

10 September 2024

Electricity Authority Te Mana Hiko  
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Tēnā koutou

## SUBMISSION ON CONSUMER CARE OBLIGATIONS CONSULTATION PAPER

Unison Networks Limited (**Unison**) is an electricity distribution business operating in Hawke's Bay, Taupō and Rotorua. Centralines Limited (**Centralines**) is a distributor operating in Central Hawke's Bay.

We thank the Electricity Authority for inviting feedback on the proposed Consumer Care Obligations. We acknowledge the Authority's:

- objective to enhance protections for consumers, in particular vulnerable consumers such as medically dependent consumers; and
- shift from Consumer Care Guidelines to a codified control via changes to the Electricity Industry Participation Code 2010 (**Code**).

### Summary

The proposals and Consultation paper introduce confusion around interruption to power supply (unplanned and planned) and electrical disconnections. Clause 70, for example, applies to both planned service interruptions and electrical disconnections.

To improve clarity and workability, we recommend:

- at a minimum, separate obligations applying to electrical disconnections and (unplanned and planned) interruptions to power supply;
- refinement of the proposed Consumer Care Obligations to apply only to retailers and distributors *that directly invoice residential consumers for electricity lines services*; and
- considering addressing the relationship (in particularly for planned service interruptions impacting medically dependent consumers) in the Default Distributor Agreement (**DDA**) instead of the Consumer Care Obligations, noting identified issues with the proposals with price quality regulation as implemented by the Commerce Commission.

Unison and Centralines support the Electricity Networks Aotearoa's submission, noting:

- we emphasise the importance of medically dependent consumers having emergency response plans that ensure harm is minimised during interruptions in power supply;
- that principle is particularly relevant to proposed clause 70 and foreseeable harm that may result from encouraging complacency and unrealistic expectations relating to planned service interruptions and electrical disconnection; and
- any procedures relating to electrical disconnection during an emergency must reflect the challenging judgements distributors are required to make in an emergency, prioritising the safety and welfare of communities.

While limited, the obligations on distributors (albeit well intentioned) require amendment to meet the policy objectives. We support the overall outcomes of the Authority and acknowledge the findings of Te Kore, Te Pō, Te Ao Mārama Energy Hardship: The Challenges and a Way Forward Report.<sup>1</sup>

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<sup>1</sup> Energy Hardship Expert Panel Report to the Minister, July 2023.

## **We support effective procedures to enhance protections for medically dependent consumers**

The obligations on distributors appear to relate to the “primary benefits” explained in the Consultation Paper as “*minor additional consumer protections from specific clause changes to address gaps in the Guidelines*”.<sup>2</sup> [Emphasis added]

The Authority footnote that “*alignment with the Consumer Care Guidelines is voluntary and, in 2023, 95% of residential consumers are with retail brands that reported full alignment with the Guidelines*”.<sup>3</sup> The Authority, in its Decision Paper on the Consumer Care Obligations, mentioned its work with Te Whatu Ora Health New Zealand “*designing an updated registration form for medically dependent consumers and an updated emergency response plan to assist medically dependent consumers in emergency situations – such as planned or unplanned outages*”.<sup>4</sup> Given the electricity sector cannot provide uninterrupted power supply, emergency preparedness must ensure all medically dependent consumers must have robust individual response plans for interruptions in power supply that ensure their safety during any electricity outage (in the same manner hospitals, retirement homes and care facilities must prepare for electricity outages and provide their own generation/response plan).

In Appendix A, we consider the obligations on distributors in answer to questions 4, 12, 14 and 15, and recommend changes to clauses 11A.5, 42, 58, 69 and 70 to achieve the Authority’s aim for ‘an enforceable framework, ensuring comprehensive, consistent and supportive consumer care protections across the electricity sector’. Our recommendations are included as an additional column to the feedback template.

### **Further engagement or consultation with distributors may assist**

No part of this submission is confidential, we acknowledge it will be published. Please do not hesitate to contact us for further information including on operational requirements.

We hope to see further consultation on adjusted proposals or invitations for cross submissions to enable distributors to consider the role they can play to address the concerns and perspectives of consumers and retailers.

Nā māua noa, nā

Rachael Balasingam / Tomas Kocar

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<sup>2</sup> Consultation Paper, pg 30, [12.7.d].

<sup>3</sup> Consultation Paper, pg 30, footnote 52.

<sup>4</sup> Electricity Authority *Updating and strengthening the consumer care guidelines, Decision paper*, pg 13, para 7.4(b).

