Personal details and privacy

Q1. **I have read and understand the Privacy Statement above. Please tick Yes if you wish to continue***

[To check the boxes above: Double click on box, then select 'checked']

☒ Yes

☐ No

Q2. **What is your name?***

Graeme Peters

Q3. **Do you consent to your name being published with your submission?***

☒ Yes

☐ No

Q4. **What is your email address? Please note this will not be published with your submission.***

Privacy of natural persons

Q5. **Are you submitting as an individual or on behalf of an organisation?***

☐ Individual (skip to Q8)

☒ Organisation

Q6. **If on behalf of an organisation, we require confirmation you are authorised to make a submission on behalf of this organisation.**

☒ Yes, I am authorised to make a submission on behalf of my organisation

Q7. **If you are submitting on behalf of an organisation, what is your organisation's name? Please note this will be published with your submission.**

Electricity Networks Association

Q8. **If you are submitting on behalf of an organisation, which of these best describes your organisation? Please tick one.**

☐ Iwi, hapū or Māori organisation

☐ Energy retailer

☐ Energy regulator

☐ Energy distributor

☐ Registered charity

☒ Non-governmental organisation

	☐ Local Government ☐ Central Government ☐ Academic/Research ☐ Other. Please describe:
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.**
	n/a
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 - 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?**

- [x] Yes
- [ ] Somewhat
- [ ] No
- [ ] Don't know/Not sure

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.**

ENA supports funding that improves the energy performance of New Zealand homes. The Warmer Kiwi Homes initiative funds up to 80 percent of the cost of an approved heater, such as a heat pump. Compared to resistance heaters, heat pumps are extraordinarily efficient appliances – they emit three or four times their energy input - and their installation should be strongly encouraged.

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

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?**

- [x] Yes
- [ ] Somewhat
- [ ] No
- [ ] Don't know/Not sure

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.**

Poor housing quality is one of the reasons people in energy hardship struggle to pay their electricity bill. Poorly built, inadequately insulated, or structurally weak homes require greater amounts of energy to reach and maintain an appropriate room temperature.
ENA supports greater funding for repairing and improving homes so they are energy efficient, dryer and healthier.

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

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
- ☐ Somewhat
- ☐ No
- ☒ Don't know/Not sure

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.**

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
- ☐ Somewhat
- ☐ No

☒ Don't know/Not sure

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.**

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

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

☐ Somewhat

☐ No

☒ Don't know/Not sure

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.**

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

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.**

KNOWLEDGE AND NAVITATION 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
- ☐ Somewhat
- ☐ No
- ☒ Don't know/Not sure

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.**

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

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
- ☐ Somewhat
- ☐ No
- ☒ Don't know/Not sure

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.**

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
- ☐ Somewhat
- ☐ No
- ☒ Don't know/Not sure

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.**

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

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
- ☐ Somewhat
- ☐ No
- ☒ Don't know/Not sure

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.**

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

☐ Somewhat

☐ No

☐ Don't know/Not sure

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.**

A single site for energy-hardship-related information would be a very useful resource, assuming it has visibility and kept up to date. The single site could be added to the Powerswitch site, which is already supported with assistance from levies.

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

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

☐ Somewhat

☐ No

☐ Don't know/Not sure

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.**

	ENA supports the visibility of all the components of an electricity bill. While some retailers include the network and transmission charges on an invoice, many do not. A consistent approach to network charges would make it easier for consumers in the same part of New Zealand to compare their electricity retailer with the charges of another retailer.
Q43.	**Do you have any alternative suggestions on how to address the challenge explained above? If so, please share these below.**
FINAL QUESTION FOR KNOWLEDGE AND NAVITATION 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.**

ENERGY ACCESSIBILITY AND CHOICE KETE

Improving individual, house and whānau energy wellbeing through healthier homes

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
- ☐ Somewhat
- ☐ No
- ☒ Don't know/Not sure

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.**

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

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
- ☐ Somewhat
- ☐ No
- ☒ Don't know/Not sure

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.**

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

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

☐ Somewhat

☐ No

☐ Don't know/Not sure

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.**

The consumers of the future will adopt new technology to connect and interface their distributed energy resources (eg solar, batteries and EVs) with load aggregators and network operators. Modern or 'smart' meters are one of the tools that enable consumers to be part of this new energy future – one in which homes and businesses can choose to generate, store, and export electricity, and adapt their energy profile by, for example, load shifting. A smart meter allows customers to provide real-time information on their energy use, and access tariffs which, for example, support time-of-use pricing and, therefore, load shifting. Load shifting results in a more reliable electricity supply, especially during times of high demand, and reduces the investment required to build new or larger-capacity electricity networks.

