be confusing for vulnerable consumers.

The most common issue recorded in complaints is billing, with many involving consumers struggling to understand the information on their bills – this also makes it difficult to compare to other providers.

**Q43. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

**FINAL QUESTION FOR KNOWLEDGE AND NAVIGATION KETE:**

**Q44. Are there any other key challenges and/or corresponding solutions relating to the KNOWLEDGE AND NAVIGATION KETE that we have missed? If so, please outline these below.**

No comment.

**ENERGY ACCESSIBILITY AND CHOICE KETE**

*Challenge: Credit issues can prevent individuals, households and whānau from having choice in an electricity supplier or switching suppliers*

*Strategy AC1: Develop mechanism(s) to ensure all residential consumers can obtain a post-pay electricity supply despite “adverse credit”*

**Q45. Do you broadly support the proposed strategy AC1?**

Yes

**Q46. Please share your comments on the proposed strategy AC1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

We support increased access to post-pay electricity. Many consumers are unable to obtain pre-pay services due to their location. While we are aware many retailers offer a range of options to assist, the ability to pay weekly and by direct credit rather than direct debit and other initiatives benefits vulnerable consumers.

**Q47. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: Households struggling to pay their bills face disconnection*

*Strategy AC2: Develop mandatory rules for electricity retailers to follow before disconnecting for non-payment so that disconnection becomes the last resort, including penalties e.g. for wrongful disconnection*

**Q48. Do you broadly support the proposed strategy AC2?**

Yes

**Q49. Please share your comments on the proposed strategy AC2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

The Electricity Authority's Consumer Care Guidelines (CCG) are voluntary however the EA requires retailers to mirror the CCG in their own internal processes. These can assist with credit issues.

The CCGs are viewed as an industry standard to determine what consumers should expect of their electricity retailer. They recommend retailers only use disconnections as a last resort measure and appear to be accepted by retailers. The EA is considering whether to make these mandatory.

More data would be helpful to determine what changes and improvements can be made to the process. We note the proposed introduction of penalties. We recommend any development in this area consider the impact of the changes that were made in Victoria, Australia as a result of the introduction of the *Energy Legislation Amendment (Energy Fairness) Act 2021*, and the experience of consumer groups and the Energy and Water Ombudsman Victoria.

We have no fixed view about the benefits of imposing penalties which would presumably be paid to the regulator and believe an educative approach is always more valuable. Our current focus where there has been a wrongful disconnection is also on compensating the affected consumer and addressing any impact.

**Q50. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

UDL supports the CCGs being enhanced with input from key stakeholders.

*Challenge: Metering technology may constrain a household's access to energy supply and tariff choice*

*Strategy AC3: Identify and address the barriers to completing smart meter roll-out, prioritising areas of low coverage, and requests from households in energy hardship*

**Q51. Do you broadly support the proposed strategy AC3?**

Yes

**Q52. Please share your comments on the proposed strategy AC3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

UDL receives complaints about smart meter installations and smart meters not communicating. Many consumers are still not comfortable with a smart meter being installed at their property although the number of complaints about this has been decreasing.

We receive complaints related to the cost of replacing or upgrading related equipment such as meter boards and wiring which is the responsibility of the homeowner, and which can often stymie the meter replacement.

We believe that having a smart meter becomes more important for consumers as new technologies become more prevalent. Tariff choices are becoming available to consumers with smart meters that could benefit vulnerable consumers though cheaper electricity during off-peak times. Also, if the data can identify types of usage within the home and the associated costs which could lead to consumers adjusting their behaviour.

We support more work being done to consider the reasons for barriers in completing a smart meter roll-out.

**Q53. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: Rural and off-grid households or communities, and those living on communal or ancestral land, need additional support to build their energy access, resilience and sovereignty*

*Strategy AC4: Provide increased funding and support for community energy schemes and capability-building in rural communities to ensure rural and off-grid households and those on communal or ancestral lands (including Papakāinga) in energy hardship can access secure energy supply, linking with other energy programmes such as WKH and SEEC*

**Q54. Do you broadly support the proposed strategy AC4?**

Yes

**Q55. Please share your comments on the proposed strategy AC4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

Rural consumers often have more customer service lines and a lower quality of supply as interference from trees and outages from their location is common. This can amount to a unique set of problems to the rural sector that can be very expensive to resolve. We see some of the most expensive claims through complaints from rural consumers and on occasions may apply the Consumer Guarantees Act.

