Consultation paper - *Options to support consumer plan comparison and switching*

From David Riley

[redacted]

Q1. What are your views on the key issues around supporting consumers to compare and switch, and barriers for consumers? Are there others than those outlined above?

Before you promote switching it is important to ensure that there is a competitive martketplace with competitive pricing and contract options to switch to. I live in the Tauranga region, despite not being remote and being the 5th largest city, we pay the most for electricity energy and other costs according to the MBIE QSDEP report. Affordable electricity is not just another comodity and is vital for health, comfort and communication. The Tauranga problem is harming my community with the most harm being done to the most vulnerable. This does not have to be. Tauranga does not have a competitive retail electricity market as demonstrated by pricing, market share, HHI index, low switching etc etc, we have one retailer dominating and setting market prices. The problem is caused by the TECT Consumer Trust rebate distribution being paid to customers of just one retailer. This is against the intent of the Electricity Code and makes price comparisons complicated for customers and inflates retail price offerings by most retailers. The situation is clearly anticompetitive, the Commerce Commission has examined the issue, confirmed the problem but has so far chosen not to act, the legal barriers are too expensive perhaps. The EA should be working for the benefit of local consumers and pushing the Comerce Commission to act.
The TECT Consumer Trust is not an industry participant according to the Electricity Code, it holds a significant investment in generator Manawa Energy. If the holding was in a distribution company then the terms of the Electricity Code would ensure that distributions are paid to all residents just as they are in all other regions. The Minister of Energy recently has gained the power to declare the TECT Consumer Trust as an industry participant, despite being asked to do so, this has not happened. The EA should be pushing the Minister to act, customers of all retailers in Tauranga would be better off and the value of a large community asset would remain with the community rather than absorbed as corporate profits. There are tens of millions of dollars every year being lost to the people of Tauranga, the EA should be deeply concerned and involved at the highest level. Affordable electricity is vital for the good health and welfare of a community. The apparent indifference of a wealthy, publicity shy, private trust is causing the most harm to the most vulnerable members of my community, the EA should be deeply concerned and become part of a solution.

Q2. Do you think we've identified the right opportunities leading us to review how we support comparison and switching? What opportunities do you consider most important?

I support the option 4 and B and C but first make the Tauranga retail electricity marketplace work as it should.

Q3. Do you consider it is important for the Authority to fund and support a comparison and switching website or websites? Why?

Yes it is important for an independant source of good information. The retailers make it very difficult to optain clear costing info. Confusion and complexity make it very challenging for everyone even with experience in working out the best deals. Powerswitch continues to provide me with trustworthy data that I use to monitor the Tauranga pricing problem. I also use EA-EMI reports and MBIE QSDEP. The Powerswitch staff are the experts in retail electricity terms and pricing and have provided knowledge and support that has enabled me to continue my attempts to change the Tauranga situation.

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?

I would like the comparison website to work on 2 levels
1: A quick and easy report for each region ie a simple one page list ranking retailers on price for a typical household (?8000 kWh/yr as per MBIE QSDEP) showing monthly and annual cost. It should be easy to understand, use infographics to display the results and be designed to be printed out and shared.
2: detailed analysis as per present Powerswitch. This enables consumers perhaps with help to drill down to find the best individualised choice.

Q5. What problems, if any, do you see with current comparison and switching websites?

I am familiar with Powerswitch, the website is powerful however drawbacks are;

- some retailers choose not to be included, it should not be their choice
- it takes computer confidence to work through all the options
- a simple ranking table for your region would be a good first step.

eg Electricity pricing in Tauranga region for a typical household. This data has been calculated for Tauranga 26 Feb 2024 from Powerswitch using criteria published by MBIE QSDEP (no contracts 8000 kWh etc). The price variation is a shock to most people, this sort of info should be widely known. When seen next to other regions such as Auckland the impact is even more telling. Turning this into a friendly easy to understand report is a good first step before encouraging detailed analysis as per current Powerswitch.

Retailer	*Price per year*	*Ranking*
Frank Energy	$2258	1
Powershop	$2264	2
Contact	$2270	3
Electric Kiwi	$2291	4
Flick	$2491	5
Glubug Prepay	$2585	6

Pulse	$2763	7
Ecotricity	$2786	8
Comtricity	$2843	9
Meridian	$2861	10
Genesis	$3036	11
Mercury	$3200	12
Raw Energy	$3926	13

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

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)?

Q8. What other types of website-related options, if any, should we consider to support comparison and switching and why?

The EA-EMI website includes useful data and the EA should promote its use to social agencies and researchers, run online learning sessions etc
Market share and Trader switch reports are very important and deserve promotion and publication in the regions that fall behind. Explore all avenues to spread the word on these, press releases, social media, local politicians etc.
The Residential Savings League Table is potentially very powerful but has not been updated since 2017. It could be expanded down to retailer level for regions falling behind.
For local researchers the MBIE QSDEP is a valuable resource especially since it has been calculated consistently for many years.
The EA has a responsibility to see the good data reports are used for the benefit of customers.

Q9. Are there other types of technology in addition to, or alternative to, websites that we should consider?
Social media and news site especially to publish a list ranking report (see Q4) and residential savings league table.

Q10. What are your views on how retailers providing 'best plan' information could work? For example, how should they assess the 'best plan' and present/target information to consumers, and how often? What do you think of the Australian 'automated-switch' idea?

I am suspicious of retailer provided information. My current plan is not on my invoice, my retailers plans are not on their website either, I am encouraged to call my retailer if I want to see more. When there are pricing changes, pricing is quoted without GST etc, confusion and complexity is the norm. I would prefer retailers be forced to publish a ranking table provided by EA as per my Q4 response with the

customised calculation comparing my actual costs with the current retailers plan uesed in the ranking table
ie "Your current retailer is Mercury Energy and your current plan is $xxx more than(/less than) the standard plan available from Mercury shown in this table.
A link could be provided for Powershop which already has the current ICP, retailer, plan, pricing and use data incorporated into the Powershop report, QI code etc.

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?

The agencies working in the community know best how to communicate with their communities. Perhaps the EA could contract local agencies to take the switching message and calculations to the local communities, markets, marae, stalls at shows etc.

Q12. What conditions or support would enable community advisers to be best able to help consumers? What barriers need to be removed to achieve this?

Ask the community how best to achieve this.

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)?

Option 4 and B and C

Q15. What other types of consumer choice support options, if any, should we consider to support comparison and switching and why?

Ask the communities, social agencies, budget advisers etc

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. Do you think some criteria should be weighted more than others as they are more important?

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?

Q20. What thoughts do you have on our current assessment of the options against the proposed criteria in Appendix D and their scores? 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?