

**ELECTRICITY
AUTHORITY**
TE MANA HIKO



QUARTERLY UPDATE

Electricity Authority Te Mana Hiko

Nau mai, haere mai Welcome



Our MC today
Carl Billington
Principal Advisor
Communications, Engagement and Data.

For today's session

- The session will be recorded, and the slides published on our website.
- Please ask questions after each speaker or the end by raising you hand and speaking , or via the Q & A function in Teams.

He Karakia Tīmatanga me te Whakakapi Kaupapa

Kia tau ngā manaakitanga a te mea ngaro

ki runga ki tēnā, ki tēnā o tātou

Kia mahea te hua mākihikihi

kia toi te kupu, toi te mana, toi te aroha, toi te Reo
Māori

kia tūturu, ka whakamaua kia tīna! Tīna!

Hui e, Tāiki e!

Let the strength and life force of our ancestors

Be with each and every one of us

Freeing our path from obstruction

So that our words, spiritual power, love, and
language are upheld

Permanently fixed, established and understood!

Forward together!

What we'll cover today

Agenda

1. **Update from our Chief Executive** – Sarah Gillies
 2. **Task Force work programme** – Rob Bernau
 3. **Retail pricing** – Daniel Griffiths
-
1. **Consumer Care Obligations** – Caro and Ginni
 2. **Power Innovation Pathway** – Mark Herring and Jono Barnard

Update from our Chief Executive



Sarah Gillies

**Enormous activity
and rapid change in
the sector and within
the Authority**



Evolving to meet the evolving needs of the market



Making regulatory action the norm



**Keep the
momentum,
achieve more for
consumers**





Q & A

Energy Competition Task Force Work Programme



Rob Bernau
Programme Lead

Overview

The Task Force is working at speed to identify options to:

1. enable new generators and independent retailers to enter, and better compete in the market, and
2. provide more options for electricity consumers.

Our work is organised into two 'packages', with eight initiatives in total.

We are specifically considering the potential of these initiatives to have an impact next winter.

We remain committed to meeting the timeframes set out in the published programme.

Task Force Programme

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Package 1	1A: PPAs				Working paper published for feedback			Consultation paper published		Code change decision	Industry responds
	1B: Standardised Flex	Industry codesign: Codesign group + EAAG subgroup			Market testing	Initial voluntary trading	Periodic liquidity assessment				
	1C: Virtual disaggregation			EAAG input			Outline published ¹				
	1D: Level playing field measures				Initial views		Options published ¹				
Package 2	2A: Cost-reflective distribution export tariffs	EAAG input								Code change decision	Industry responds
	2B: Time-varying retail pricing						Combined consultation papers published			Code change decision	
	2C: Time-varying retail feed-in pricing	EAAG input								Code change decision	
	2D: Short-term flexibility revenue ²							Consultation (if required) ³		Code change decision (if required)	

1. There will be opportunity to provide feedback on the outline
2. Indicative timeline
3. Consultation may not be required if a Code change is not needed



Q & A

Retail pricing



Daniel Griffiths
Manager Policy: Retail and Consumer

What does your power bill pay for?

An average household power bill contributes to the following costs



32%
GENERATION

Producing the electricity you use.

27%
DISTRIBUTION

Building and maintaining the power lines that transport electricity from the grid to your home.

13%
RETAIL

Your power company's operating costs.

10.5%
TRANSMISSION

Building and maintaining the national grid.

13%
GST

The GST-inclusive amount of tax we all pay.

3.5%
METERING

Reading and maintaining your electricity meter.

0.5%
MARKET GOVERNANCE

Energy efficiency programmes and the organisations that regulate the electricity industry.

0.5%
MARKET SERVICES

Organisations who operate the electricity market.

