

PROPOSED CONSUMER CARE OBLIGATIONS

consultation quick-guide
- for consumers



6 August - 3 September 2024

**ELECTRICITY
AUTHORITY**
TE MANA HIKO 

We want to hear from you!

The Electricity Authority Te Mana Hiko (the Authority) wants your input on our proposed changes to the [Consumer Care Guidelines](#) (Guidelines). These changes aim to make the Guidelines enforceable from 1 January 2025.

This quick-guide is here to help you share your views. We have highlighted some key points from the [consultation paper](#) and have provided a set of questions specifically for consumers. This will ensure your views are captured as we finalise the proposed Code amendment to mandate the Guidelines. You can participate by filling out the online survey, or by completing the survey at the end of this document and emailing it to us at ccc@ea.govt.nz.

The [consultation paper](#) provides an in-depth analysis of the changes we are proposing, the proposed Code amendment, and our regulatory statement. It is primarily aimed at retailers and distributors who will need to operationalise the mandated Guidelines from 1 January 2025, however anyone can provide feedback on the consultation paper.

CONSUMER CARE OBLIGATIONS

To make the Guidelines enforceable obligations, we need to amend the Electricity Industry Participation Code 2010 (Code).

We are proposing to rename the Guidelines to **'Consumer Care Obligations'** reflecting their shift from voluntary recommendations to mandatory obligations.

Understanding this quick-guide

We have outlined seven key areas of proposed changes where we want your feedback. Each section asks a question that can be answered in the [online survey](#) or the form at the back. You don't need to respond to every question, your feedback is appreciated even if it's only in response to one of the questions we've asked! For more information, links to the relevant information in the consultation paper are provided.

Key areas for consumer feedback include:

- Our approach to operational changes
- Measuring outcomes
- Strengthening our monitoring
- Protecting consumers facing payment difficulties
- Monitoring of electricity usage
- Protecting medically dependent consumers
- Costs vs benefits

Contact us

email: ccc@ea.govt.nz

phone: +64 4 460 8860

website: www.ea.govt.nz

Our approach to operational changes

We are proposing operational changes without losing consumer protections. These changes seek to ensure the proposed Consumer Care Obligations will be clear and workable without losing the protections they provide.

Key changes include:

- Clarifying obligations for better understanding and enforcement.
- Improving definitions to avoid misinterpretation.
- Simplifying obligations to achieve the same outcome with some operational flexibility.
- Consolidating some overlapping clauses to avoid repetition.
- Improving practicality to ensure retailers can meet obligations and protections are preserved.
- Using clearer, consistent and simpler wording.
- Addressing some gaps to ensure we provide comprehensive and cohesive protections.

Q1: Do you agree with our approach to making operational improvements to the Guidelines?

More details are in section 2 of the consultation paper (pages 9-10)

Q2: Do you agree with the new outcomes we have developed?

Measuring outcomes

We have developed five new outcomes to measure the impacts of the proposed Consumer Care Obligations. We will look at how these outcomes are being achieved in practice to understand if the Consumer Care Obligations are delivering effective protections for residential consumers.

Outcome 1: All residential consumers receive care and respect in every interaction with their retailer.

Outcome 2: Customers receive a consistent minimum level of care from their retailer, ensuring equitable treatment across the electricity sector.

Outcome 3: Customers are on the most suitable plan for their circumstance.

Outcome 4: Customers experiencing payment difficulties are connected and supported, with retailers only using disconnection as a last resort measure.

Outcome 5: Medically dependent consumers are not disconnected.

You can find information in section 4 of the consultation paper (page 16)

Monitoring electricity usage

We propose that retailers must work towards monitoring the electricity use of their residential customers. While there were some concerns about privacy, this monitoring is only to help retailers identify customers who might need support. This will help consumers manage their energy use and avoid unexpected costs.

You can find more information in section 8 of the consultation paper (page 25)

Q3: Do you have any concerns about retailers monitoring your electricity usage?

Protecting consumers experiencing payment difficulties

The proposed Consumer Care Obligations will mandate procedures for retailers to follow when a customer experiences payment difficulties. This will help customers to maximise their potential to maintain access to, and afford, a suitable electricity supply. We propose clarifications and operational improvements to support consumers experiencing payment difficulties.

Q4: Do you agree with the proposed operational improvements we have made to this area of the Guidelines?

Key changes include:

- Providing flexibility in the timing of certain steps a retailer must take when a customer is in payment arrears, so retailers can choose to give a customer more time to make a payment before initiating the process for missed payments.
- Applying the same timeframes for all disconnection procedures regardless of a customer's invoice cycle.
- Clarifying the steps a retailer must take before disconnecting uncontracted residential premises to understand if any medically dependent consumers live there.
- Clarifying retailers don't need to follow the steps for customers experiencing payment difficulties for every customer who misses a single payment. This recognises that one missed payment could be for reasons unrelated to payment difficulties.
- Clarifying retailers must comply with all relevant and applicable obligations before disconnecting a customer.
- Clarifying retailers don't need to confirm a customer has understood a disconnection notice, but they must seek to explain it in a way the customer is likely to understand and taking into account any relevant information regarding the customer's communication preferences.
- In relation to contact attempts before disconnection, we have proposed mandating the existing recommendation that a retailer successfully uses one traceable form of contact, or visits the residential premises, before disconnecting.

The proposed Consumer Care Obligations will require retailers to ensure that any fee they charge does not exceed the costs the fee relates to, and is otherwise reasonable.

You can find more information in section 8 of the consultation paper (pages 23-25)

We recently received a petition calling for the banning of disconnection and reconnection fees. We have committed to exploring these fees in depth as part of a future options paper.

