Response to survey of residential electricity consumer perceptions 2023/24

16 December 2024

ELECTRICITY AUTHORITY
TE MANA HIKO

Contents

1. Introduction

1.1 In May 2024, the Electricity Authority Te Mana Hiko (Authority) commissioned AK Research & Consulting (AKR) to conduct an online survey of a nationally representative sample of around 1,000 New Zealanders aged 18 years and over.

1.2 We have run annual consumer and participant surveys since the Authority's founding in 2010 to help monitor Authority performance. This annual survey was conducted from 15-20 May 2024 and had 1,033 respondents (38% response rate). The questions were consistent with the performance measures in our *Statement of Intent 2021-25* and match with the previous three consumer perception surveys. This helps to compare year-on-year progress from 2021-24 under the active *Statement of intent 2021-25* for the time.

1.3 The survey aimed to find out electricity consumers' perceptions of the Authority's statutory objectives on the competitiveness, reliability and efficiency of the electricity industry and protection of domestic and small business consumers.

1.4 The survey results were used with other data sources to report on the Authority's performance and progress on delivering our statutory objectives in our *Annual Report 2023/24*.

1.5 The results are also used to help shape the Authority's strategy and work programme for 2024/25.

1.6 We acknowledge consumers' responses and thank them for taking the time to provide their valuable feedback.

1.7 The survey responses represent a wide range of views from consumers. Three key themes emerged, and these are summarised and responded to in this report.

2. Results of the consumer perception survey

2.1 The three key themes that emerged from the consumer perception survey are that:

- Perceived competitiveness has decreased across all business types tested (internet providers, telephone companies, electricity retailers, supermarkets, electrical goods stores and petrol stations). Of the sectors tested, electricity retailers were perceived to be the third most competitive business.
- Consumers are concerned about future electricity supply
- Improved awareness of new technology and consumer services such as Utilities Disputes

2.2 Our work programme for 2024/25 is focused on actions to address these areas. We also have plans to improve how we communicate with consumers to improve their understanding of our work and the electricity sector.

2.3 The three key themes align with the key priorities for the Authority in our *Statement of performance expectations 2024/25*. This sets out our key actions to achieve an electricity system that is:

- **Secure and resilient** – Consumers have trust and confidence in their electricity supply. It's reliable, secure and responsive to shocks.
- **Accessible** – Consumers have simple, stable options to access affordable electricity. They can choose their electricity supplier(s) from a competitive and efficient market.
- **Efficient** – Consumers are served by an electricity market that meets their needs, and that adapts and innovates as these needs evolve over time.

Perceived business competitiveness decreases across all business types

2.4 There was a minor decrease in perceived business competitiveness across almost all business types tested compared to 2023.

2.5 Electricity retailers continued to rank third in terms of total competitiveness (38%, down 3% from 2023) after internet providers and telephone companies.

2.6 While the majority (84%) of consumers surveyed agreed they had a choice of electricity provider, it didn't mean they found a fair price. Nearly three quarters agreed they could find a power company that met their needs, while two thirds agreed that having a choice meant a fair price was found.

2.7 Some consumers cited concerns about confusing retailer pricing models and contractual obligations, and bills continuing to rise after switching electricity retailers. Others were concerned that prices were very similar among retailers and there is no fair price for electricity.

Our response

2.8 The Authority is focused on enabling a thriving and competitive electricity market where innovation drives progress, efficiency and better outcomes for New Zealanders. This is the best way to ensure downward pressure on prices and an affordable electricity supply for all consumers.

2.9 In 2024, our Board set a new vision that articulates our unwavering focus on improving outcomes for electricity consumers. That vision is for consumers to have choices in accessing the energy they need now, and in the future, to ensure they and New Zealand prosper. It underpins our work and focuses our strategy on ensuring market rules provide consumers with reliable access to affordable electricity choices.

2.10 In August 2024, we established the Energy Competition Task Force with the Commerce Commission in response to high wholesale prices. The Task Force is investigating ways to improve the performance of the electricity market and is focused on two substantial packages of work to:

- enable new generators and independent retailers to enter, and better compete in the market; and
- provide more options for end-users of electricity.

This work will encourage more and faster investment in new electricity generation, boost competition, enable homes, businesses and industrials to better manage their own electricity use and costs, and put downward pressure on prices.

In 2024/25 we are focused on improving the ability and support for consumers to compare electricity plans and easily switch between retailers. We will implement a new and improved website comparison and switching service and are exploring other initiatives to improve choice and mobility, so consumers can get the most benefit from a competitive electricity market. This work will be complemented by a marketing campaign to build consumers' awareness around competition and their ability to switch providers.

Our review of risk management options for the retail electricity market is a high priority programme which investigates whether the availability of over-the-counter risk management contracts is creating a barrier to entry or expansion in the retail electricity market. By addressing any barriers, we want to enable retail market competition to put downward pressure on prices and encourage a greater variety of products and services.

2.11 Our work to boost competition in the market and provide confidence to consumers will continue and we will continue to monitor competition and provide updates on our work with the Task Force.

Consumers concerned about future electricity supply

2.12 Nearly three quarters of respondents reported rarely experiencing an unplanned power cut (74%, up 3% from 2023). There was also agreement that unplanned power cuts were fixed quickly (65%).

2.13 However, respondents were concerned for future electricity supply. Only 39% of respondents agreed there is enough electricity to keep New Zealand powered in the future.

2.14 Respondents recognised that the move to more electric vehicles was creating increased demand on the electricity system. This would require increased generation to strengthen future reliability.

2.15 Some consumers raised concerns about the effect of low lake levels and the solar storm in May 2024[1] on electricity supply.

2.16 Suggestions to improve reliability included greater investment in renewable energy as well as exploring alternative energy sources.

Our response

2.17 One of the immediate stresses in our system is security of supply, and we acknowledge that during the timeframe of this survey there were a couple of events (low residual and solar storm) that likely impacted consumer perceptions of security of supply.

2.18 We are developing six initiatives to support security of supply following our consultation into *potential solutions for peak electricity capacity issues*[2] and lessons learned from the low residual situation on 10 May 2024. We will:

- **improve intermittent generation forecasting** by implementing a centralised forecasting system for wind and solar generation

[1] https://www.transpower.co.nz/news/transpower-restores-electricity-transmission-circuits-after-solar-storm-subsides

[2] https://www.ea.govt.nz/projects/all/managing-peak-electricity-demand/

- **improve investment and coordination signals in the wholesale market** by updating the scarcity pricing settings
- **improve risk management information** by publishing thermal fuel availability
- **improve trust and confidence** in the market by developing and publishing seasonal security of supply outlook forecasts with scenario modelling
- **enhance forward price discovery in flexibility markets** by developing standardised flexibility financial products
- **enhance outage information and coordination** by improving the outage coordination process.

2.19 We are also working to increase demand-side flexibility to better coordinate resources during peak electricity demand periods. For example, in 2023/24 we used the rules around materially large contracts to review multiple long-term contracts between Tiwai Aluminium Smelter and several retailers that included significant demand response. These long-term contracts play an important role in the future stability of the electricity sector. The length of the deal and demand response options contributes to future investment certainty and is important for a highly renewable future of intermittent electricity generation.

2.20 We have a variety of workstreams underway to support system reliability and address dry year demand concerns. In addition to the six initiatives listed above, we are working to improve investment signals for new reliability solutions, such as battery energy storage systems, to improve their flexibility and capability. Our goal is to ensure the Electricity Industry Participation Code and market settings continue to enable a reliable supply of electricity.

Improved consumer awareness

2.21 One third of respondents had looked into connecting or operating new technologies for electricity generation (33%, down 3% from 2023).

2.22 In terms of barriers to implementing new technology, respondents cited concerns about the installation of solar, return on investment and low buy-back prices offered by retailers.

2.23 There were also concerns about the limited choice of batteries, the lifespan of solar panels and stability of panels in high winds. Some respondents commented about the practicality of electric vehicle batteries and difficulties maintaining rooftop solar panels.

Our response

2.24 A priority for the Authority is enabling more flexibility in Aotearoa New Zealand's electricity system. Flexibility is about allowing consumers to be rewarded for using their power differently. For example, owners with solar and battery systems can be paid for feeding surplus power into the grid; or pay cheaper rates by moving their power use to off-peak times.

2.25 The Energy Competition Task Force is focused on providing more options for end-users of electricity. One of the work programmes looks to reward consumers who can provide energy back into the system – most commonly through rooftop solar and batteries – at peak times. Currently, many of the rates retailers offer to buy-back energy from these households does not reflect the value of that electricity at the time. This piece of work may encourage more people to invest in solar and batteries, as well as reduce electricity bills for all consumers over time, if it reduces the cost of peaking generation and/or network investment. Communicating this via a consumer awareness campaign will also help address perceived barriers.

3. AK Research & Consulting report

3.1 The remainder of this document contains AK Research & Consulting’s report to the Authority. The report to the Authority includes the survey results and AK Research & Consulting’s high-level analysis. All results presented are the perceptions of the survey respondents and do not necessarily reflect the views of the Authority.

ELECTRICITY AUTHORITY
TE MANA HIKO

Survey of residential electricity consumer perceptions

June 2024

Prepared for
Electricity Authority Te Mana Hiko

ak research & consulting

Contents

1. Executive summary

The Electricity Authority Te Mana Hiko (Authority) is an independent Crown entity responsible for overseeing and regulating the New Zealand electricity industry. The Authority engaged AK Research and Consulting Ltd (AKR) to conduct a survey in May 2024 to understand consumers' perceptions of competition, reliability, and efficiency of the electricity system, and of the Authority's strategic ambitions.

Results are based upon questions asked in a nationally representative sample of n=1033 New Zealanders 18 years and over. Fieldwork was conducted from the 15th to the 20th May 2024.

The questions are based on the performance measures outlined in the Authority's Statement of Intent 2021- 25 and are consistent with previous years to compare year-on-year progress, with some additional questions included in anticipation of the Authority's updated strategy and priorities.

The survey results are used to measure the Authority's progress and performance and will be reported on in the Authority's 2023/24 Annual Report.

Reporting notes:

- At the request of the Authority, figures have been standardised to avoid totals not adding to exactly 100%. This has been done by 'adding' or 'subtracting' 1 percentage point to the rounded unsure or N/A figures where the total appears to add to 99% or 101%
- Commentary compares results with the previous year. Where trends are evident these are noted. The charts show data from 2021 – 2024.
- Throughout the report where we have commented on total agree and total disagree these are defined as:
    - total agree(d)=strongly agree+agree
    - total disagree(d)= strongly disagree+disagree.

Highlights this year were:

Internet and telephone businesses were seen as the most competitive businesses this year followed by electricity retailers – this ranking was similar to previous years.

Having a reliable electricity supply has high agreement (total agree) that they rarely experience an unplanned power cut. The main change this year was lower agreement that there was enough electricity to keep New Zealand powered in the future.

There was strong agreement among respondents they had a choice of provider and could easily find an electricity provider. There was lower agreement that a fair price could be found or that they had enough information to make the best choice of provider, similar to previous years.

Less than a majority agreed prices on their electricity bill fairly represented the cost of their electricity usage. This was similar to 2023 and lower than the high recorded in 2021.

