# Privacy of natural persons

## Page 2: We will keep your information safe

**Q1**

Have you read and understood the Privacy Statement?

**Yes**

## Page 3: About you

**Q2**

What is your name?

Dayle Parris

**Q3**

What is your email address? We may need to contact you for clarification on your submission, or regarding Official Information Act requests. Your email address will not be used for any other purpose.

Privacy of natural persons

**Q4**

Are you submitting as an individual or on behalf of an organisation?

**Organisation**

**Q5**

If on behalf of an organisation, what is its name?

Orion NZ Limited

**Q6**

If on behalf of an organisation, which of these best describes it?

**Energy distributor**

## Page 4: Proposed Definition for energy wellbeing

**Q7**

To what extent do you agree or disagree that the proposed definition for energy wellbeing is right for Aotearoa?

**Neither agree nor disagree**

**Q8**

Do you have comments on why have you chosen this answer?

As an electricity distributor access to good information on energy hardship should enable us to understand our customer segments better and improve our planning and decision making. For instance,

- Identifying energy poverty clusters to inform impacts on customers of pricing changes
- Correlating CAIDI (worst served customers) with energy hardship
- Correlating system constraints with energy hardship
- Communicating with our community what we (might) focus on addressing.

The definition remains broad to capture the differing degrees and drivers for energy hardship however the definition provides no single quantifiable or ready ability to determine if someone is in energy hardship. A question we have asked ourselves- is how does this definition readily indicate some baseline matters such as what the poverty line is in New Zealand, and which are the foundation concerns as a matter of priority that need to be in place to maximise energy use? e.g. a good insulated home. We consider an understanding of household income and insulation levels in a home to be primary and foundational information to inform energy hardship. Without these it is more likely that we may capture households that have the financial capacity to manage their situation in their very efficient home.

The definition is to cover energy poverty, not just electricity poverty, therefore we are concerned that excluding electrification of transport is a short term definition that will not stand up to the future energy equation. We propose that transportation should be included as part of Energy Services in the definition.

**Q9**

To what extent do you agree or disagree with the inclusions in the proposed definition?

**Agree**

**Q10**

Do you have any comments on what is included in the definition?

We are concerned that the definition of energy poverty has a strong leaning to only one form of energy, namely use of electricity in the home. We submit that expenditure on energy used for transport should be included in the definition. As it currently stands the definition is short term in its thinking, as over time more transport will shift from being petrol/diesel to electric. Consequently, over time the shift in the energy used for transportation will result in an increase in electricity expenditure for households but the total household expenditure on both electricity and transport will decrease e.g. a net energy cost benefit.

If the definition is not amended to include transport and a whole of energy view, then over time some homes will be incorrectly identified as being in energy poverty when in fact they are not. Also, the definition will not stand the test of time as invariably the definition will have to change to include transportation. If this happens down the track rather than up front, then the ability to judge progress over time in reducing energy poverty is interrupted in terms of trend analysis.

**Q11**

**Strongly disagree**

To what extent do you agree or disagree with what is excluded by the definition?

**Q12**

Do you have any comments on what is excluded by the definition?

We note that energy related to electrification of the transport fleet is excluded from the definition. We submit that this may be short-term thinking and that now is the time to include it. Electric vehicles are cheaper to run than ICE vehicles. However, the capital cost of EVs means that those already in energy hardship are unlikely to be able to afford to adopt these technologies in the short term. This will exacerbate energy hardship, as those customers will continue to be exposed to rising fuel prices, while customers who are able to adopt electric vehicles will benefit from lower cost transportation.

As transport and electricity become inextricably linked, we feel it is critical to consider in the definition of energy hardship. This is particularly important going forward as the transition to electric vehicles will significantly impact household electricity demand so will need to be considered when establishing indicators of energy hardship.