Our role ensuring affordability in the retail market

We utilise three **key levers to maintain affordability** and deliver an efficient and reliable service to all New Zealanders:

1

Promote competition ensuring long-term affordability

2

Monitor retail market performance ensuring transparency and accountability

3

Protect consumers ensuring fair treatment, empowering informed choices, and building trust in the energy market



Q & A

Consumer Care Obligations



Carolina Rodriguez
Principal Advisor
Retail and Consumer



Ginni Murray
Manager Consumer,
Compliance & Project

Code amendment to introduce

the Consumer Care Obligations

Part 11A Consumer Care

Contents

11A.1	Purpose of this Part
11A.2	Interpretation
11A.3	Participants subject to Consumer Care Obligations
11A.4	Retailer must report compliance with Consumer Care Obligations
11A.5	Retailers and distributors to provide certain information upon request
11A.6	Retention of records
11A.7	Authority may require independent review
11A.8	Nomination of independent person to undertake review
11A.9	Factors relevant to direction under clause 11A.8
11A.10	Carrying out of review by independent person
11A.11	Payment of review costs

Schedule 11A.1 Consumer Care Obligations

Purpose and interpretation

11A.1 Purpose of this Part

The purpose of this Part is to impose a set of minimum standards on **retailers** requiring them to:

- (a) adopt behaviours and processes that foster positive relationships with residential consumers;
- (b) support residential consumers in accessing and maintaining an affordable and constant **electricity** supply suitable for their needs; and
- (c) help minimise harm to residential consumers caused by insufficient access to **electricity** or by payment difficulties.

11A.2 Interpretation

In this Part, unless the context otherwise requires,—

alternate contact person means any person authorised by a customer, or by a medically dependent consumer who permanently or temporarily resides at a customer's premises, to operate as an alternate contact person if a **retailer** is unable to contact the customer or medically dependent consumer, provided any alternate contact person is independent of the customer's **retailer**

bond means an upfront payment of a lump sum to provide security to a **retailer** for the performance of a customer's obligations under their contract with the **retailer**

Mandating obligations ensures:

- Consistent care standards for all consumers.
- Clear, workable protections without stifling innovation.

Staged implementation



1 January 2025 | Two key protections come into effect:

1. Prohibiting retailers from disconnecting post-pay customers where they know a medically dependent consumer may be residing at that premises.
If such a disconnection does occur, the retailer must notify the Authority immediately using the prescribed form
2. Requiring any fees charged by a retailer to be reasonable and reflective of actual costs.



1 April 2025: Full Obligations effective

Compliance: Consumer Care obligations

- Breach process on compliance portal
- Educative approach initially
- Track and analyse the data to determine pathway of intervention
- Work with identified retailers, through education and monitoring, to resolve the breaches
- Formal investigation - may result in referral to Rulings Panel

Role of the Authority & Utilities Disputes

Role of the Authority

- The Authority is not a dispute resolution scheme.
- The Authority will work with the retailer to address alleged breaches.

Role the role of Utilities Disputes (UDL)

- UDL is a dispute resolution scheme.
- UDL will work with the consumer and retailer to help resolve their CCO concern.

Interaction between the Authority and UDL

- UDL services continue as usual
- UDL first line for consumers
- Information shared between organisations with consumer permission

Contact points

Call centre for consumer

- 0800 6262 4456 (0800 MANA HIKO)