We support the strategy to support rural communities, off-grid households and those on communal or ancestral lands, noting these consumers can be isolated and vulnerable.

There could be benefit in including UDL in any work in that area.

The ability to offer a tikanga based dispute resolution pathway could assist with the strategy proposed.

The current work with multi trader relationships such as those where Are Ake and Our Energy are involved could contribute useful data.

**Q56. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: Individuals, households and whānau in energy hardship often have limited options in choosing, and engaging with, an energy retailer*

*Strategy AC5: Explore ways to facilitate and support social retailing which can provide post-pay supply to those in energy hardship with low credit scores, deliver targeted wrap-around services, and provide tailored pricing and payment plans. Options may include one or more of:*

*a. Provide support for accredited social retailers e.g., through an industry fund, social generation hedge obligations or government funding*

*b. Government contracts one or more retailer(s) to act as a social retailer*

*c. Government support for community/regional integrated social generator-retailers*

*d. Government support for a nationwide integrated social generator-retailer*

**Q57. Do you broadly support the proposed strategy AC5?**

Yes

**Q58. Please share your comments on the proposed strategy AC5. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

The comprehensive work being done by the AER in Australia called "Gamechanger" would be a useful study to consider prior to embarking on this work.

**Q59. Please share your comments on each of the social retailing options listed above. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with these options.**

UDL generally supports government involvement in facilitating social retailing.

We note the sector is doing some work in this area - social retailers such as Nau Mai Ra and Toast Energy which appear to be effective and that many other retailers have hardship assistance. Some invite their customers to add a small sum to their monthly bills to assist other customers in hardship.

**Q60. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: The energy transition presents new opportunities but risks leaving lower-socio-economic whānau behind*

*Strategy AC6: Ensure those in energy hardship can access the benefits of, and do not face undue costs from, the transition to low emissions energy, including explicitly reflecting energy wellbeing requirements in Government's Equitable Transition Strategy, Energy Strategy and Gas Transition Plan*

**Q61. Do you broadly support the proposed strategy AC6?**

Yes

**Q62. Please share your comments on the proposed strategy AC6. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

UDL agrees that lower socio-economic consumers can be the slowest to move to new technologies that are characterised by high start-up costs and lower ongoing costs. For



example, solar panels, energy efficient homes and electric vehicles. There can often be issues that arise in relation to the sale, installation and financing of these technologies.

We note costs could potentially fall on this group if they are left paying for the fixed costs of the assets they are using, if for example other consumers move off-grid.

We support this group of consumers being assisted in having a strong voice in policy consideration.

**Q63. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

**FINAL QUESTION FOR ENERGY ACCESSIBILITY AND CHOICE KETE:**

**Q64. Are there any other key challenges and/or corresponding solutions relating to the ENERGY ACCESSIBILITY AND CHOICE KETE that we have missed? If so, please outline these below.**

No comment.

## ENERGY AFFORDABILITY KETE

Affording the energy whānau need for their wellbeing

*Challenge: Low income is a major barrier for many whānau to afford the energy they need for wellbeing in their home*

*Strategy AF1: Prioritise lack of energy access as an emergency issue and implement nationally consistent processes and timeframes for responding to requests for assistance from customers in energy hardship/their advocate/retailer, and establish clear and direct lines of communications between MSD and those customers/their retailer/advocate*

**Q65. Do you broadly support the proposed strategy AF1?**

Yes

**Q66. Please share your comments on the proposed strategy AF1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

Treating lack of energy access as an emergency issue with streamlined channels is welcomed. We are aware of the extreme distress consumers face when disconnection becomes a possibility and improving processes and timeframes for MSD and support agencies/retailers would be highly useful. We note some organisations excel in this area and MSD may be able to identify those organisations so they can contribute to the initiative.

