

Government Response: Progressing the Electricity Price Review's Recommendations

This table summarises key Government decisions from a December 2019 Cabinet Paper, which were made in response to certain recommendations from the [Final Report](#) of the Electricity Price Review. This summary should be read in conjunction with that Cabinet Paper. The Review's recommendations can be found here and the references below (e.g. A1) refer to those recommendations.

EPR findings	Government decision/response	EPR recommendations
<p>Strengthen the consumer voice</p>	<p>Agreed to establish a Consumer Advocacy Council to advocate on behalf of residential and small business electricity consumers. Terms of reference are being drafted and the establishment process is being developed.</p> <p>Amendments to the Electricity Industry Act 2010 will be drafted so a suitably constituted and qualified body can be appointed to perform the functions of a Consumer Advocacy Council and to enable funding from industry participants via a levy (subject to consultation with levy payers). These amendments, if enacted, would provide the Consumer Advocacy Council with a statutory basis and enable industry funding, as recommended in the Review's final report.</p>	<p>Establish a consumer advocacy council (A1)</p>
<p>Reducing energy hardship</p>	<p>A cross-sector Energy Hardship Group, bringing together senior staff from NGOs and government agencies, will be established. Work will continue on drafting the terms of reference, developing the establishment process and progressing energy hardship initiatives.</p>	<p>Establish a cross-sector energy hardship group (B1)</p>
<p>Improving the regulatory system</p>	<p><i>Further powers to regulate distributors' involvement in contestable electricity markets</i></p> <p>Amendments will be drafted to shift provisions in Part 3 of the Electricity Industry Act 2010 relating to a distributor's involvement in contestable activities to the Electricity Industry Participation Code which the Electricity Authority can then develop and amend. These amendments, if enacted, would address the Review's recommendation that the Electricity Authority should be given clearer and more flexible powers to regulate distributors' involvement in evolving contestable markets.</p>	<p>Give the Electricity Authority more powers to regulate network access (F1)</p>

<p>Improving the regulatory system (contd)</p>	<p><i>Clearer powers to regulate distribution access agreements</i></p> <p>Amendments to the Act will be drafted to give the Electricity Authority clearer jurisdiction to regulate transmission and distribution access terms and conditions.</p> <p><i>Clarifying the Electricity Authority's information gathering powers</i></p> <p>Amendments to the Act will be drafted to clarify the Electricity Authority's powers to gather information from industry participants for the purpose of carrying out reviews or investigations requested by the Minister.</p> <p><i>Improving the protection of consumers</i></p> <p>Amendments to the Act will be drafted to give the Electricity Authority an explicit statutory function to protect residential and small business electricity consumers.</p> <p><i>Back-stop regulatory power</i></p> <p>Amendments to the Act will be drafted to give the Minister of Energy and Resources a time-limited power to amend the Electricity Industry Participation Code if the Minister is not satisfied with progress by the Electricity Authority and industry participants on specified matters at a specified date. The back-stop regulatory power would only apply to matters underpinning or relating to specified key recommendations from the Review (recommendations C3, C4, C5, C6, D1, D2 and D3).</p> <p><i>Phase out low fixed charge tariff regulations</i></p> <p>Officials are to engage with parties most likely to be affected to better understand the likely impacts to develop a robust and fair phase out mechanism and to report back in 2020 with specific proposals to phase out the LFC Regulations.</p>	<p>Strengthen the Electricity Authority's information-gathering powers (part of F3)</p> <p>Give the Electricity Authority an explicit customer protection function (F2)</p> <p>Phase out low fixed charge tariff regulations (F4)</p>
<p>Review of institutional arrangements for the energy sector</p>	<p>A phased approach will be taken to the scope and timeframe for a review of institutional arrangements. This will include developing a greater understanding of any concerns with existing arrangements, and identifying low-impact options for improved agency co-ordination and potential policy levers that address any identified market failure.</p>	<p>Explore new institutional arrangements for energy policy and regulation (G3)</p>