### Appendix One: Response to questions

Question / clause	Comment	Recommendation
<b>Q4: Do you have any feedback on the compliance monitoring provisions in the proposed Part 11A of the Code, or on the Authority's new outcomes framework?</b>		
<b>Outcome 5</b>	<p>Recognising the Authority's overall intent, we recommend a narrowed Outcome 5, to more accurately capture the policy intent relating to electrical disconnection for non-payment.</p> <p>The outcome as currently framed does not recognise emergency situations may require disconnection (which appears to be recognised in the drafting of clause 69).</p>	Amend to <b>narrow Outcome 5</b> by the addition in red <i>Medically dependent consumers are not disconnected for non-payment</i> ;
<b>11A.5</b>	The requirement to provide supporting evidence is ambiguous. Further clarification on what supporting evidence may be required will cut administration and the cost of potentially collating and retaining unnecessary information to meet the obligation.	Amend clause to <b>specify</b> the information required for compliance.
<b>Q12: Do you have any feedback on Part 8 of the proposed Consumer Care Obligations relating to medically dependent consumers?</b>		
<b>42</b>	Clarify clause 42 is applicable only to the distributors who directly bill ICPs proposed to be classed as residential customers.	Amend the clause to include "distributor <i>that directly invoice residential consumers for electricity lines services</i> ".
<b>58</b>	Improving the accuracy and consistency of information is critical to improving outcomes for medically dependent consumers.	Mandate a consistent approach to <b>EIEP4</b> customer data information exchange to promote consistency in the data received by distributors.

Question / clause	Comment	Recommendation
<b>Q14. Do you have any feedback on the proposed Code obligations for distributors?            Q15. Do you agree that the benefits of the proposed Code amendment outweigh its costs?</b>		
<b>69</b>	<p>We acknowledge the recognition that ‘emergencies’ are unpredictable and require urgent responses. Distributors must retain flexibility to ensure the best safety and welfare outcome for consumers. The Authority appears to have considered this given the requirement during an emergency is, to visit premises and use reasonable endeavours to contact any person at the premises, <i>if practicable and there is sufficient time</i>.</p> <p>Further clarity on what is considered an ‘emergency’ is preferable. It is also important that an obligation does not impact emergency management and safety decisions, for example in the following scenarios:</p> <ul style="list-style-type: none"> <li>• If equipment failure is identified by routine inspection, de-livening an unsafe site may be postponed until notification of a medically dependent consumer has occurred which may leave a known hazard to the public live.</li> <li>• The reactivity implicit in emergencies requires reprioritisation of resourcing and planning to respond to the many welfare considerations at play, including re-livening critical infrastructure for communities (hospitals, water, fuel and telecommunication).</li> <li>• Notification requirements may slow restoration and require challenging ethical judgements for distributors about what is an ‘emergency’, when it is ‘practicable’, and if there is ‘sufficient time’ (and whom to notify in the time available, i.e. if there are multiple medically dependent consumers impacted); and what to do if presented with conflicting safety risks (between public safety and the welfare of a medically dependent consumer required to have an emergency response plan for interruptions in power supply).</li> </ul>	<p><b>Remove the clause</b> and consider alternatives to improve outcomes for medically dependent consumers impacted by emergency disconnection.</p> <p>If retailer information about medically dependent consumers is improved to an accurate and reliable standard, the Authority could consider future options that respond to feedback from medically dependent consumers and the sector on what will add value in different circumstances and is proportionate to need, cost and resources.</p>

Question / clause	Comment	Recommendation
	<p>On balance, we consider:</p> <ul style="list-style-type: none"> <li>• Clause 69 does not promote an enforceable framework given the inherently subjective judgements that will be required case-by-case.</li> <li>• Improved outcomes for medically dependent consumers in emergency disconnection scenarios may be better implemented through the DDA (we will reconsider this following published submissions).</li> </ul>	
70	<p>The Consumer Care Obligations should not:</p> <ul style="list-style-type: none"> <li>• undermine the quality standards set by the Commerce Commission which incentivise (and penalise) non-exempt distributors for meeting planned service interruption standards; or</li> <li>• resolve the relationship between the retailer and distributor (which the DDA should address).</li> </ul> <p>The clause's strict language prevents distributors from varying outage times or dates, even for valid reasons such as weather or unforeseen circumstances and could discourage distributors from providing realistic outage estimates. It introduces vague requirements for coordination between distributors and retailers and does not promote clarity, workability, and consistency. This obligation conflicts with existing regulations (like EIEP5A and the price quality paths), which already set expectations for non-exempt distributors for notifying planned service interruptions (which is carefully attempted to align with the price consumers pays for the quality of service).</p>	<p><b>Remove the clause.</b></p> <p>Separate requirements on distributors relating to planned service interruptions and electrical disconnections.</p> <p>Procedural matters between the retailer and the distributor should be addressed in the DDA.</p>