We are interested in the exclusion of those sleeping rough or inhabiting improvised dwellings from the definition of energy hardship. While the definition is intended to identify those in energy hardship, how does the framework begin to understand where it has failed to intervene in a hardship situation and prevent a situation of total energy deprivation? This reinforces the need to ensure the measure of income capability and capacity along with housing insulation and suitability as foundational. Once you have fallen into total energy deprivation you are unlikely to be participating in the surveys that inform energy hardship measurement, are likely to have little or no income, and minimal shelter.

**Q13**

Do you have any further comments on the proposed definition of energy wellbeing? - Is it clear and easy to understand?- Do you think there is anything missing?- Is it relevant to you and your community?

No further comment

## Page 5: Proposed framework for energy wellbeing

**Q14**

**Agree**

To what extent do you agree or disagree that the framework represents the factors that influence energy wellbeing in Aotearoa?

**Q15**

Do you have comments on why have you chosen this answer?

We submit that the factors identified are likely to have different weightings in terms of importance if a risk lens was applied- having the ability to quantify some of these factors based on likelihood and consequence may help practitioners to prioritise on urgency and interventions that will provide the best value to those in energy hardship.

We believe that household income needs to be front and centre in the framework whereas currently it sits fourth in the list under “household resources”. It seems highly likely that household income is going to be the key predetermining factor behind energy poverty.

We also note that the framework makes no mention of insulation levels but instead refers to “habitability”.
We submit that it is important to use language that is clear, identifiable and direct to ensure that action is taken on the right things. For instance, while habitability is a holistic term more direct terms such as ‘minimum or poor insulation levels’ may result in better understanding and action on the right outcomes.

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**Q16**

Do you have any other comments on the proposed framework?You may want to consider:- The layout of the framework, and if it is easy to understand - If anything is missing, or should be added- Which factors you think are most significant in your community

We agree that in our community we would have all the factors identified in the framework. We reiterate that the most significant aspects are income capacity and the ‘health’ of the dwelling e.g. levels of insulation and air tightness. For those living further south, the likelihood of cold winter conditions will have a greater impact on health outcomes.

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## Page 6: Proposed indicators for energy wellbeing

**Q17**

To what extent do you agree or disagree with the proposed indicators for energy wellbeing?

**Disagree**

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**Q18**

Do you have comments on why have you chosen this answer?You may want to consider: - Are the indicators comprehensive?- Are there any other indicators of energy wellbeing that should be considered?

Upon reflection, we consider that the themes should be divided into health and safety indicators. The safety indicators relate to inputs that can prevent energy hardship and the health indicators are outcomes of persistent energy hardship. For instance;

- The 'wellbeing is supported in the home or kainga' theme is where the health (physical and mental/emotional) monitoring should be e.g.
  - has community services card,
  - the home has an adverse impact on respiratory illness e.g. > X trips to hospital for asthma per annum
  - an ability to enjoy energy service without detriment to mental/emotional wellbeing.
- The remaining themes relate to safety

As a result, we consider the last two indicators under the theme 'wellbeing is supported in the home or kainga' are duplication and could be incorporated in the 'able to obtain-enabling resources' theme by adding "and humidity" to the end of "A dwelling that can maintain a healthy temperature".

Further, our view is that the term 'necessities' used under the 'able to obtain- able to afford and manage bills' is a very subjective descriptor. We submit that this should be narrowed to essential necessities and some examples provided e.g. food, personal hygiene products, internet, rates.

## Page 7: Measuring energy hardship

**Q19**

We are proposing to use a set of primary and secondary measures for energy hardship. Do you support this proposal?

**Yes**

**Q20**

Do you have comments on why you have chosen this answer?

Primary and secondary measures allow for a range of factors to be measured that tell a story together. We submit that it is important to distinguish between cause and effect otherwise there is a risk that only the effect of energy hardship will be addressed (the ambulance at the bottom of the cliff) rather than the cause e.g. poor housing, lack of income etc.