In addition to helping consumers access new pricing options, modern smart meters can also be used to manage hot water load, supporting load shifting. Smart meters can also collate, store and send important data that is useful to electricity distribution companies for network management purposes.

In summary, anything that supports the installation of smart metering is strongly encouraged by lines companies.

We would add a further point – the importance of making the most of the meters already installed. Some 92 percent of all residential ICPs have smart meters. While increasing this penetration should be a priority, it's also important to focus on getting the full benefits of existing smart meters. Facilitating affordable, efficient, and confidential access to smart meter data benefits all consumers in the long term by, for example, increasing low-voltage visibility and reducing the cost of network investment.

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

One of the members said that some meters which are smart are not fit for purpose. For example, when a consumer asks to move from an anytime plan to a day/night plan, the meter might need to be replaced, even though the smart meter was installed less than two years ago. The member suggested a minimum standard would avoid vulnerable consumers having to pay to upgrade their meter to take advantage of cheaper off-peak prices.

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

☒ Somewhat

☐ No

☐ Don't know/Not sure

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.**

ENA agrees that some rural households and communities face special challenges in energy access, choice and resilience, which can push them into energy hardship.

ENA, therefore, supports more funding and support for community energy schemes. But it is important to note that community energy schemes that choose to stay connected to electricity networks, as opposed to being entirely off-grid, will still be required to fund their network connection. Doing so ensures that EDBs follow regulated principles on cost-reflective pricing which ward off cross subsidies.

There is a perception that homes or communities that generate significant amounts of power for their own use – but still require reticulated electricity at certain times – are entitled to a substantial reduction in their network charges.

Most network infrastructure requires upgrading and maintenance regardless of how much energy passes through them. Electricity distribution is a high fixed cost and low variable cost model. For example, suppose a community power scheme required a 50 kVA network connection as 'back up' during times of low sunlight and high demand (winter evenings), or

planned and unplanned outages. In that case, the network must recover the fixed costs of maintaining this reliable connection.

If the network does not recover these costs from community energy schemes, other customers must bear them, creating a cross subsidy at odds with the Authority's pricing principles.

In summary, EDBs support greater funding and information for community energy schemes, with the caveat that these schemes appreciate that they will likely have to continue to fund the cost of maintaining their network connection.

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

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 eg 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

☐ Somewhat

☐ No

☒ Don't know/Not sure

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.**

New Zealand consumers have a very broad - some would say too broad - range of retailers from which they can purchase their electricity. Some of these retailers offer a value proposition similar to that of a 'social retailer' – such as capped prices, no fixed charges, and

gifting or sharing. As such, we would suggest social retailers are already available to consumers.

That said, there is at present no 'retailer of last resort'. Establishing such a retailer, which accepts all customers regardless of their credit rating, would require careful attention to ensure the social retailer was financially sustainable.

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.**

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

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

☐ Somewhat

☐ No

☐ Don't know/Not sure

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.**

No further comment.

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

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.**

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
- ☐ Somewhat
- ☐ No
- ☐ Don't know/Not sure

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.**

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
- ☐ Somewhat
- ☐ No
- ☐ Don't know/Not sure

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.**

ENA agrees the winter energy payment could be better targeted. At present it is paid to all beneficiaries and superannuitants – except for the very few over 65s who opt out. The payment does not reach the working poor – those who have jobs but are still in energy hardship.

Eligibility for the winter energy payment could instead be limited to consumers with a community services card, which has an income test.

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

☐ Somewhat

☐ No

☐ Don't know/Not sure

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.**

ENA agrees that consumers' fees and costs should be fair and cost-reflective.

After a request from a retailer (which has the commercial relationship with the consumer), EDBs will energise or de-energise a customer. This usually involves a 'truck roll' - visiting the property and manually stopping the power entering a home or business. EDBs which carry out a connection or disconnection service for the retailer, incur a cost. This cost is charged to the retailer, which then bundle the distributor's costs with it owns costs to set a disconnection and connection fee.

