



22 July 2025

Mark Hughes
Pāua to the People

Submitted via email: policyconsult@ea.govt.nz

Submission on the consultation, *Evolving multiple retailing and switching*

Pāua to the People welcomes the opportunity to provide input into this consultation where the Authority is considering allowing customers to choose two different retailers (one retailer for consumption and one for generation), as well as improving the efficiency and effectiveness of the consumer, distributor and metering equipment provider processes when a consumer switches power.

Thoughts on Multiple Trading Relationships (MTR)

Pāua to the People believe that the solution implementation timeline of 18 months is the biggest concern. Pāua are supportive of the proposed solution, but a viable and robust solution is already being demonstrated as part of the Kāinga Ora MTR trial (which has had no participant issues outside of the metering equipment provider).

With respect to the options proposed in the paper, Pāua supports starting with the capability used in the Kāinga Ora trial while Option 1 is being developed (noting that the Kāinga Ora solution being tested has been very robust). The Kāinga Ora Multiple trading is a viable solution now. In the long term, Pāua to the People support Option 1 as the cleanest foundation for multiple trading going forward.

It is Pāua's belief that the only real opportunities for retail innovation at this time is solar and multiple trading relationships, both of which need to be focused on and resolved in the fastest possible timeframe.

Multiple trading fits nicely with solar, given the opportunity to minimise electricity costs and risk while maximising the rate of return with selling solar back to the grid. Splitting distributed generation from load also supports the business case leading to proliferating battery energy storage systems which has the potential to put downwards pressure on wholesale market rates due to more energy export being available.

Adopting MTT quickly, potentially gives a competitive advantage to those retailers who are interested in making the investment and does not penalise them by making them wait until Gentailer legacy systems are slowly modified.

Importantly, to ensure this competitive advantage is realised and isn't turned into a first mover disadvantage, it must be ensured that any multiple trading can't be blocked by a participant who chooses not to invest in MTR capability.

Individual retailers when to have the Option 1 capability available.

Pāua feels extra work needs to be done to surrounding how costs are split between participants (retailers, MEP, distributor), especially in the case of having one retailer who is not interested in

participating in multiple retailer trading. 50/50 split also does not reflect the lack of reduced ownership of rights to instruct the MEP.

Thoughts on Switching

Increased consumer switching has the potential to lead to increased complexity and, from a retailer's perspective, the biggest cost is associated with customer onboarding and switching, with those costs likely passed onto customers.

A proposal of clicking a button to change retailer sounds good but may have unintended consequences.

- The current industry structure relies on the retailer's role of collecting money from customers to pay other parts of sector. To successfully achieve this a retailer needs time to build a relationship with a customer as well as to obtain a positive return on the acquisition of the customer. I can see a proliferation of fixed term contracts to enable this.
- For independent retailers, as well as large spot-exposed energy users, who carry the risk of the wholesale market (Gentailers do not carry that risk due to the ability to self-hedge), if it is too easy for customers to switch and a large block of customers exercise that risk, it is very difficult for independent retailers to manage risk, ultimately weakening their viability and limiting competition.
- Switching for a retailer is not free. Too much switching activity may lead to higher costs being charged to legacy tariffs (hitting the consumers who cannot switch).

Pāua questions whether tidying the switch process is a high priority at the moment. Yes it could be more efficient, but it works and is in our experience is in line with customer expectations.

Pāua considers two days for the AN too short for small retailers, especially as it doesn't speed up the total process. We favour removing the AN switch.

On MEP and distributor switching, Pāua feel it would be nice to have to clean up as a lot of unnecessary information is provided, but question whether this is a priority issue. There is no real option to switch metering provider or distributor (as monopolies) and neither are really delivering benefits to customers.

Finally, with respect to average daily consumption, Pāua believe it should only be mandatory for NHH meters.

Current Industry Structure

Pāua is concerned about the framing of the paper, which notes greater consumer mobility will put customers first. We don't necessarily agree with this as the biggest issue with switching is that the customers who need to switch, either can't or won't. The recently consulted-on levelling-the-playing-field measures will help, but as a sector, the root cause of these issues is the need to sort out data ownership, access, quality, timing.

The current industry model of Retailers leasing metering equipment is not fit for purpose. The industry needs a single source of consumption data available to be sourced by all authorised organisations. Having a single source simplifies any data transfer requirements, encourages the



data companies to improve the quality of their data as well as only having a single estimate where data cannot be retrieved from the meter.

Also at present, Retailers only purchase the minimum amount required meaning the data is not used in a way to best benefit customers nor support innovation.

We appreciate the opportunity to provide a new perspective and welcome questions from the Authority on this submission at [REDACTED]

Mark Hughes

Managing Director, Pāua to the People

About Power to the People

Pāua to the People is a small independent electricity retailer supplying New Zealand homes for over a decade, with the goal to help New Zealanders to keep their lights on and homes warm. In addition to retailing electricity directly to customers, Pāua to the People have recently expanded their operations to provide electricity retailer support services and bespoke electricity services.

Pāua to the People has applied to the Power Innovation Pathway, the Authority's open front door for innovators to access regulatory advice and support to accelerate the introduction of new products and services to market which can deliver significant consumer benefits.

This submission has been completed at the request of the Power Innovation Pathway Manager to ensure that more innovator perspectives are incorporated into the Authority's consultations and regulatory functions.