Awareness of the Utilities Disputes service has risen and is at its highest since tracking began.

There was a small increase this year in awareness of Powerswitch with nearly two-thirds of respondents stating they had heard of Powerswitch.

In a new question this year, just over a quarter of respondents were aware of the consumer care guidelines.

Competitive businesses

There was an overall minor decrease in perceived competitiveness across almost all businesses tested in the recent survey compared to 2023.

Electricity retailers continued to rank third among businesses tested in terms of total competitiveness, 38% (down 3%); and 6% lower than the high recorded in 2021.

- Internet providers maintain their position as the most competitive businesses ranked by respondents, 45% (down 2%). Telephone companies followed at 43% (down 2%).
- The least competitive businesses were banks on 31% (down 3%) and petrol stations 37% (up 1%) – the only industry to increase.

Experience

Decision making – 89% (up 1%) of respondents said they were responsible for paying the electricity bill in their household, or had a say in who their electricity provider was.

Being approached to switch electricity providers - In the past two years, two fifths (41%, down 8%) of all respondents had been approached by an electricity retailer/power company at least once to switch electricity providers. Meanwhile 51% had not been approached at all (highest since tracking began).

Fifteen percent, (down 4%) said they had been approached only once, 15% (down 2%) had been approached twice and 11% (down 2%) three or more times.

Choosing an electricity provider (Competition)

A strong majority agreed there was a choice of provider. Other measures have remained relatively steady. Six in ten agreed they have enough information to make their choice (new measure this year).

Additional comments from respondents indicated the following:

- Some stated they had choice and used retailer price comparison websites, PriceMe and Powerswitch, to help them make decisions when looking to switch providers.
- Others, however, found it hard to navigate the process citing difficulties with confusing pricing models and contractual obligations, as well as prices continuing to rise regardless of switching.
- Electricity prices for some were seen to be very similar among retailers and not a fair price.

- 84% agreed (up 1%) they had a choice in their electricity provider.
- 71% agreed (down 2%) they could find a power company that met their needs.
- 67% agreed (down 2%) that having a choice of power companies meant they can find a fair price.
- 60% agreed (debut rating) that they have enough information to know which electricity provider is best for them.

Electricity reliability

A strong majority rarely experienced an unplanned power cut, this rating has remained relatively steady since tracking began. Two thirds agreed that unplanned power cuts were fixed quickly.

However, there were concerns for future supply with agreement there was enough electricity to keep homes and businesses powered in the future at its lowest.

Additional comments from respondents indicated the following:

- Main concerns regarding reliability related to the lack of supp when New Zealanders encountered peak demand during winter and being asked to reduce power consumption at thes times.
- Recognition that the move to more electric vehicles was creating increased demand on the electricity system. This would require increased generation to strengthen future reliability.
- Investment in renewable energy, as well as exploring alternative energy sources were suggested.

- 74% (up 3%) agreed that they rarely experienced an unplanned power cut.
- 65% (up 2%) agreed that if there was an unplanned power cut it got fixed quickly.
- 39% (down 10%) agreed there is enough electricity to keep New Zealand powered in the future.

Connection and prices (Efficiency)

A strong majority agreed they can easily find an electricity provider. However less than a majority agreed prices on their electricity bill fairly represented the cost of their electricity usage. This was similar to 2023 and lower than the high recorded in 2021.

Additional comments from respondents indicated the following:

- Cost of electricity seen as too high with respondents mentioning lines charges, power prices and continued rising power prices.
- Concerns regarding how costs were calculated, with many stating they found their power bills hard to understand.
- While some were happy with their current power supplier.

- 77% (down 2%) agreed electricity providers were easy to find and connect with.
- 46% (no change) agreed the prices on their electricity bill fairly represented the actual cost of their electricity use.

New Technology

A third of respondents stated they had explored connecting or operating new technologies. This was similar to previous years.

Additional comments from respondents indicated the following:

- Main barriers mentioned were the initial cost of the investment, payback period (ROI), set-up costs and the low buy-back prices offered by power companies.
- Technology issues raised regarding solar included limited choice of batteries, lifespan of solar panels and stability of panels in high winds.
- Independent advice would be helpful for those investigating new technology.

- 33% (down 3%) said they had looked into new technologies for generating electricity.

- For many, their current house was not suitable for solar, either structurally or location-wise. Some were also renting.

Utilities Disputes

Awareness of the Utilities Disputes service has risen and is at its highest since tracking began. Amongst those who had heard of the service, less than two in ten had used the service. This was lower than all previous years.

Among those who had heard of it, this had mainly been from their power provider (22%, down 2%), Consumer NZ (22%, up 3%) or word of mouth (22%, up 1%).

- 21% (up 7%) stated that before now they had heard of the Utilities Disputes service.
- 16% (down 6%) who were aware of the Utilities Disputes service said they had used it.

Powerswitch

Awareness of Powerswitch has remained relatively steady. However there has been an increase this year with nearly two-thirds of respondents stating they had heard of Powerswitch, up 5% since 2021. Respondents' use of Powerswitch has remained steady since 2021.

Among those who had heard of it, the most frequent sources were TV (29%, down 11%), Google/ Internet search (26%, down 4%) and word of mouth (21%, down 2%).

- 64% (up 3%) said they had heard of Powerswitch.
- 41% (down 3%) of those aware of Powerswitch said they had used it.

Electricity consumer rights

Just over a quarter of respondents (26%) were aware of the consumer care guidelines – a new measure this year.

The 26% comprised 6% who were aware of the guidelines and intended outcomes and a further 20% who were aware of the guidelines but not the intended outcomes.

Less than a fifth were advised of the consumer care policy by their retailer. While a small majority knew they could request their own electricity data usage.

- 26% said they were aware of the Electricity Authority's consumer care guidelines.
- 16% said their retailer had advised them of the existence of their consumer care policy.
- 52% said they were aware they could request their own electricity usage data.

2. Introduction and Methodology

2.1 Introduction

The Electricity Authority Te Mana Hiko (Authority) is an independent Crown entity responsible for overseeing and regulating the New Zealand electricity industry.

The Authority regulates the electricity industry by developing and setting the rules, enforcing, and administering them and monitoring compliance with those rules.

Key functions of the Authority include:

- Monitoring market behaviour and making data, information and tools available to help improve participation and understanding of the electricity markets by consumers and industry participants.
- Operating the electricity system and markets to ensure efficient operation.
- Monitoring, investigating and enforcing compliance with the Electricity Industry Act 2010, its regulations and the Electricity Industry Participation Code 2010 by industry participants to create a fair and competitive market.
- Promoting market development by maintaining a responsive and robust regulatory environment that keeps up with innovation and new technologies to enable electrification and deliver better outcomes for consumers.
- Protecting the interests of small electricity consumers in relation to industry participants supplying their electricity e.g. monitoring how electricity retailers and other industry participants deal with small consumers.

As an independent Crown entity, the Authority sets its own work programme in line with its statutory objectives.

This report covers the responses received via a survey of residential electricity consumers' perceptions, commissioned by the Authority. This survey has been conducted annually since 2021 to provide input from consumers on key performance metrics for the Authority.

Questions are based on the performance measures outlined in the Authority's Statement of Intent 2021-25 and are consistent with the previous year (2022/23) in order to compare year-on-year progress. Some additional questions were included in anticipation of the Authority's updated strategy and priorities. The survey results will be used and reported on in the Authority's 2023/24 Annual Report.[1]

Opinions expressed throughout this report are based on the verbatim comments provided by the survey respondents on their perceptions of a variety of topics, and do not necessarily reflect the views of the Authority.

The research was conducted by independent research company AK Research (AKR). AKR is a full-service market research company covering the full range of market research services and has key areas of expertise in stakeholder, client experience research, and knowledge, awareness, and attitudinal research among the general public. AKR is a member of the Research Association of New Zealand and abides by the RANZ Code of Conduct which outlines ethical standards for the industry.

[1] We note that the Authority has published an updated SoI for 2024-28 with an updated vision and outcomes framework. These survey results are limited to the impact measures and strategic ambitions described in the 2021-2025 SoI.

In addition, data was collected, analysed, and reported independently of the Authority. AKR used the Voxco platform for building and hosting its online surveys. Analysis and reporting are conducted by a senior team which includes a senior data manager/ statistician, research analyst and senior researcher. The team approach ensures that objectivity of the research findings is maintained, and key findings are interrogated and peer reviewed.

2.2 Methodology

The results in this report are from an online survey of a nationally representative sample of 1033 New Zealanders 18 years of age and over. A total of 2738 invites to New Zealanders on the Dynata panel were made with 1033 completes, giving a response rate of 38%.

- Fieldwork was conducted from the 15th to the 20th May 2024.
- The margin of error for the sample size of 1033 for a 50% figure at the '95% confidence level' is ±3.1%.

Notes on reporting:

- At the request of the Authority, figures have been standardised to avoid the totals not adding to exactly 100%. This has been done by 'adding' or 'subtracting' 1 percentage point to the rounded "unsure" or "N/A" figures where the total appears to add to 99% or 101%.
- Commentary compares results with the previous year. Where trends are evident these are noted. The charts show data from 2021 – 2024.
- Throughout the report where we have commented on total agree and total disagree these are defined as:
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Questionnaire changes

This year new questions were included at the end of the survey to measure awareness of electricity consumer rights.

Reporting of verbatim feedback

Respondents were invited to make additional comments about:

- Their experience of choosing an electricity provider.
- Their experience about finding and connecting with an electricity provider and prices on electricity bills fairly representing the actual cost of electricity they used.
- Connection and pricing.
- New technologies.

Key themes are summarised in the relevant sections of this report, supported by verbatim comments. The same format is used for all questions with a verbatim component. All verbatim comments are in italics.