Correspondence

Email - consumercare@ea.govt.nz



Q & A

Power Innovation Pathway

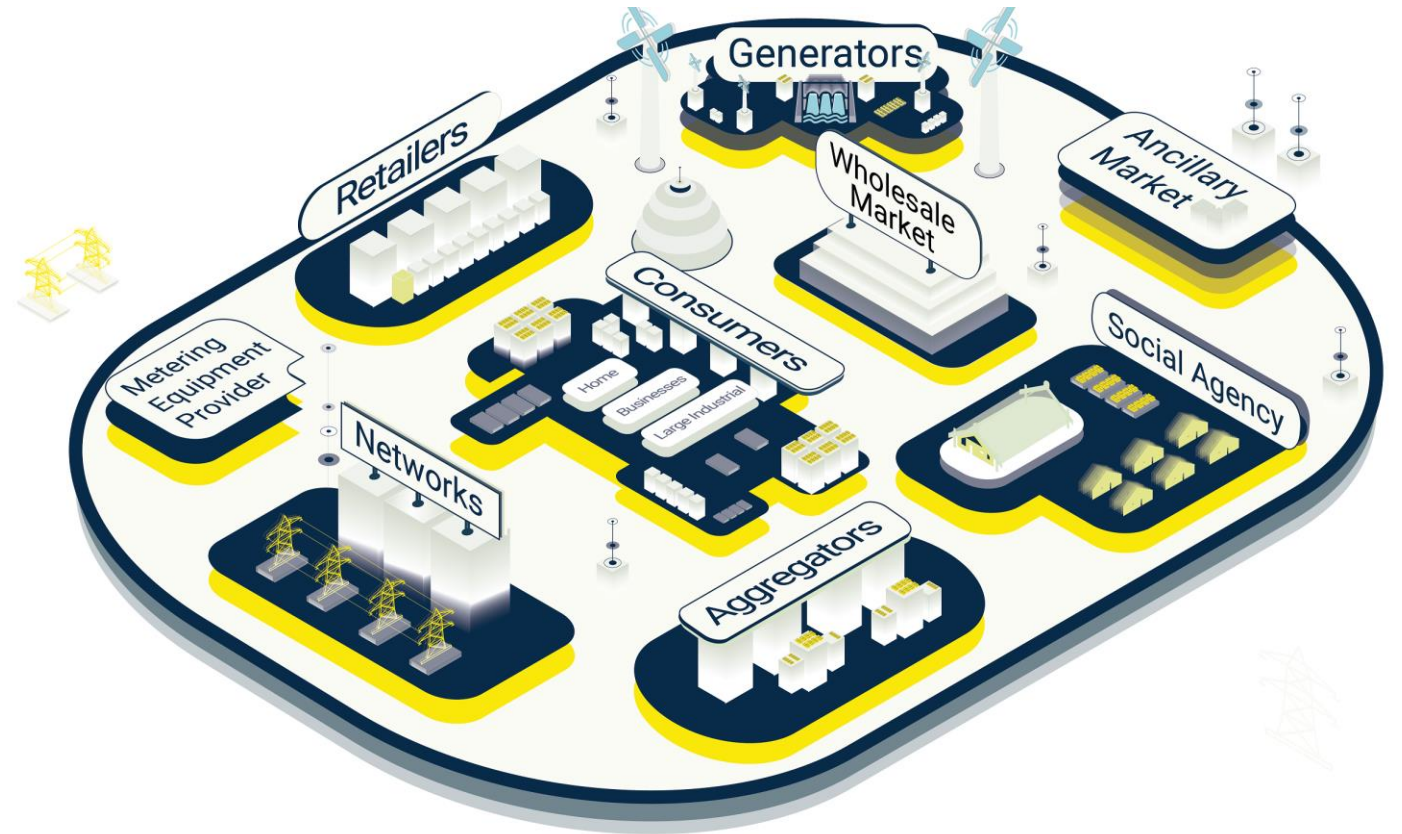


Mark Herring
GM Corporate
Market Services

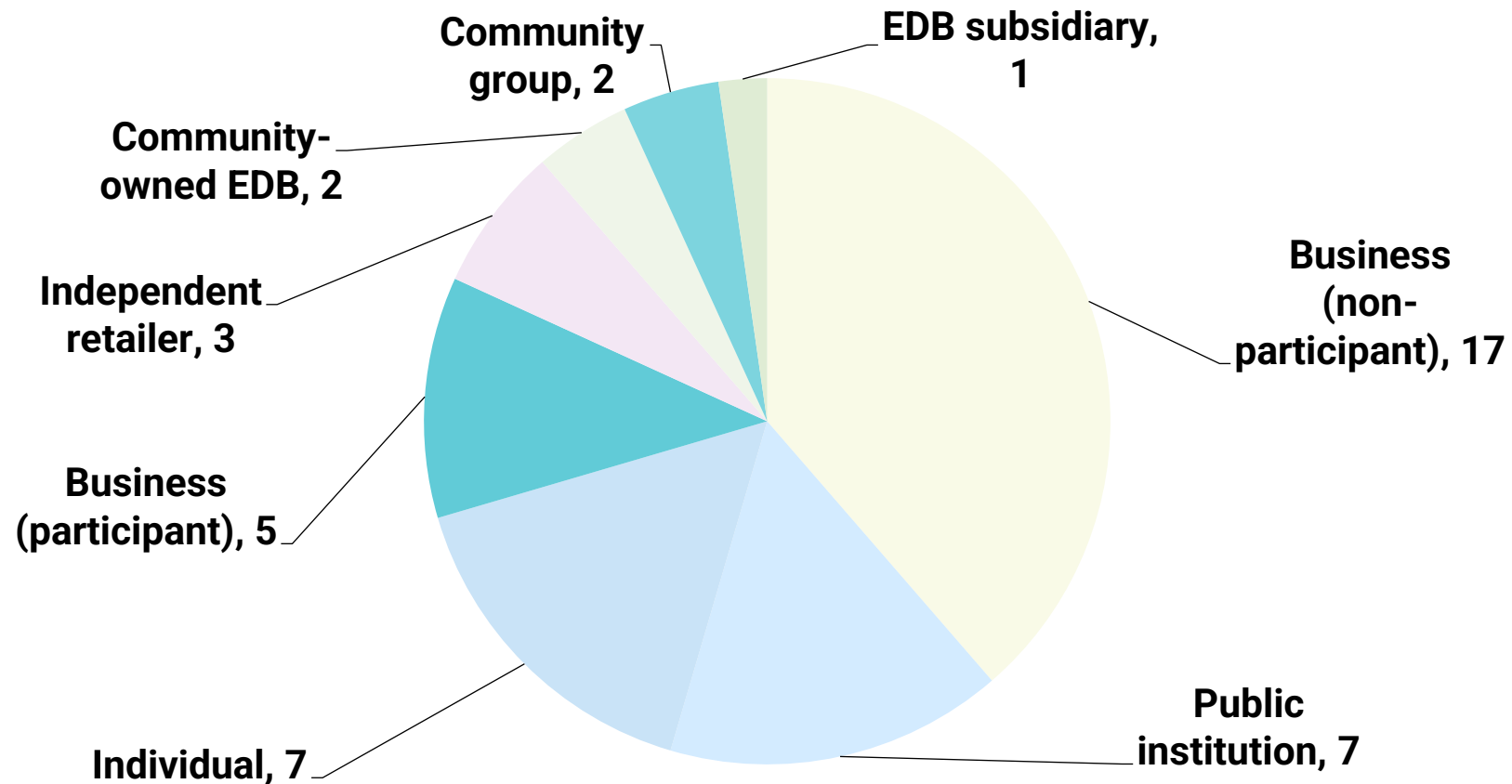


Jono Barnard
Power Pathway
Innovation Manager

Power Innovation Pathway



Diversity of applications



Emerging applications themes

- Learn-by-doing trials
- Innovator cohort
- Specific Code support required
- Innovative ideas, no support required

Next steps

- Entrants into the Power Innovation Pathway will have gain bespoke advice/ support from subject matter experts.
- Successful applicants will be announced early into the new year.
- Applications remain open for light touch support.



Q & A

He Karakia Whakakapi

Kia whakairia te tapu

Kia wātea ai te ara

Kia turuki whakataha ai

Kia turuki whakataha ai

Haumi e. Hui e. Tāiki e!

Restrictions are moved aside

So the pathways is clear

To return to everyday activities

Ngā mihi!



Join us for our next
QUARTERLY UPDATE
February 2024

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