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Submissions
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ERGANZ SUBMISSION ON IMPROVING CONSUMER ACCESS AND CHOICE

The Electricity Retailers' and Generators' Association of New Zealand (ERGANZ) welcomes the opportunity to comment on the Authority's issues paper, 'Improving Consumer Access and Choice', dated 30 June 2026.

ERGANZ is the industry association representing companies that generate and sell electricity to Kiwi households and businesses. Collectively, our members supply almost 90 percent of New Zealand's electricity. We work for a competitive, fair, and sustainable electricity market that benefits consumers.

Executive summary

Having the basics of life is a fundamental question for societies and their governments. When it comes to the supply of electricity, the answer to this question is driven by household incomes and housing quality, before it is a question of electricity market design.

The electricity sector can and does act on what sits within its powers, and our members are willing to do more. It must be acknowledged that the largest instrument of energy-related support in New Zealand is the Winter Energy Payment, and it is not targeted at energy hardship. It is paid at a flat weekly rate to every recipient of New Zealand Superannuation and a main benefit, with no test of energy need, housing quality, household size, region or actual energy costs, while a low-income working household outside the benefit system receives nothing despite renters and low-income households being over-represented in energy hardship measures the Ministry of Business, Innovation and Employment publishes.

ERGANZ asks the Authority to prioritise reform of the Winter Energy Payment at the front of its cross-agency work programme. The questions worth putting to the Ministry of Social Development are whether the payment can be retargeted within its existing fiscal envelope using an energy hardship test and whether eligibility should extend to low-income working households. Regardless,

all such households should be able to elect to have some or all of the payment credited directly to their electricity account. A household with a reliable payment stream attached to its energy account is a household that passes a credit assessment.

ERGANZ supports the Authority gathering further evidence. Access to electricity matters, and no household should be left without a practical pathway to supply. To assist, ERGANZ commissioned two pieces of work from Concept Consulting Group. The first, on equitable access to smart meters, is attached to this submission. The second is a Consumer Care Audit drawing on member data, which is not attached but whose findings we set out below and are happy to discuss with the Authority. ERGANZ has drawn on analysis prepared by Centrix on credit applications to our members.

Our research shows that fourteen percent of post-pay applications to ERGANZ members fail an initial automated credit check, but 41 percent of those failures are subsequently accepted through exceptional onboarding. The proportion of applications ultimately declined for credit-related reasons is 9 percent. Exceptional onboarding is the largest of the alternative access pathways by volume of households, yet it is the access option that the issues paper discusses the least.

The remaining metering gap is not an energy hardship problem. Concept found effectively no relationship between neighbourhood deprivation and non-smart meter share, with an R-squared of 0.0012 at town and suburb level. The pattern that does appear is an urban and rural divide. Customer refusal accounts for 27 percent of installations that cannot be completed, and property condition, wiring, asbestos, switchboard space and access account for most of the balance.

Credit scores are more aligned to existing arrears than to overall disadvantage. Centrix analysis shows credit score is strongly correlated with the arrears position on the applicant's previous energy account, with more than 40 percent of applicants scoring below 450 carrying arrears of 30 days or more on that account. Applicants with no credit file convert at around 70 percent, against around 10 percent for applicants with an adverse file. Limited credit history and poor credit history are different problems and should not be treated as one.

Credit assessment is a legitimate and necessary tool, and the alternative to it is exacerbating consumer debt. Supplying electricity on post-pay terms is the extension of unsecured consumer credit. ERGANZ members wrote off \$13.9 million of residential debt in 2023. There is also an unexamined tension in the direction of government policy. Consumer credit law requires lenders to satisfy themselves that a borrower can repay without substantial hardship, and imposes conduct duties to prevent unaffordable debt accumulating. The Consumer Care Obligations push retailers in the opposite direction, toward providing payment plans, instalment arrangements and tolerating arrears for households already unable to pay. ERGANZ is not arguing against support for households in difficulty, but we ask the Authority to acknowledge that arrears are consumer debt.

For example, the Consumer Care Obligations are recent, substantial and have not been evaluated post-implementation. ERGANZ members complied with the predecessor guidelines, and the shift from guidance to enforceable obligation has increased the costs of customer engagement without the benefits having been examined. ERGANZ recommends a post-implementation review.