*Challenge: Low income is a major barrier for many whānau to afford the energy they need for wellbeing in their home*

*Strategy AF2: Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group. Possible mechanisms include better targeting of the Winter Energy Payment (WEP) eligibility criteria/funding levels, an energy-related income supplement, an energy bill rebate, and making a portion of energy-related grants non-recoverable*

**Q67. Do you broadly support the proposed strategy AF2?**

Yes

**Q68. Please share your comments on the proposed strategy AF2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

Around 20-30% of the complaints received by UDL include an affordability aspect and this is increasing as inflation rises.

We support the proposed strategy and believe that the winter energy payment should be increased and targeted only to those households that need it. We support extra financial support for low-income households and further investigation of a needs-based support regime. Prior to any payment of an energy bill by Government we recommend that there is some investigation prior to doing so. While in many cases it may be purely an affordability issue, in other cases it may be the household is on the wrong plan, it may relate to an incorrect back bill that needs to be addresses or there may be inefficient use of appliances. Education and assessment of bills is recommended prior to grants being provided.

*Challenge: Low income is a major barrier for many whānau to afford the energy they need for wellbeing in their home*

*Strategy AF3: Ensure all fees and costs charged to energy consumers are cost-reflective and reasonable (including pre-pay, disconnections, reconnections, top-ups, bonds, metering)*

**Q69. Do you broadly support the proposed strategy AF3?**

Yes

**Q70. Please share your comments on the proposed strategy AF3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

UDL regularly receives complaints about fees such as disconnection fees or fees for ending a contract from consumers and we are required to ascertain if they have been correctly applied. Generally, prepay customers are on a higher rate due to a higher administrative cost.

**Q71. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

The CCGs at 109 set out that any fee should bear a proper relation to the cost of providing the good or service. While these guidelines are not mandatory, they do establish industry standards. An increased focus on fees being more aligned with the cost involved, with input from the EA, retailers, and the other parties referred to appears appropriate. It will also provide certainty to consumers regardless of where they live or which retailer they choose.

**Challenge: Pre-pay accounts often impose significantly higher costs on those most in need and self-disconnection is hidden**

**Strategy AF4: Review and monitor the use and pricing of pre-pay accounts to ensure they do not create or exacerbate disadvantage, including tracking and publishing self-disconnection (how many, how often, for how long) and reviewing pre-pay terms and conditions, fees, wraparound support**

**Q72. Do you broadly support the proposed strategy AF4?**

Yes

**Q72. Please share your comments on the proposed strategy AF4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

We are aware that a number of countries do not permit prepay bills for energy. UDL supports further research into prepay arrangements as for some consumers with a poor credit rating this is their only option. We understand the Consumer Advocacy Council has undertaken some work on pre-pay power and suggest they be consulted on their findings. We are also aware that self-disconnections when on prepay do not form part of the reporting on numbers of disconnections which may distort the numbers. We hear of consumers who regularly go without power for a day or two while awaiting receipt of funds to enable them to continue.

**Q74. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

**Challenge: Payment options may impact affordability and choice**

**Strategy AF5: Require retailers to include payment options that recognise the difficulty those in energy hardship face, e.g. cash payment, smooth pay, weekly or fortnightly billing/payment**

**Q75. Do you broadly support the proposed strategy AF5?**

Yes

**Q76. Please share your comments on the proposed strategy AF5. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

In some situations, retailers appear to charge more when consumers pay using certain methods or payment plans and do not offer (or have removed) alternative payment methods and plans.

Limiting payment options tends to impact more vulnerable consumers such as the elderly that are not familiar with or do not have access to modern payment systems, may prefer a paper bill and those consumers who struggle to budget from week to week.

We support the proposal for retailers to widen payment options - these might be included in the CCGs.