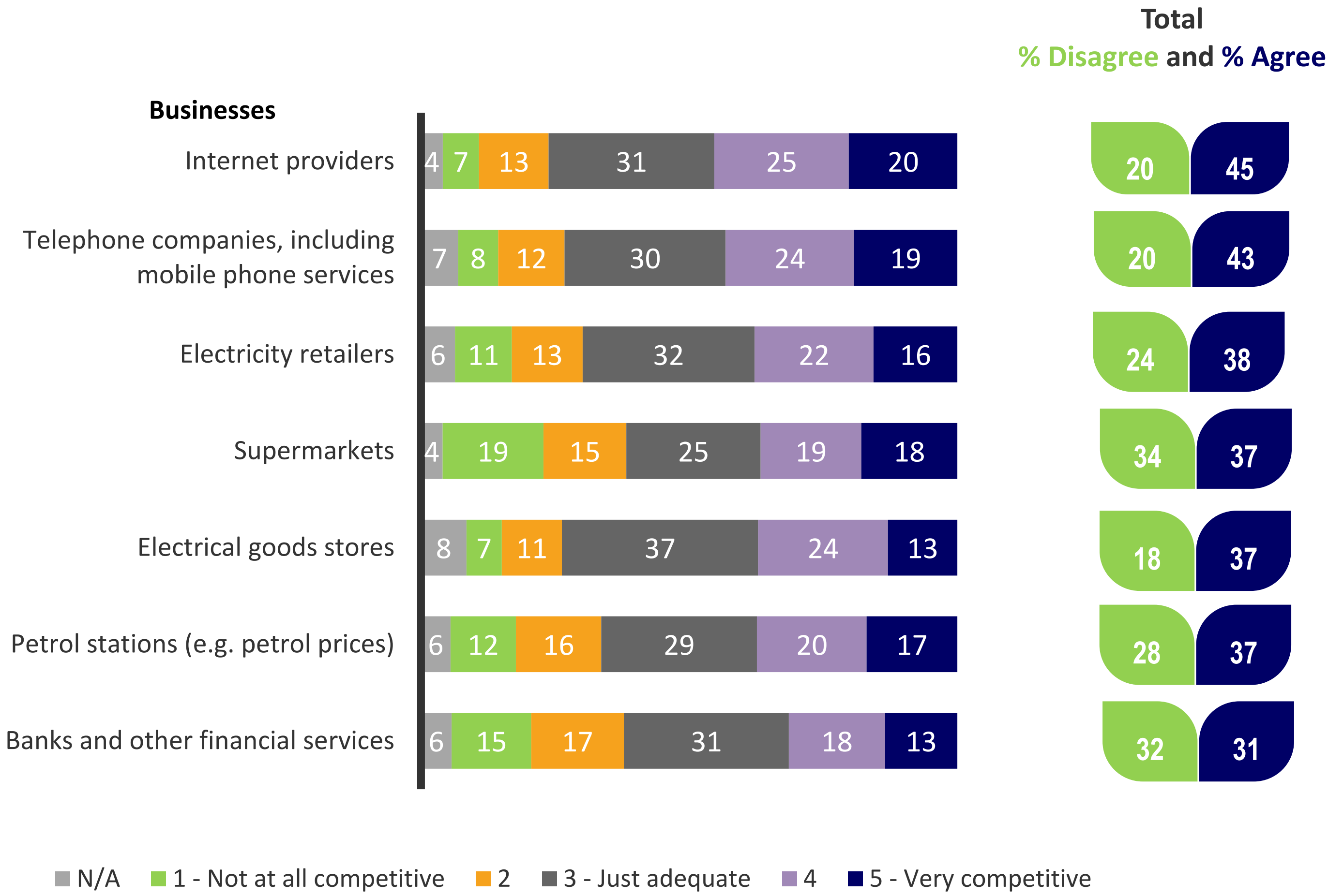
3. Business competitiveness

Respondents were asked how competitive a range of businesses were in terms of working to get their business (i.e. offering them the best deals).

There was little change in public perceptions of business competitiveness, with both internet providers and telephone companies seen as the most competitive (unchanged since the tracking survey began in 2021). Electricity retailers were perceived as the third most competitive business. However, they were now seen as similar in competitiveness to supermarkets, electrical goods stores and petrol stations. Banks continued to be seen as the least competitive.

- 45% (down 2%) considered **internet providers** the most competitive (4 and 5 on a five-point scale), with **telephone companies** next (43%, down 2%).
- **Electricity retailers** were in third place in terms of total competitiveness (38%, down 3%). However, they were similar to **supermarkets**, **electrical good stores** and **petrol stations** which all scored 37% total competitiveness.
- Least competitive were **banks** where 31% (down 3%) said they were competitive.

Q: How competitive are the following businesses in terms of working to get your business (e.g. offering you the best deals) If you are unsure, please select N/A? (%)

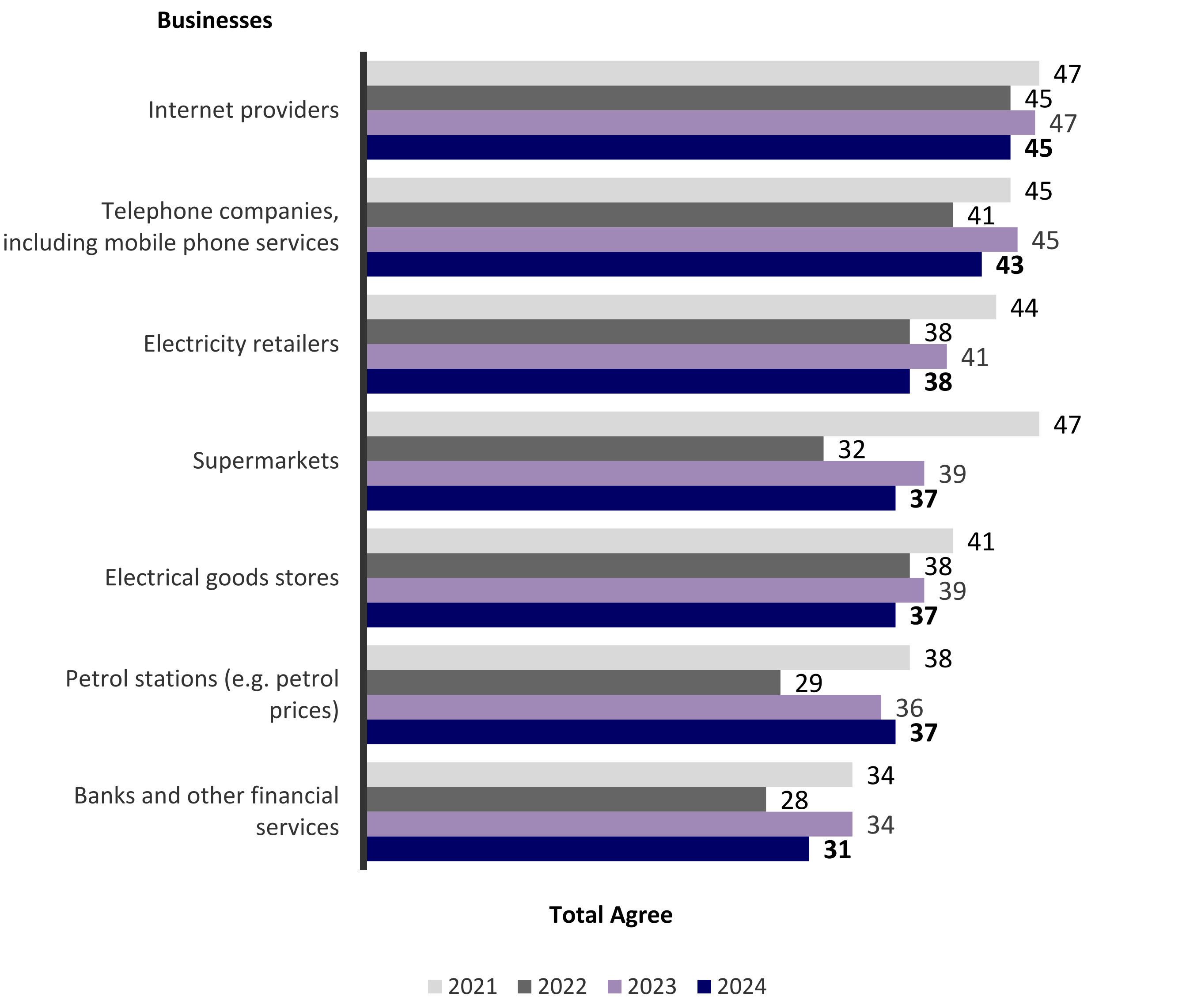


Base: All respondents (n=1033).

Tracking indicates the following:

- The largest fall in competitiveness among businesses tested was with supermarkets. There was a 6% fall since 2021 for electricity retailers.
- The others have remained relatively steady.

Q: How competitive are the following businesses in terms of working to get your business (e.g. offering you the best deals) If you are unsure, please select N/A? (% total competitive)



Base: All respondents (approx. n=1000 per survey).

4. Experience choosing an electricity provider

4.1 Decision maker

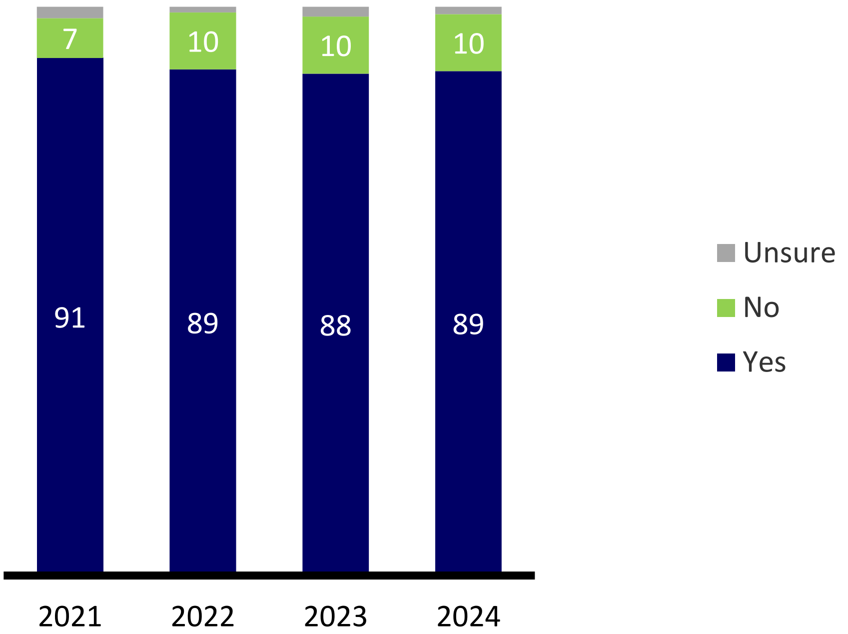
The majority of respondents (89%, up 1%) said they were responsible for paying the electricity bill or had a say in who their electricity provider was.

Demographic differences

Respondents aged 45+ years (95%), those living in the Canterbury region (95%), NZ Europeans (91%), those with dependent children (95%) and homeowners (97%) were more likely to say they were responsible.

Those less likely to say they were responsible included: under 30 years (72%), NZ Māori (80%), renters (85%), Aucklanders (84%) and those with no dependent children (86%).

Q: Are you either responsible for paying the electricity bill in your household or have a say in who your electricity provider is? (%)



Base: All respondents (approx. n=1000 per survey).

4.2 Being approached to switch electricity providers

Respondents were asked how many times in the past two years an electricity retailer had approached them about **switching electricity provider**.

- Fifty-one percent of respondents stated they had not been approached (up 8%).
- 41% of all respondents had been approached by an electricity retailer/power company at least once (down 8%).
- 15% said they had been approached only once (down 4%).
- 15% had been approached twice (down 2%).
- 11%, three or more times (down 2%).
- 9% said they were unsure (unchanged).