ERGANZ has commissioned independent economic analysis of the cumulative cost of the Authority's consumer policy programme. Nine interventions have been introduced since the Authority gained its second statutory objective in 2022. Each was assessed on its own and in qualitative terms. Neither the Authority nor anyone else has published an assessment of what the programme costs in total, what it has delivered, or who pays for it. The Authority's own assessment of the consumer care obligations, prepared for it by Concept Consulting in 2024, concluded that average annual benefits would need to be around 25 percent higher than average annual costs to achieve a positive net present value, and expected that to be the case. That expectation has never been tested.

Our analysis is still in draft, so we are not including figures in this submission. We can give a clear sense of the direction of travel. The cumulative cost of the policy programme is substantial, it rises with each new policy intervention, it is recovered from consumers through prices, and on the evidence available it materially exceeds the benefits that can be demonstrated. ERGANZ will provide the final report to the Authority once it is complete, and asks to engage with the Authority separately and specifically on it.

What matters is whether consumers are getting meaningful value. Multiple trading relationships is the clearest example of the problem. There is little evidence of consumer demand for it and no strong market-led case for the comprehensive solution being designed, yet implementation continues at material cost to participants. A series of individually reasonable measures can add up to a poor deal for consumers if nobody ever adds them up. ERGANZ asks the Authority to quantify the cumulative cost of its consumer protection programme, and to publish that alongside an assessment of what the programme has delivered, before adding further to it.

Credit assessment checks also perform tasks unrelated with actual credit assessments. A credit enquiry is one of the checks that helps confirm an applicant is who they say they are. In August 2025 the Office of the Privacy Commissioner published a compliance comment on utility providers, having received multiple notified privacy breaches in which unauthorised individuals opened accounts in other people's names, added services to existing accounts, redirected correspondence, and accrued debt that was passed to debt collectors and damaged the victim's credit record. Information Privacy Principle 5 requires agencies to hold safeguards that are reasonable in the circumstances against exactly that. ERGANZ acknowledges that members are strengthening their verification processes. The point for this consultation is one of direction. Measures that reduce the checks performed at onboarding pull against an obligation retailers already hold under the Privacy Act, and the people harmed when verification fails are consumers.

On metering, ERGANZ supports Concept's recommendation of a cost-benefit analysis on accelerating replacement of the remaining 86,000 residential legacy and non-communicating connections. Pending that analysis, the most useful initiative to increase uptake is for smart meters to be considered for inclusion within the Healthy Homes standards for rental accommodation, because it places the obligation on the party that controls the property. ERGANZ would also support a requirement that every retailer serve legacy meter customers through at least one brand or tariff. Our members already offer such products, and formalising it resolves the circular barrier the paper identifies at paragraph 4.43.

Prepay is an innovative product that caters to a specific market segment. It is simple and easy to use, and members who provide prepay report that many of their customers like it and find it helpful. The Authority's own analysis finds that prepay plans are value for money. Around two thirds of prepay customers do not reach auto-disconnection in a given month. Social retailing serves around 0.6 percent of the residential market and has not been demonstrated to produce better outcomes than mainstream retailing. ERGANZ recommends an outcomes assessment before support is regulated, and asks that any support be contestable and available to any provider delivering the outcome rather than attached to an ownership model.

If the Authority intends to pursue an obligation to connect, it would require careful work. A well-designed obligation could spread the risk and cost of serving high-risk customers across the industry instead of leaving it with the few retailers and social retailers who currently carry it. The relevant Australian comparator is the standing offer, or standard retail contract, not the Default Market Offer, which is a price control addressing disengaged consumers and a different problem. The design would need to allow retailers to retain the tools to manage the associated credit risk, apply standard identification and safety requirements, and follow a full cost-benefit analysis.

Sequencing matters as much as design. Our members are absorbing a substantial volume of regulatory change at present, and the pace of that change needs to slow if reform is to be implemented well for customers. A change of this significance should be staged accordingly.

The risks of regulations moving without evidence fall on consumers. Restricting the use of credit information would raise bad debt and arrears, recovered through prices. Prescribing exceptional onboarding would reduce the flexibility that currently converts 41 percent of failed credit checks into accepted customers. Retailers facing higher unrecoverable risk without corresponding tools will tighten acceptance criteria and narrow product ranges. Each of these moves against the objective the Authority is pursuing.