Medically dependent consumers

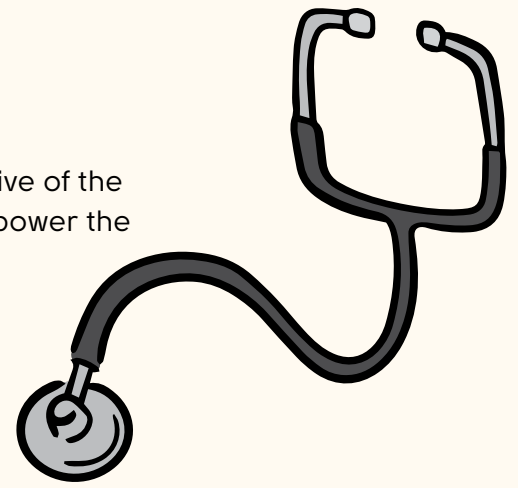
Protecting medically dependent consumers is an important objective of the Guidelines. Medically dependent consumers rely on electricity to power the equipment they need for their health needs, so it's crucial they are not disconnected by their retailer.

We propose operational improvements to make the Consumer Care Obligations clearer and address some existing gaps.

Key changes include:

- Clarifying that obligations relating to medically dependent consumers apply when a retailer knows, or becomes aware of information that reasonably indicates, that a medically dependent consumer may be living at a residential customer's residence.
- Requiring retailers to request and record medically dependent consumer information.
- Requiring retailers to inform new customers about their obligations in relation to medically dependent consumers, and the importance of notifying them of any medically dependent consumers residing at the customer's residence.
- Requiring retailers to refer new customers to the Authority's website for resources to support medically dependent consumers to develop an emergency response plan.
- Requiring retailers to use best endeavours to encourage customers with medically dependent consumers to choose a post-pay plan.
- Ensuring the procedures for retailers are comprehensive and address the different scenarios that could arise relating to confirming the status of a medically dependent consumer.
- Requiring retailers to act on notifications they receive from distributors about changes to planned service interruptions and disconnections that might affect medically dependent consumers, and to coordinate with each other.

You can find more information in section 9 of the consultation paper (pages 26-27)



Q5: Do you agree our proposed operational improvements for medically dependent consumers?

Strengthening our monitoring

To ensure compliance with the proposed Consumer Care Obligations we include a compliance reporting framework replacing the current voluntary reporting under Part 10 of the Guidelines.

The framework includes requirements on retailers to:

- Provide the Authority an annual compliance report, including a summary of any non-compliance and corrective actions taken.
 - Provide information on request.
- Keep relevant records for a proposed period of five years.
- Cooperate with independent reviews of their compliance if requested by the Authority.

Q6: Do you agree with our proposed approach to improve monitoring and compliance?

You can find more information in section 5 of the consultation paper (page 15)

Costs vs benefits

We have assessed that the benefits of mandating the Consumer Care Guidelines outweigh the costs. Benefits include that more consumers will be protected, clearer consumer rights, and some additional consumer protections.

Retailer compliance costs are expected to increase, but this increase is expected to be smaller than the increase in consumer benefits. The costs will mainly come from more retailers complying as the proposed Consumer Care Obligations become mandatory, consequences for non-compliance and additional obligations to address gaps in the Consumer Care Guidelines.

However, these costs are offset to some degree by clearer obligations due to drafting improvements and more workable and flexible obligations created by specific clause changes.

You can find more information in section 12 of the consultation paper (pages 30-31), and in Appendix C of the consultation paper.

Q7: Do you agree with our assessment, that the benefits of mandating the Consumer Care Guidelines will outweigh the costs?

What happens to my submission?

All submissions we receive will inform our work on mandating the Guidelines and may also inform our work in other related areas. We intend to publish all submissions received and will also keep submissions as part of our official records.

You can complete your submission on the following pages, or [online](#). Handwritten submissions can be scanned and emailed to ccc@ea.govt.nz or sent to: PO Box 10041, Wellington 6143

Submission form for consumers

Name:

Please indicate if you are okay for your name to be published:

Yes No - please publish my submission anonymously

We won't publish your contact details if you are submitting as a consumer. If you consider that the Authority should not publish any other part of your submission, please explain which part should not be published, and why, in the box below. We will take this into account when deciding whether or not to publish that part of your submission.

However, please note all submissions received by the Authority, including any parts the Authority does not publish, can be requested under the Official Information Act 1982. This means the Authority would be required to release material not published unless good reason existed under the Official Information Act to withhold it. The Authority would normally consult with you before releasing any material that you said should not be published.

The following parts of my submission should not be publicly published:

I understand

What describes you best?

Consumer Other - please describe:

If you are submitting on behalf of an organisation or group, please provide the name of that organisation or group:

Question 1: Do you agree with our approach to making operational improvements to the Guidelines?

Yes No

Do you have any other comments:

Question 2: Do you agree with the new outcomes we have developed?

Yes No

Do you have any other comments:

Question 3: Do you have any concerns about retailers monitoring your electricity usage?

Yes No

Do you have any other comments:

Question 4: Do you agree with the proposed operational improvements we have made to this area of the Guidelines? *(Protecting consumers experiencing payment difficulties).*

Yes No

Do you have any other comments:

Question 5: Do you agree with our proposed operational improvements for medically dependent consumers?

Yes No

Do you have any other comments:

Question 6: Do you agree with our proposed approach to improve monitoring and compliance?

Yes No

Do you have any other comments:

Question 7: Do you agree with our assessment, that the benefits of mandating the Consumer Care Guidelines will outweigh the costs?

Yes **No**

Do you have any other comments:

Do you have any other comments on the proposed Consumer Care Obligations?