We would note, however, that electricity can increasingly be connected remotely by the retailer, which avoids a truck roll.

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

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

☐ Somewhat

☐ No

☒ Don't know/Not sure

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.**

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

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

☐ Somewhat

☐ No

☒ Don't know/Not sure

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.**

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

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

☐ Somewhat

☐ No

☐ Don't know/Not sure

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.**

ENA commends the Panel for recognising the challenges electricity distribution businesses face in developing prices that meet the expectations of the communities they serve and those of our industry regulators. These challenges include balancing the adverse impacts of implementing economically efficient, cost-reflective pricing on customers in high cost-to-serve areas, especially those in energy hardship.

New Zealand EDBs set prices annually. These prices face detailed scrutiny from both the Electricity Authority and Commerce Commission. For most EDBs, the maximum amount of revenue they receive is determined by the Commerce Commission. The Electricity Authority scores each EDB's pricing methodology against its distribution pricing principles and practice note on an annual basis.

Cost-reflective prices aim to align the prices paid by customers with the cost to deliver electricity distribution services to those customers (i.e. customers with a lower cost to serve experience lower prices, and vice versa for areas with a higher cost to serve).

Balanced against the expectations of regulators for economic efficient prices are the expectations of the communities EDBs' serve. These communities can prefer even-handed pricing, but this can result in continued or increased cross-subsidies between consumer groups, and a misalignment with what regulators regard as efficient and cost-reflective prices.

So, while EDBs and some of their customers might prefer equitable or socialised prices across customer groups, this approach does not align with regulatory fundamentals designed to benefit consumers over the long term. EDBs therefore feel they are caught 'between a rock and a hard place'.

Historical EDB pricing structures, by and large, do not differentiate between residential customers based on their cost to serve. Where differentiated pricing exists, the differential tends to be less than the level at which it would reflect full cost recovery. In other words, it does not represent the full cost to serve. Unwinding these legacy residential price structures to increase cost reflectivity and satisfy regulatory expectations is an ongoing process for EDBs. It requires thoughtful consideration of consumer impacts, transition mechanisms and timings to avoid bill shocks for consumers.

EDBs have an obligation to continue to supply any connection to its network that existed before 1992. While this reflects electricity's role as an essential service and as a key driver of the development of rural and remote New Zealand, it leads to the cost to serve of some residential customers being far in excess of their capacity to pay. This results in both implicit and explicit cross-subsidies from low-cost-to-serve customers to high-cost customers.

Another change with economically efficient cost-reflective prices is their functionality and practicality. Striking a balance between disaggregation of residential prices by cost differential and developing prices that are understandable for consumers and practical for retailers to implement is an arduous task, one more akin to artistic endeavours than mechanistic economics.

In summary, ENA agrees that the implications of network pricing methodologies for energy hardship should be investigated and addressed. But there is no black-and-white answer. Each situation requires a nuanced response based on the cost to serve, the existing price differential, community expectations, regulatory encouragement, and the potential for regulatory intervention.

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

Our answer to question 79 focused on existing connections and the ongoing costs. It occurred to us that your strategy to investigate the implications of network pricing methodologies in high-cost-to-serve areas might also be relevant to new connections. So any investigation might include customer connection policies and their impact on those in energy hardship. An example might be where land has been returned to the owner and the cost of connection is prohibitive. This circumstance will affect rural networks more than urban, and will be infrequent.

ENA suggests that a solution is best determined and funded at a national level, rather than by individual EDBs and, implicitly, their other customers. Low-decile communities unable to pay for a connection should seek funding from government or other support agencies, and not be subsidised by the existing customers of EDBs.

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.**

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?**

- ☐ Yes
- ☐ Somewhat
- ☐ No
- ☒ 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.**

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?**

- ☐ Yes
- ☐ Somewhat
- ☐ No
- ☒ 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.**

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

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
- ☐ Somewhat
- ☐ No
- ☒ Don't know/Not sure

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.**

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

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

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
- ☐ Somewhat
- ☐ No
- ☒ Don't know/Not sure

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.**

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

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.**
	no
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.**
	no

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.