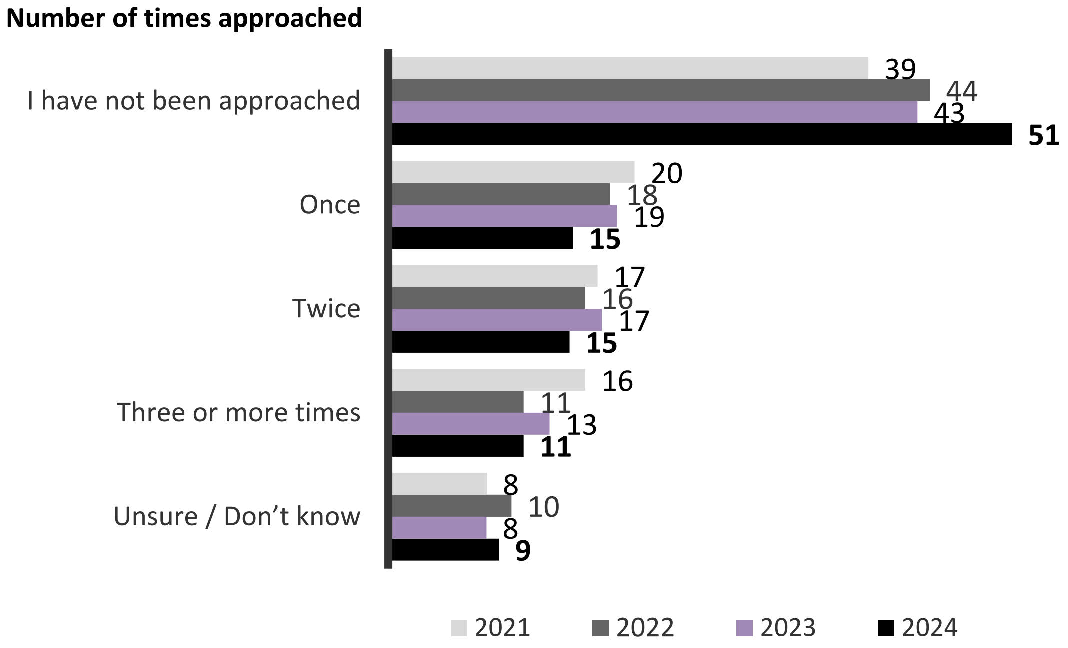
Demographic differences

The following demographic groups were more likely to have been approached at least once:

- Pasifika (61%) and Māori (55%)
- Those aged 30-44 years (51%)
- Those with dependent children (50%)
- Those working 30 hours or more (47%)
- Those renting (46%)

Tracking indicates that a majority this year were not approached to switch electricity provider in the past two years, highest since tracking began.

Q: In the past two years, how many times has an electricity retailer/power company approached you about switching electricity providers? (%)



Base: All respondents (approx. n=1000 per survey).

4.3 Choosing an electricity provider

Respondents were asked to rate four statements about their experience when choosing their electricity provider.

A strong majority agreed there was a choice of provider. Other measures have remained relatively steady.

A strong majority (84%, up 1%) total agreed that they had a choice of electricity provider. Nearly three quarters (71% (down 2%) total agreed they could find a power company that met their needs, while two thirds (67% down 2%) total agreed that having a choice meant a fair price was found.

In a new measure this year, 60% total agreed they have enough information to know which provider was best for them.

Demographic differences

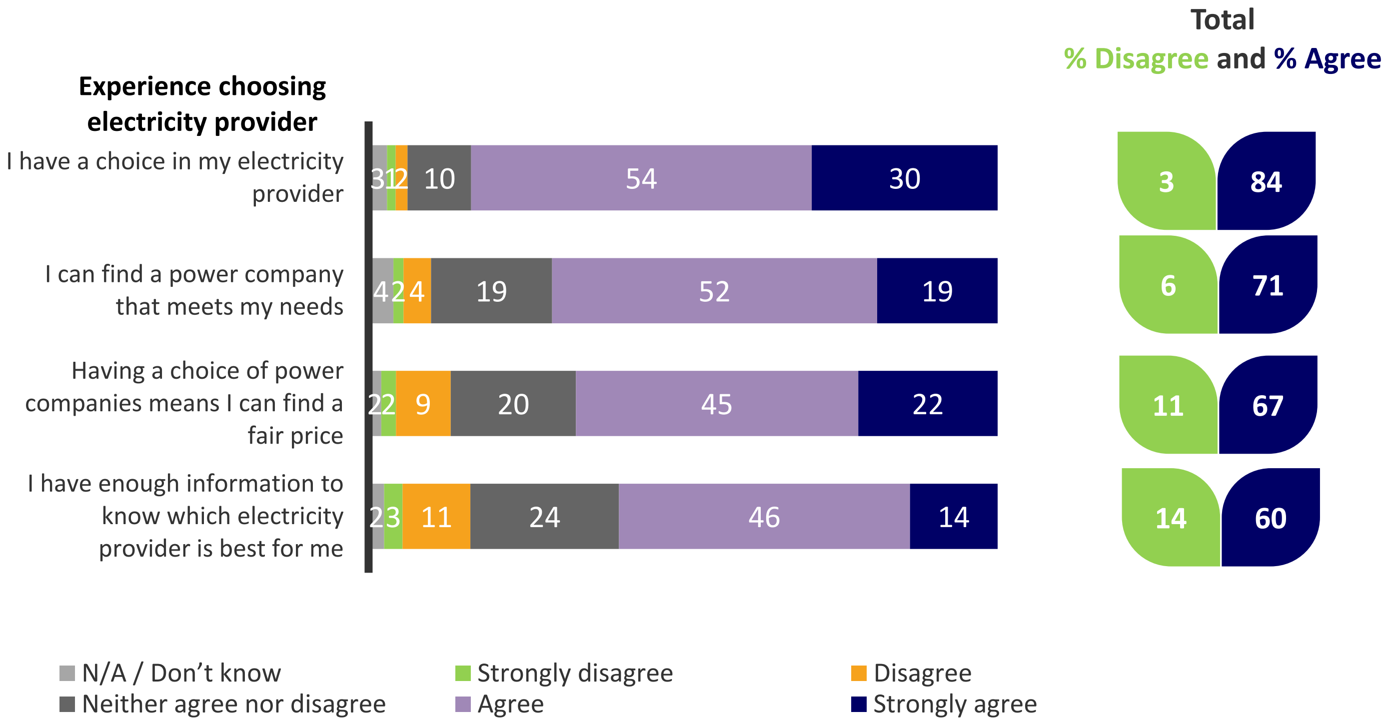
Homeowners (89%), those aged 60 or over (89%), those working more than 30 hours per week (87%), electricity decision makers (88%) and those with dependent children (89%) were all more likely to agree that they had a choice.

Those aged 30-44 (77%), those working more than 30 hours per week (76%), electricity decision makers (74%) and those with dependent children (77%) were more likely to agree that they could find a company that met their needs.

Those working more than 30 hours per week (73%), those with dependent children (76%), those with household incomes greater than $100K (73%) and Asian (78%) were more likely to agree that having a choice of power companies means they can find fair prices.

Men (64%), Māori respondents (71%) and those with dependent children (66%) were more likely to agree they have enough information to know which provider is best.

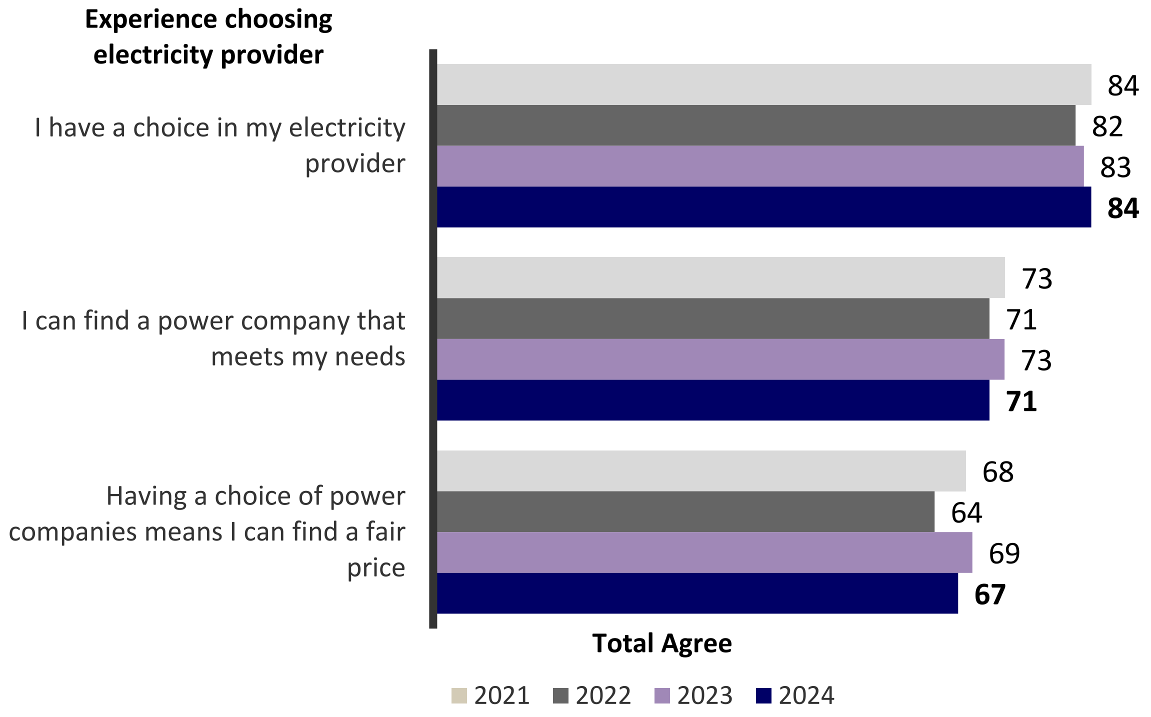
Q: Please rate the following statements about your experience of choosing your electricity provider in New Zealand (%)



Base: All respondents (n=1033).

Tracking indicates that all measures have remained steady since 2021.

Q: Please rate the following statements about your experience of choosing your electricity provider in New Zealand tracking (% total agree)



Base: All respondents (approx. n=1000 per survey).

4.3.1 Verbatim feedback

Respondents were invited to make additional comments about their experience of choosing an electricity provider.

Satisfied with electricity provider. Loyalty should be rewarded.	*I have found a company who listened to my story and presented a service that is most suitable and I pay weekly.* *Very pleased with our provider and price [Provider].* *Most power companies today don't have a lot of customer service people. The company I am with do manage to give me amazing customer service all the same.* *I have stayed with the same company for years. When first moved to Marlborough there was only one company and I stayed with them through the years until another company took them over. I think that incentives should be given to loyal customers.*
Agreed there was choice, some willing to do the research and use price comparison websites PriceMe and Powerswitch.	*I use PriceMe and Power switch to find what I believe is the cheapest electricity on offer.* *I have switched providers in the last year under a bundle scheme.* *It is very easy switch electricity providers in Auckland.* *It is easy to compare and find electricity providers in New Zealand but can take time to really analyse everything in great detail.*

However, while acknowledging there was some choice many respondents commented that comparing the different retail options and making a choice to switch remains difficult. Confusing pricing models, contractual obligations and prices continuing to rise regardless of switching, made respondents think twice about switching.