As these measures come from a range of sources, we point out that there is potential for challenges with combining the datasets together to maximise insights. For instance, we would be interested in parameters from a geographic perspective e.g. low income, low home ownership, age of housing, degree days where live (temperature), what types/efficiency of appliances are in a home, where occupants have high rates of hospitalisation from asthma/respiratory distress. However, many of these factors may not be taken into account in the measures of energy hardship surveys.

The fact that these measures are unlikely to come together as one overall measure of energy hardship is both a challenge and opportunity. Challenging because we may not have one measure that can be applied to the whole community to assist in prioritisation and targeting those most in need. The opportunity is that the range of measures provides many different lenses for an organisation to gain insights about how energy hardship manifests in that particular community and take a multifaceted approach to the complex and broad issue of energy hardship.

**Q21**

To what extent do you agree or disagree with the proposed primary measures?

**Neither agree nor disagree**

**Q22** **Agree**

To what extent do you agree or disagree with the potential secondary measures?

**Q23**

Do you have any comments on the proposed primary and secondary measures? You may want to consider:- How many primary and secondary measures you think we should consider- Which measures you think should be primary or secondary (and why)

Make deep slice from P1 to P2 measures more intuitive
Our view is that Primary measures should provide a small diverse range of the measures to provide an initial view of whether energy hardship is at play. Secondary measures should support the primary measures to provide a fuller picture.

Given that the P1 and P2 primary measures are considered as only interim is there a more enduring high level primary test that could be used such as- Is the family/individual within 10% or 20% of the official poverty line?

In line with our response to question 18 we submit that the P4 measure should be “A dwelling that can maintain a healthy temperature and humidity”. Secondary measures of this could be temperature related in this order of escalation P26, P19, P13, P18, P17, P16, P15, and humidity related in this order of escalation P26, P25, P24, P23.

We also note that some of the secondary measures listed above provide a good reason for having a primary measure that is linked to the official poverty line. This is because there will be many wealthy homes that due to the caliber of the housing lived in (i.e. well insulated etc) have no need to have heating in bedrooms as these rooms stay warm overnight anyway. Therefore, any reliance on the primary and secondary measures as currently proposed in the consultation, will capture many homes that aren’t in fact truly in hardship. Some form of capture of income level/poverty is required, beyond P13.
Make sure existing data and resources are used to their fullest before designing new approaches
We note that in section 6.4.1 of the discussion document it is proposed that “P1 and P2 be interim measures as they are based on actual rather than required spend on energy”. The discussion further indicates that “While it is our intention that required energy be measured, this is not currently feasible and will be the subject of further research”. We believe that the necessary data may already be available to determine energy required. For instance, meter data, size and type of house can be obtained. If you consider that air conditioning providers use some of these factors to size their units there must be a simple way to ascertain energy required using a model that could be made available by the likes of EECA. A measure could be something like, needed kWs to heat at least 50% of the home to 18 degrees versus available kWs for heating in the home and then some correlation to available income to afford those kWs. Down the track maybe some of this information should be part of the LIM report on a house.

The Electricity Authority released new customer care guidelines in July 2021. Section 72 states that “If a retailer has met the expectations of these guidelines, a disconnection resulting from a prepayment service running out of credit is not considered a disconnection for non-payment.” We suggest that disconnection of a pre-payment service may be a good measure of energy hardship. Therefore, at a minimum this activity should be recorded as a measure to help build understanding of energy hardship.

We observe that the sample size for both the HES-expenditure survey and the GES surveys are small (3,500 and 8,500 respectively). We suggest that this should be reviewed to align with the HES-core survey. A greater sample size will capture a broader range of people socially and geographically and will provide better information for finding clusters of energy hardship in our various communities.

