

Options to support consumer plan comparison and switching

Appendix A Format for written submissions – due 5pm Friday 8 March 2024.

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Please email submissions to: switchingconsultation@ea.govt.nz with 'Consultation paper - Options to support consumer plan comparison and switching', in the subject line.

Guiding principles: Section 15(3): inserted, on 31 December 2022, by section 10(3) of the Electricity Industry Amendment Act 2022 (2022 No 46).

16 Functions of Authority

(1) The Authority's functions are as follows:

(i) to promote to consumers the benefits of comparing and switching retailers:

(ia) to undertake measures aimed at protecting the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers:

Question	Response
Q1. What are your views on the key issues around supporting consumers to compare and switch, and	<p>Key Issues include:</p> <ul style="list-style-type: none">• Reliable continuous provision of power• Sustainable market efficiency• Making the right capital investments in generation resources to meet proper demand and not to exceed demand (to waste capital charged to consumers)• Consumers being given full independent, authoritative accurate information and full choices with reliable advice is fundamentally mission critical• 'smart' energy choices includes possible metering and existing load control device changes• Technically competent consumers should be encouraged and facilitated to explore and evolve the technologic avenues becoming available, for example real time smart meter data is produced by the smarty meters but this is not made available to consumers to e.g. log their real time data use, instead they are given out of date information in various formats in wildly varying time frames.• The consultation document defines a tariff as "The pricing rate at which electricity is supplied to a consumer." which by definition is not open to a plurality of alternative tariffs available to a consumer which means the whole consultation approach is blinkered.• Trader Switching is defined but "Meter & LCD¹ Switching" that is meter configuration changes (whether it be inter or intra² retailer) is not acknowledged in the glossary thereby reflecting the approach of the document. This is an important aspect of optimal grid management.• Promotion of uptake of increased "demand response" configurations by the EA on behalf of New Zealander interests to make better use of existing generator resources is another consideration to pervade the approach taken.• The concept of a "Best Plan" needs to incorporate

¹ Load Control Device

² That is between or within retailers

	<p>consideration of available Meter & LCD configuration options whether implemented or available to implement.</p> <ul style="list-style-type: none"> • Alternative potentially better Meter & LCD configurations should also be compared within and between retailers for advice of the consumers best plan option. • Meter & LCD Switching falls out of the legislated obligations³ particularly to maximise the prospects of continuous power supply to all consumers. • Promotion of possible Meter & LCD switching is necessary for consumers to “take advantage of opportunities from a rapidly evolving electricity market.”
barriers for consumers?	<ul style="list-style-type: none"> • Consumers are given limited options amounting to the power retailers preferred option together with in my experience false information in support of the retailers preferences. • Powerswitch fails to rank time of use plans⁴. The EA appears to be aware of this stating “It is challenging for price comparison websites to represent recent market innovations.” (See Q5) • Utility Disputes are insufficiently skilled to efficiently resolve information and tariff issues with Power Companies and refuse to promote realistic market penalties to Retailers (for Valid Complaints) who provide the funding for Utility Disputes. • Bizarrely the rulings panel refuses to take complaints from consumers⁵ who are the fundamental purpose of the sector! • What economic mechanisms exist for consumers to ensure advice from Powerswitch is reliable and fit for purpose? • The merits of this consultation is acknowledged all be it can hardly be considered as realistically available for most consumers to comment on. See Q21.
Are there others than those outlined above?	
Q2. Do you think we’ve identified the right opportunities leading us to review how we support comparison and switching?	<p>The EA identifies switching by two categories including clarification “Trader switches exclude switching between plans where the consumer remains with the same retailer.”</p> <p>I submit the EA should therefore consider a third category specifically “Intra Trader Switches” where the trader does not change but an alternative plan is implemented.</p> <p>A fourth “opportunity” is “Meter & LCD Switching” (Could be on Intra or Inter retailer basis)</p>
What opportunities do you consider most important?	Failing to include these categories is to turn the back to the importance, particularly during times of significant risk of grid failures due to insufficient generation and demand control.
Q3. Do you consider it is important for the Authority to fund and support a comparison and	Yes, the assumed website requirements are for a complex website which needs to be done well, given the complexity

³ Electricity Industry Act 2010 –section 16(1)(ia).

⁴ “Powerswitch does consider time of use retail offerings. This has always been the case.”
Personal communication from Paul Fuge 30-11-2023