Confusing pricing models	*They confuse the market with free large appliances where the actual plan is not the best for you in the long run.* *Plans are difficult to compare even on comparison sites due to rebate cheques and other considerations.* *I feel that electricity companies deliberately obfuscate how much you'll actually pay for the amount of power you use and when. I would like to switch to [Provider] for power because I have my internet and mobile phone with them and they say I will get a discount if I do, but I have absolutely no way of figuring out if it will actually save me money or if it will have cost me more at the end of the year.* *It is extremely difficult to compare apples with apples when doing any comparison between the electricity providers as they all structure their services differently. Often you cannot predict what your power usage will look like, so it is often difficult to figure out which one would be best for you.*
Prices continue to rise actions.	*You can find all sorts of deals, providing you are willing to search, you have to search and listen to what people are saying, we have found that electricity companies are offering joining deals, but 6 months down the track they put their prices way up to compensate for the cheap power, so be careful.* *They all offer a great promo, to begin with then they get you because all of the prices have just gone up regardless.*
Locked into contracts.	*Locked into contracts.* *You have a choice if you are not under a contract, which stops you from changing providers.*
Pricing was also seen as similar or unfair.	*It seems that power companies aren't interested in getting new customers, and they are all the same anyway.* *As a low user of power, there is very little difference in the companies' prices when I do the power switch comparison.* *I feel like all the company out there in NZ is similar, way too expensive.* *Interesting to note you say fair price. There is no fair price for electricity with any providers. They are all too expensive and especially difficult for older people whose bodies have difficulty to adjust to temperatures when they are aging.*
Structure of the electricity industry impacting cost of electricity.	*It's all price gauging filtered down from the main suppliers.* *Misuse of power by providers including transpower in reducing cost of electricity since most produced by hydro paid for by our prior generation.* *It seems that the gentailers still call the shots, would be great to change that, but only if it results in better maintained networks and cheaper electricity for the consumer.*

5. Experience of electricity reliability

5. Electricity reliability

For experience of electricity reliability in New Zealand, nearly three quarters of all respondents rarely experienced an unplanned power cut, with only 8% total disagreed. This response level has remained steady over the past three years.

However, just over a third total agreed there was enough electricity to keep New Zealand powered in the future; a significant drop in agreement.

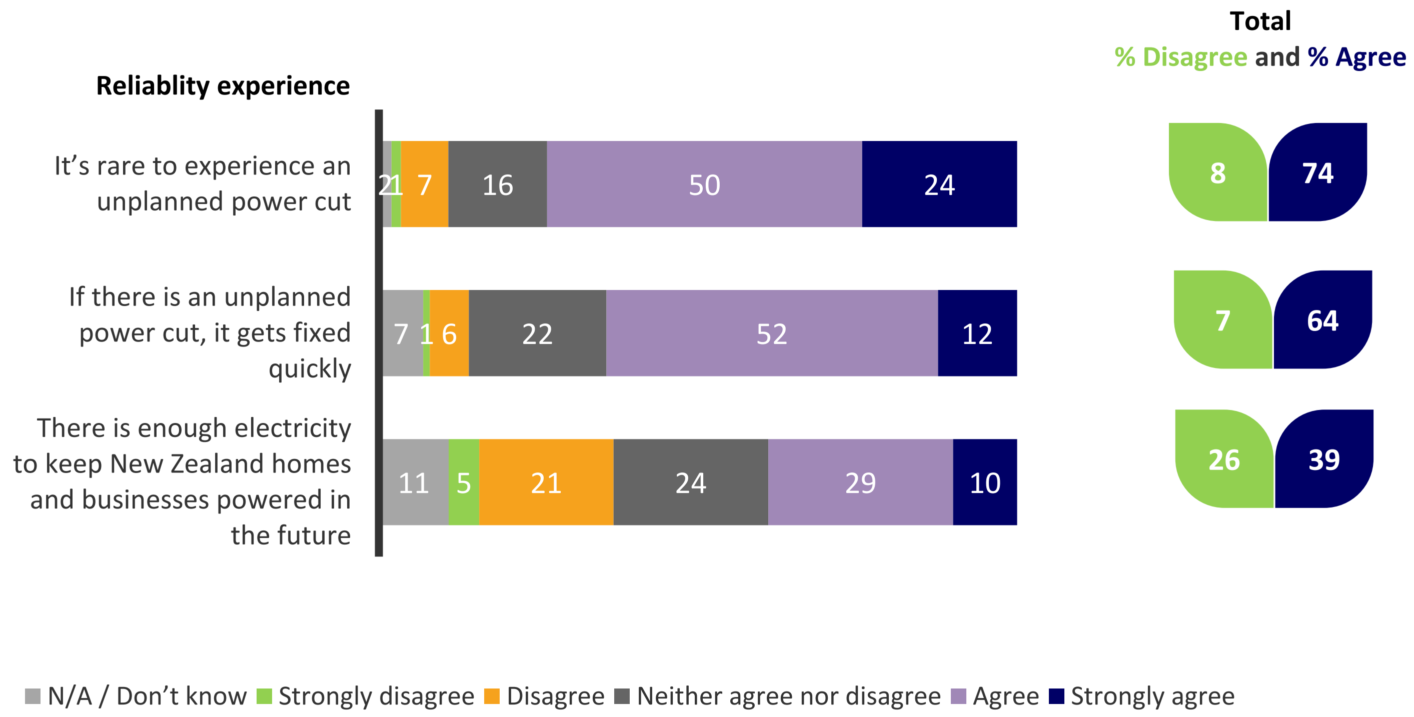
- 74% of respondents total agreed (up 3%) they rarely experienced an unplanned power cut.
- 64% (up 1%) of respondents total agreed that if there was an unplanned power cut it got fixed quickly.
- Lowest agreement was regarding whether there is enough electricity to keep New Zealand powered in the future, 39% total agreed (down 10%).

Demographic differences

Canterbury respondents (84%), those aged 60 or over (81%), men (78%) and home owners (77%) were more likely to agree that they *rarely experienced an unplanned power cut*.

Those aged under 30 (52%), men (47%), renters (47%), and full-time workers (45%) were more likely to agree that *there is enough electricity to keep New Zealand powered in the future*.

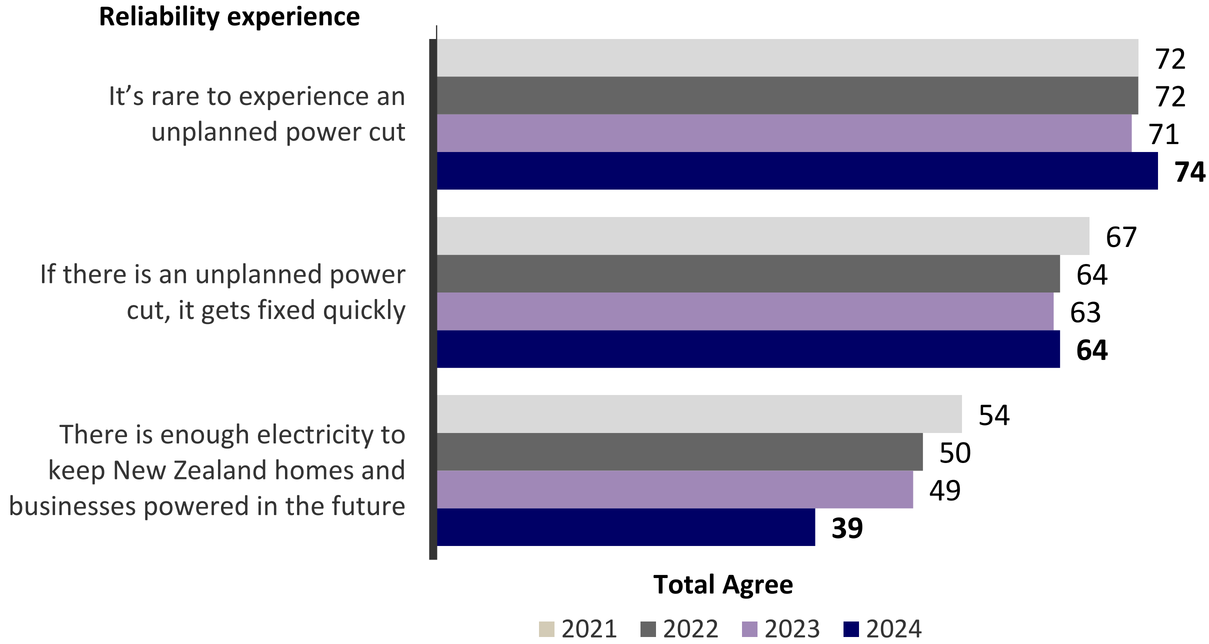
Q: Please rate the following statements about your experience with electricity reliability in New Zealand. (%)



Base: All respondents (n=1033).

Tracking indicates that agreement with reliability has remained steady. However, agreement that there was enough supply for the future has declined.

Q: Please rate the following statements about your experience with electricity reliability in New Zealand. (% total agree)



Base: All respondents (approx. n=1000 per survey).

5.1.1 Verbatim feedback

Concerns about lack of supply during peak demand (winter). News items about potential electricity shortages and being asked to reduce power during cold snaps reinforced perceptions of lack of supply.	*I'll point this question to recently the public being asked to conserve power to avoid power cuts. See news items.* *If we can't sustain a cold winter in 2024, then what hope do we have for the future.* *Until mid-May, there was no concern; however low lake levels for hydro generation plus the recent solar storm has raised warnings of insufficient capability across the grid.*
Increasing demand for electricity from electric vehicles impacting perceptions of security of supply.	*Adding electric vehicles to the existing power means the power will run out quickly as it won't be able to cope with the extra load.* *There is a shortage of electricity so why on earth are they pushing electric vehicles and building all these tiny apartments with heat pumps.* *I can see that the Power Coys have overlooked the electric cars that will charge up over night at the time of heavy call on electricity. People coming home from work switching all the power on forget that their EV's are also calling on the power.*

More planning for future reliability and need for increased generation.	*More power generation is needed for New Zealand with more people buying EVs.* *Government needs to promote building more dams for producing electricity. New houses should have to have solar panels.* *Not certain about the amount of electricity in the future because of the likelihood of increases in our population and unless the country is able to produce more power we may face power outages on a regular basis.* *Winter excessive use needs to be factored into planning decisions by providers. We should not need brownouts or cuts flowing out of the electricity market, ultimately falling back on the consumer.*
Investments in renewable energy expected, including incentives to invest in renewable energy.	*There is a lack of moving to regenerative power supplies. For example wind power - concerns re environmental ugliness seems to be a deciding factor. There are many ugly buildings and yet they get established and offer nothing back to the community. Tidal power is under-utilized.* *Household roof solar should be subsidised like insulation/heating pumps and more recently EVs...thus would back feed the grid.* *If more was done to encourage domestic solar AND wind generation NZ would have sufficient needs for the future.*
Need to explore more alternative energy sources such as gas/other fossil fuels and nuclear energy.	*If we had gas exploration restarted, there would be no shortages for many years to come.* *Infrastructure is not adequate in case of emergencies. We need to rely on our fossil fuels during this cost of living crisis.* *The government should be looking into alternative power options such as nuclear as it has been around for a long time and appears to be a safe option, another option is solar on houses and all new built houses should have solar power fitted.*
Some had experienced unplanned outages due to living remotely or weather-related events.	*My power is often affected by weather systems.* *We have power cuts sometimes, but it's rural so it's a possum or something. Electricity cuts in the city should not happen unless a car has run into a pole.* *We live the bush, so we do lose power when winter hits us.*

6. Experience of connection and prices

6.1 Connection and prices

When asked about their **experiences with electricity regarding connections and prices** over three quarters (77%) total agreed that they can easily find an electricity provider; this response level has remained steady over the past four years. 46% (no change) total agreed the prices on their electricity bill fairly represented the actual cost of their electricity use.