**Q77. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: Distribution pricing methodologies can impact affordability*

*Strategy AF6: Investigate and address the implications of network pricing methodologies for energy hardship, particularly in high cost-to-serve areas*

**Q78. Do you broadly support the proposed strategy AF6?**

Yes

**Q79. Please share your comments on the proposed strategy AF6. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

UDL agrees that cost reflective pricing expected through distribution pricing reforms will mean consumers in high cost-to-serve, often remote and more vulnerable areas will see an increase in costs.

We also note when there are changes to consumers' pricing structures, we see matched confusion from more vulnerable consumers.

We support the investigation of this and that if there are to be changes that these are clearly assessed and communicated if appropriate.

**Q80. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

**FINAL QUESTION FOR THE ENERGY AFFORDABILITY KETE:**

**Q81. Are there any other key challenges and/or corresponding solutions relating to the ENERGY AFFORDABILITY KETE that we have missed? If so, please outline these below.**

No comment.

## CONSUMER PROTECTION KETE

Protecting energy consumers in their relationships with providers

*Challenge: The Electricity Authority's Consumer Care Guidelines (CCG) are voluntary and there is no regulatory penalty for not complying*

*Strategy CP1: Review and strengthen the Consumer Care Guidelines including expanding to include mandatory consumer care obligations on all electricity retailers*

**Q82. Do you broadly support the proposed strategy CP1?**

Don't know/Not sure

**Q83. Please share your comments on the proposed strategy CP1. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

As stated above UDL regularly uses the CCGs for:

- assessing whether a retailer has met its obligations
- as a guide for industry best practice in decision making

We understand the EA is assessing the level of voluntary compliance by retailers with the CCGs prior to making a decision on whether to make them mandatory. In some ways education and encouragement is preferable to imposing a mandatory regime – UDL currently maintains a neutral position on their being mandatory however strongly supports the value and usefulness of the CCGs.

*Challenge: The Electricity Authority's Consumer Care Guidelines (CCG) are voluntary and there is no regulatory penalty for not complying*

*Strategy CP2: Strengthen monitoring, compliance and enforcement of the Consumer Care Guidelines, including a penalty and reporting regime for non-compliance*

**Q84. Do you broadly support the proposed strategy CP2?**

Don't know/Not sure

**Q85. Please share your comments on the proposed strategy CP2. For example, you could include your thoughts on any benefits, costs, risks or limitations associated with this strategy.**

UDL supports monitoring to ensure compliance with the CCGs.

We remain neutral on penalties being introduced for non-compliance and the effectiveness of those in driving better practice.

Publishing comparative charts on compliance may prove to be an effective option the EA could employ such as is done in the water industry by the CCW in the UK.

As stated above we find the CCGs extremely useful and would leave it to the EA as to whether penalties are required as a deterrent.

**Q86. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: There is a lack of reporting and monitoring of key energy hardship information from electricity retailers*

*Strategy CP3: Require electricity retailers to report key energy hardship indicators to the Electricity Authority for it to monitor and publish (e.g. number of customers refused supply, disconnection numbers/durations/reasons, customer debt levels, bonds, pre-pay, referrals to Income Support, retailers' alignment with Consumer Care Guidelines*

**Q87. Do you broadly support the proposed strategy CP3?**

Yes

**Q88. Please share your comments on the proposed strategy CP3. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

UDL notes energy hardship has been an important issue for New Zealanders in recent years as highlighted in the 2019 electricity price review. We believe the requirement to report key energy hardship indicators will allow the government and regulators to make informed decisions and reveal the extent of energy hardship in New Zealand noting this may now be affecting the "middle squeezed" for the first time.

The requirements need not be too onerous, and we expect most, however not all, retailers will have this information readily available.

We suggest the panel refer to the recent work of the Commerce Commission<sup>1</sup> requiring distributors to disclose additional performance measures that impact consumers. These include outage response times, power quality, time taken to set up new connections, customer complaints, asset plans to benefit consumers, consumers worst served in terms of reliability, and asset management practices.

**Q89. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

No comment.