⁵ See Appendix

switching website or websites?	<p>no more than two competing sites should be considered for a Country the size of New Zealand.</p> <p>Given the required complexity I indicate herein one responsive website resource done well and fully quality assured is likely to be the most economic approach however two competing sites might provide the market mechanism for audit given sufficient information is required to be provided by each site for consumers to satisfy themselves which site is more reliable for them.</p>
Why?	<p>Yes, including regular review and audit and quality assurance. My analysis of two ICP's by Powerswitch showed the results were misleading because they did not provide "information to identify the best value-for-money plan and retailer for their needs."</p> <p>Complaint to the EA was made with the Authority refusing to advance the complaint.</p> <p>A reliable error correction process is required that is available to consumers and that is effective.</p> <p>Given a resource provides reliable up to date quality assured information should only need one facility, but equally two independent sites provides an easy quality assurance audit mechanism available to people capable of instructing the sites.</p>
Q4. What do you think are the most important features a comparison and switching website should have to make it the most accessible and effective for users?	<p>The information should be accurate, up to date, reliable, fully transparent to the consumer (to dig into if wishing to check), and auditable.</p>
Q5. What problems, if any, do you see with current comparison and switching websites?	<p>Alternative tariff's will change the timing of power used and amount of power used.</p> <p>"The challenge is due to the complexity, particularly in the absence of actual consumer consumption data" however I consent to Powerswitch accessing my use data, why can't it be used?</p> <p>Identifying the current plan one is on has proved to be problematic, it should be possible to simplify this step by various ways to automate this confusing step for example synchronising the latest bill with the current plan(s). If this step is problematic it should be possible to have Powerswitch confirm the current plan direct from the retailer (and review if there is an information deficit needing to be addressed).</p> <p>I ran Powerswitch for a pensioner, the recommendation was a plan that was (IMO) optimal for a consumer with a BESS with capacity larger than most of their daily consumption using the same assumptions.</p> <p>The plans recommended for me are not by my detailed analysis (using real data) optimal from those available in the marketplace.</p> <p>see below.</p>
<p>Website-related options</p>	

- Option 1: No Authority/government supported or endorsed website.
- Option 2: Retailer-run collective website.
- Option 3: Authority accredited, externally run, websites.
- Option 4: Authority-supported existing or new, externally run, websites.
- Option 5: Expanded government utility comparison website.

Q6. What else should we consider when assessing the relative advantages and disadvantages of the five website-related options?

A good start would be to define what a “website” means, what are its objectives, what is envisioned using what direct and sourced information and IT resources including computing resources?

The market has become very complex now, reliable comparisons and analysis require access to all available historical use information.

Reference Information

The EA says retailers must provide the last 2 years data but my experience is that at least one retailer holds smart meter data going back many years.

With the recent covid experience the power consumption patterns have temporarily changed and if relied on might give misleading results reflecting covid power use patterns in post covid times.

Local / Regional Power Distributor configurations and control provisions are to be considered.

I am not sure why an option combining 3 and 4 is not an option, quality assurance is in my experience and view is required with six monthly audit confirming the site is continuing to provide accurate and up to date advice based on evolving complex plans coming and expected to continue to evolve. The website needs to keep up to date and not fall years behind with the best market offerings as has become the case.

Option 2 is similar to Utility Disputes which I consider based on my experiences is biased towards its funders. In particular the Commissioner seems to have little agreed discretion to make appropriate penalty awards to reflect the true cost of making complaints and to provide real penalties which might actually influence the Power Retailers to do better. Compounding that problem the Commissioner is extremely reluctant to use the discretion they have! What is the point of the Commissioner?!

I do not favour option 1 or 2 and believe they would not provide sufficient protection for consumers.

The current reality is that pursuing valid complaints with the commissioner is not an economic exercise.

Economically complaints are critical to monitoring the market yet complaints are discouraged – when the ultimate responsibility is to represent and protect Consumer interests.

Tender to create a market of comparison sites when a level

	<p>marketplace with all the fundamentals in place is established?</p> <p>Consumers need confidence the websites are accurate, an open system of audit needs to be included up front as the issues are increasingly complex and easily skewed.</p>
Q7. Of the website-related options, which do you think would best remove barriers to comparing and switching (eg, perceptions that switching is time consuming, complex, and confusing)?	<p>Options 3 or 4 or 5 but as herein.</p> <p>What are all the consequences for consumers should they switch and what protections are there for ensuring there remains an accessible market for switching consumers?</p>
Q8. What other types of website-related options, if any, should we consider to support comparison and switching and why?	<p>As above. Such consumer advice mechanisms should contemporaneously review the metering configurations implemented and available. Advice might include if your metering configuration as changed to XXX your power cost would have been \$YY.YY compared with your current configuration which was \$ZZ.ZZ.</p>
Q9. Are there other types of technology in addition to, or alternative to, websites that we should consider?	<p>Downloaded HHR use data could be revised to include a ranking of configured and available possible Meter & LCD plans and their costs based on the data downloaded, i.e. the interpretive processing is done at the time of download and is based on data at source (reducing data entry error risks) and included in the download file. The data basis should be all the data held, and not just the cut down last two years version. The download specification might be revised in accord.</p> <p>More transparency on where the use data is held is in the interest of consumers.</p> <p>A hybrid approach might be to give downloaded HHR data to a website analysis service to analyse and report on. Consistent and complete data formats would be required for this to work.</p> <p>An option to consider is the EA also compulsorily host the meter data to ensure the data is all to specification, available for comparison, and also then host the switching analytic systems. Analysis could then be consumer focussed and also Industry targetted as well.</p>
<p>Consumer choice support options</p> <p>Our current view is that a comparison website (or equivalent technology) alone is unlikely to best support consumers to compare electricity retailers' plans and switch. Therefore, we have also identified a range of consumer choice support options:</p> <ul style="list-style-type: none"> • Option A: Retailers provide their existing consumers with best plan information. • Option B: Community advisers to support comparison and switching. • Option C: Promotional activity and campaigns for comparison and switching services. 	
Q10. What are your views on how retailers providing 'best plan' information could work?	<p>Retailers generally operate under the pursuit of profit doctrine with little regard to what's best for consumers and New Zealanders, its about what's good for the retailer. My experience is retailers have failed to provide accurate relevant information and also provide false information. Retailers can not to be trusted to provide the information consumers and New Zealand deserves.</p> <p>My current retailer already provides this service, but it is</p>