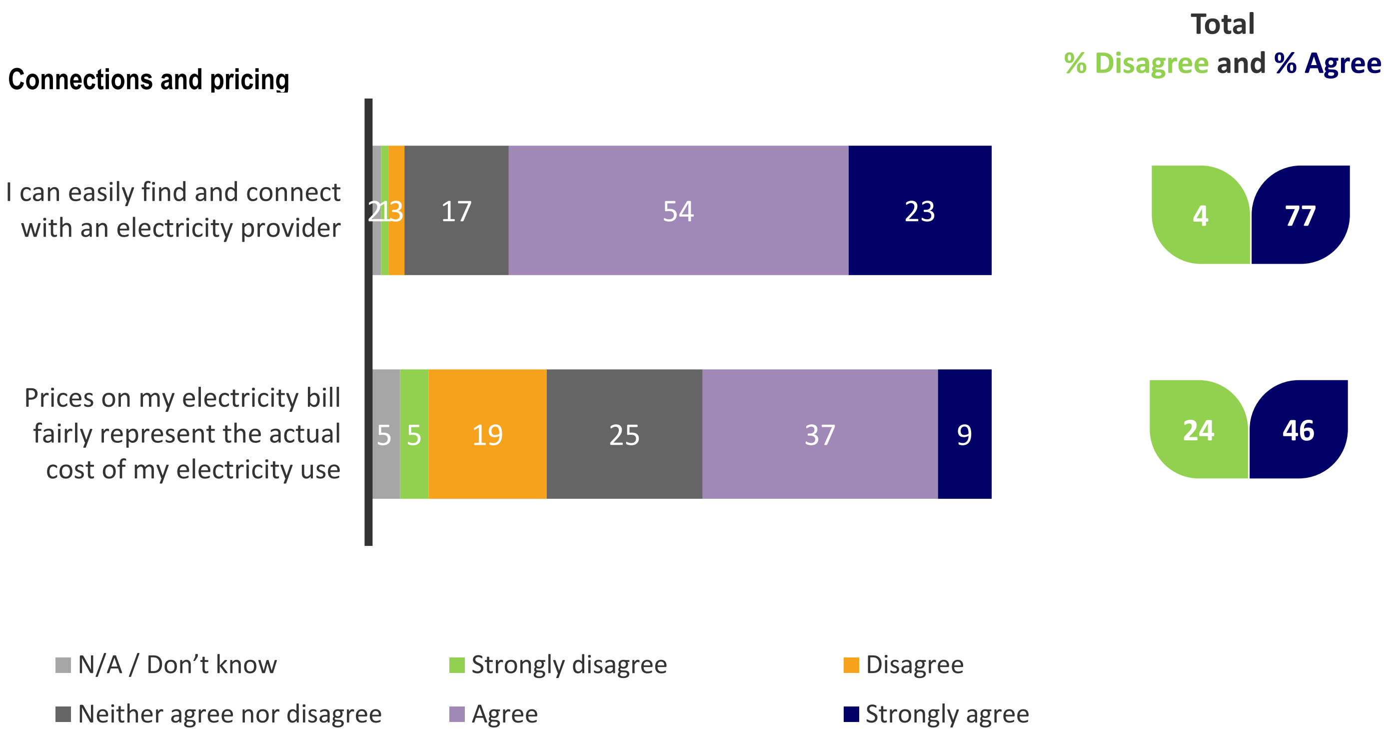
Demographic differences

Those with dependent children (85%), full-time workers (81%) and homeowners (81%) were <u>more likely to agree that</u> they can *easily find and connect with an electricity provider*.

Aucklanders (51%) were <u>more likely to agree</u> that *prices on their electricity bill fairly* represent the actual cost of their electricity use.

Electricity decision makers were <u>more likely to agree</u> with both statements (80% and 47%).

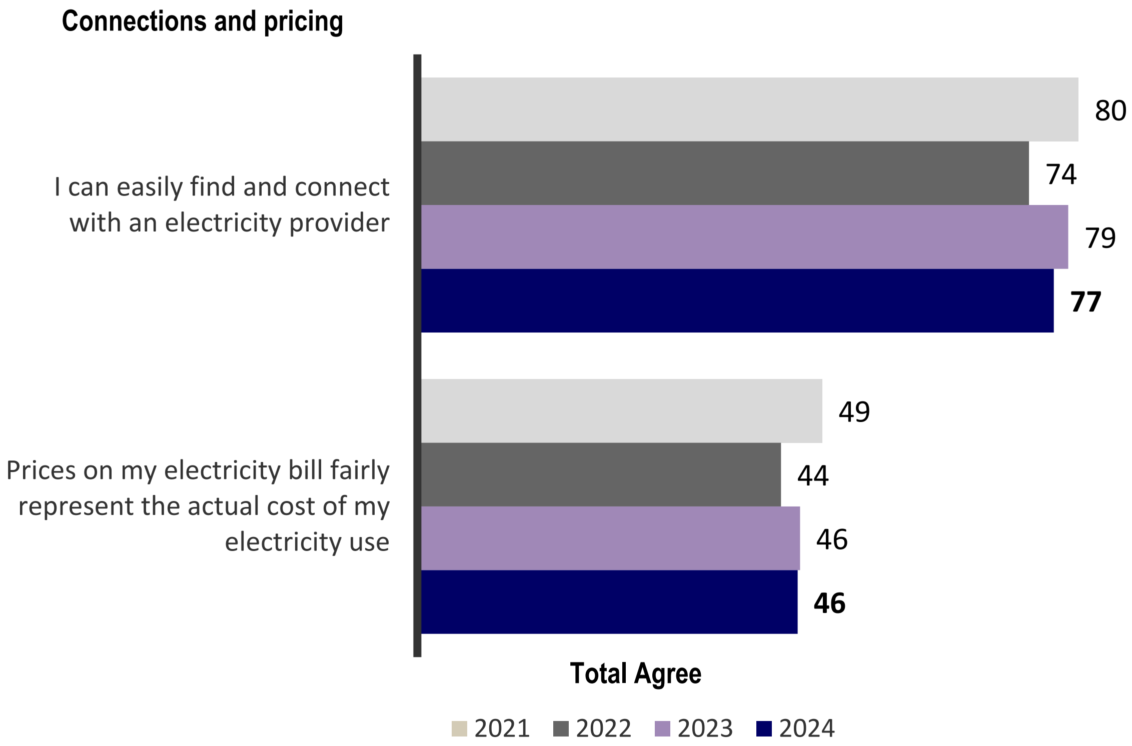
Q: Please rate the following statements about your experience with electricity in New Zealand. (%)



Base: All respondents (n=1033).

Tracking indicates that agreement with connections and pricing have both remained steady.

Q: Please rate the following statements about your experience with electricity in New Zealand. Tracking (% total agree)



Base: All respondents (approx. n=1000 per survey).

6.1.1 Verbatim feedback

Cost of electricity seen as too high with many respondents mentioning lines charges, power prices and continued rising prices.	*The cost of electricity in NZ is extremely high considering we are able to utilise wind and water here to generate plenty of amounts.* *Line charges are exorbitant and should be treated as part of the unit cost.* *Pricing is always an issue in the long term with prices going up.*
Power bill hard to understand, unfair pricing with little difference between providers and queries on how costs were calculated.	*Example, it states 30% of my power is on hot water, I only use very little, only wash my dishes once a day and that is hot water from the electric jug, so that leaves showers, there is only me here, and only shower for less than five minutes a day, not likely 30% is in hot water.* *The usage is accurate, but I don't think the prices are fair.* *Power companies are hiding excess profit/charges by claiming a "daily line charge".* *I wish I understood all the power jargon like the rates, usage etc to fully understand how & what being charged for.* *There needs to be a national standard for how power companies communicate prices, so it doesn't take a mathematician to figure out whether or not one company has a better deal than another.*

Other concerns mentioned were that power prices were more related to government policies and the electricity sector structure.	*Prices on my electricity bill have little to do with the actual cost of my electricity use. They are much more the result of government policies and whether the party in government is prioritising charges to low users.* *Was disappointed when government removed the low user allowance. I have solar panels so use very little off the grid.* *I live in a rural area we don't have many providers for power and internet.* *The power grid is owned by certain larger companies that sell to the smaller companies that find it difficult to compete in the same market.* *Transpower needs addressing.*
Some satisfied with their current supplier.	*Now a days you can easily connect with your own provider for queries regarding your electricity. And through their app you can check the bill and chart of your electricity consumption.* *Very happy with my provider.* *Quality good.* *We cannot change but that is OK because we have a really good deal.* *Without going into complex record keeping, the bill looks about right. More in Winter, less in Summer.*

7. Experience of new technologies

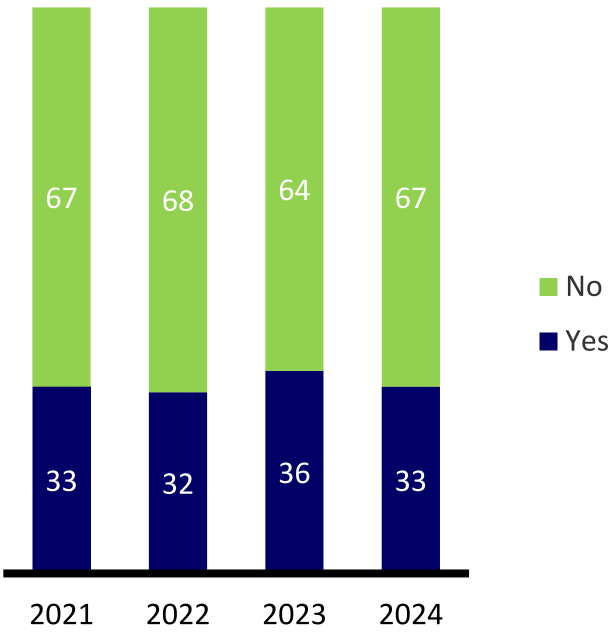
7.1 Looked into new technologies

A third (33%, down 3%) of respondents said they have looked into connecting or operating new technologies for electricity generation.

Demographic differences

Men (38%), homeowners (40%) and those with household income greater than $100K (38%) were more likely to say they have looked into new technologies.

Q: Have you ever looked into connecting or operating new technologies for generating electricity? (%)



Base: All respondents (approx. n=1000 per survey).

7.1.1 Verbatims feedback

Respondents were invited to make additional comments about their experience exploring new technologies and the barriers that prevented them from using new technologies such as EVs, solar and storage batteries (excluding cost).

Concerns regarding solar technologies mentioned included; initial cost of the investment, payback period (ROI), set-up costs and the low buy-back prices offered by power companies, limited choice of batteries, lifespan of solar panels and stability of panels in high winds.	*Cost of installation (solar) was too high to make it worthwhile.* *Did the pricing and it didn't really work out as they said. Felt a bit conned to be honest.* *I investigated installing solar panels, however the cost was high and the savings were small. It would have taken more than my lifetime to achieve an actual saving.* *Length of time it took to recoup financial outlay and whether or not it was worth it. No incentive to take up solar.* *Government needs to do a more to make it attractive.* *It's a bit of a process to go through to check if your property is suitable and you have to be prepared to upgrade some of your wiring.*
While not related to generating electricity, some respondents mentioned here their concerns about EVs, noting the disposal of batteries and lack of charging stations.	*Electric vehicles are a con job, just like CNG turned out to be. The batteries are too expensive to replace and do no last beyond about 8 years.* *Electric vehicles are not as green as made out.* *EV's at this time of my life are not designed for purpose. Living in a rural area they just don't meet the needs and are more costly to run.* *EV's will have battery disposal issues soon; solar panels will make roof maintenance very difficult.* *I'm unsure the supply in my area would support the extra load of EV charging*

It was also noted that for many respondents, their current house was not suitable for solar, either structurally or location-wise. Others were renting and it was not viable for them to consider solar technologies.