Further to this, to facilitate use of the survey data it would assist users if the data was provided at a granular enough scale to geographically identify patterns at suburb (SA2) and/or mesh block (SA1) level. Census data is but the other survey measures mentioned are not at present. Having this geographical link would help practitioners to serve their local communities better. The use of these geographical groupings could also assist with identifying neighbourhoods where service literacy could be an issue that needs to be targeted and then locally appropriate delivery avenues could be employed.

### Q24

Do you have any comments on measuring the depth of hardship? You may want to consider: - If we should use these measurements in Aotearoa, in addition to the primary and secondary measures- Combining measures (i.e. a DEP-17 style approach) - Measuring the energy hardship gap

The discussion document mentions numerous surveys that could be leveraged to assist with understanding energy hardship. It appears there are difficulties however in leveraging this data for a number of reasons including differing sample sizes, differing timing, combining responses/data from different surveys, the planned longevity of some surveys, and so on. In the first instance, we submit that given energy hardship is increasing we should increase the sample size for the main surveys to match the sample size for household economic survey e.g. for General Social Survey move from 8,500 to 20,000. We submit that timings of existing surveys should be aligned where possible.

We agree that the use of the '10 per cent' measure may not be appropriate in Aotearoa. Advice we have, from local contacts working with vulnerable customers, is the use of the old '10% spent on energy' as in indicator of hardship is too high. We submit that if a measure such as this were to be used it should be around the 3-5% mark to be a better indicator of wellbeing - i.e. by the time a family has reached 10% there are already poor wellbeing decisions being made in a household such as foregoing food to pay for power.

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## Page 8: Data gaps and proposed way forward

### Q25

Rank the following proposals in order of most important (1) to least important (4).

| | |
|---|---|
| Further analyse any currently available data | **2** |
| Work to fill existing data gaps/limitations | **3** |
| Model required energy use for households in Aotearoa | **1** |
| Research energy hardship-related indicators | **4** |

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### Q26

Do you have any suggestions for alternatives or changes to the proposed way forward? You may want to consider:- Are there gaps in the measurement we haven't identified?- Are there data sets or measures you know of that should be included?- Do you have any other suggestions for future analysis?

The gaps we have identified in the measurement are as follows:

- We suggest that better data on hospitalisation from respiratory illness/episodes would be a useful parameter to inform and reinforce the effect of housing quality and heating capability.
- Whether household members work from home as this can impact the overall energy usage.
- The inclusion of information about transportation that contributes to electricity usage. The mix of energy use from transportation is likely to change over time so if we are measuring energy hardship, we need to factor this in from the beginning to ensure we have a data trend that is robust over time.
- To facilitate use of the survey data it would assist users if the data was provided at a granular enough scale to geographically identify patterns at suburb (SA2) and/or mesh block (SA1) level.
- Income information is important to ensure that high energy users with financial capability are not captured as being in energy hardship.
- And is there an education factor here on understating how to use energy efficiently?

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## Page 9: Final thoughts

**Q27**

Do you have anything else you would like to mention?

Orion is currently working on the following initiatives to support vulnerable customers:

- Our continued sponsorship of Community Energy Action who provide energy advice, insulation and curtaining for vulnerable households.
- Moving our electricity pricing to be more cost reflective in line with the Electricity Authority pricing principles will benefit some high deprivation customers over time
- Financially supporting high deprivation customers during the transition away from the low user fixed charge regulations through the Power Credits Scheme
- Working with Empower, one of the winners of the Orion Energy Accelerator, to bring to life their work targeting energy poverty through a new solar sharing scheme that will mean more people living in energy poverty will have a chance at a helping hand
- Enabling improvement in visibility of electricity use and environmental factors in community housing to improve healthy living
- Sponsorship of an EV charger in a community housing complex

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**Q28**

Can we publish your submission on the MBIE website? If your submission contains personally identifiable information that should notbe made public, please make clear what can and cannot be made public. Forexample, information about other people that you are sharing without theirconsent or information about children.Your name, and that of your organisation will be visible. Email addresses will not be visible.

**Yes**

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