	limited to considering the current meter & LCD configuration, and does not extend to considering all possibly available meter & LCD configurations and their characteristics and economic efficiency for me and for the sustainable reliable grid.
For example, how should they assess the 'best plan' and present/target information to consumers, and how often?	Every time communication with the consumer occurs is a good time to consider a plan review. Provision of the information with each invoice seems a sensible time to provide the information.
What do you think of the Australian 'automated-switch' idea?	
Q11. In what form do you think the community advisers service would function best?	
For example, what agencies might we collaborate with?	
What are the best approaches?	
Q12. What conditions or support would enable community advisers to be best able to help consumers?	Open availability of all information as referred herein.
What barriers need to be removed to achieve this?	Acceptance that the data is provided following consumer consent to full provision of data. Wider availability of half hour consumption data in specification compliant form. Open up direct consumer access to half hourly consumption data.
Q13. What else should we consider when assessing the relative advantages and disadvantages of the three consumer choice support options?	
Q14. Of the consumer choice support options, which do you think would best remove barriers to comparing and switching (eg, perceptions that switching is time consuming, complex, and confusing)?	The value to consumers is a significant consideration to merit the hassle that comparing plans is. Trustworthy and reliable information is also a factor. Does switching from a retailer make it harder to return to the retailer at a later time? What protection is there for consumer freedom of choice?
Q15. What other types of consumer choice support options, if any, should we consider to support comparison and switching and why?	Open up direct consumer access to real time or half hourly consumption data that is routed within the property and not involving the retailers complex and slow systems.
Q16. What are your thoughts on ruling out these options?	
If you disagree, why should they still be considered?	
Q17. What are your views on the criteria we've chosen to assess options?	As follows:
Do you think some criteria should be weighted more than others as they are more important?	<ul style="list-style-type: none"> • Consumers being given full independent, authoritative accurate reliable advice information and full choices with accurate advice is fundamentally mission critical • "Protects consumer interests" should be open to 10 ticks as it is at least that important.

	<ul style="list-style-type: none"> • Inter and Intra Retailer Tariff option switching (and its benefits to generation, the grid, and consumers) has not been considered as an important option. • “Promotes the benefits of comparing and switching retailers” is provided for but “Promotes the benefits of comparing and switching tariff’s” has not been provided for.
Q18. Are there other criteria you think are important to help decide on the best options?	
Q19. What’s your opinion on the Authority’s proposed ‘ four -pronged’ approach to supporting consumer comparison and switching?	
What alternative approach might you support?	The umbrella term and conceptual theme seems to be retailer switching retailers whereas I suggest the wider and better name might be Optimal Consumer Plan Options that might consider a number of time periods from invoice period through to five or more years.
Q20. What thoughts do you have on our current assessment of the options against the proposed criteria in Appendix D and their scores?	As herein.
How might your assessment differ?	
Q21. Are there any other issues concerning supporting consumers to compare and switch that you would like to comment on, whether raised in this paper or not?	The consultation says “Consumers are at the heart of everything the Authority does.” yet seems directed to Industry players resourced to create and edit PDF response documents in pdf format as consumer friendly word response templates are not provided suggesting consumer views are not actually sought.
	No funding has been received towards the costs of preparing this independent consumer submission.

Reference - Powerswitch

11-8-2023 Alleged breach of Code reported to the Electricity Authority in relation to Unreliable results reported by Powerswitch.

2-12-2023 Ruling Panel Response following crossed response from the Electricity Authority:

The Rulings Panel is an independent body that assists in enforcing the Electricity Industry Participation Code by dealing with complaints about breaches of the Code. It is established under the Electricity Industry Act 2010. Complaints are dealt with under the Act and in accordance with The Electricity Industry (Enforcement) Regulations 2010.

Section 50 of the Electricity Industry Act states that complaints must, in the first instance, be made to the Electricity Authority. The Authority may, once a legislative process has been complied with, then lay a complaint with the Panel. If the Authority does not, then an Industry Participant (a defined term in the Act) may lay a formal complaint with the Panel. No right or avenue exists for anyone other than the Electricity or an Industry Participant to lay a complaint directly with the Panel.

Given the legislative framework, your communication is not accepted as a complaint and will not be dealt with. The Panel will take no further action in relation to it.