8. Utilities Disputes service

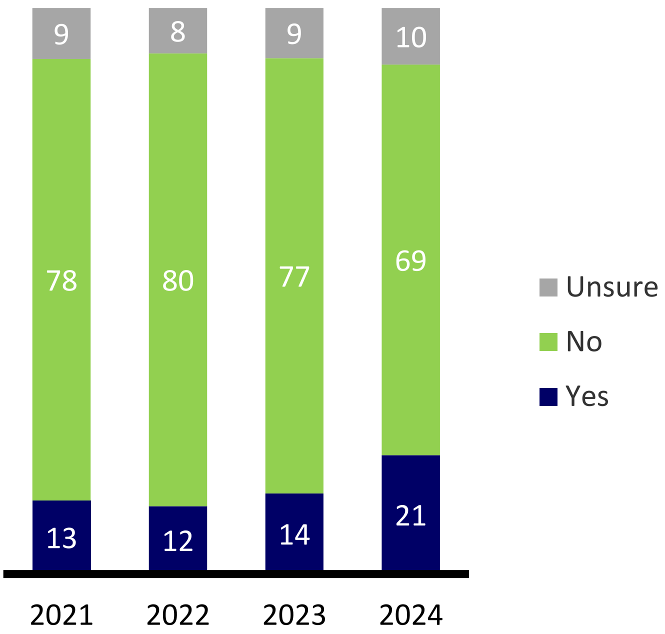
8.1 Awareness of Utilities Disputes

There was an increase in awareness of the Utilities Disputes service. 21% of respondents stated that before now, they had heard of the Utilities Disputes service (up 7%).

Demographic differences

Men (25%) and electricity decision makers (22%) were more likely to say they have heard of the service.

Q: Before now, had you ever heard of the Utilities Disputes service? (%)



Base: All respondents (approx. n=1000 per survey).

8.2 Where heard about Utilities Disputes

Respondents who had heard of the Utilities Disputes service were asked where they had heard about it (n=218).

The main channels were:

- 22% (down 2%) from their power provider.
- 22% (up 3%) from Consumer NZ.
- 22% (up 1%) from word of mouth.

These were closely followed by:

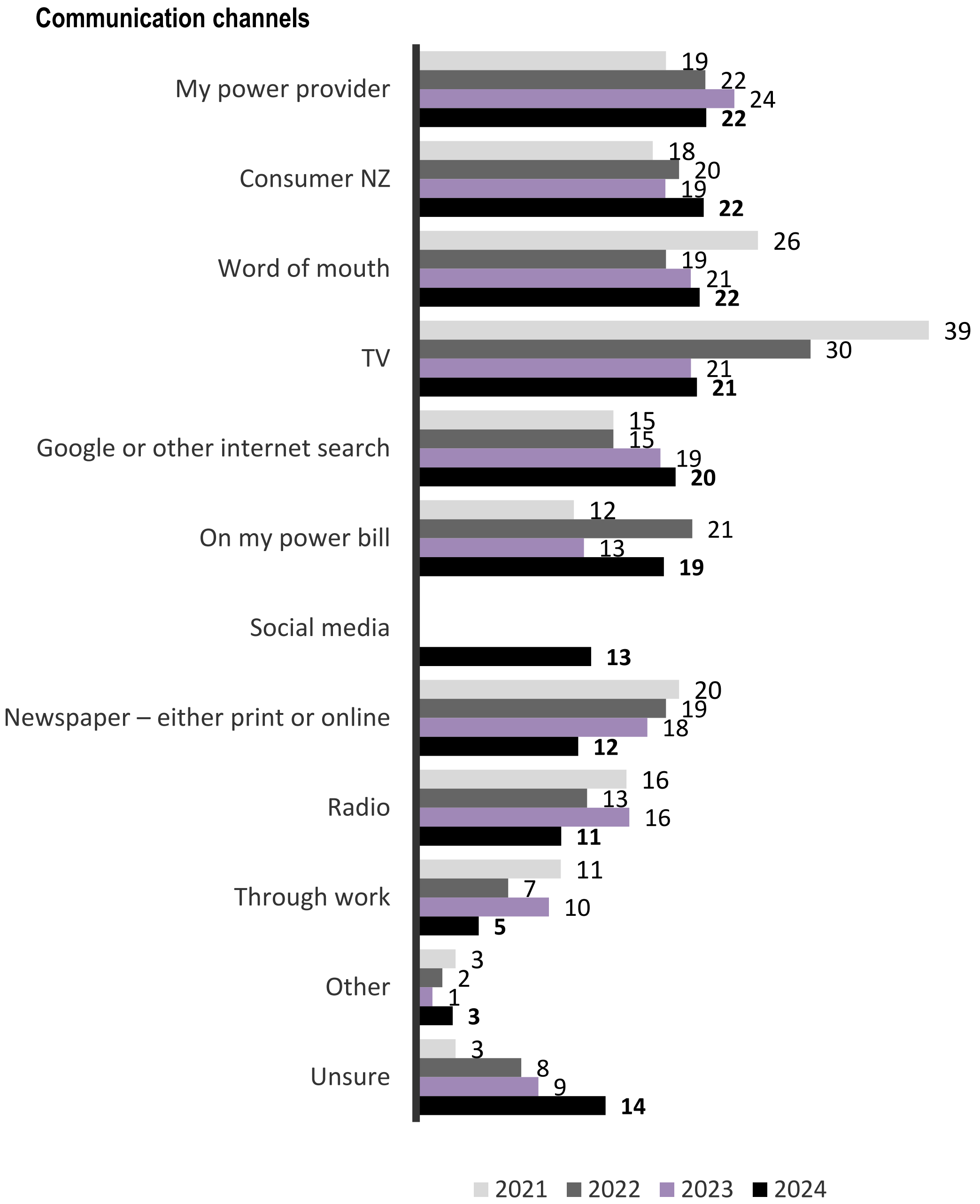
- 21% (unchanged) recalled it from TV.
- 20% (up 1%) through google or other internet search
- 19% (up 6%) from their power bill

Between 5-13% of respondents mentioned hearing about the Utilities Disputes service from work, radio, newspaper or social media.

43% had heard about the service from a single information source, while 20% had heard about it via two channels and 22% via three or more channels.

Tracking indicates that the main change was a decrease in TV and print as communication channels and an increasing proportion hearing about it on their power bill.

Q: Where did you hear about it? (%)



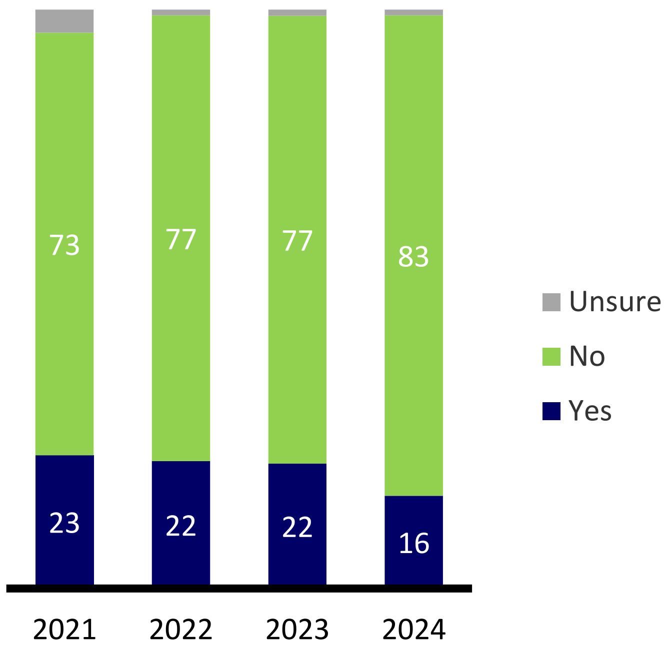
Base: Have heard of the service (approx. n=100).

8.3 Usage of Utilities Disputes

Among respondents who were aware of the Utilities Disputes service (n=218), 16% said they had used the service (down 6%). This was down on the previous three years.

There were no significant and meaningful demographic differences.

Q: Have you ever used the Utilities Disputes service? (%)



Base: Have heard of the service (approx. n=100).

9. Powerswitch

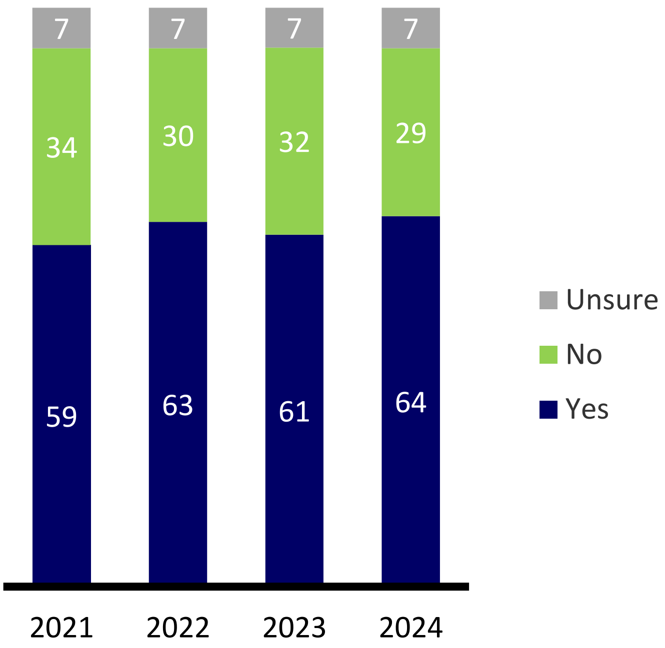
9.1 Awareness of Powerswitch

Awareness of Powerswitch continues to remain steady; with 64% of respondents (up 3%) stating they had heard of Powerswitch.

Demographic differences

Those more likely to say they have heard of it included respondents aged 45-59 years (71%) and 60+ years (79%), homeowners (71%), NZ Europeans (69%) and electricity decision makers (69%).

Q: Before now, had you ever heard of Powerswitch? (%)



Base: All respondents (approx. n=1000 per survey).

9.2 Where heard about Powerswitch

Respondents who had heard of Powerswitch were asked where they had heard about it (n=679). Television and google/internet searches remain the two main channels.

- Despite a drop, the most frequently mentioned was TV at 29% (down 9%).
- 26% mentioned Google or another internet search (down 4%).

These were followed by:

- Word of mouth at 21% (down 2%), social media at 18% (new rating) and Consumer NZ at 13% (down 1%).

Between 3% and 7% of respondents mentioned radio, newspaper, work, power provider or on their power bill. 14% could not recall where they had heard about it (up 3%).