*Challenge: Other consumer protection regimes and dispute resolution schemes may be too narrow as new technologies and business models emerge*

<sup>1</sup> Targeted information disclosure review for electricity distribution businesses  
<https://comcom.govt.nz/regulated-industries/electricity-lines/projects/targeted-information-disclosure-review-for-electricity-distribution-businesses>

**Strategy CP4: Expand consumer protection and existing dispute resolution schemes to cover other forms of energy provider relationships taking an energy hardship lens e.g. solar power providers**

**Q90. Do you broadly support the proposed strategy CP4?**

Yes

**Q91. Please share your comments on the proposed strategy CP4. For example, you could include your thoughts on any benefits, costs, risks, limitations associated with this strategy.**

UDL strongly supports the expansion of consumer protection and dispute resolution schemes to new energy technologies.

The landscape for energy services has changed since energy retailers and distributors were mandated to join the Energy Complaints Scheme under the Electricity Industry Act 2010. Solar power, EV charging and multiple trader relationships (with several providers operating through the same ICP) are all examples of advances on what was considered traditional energy retailing and there will be more to come. It is important that there is no consumer gap for new energy sources.

Currently there are gaps and UDL often has to turn away complaints where they relate to for example solar issues where there is no connection to an energy retailer. We are able to expand on this issue if required including examples if required.

Work has been done by the Victorian Energy and Water Ombudsman in this regard and we are also aware that the AER has also released discussion papers about expanding the jurisdiction for the various Australian State energy and water ombudsman. Further information can be provided on request.

The [ANZEWON Futures Report](#) recommends *expanding the definition of jurisdictional coverage to 'any service relating to the sale or supply of energy, or that may otherwise interrupt the supply of energy or impact upon the sale or supply of it.'* This recommendation reflects the weight of opinion from the full range of stakeholders that we consulted including: existing Scheme Members, prospective Scheme Members, jurisdictional regulators, government entities and energy market institutions, consumer advocates and members of Scheme boards, staff and management.

While there would be additional costs on the providers, which may trickle down to the consumer, the benefit of ensuring energy consumers have an avenue to approach if they are unable to resolve an issue with their provider would outweigh any additional cost.

**Alternative forum**

Currently consumers can refer complaints to the Disputes Tribunal however there are a number of disadvantages for consumers in using this process including a lack of familiarity with such a process, a cost is involved and power imbalance if a matter should go to a hearing.

**Q92. Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**

We have previously provided MBIE with information relating to expansion of jurisdiction and are able to provide this to the panel if requested.

**FINAL QUESTION FOR THE CONSUMER PROTECTION KETE:**

**Q93. Are there any other key challenges and/or corresponding solutions relating to the CONSUMER PROTECTION KETE that we have missed? If so, please outline these below.**

Any changes should be future proofed so as new energy innovations arise there is no requirement for constant amendments.

## SUPPORTING ENVIRONMENT AND ANY FURTHER COMMENTS

*The Panel has identified a number of supporting or enabling elements it considers are important for the landscape surrounding energy hardship initiatives, to ensure the proposed strategies can be implemented effectively and in a long-term sustainable manner.*

*These include:*

- *Data and insights*
- *Learning environment*
- *Leadership and coordination*
- *Participatory approach*
- *Collaborative service models*
- *Durable funding environment*
- *Targeting of solutions*

*Please see the Supporting Environment section of the Discussion Paper for more information.*

**Q95. Do you have any comments on the Supporting Environment section? Please share these below.**

The supporting environment chapter is comprehensive and wide ranging. Data and benchmarking will be crucial to assess and measure the success of any of the initiatives suggested in this discussion paper.

**Q96. Do you have any other thoughts or comments you would like to make on the Expert Panel's Discussion Paper? If so, please share these below.**

UDL is very impressed with the Panel's work which is detailed and shows a deep appreciation of the hardship issues in Aotearoa's energy sector. It addresses numerous initiatives for addressing these some of which are innovative and thoughtful. While the



sentiments are ambitious we believe they all are worthy of being pursued and if implemented would make an enormous difference to those consumers suffering energy hardship.

## **Thank you**

We appreciate you sharing your thoughts with us. Please find all instructions for how to return this form to us on the first page.

We will consider your submission as we work towards developing final recommendations for the government by 30 June 2023.