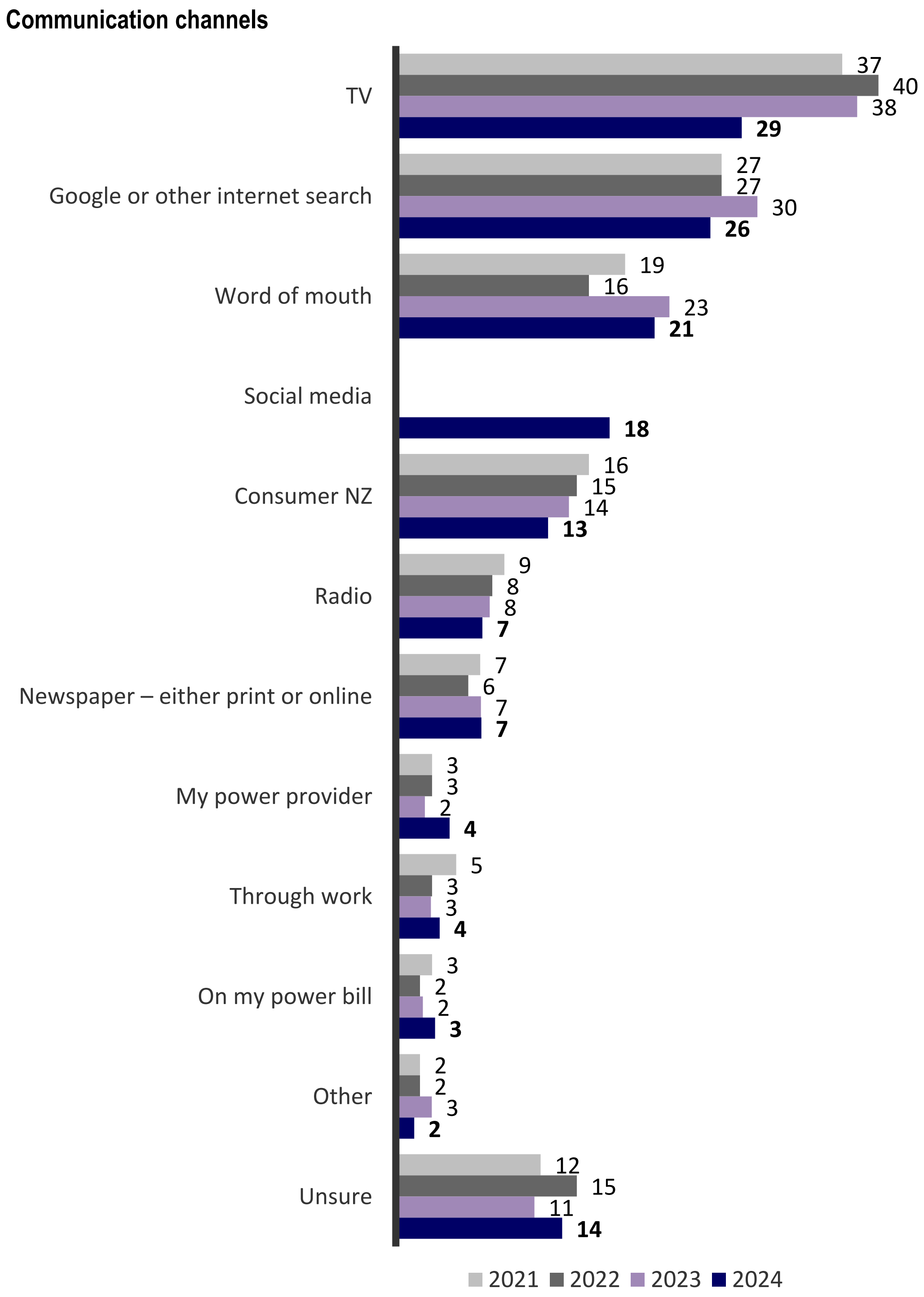
59% had heard about the service from a single information source, while 16% had heard about it via two channels and 11% via three or more channels.

Demographic differences

Respondents aged 60+ years were more likely to have heard about Powerswitch from Consumer NZ (20%) or a newspaper (12%).

Tracking indicates that the main change was a decrease in TV as a communication channel.

Q: Where did you hear about it? (%)



Base: Aware of Powerswitch (approx. n=600).

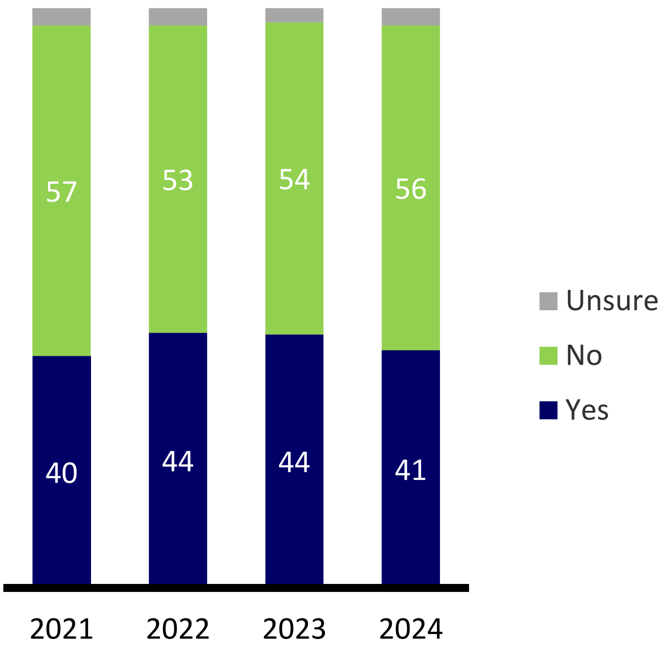
9.3 Use of Powerswitch

Among respondents aware of Powerswitch (n=679), 41% (down 3%) said they have used it. This proportion has remained similar to previous years.

Demographic differences

Homeowners were more likely to say they have used Powerswitch (46%) as were electricity decision makers (43%).

Q: Have you ever used Powerswitch? (%)



Base: Aware of Powerswitch (approx. n=600).

10. Electricity consumer rights

10.1 Awareness consumer care guidelines

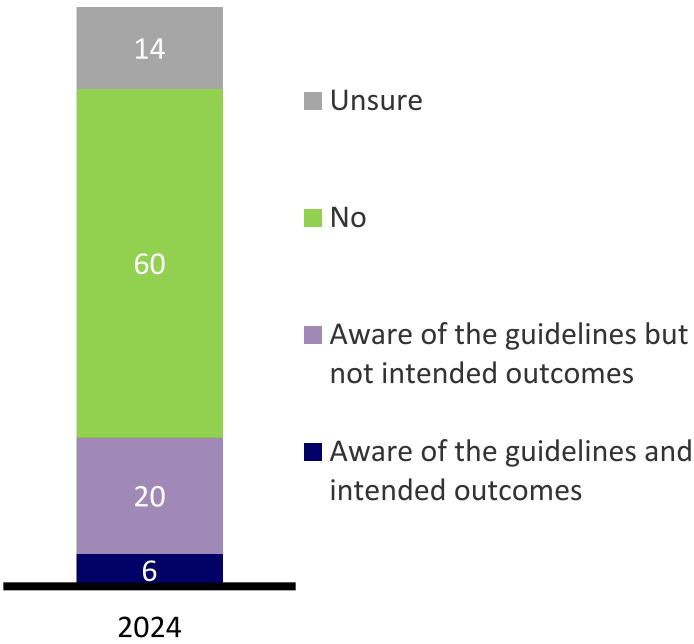
Just over a quarter of respondents (26%) said they were aware of the Electricity Authority's consumer care guidelines.

Those aware of the consumer care guidelines (26%) comprised of those aware of the guidelines and intended outcomes 6% and those who were aware of the guidelines but not aware of the intended outcomes (20%).

Demographic differences

Men (31%), younger: those aged under 30 (34%) and those aged 30-44 years (31%), Aucklanders (31%) and full-time workers (32%) were all more likely to claim some awareness.

Q: Before now, were you aware of the Electricity Authority's consumer care guidelines and their intended outcomes? (%)



Base: All respondents (n=1033).

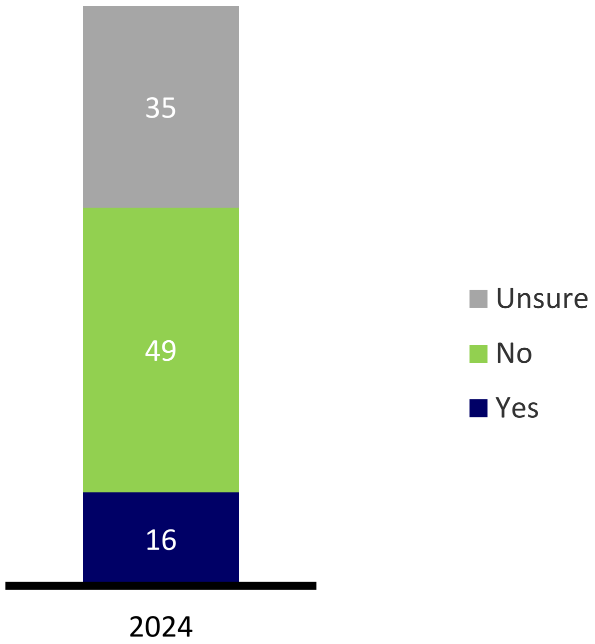
10.2 Retailers' communication about consumer care policy

Sixteen percent of respondents said their retailer had advised them of the existence of their consumer care policy, 49% said they hadn't and 35% were unsure.

Demographic differences

Pasifika respondents (39%), Asian respondents (28%), those aged under 30 (28%), renters (23%), and full-time workers (21%) were all more likely to say their retailer had informed them of their consumer care policy.

Q: Has your electricity retailer advised you of the existence of their consumer care policy? (%)



Base: All respondents (n=1033).

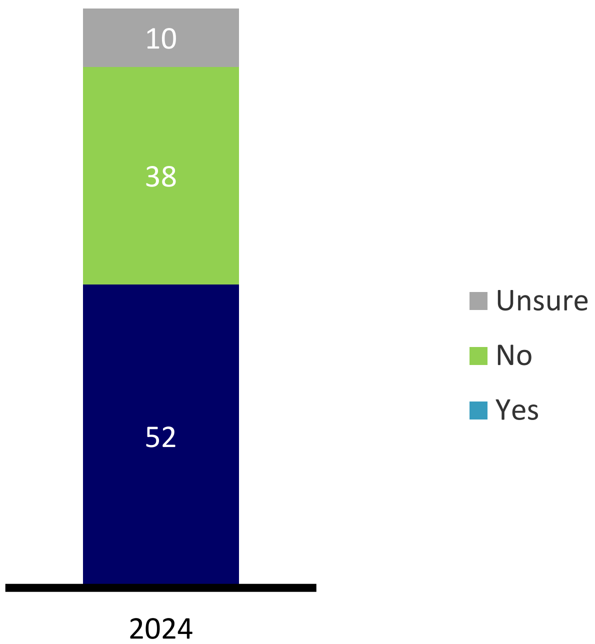
10.3 Requesting usage data

Just over half (52%) said they were aware they can request their own electricity usage data.

Demographic differences

There were no statistically significant and meaningful differences.

Q: Are you aware that you can request your own electricity usage data? (%)



Base: All respondents (n=1033).

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