Appendices

One report commissioned by ERGANZ from Concept Consulting Group is attached:

1. Equitable access to electricity smart meters, July 2026.

This submission also draws on the Consumer Care Audit prepared for ERGANZ by Concept Consulting Group, which gathers member data on credit assessment outcomes, exceptional onboarding, payment plans and vulnerable customers. Members supplied that data on a confidential basis and it is presented only in aggregate, so the report is not attached. ERGANZ is happy to discuss its findings with the Authority.

Consultation questions

ERGANZ has responded to all questions in the Authority's Appendix A format below. Where a question is answered elsewhere in this submission, we have cross-referred rather than repeated the answer in full.

Questions	Comments
Risks, impacts and market performance	
Q1. Do you agree with the risks identified for consumers who may have constrained access to electricity supply or limited retail choice? Please explain why or why not.	ERGANZ agrees the risks listed at paragraph 4.10 are real for the households that experience them. We do not agree that they arise at the scale the paper's framing implies, and we consider the list is incomplete. The Concept Consumer Care Audit found that 14 percent of post-pay applications to ERGANZ members fail an initial automated credit check, and that 41 percent of those failed checks are subsequently accepted through exceptional onboarding. Across the members reporting both figures, the proportion of applications ultimately declined for credit-related reasons is 9 percent. The paper's account of a consumer facing sequential closed doors describes a real experience for a small group. It does not describe the general position. The Authority's list omits the risk that runs in the other direction. Post-pay electricity is supplied on credit, and a household accepted onto post-pay terms that it cannot actually sustain accumulates debt, faces collection activity, and potentially ends the period with worse credit standing than it started with. ERGANZ members wrote off \$13.9 million of residential debt in 2023 and that cost is recovered from other consumers. Any assessment of the risks of constrained access has to be set against the risks of unconstrained access, or the analysis will point in only one direction by definition. We also note the paper treats access to supply and choice of plan as a single issue. They are different. A consumer with a legacy meter who can obtain supply but not a time-of-use plan has a choice problem. A consumer who cannot obtain supply from any retailer has an access problem. The evidence, the affected populations and the appropriate responses differ in each case.
Q2. What evidence is available on the number of consumers affected by these risks, the circumstances in which they arise, and the outcomes consumers experience?	ERGANZ commissioned two pieces of work from Concept Consulting Group to help answer this question. The smart meter report is attached. The Consumer Care Audit is not attached, but its relevant findings are set out below and ERGANZ is happy to discuss them with the Authority. Concept will also update its 2023 Consumer Care Audit findings for ERGANZ in due course, and we will share relevant results with the Authority as they become available.

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	The Concept Consumer Care Audit gathered data from four of five ERGANZ members, supplied on a confidential basis and presented in aggregate. Its findings include: • 14 percent of post-pay applications failed an initial credit check and 83 percent passed, with the balance abandoned or otherwise unresolved. • 41 percent of failed credit checks were nevertheless accepted under exceptional onboarding criteria, being 11,306 of 27,503 applications across three members. • Including exceptional onboarding, total accepted applications rise from 80 to 87 percent and credit-related declines fall from 16 to 9 percent. • The 80 and 16 percent figures differ from the 83 and 14 percent above because only three members could supply exceptional onboarding data, so that comparison is drawn from a three-member sample rather than four. • 1.6 percent of member residential connections were on a payment plan as at 30 June 2026, on data from four members. Concept notes these customers were not all required to be on a plan as a condition of acceptance, and that many were accepted as post-pay customers and moved onto a plan later after falling behind. • 17 percent of member customers were classified as vulnerable, of whom 6 percent were classified for hardship reasons, with age being by far the largest category. Centrix analysis of applications to ERGANZ members records approximately 27,000 credit enquiries a month, or around 300,000 a year. Around 5 percent of all credit applications resulted in an account being opened with a different retailer, meaning the applicant was declined by one retailer and obtained supply from another. Applicants with no credit file convert at around 70 percent, against around 10 percent for applicants with an adverse credit rating. On the Authority's own figures, the ratio of refusals to completed switches at Table 1 implies a credit check fail rate of 8 to 13 percent. As Concept notes, that estimate assumes every application resulted in a credit assessment and every application that passed became a completed switch. Neither

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	assumption holds, so the Authority's figure is likely to overstate the true rate. Concept also notes that the credit decline rate does not count individual consumers. An applicant may apply more than once in a month, in some cases under different names or email addresses. That is a further reason the Authority's refusal count should not be read as a headcount of people declined. What none of this evidence establishes is the number of individual people who end the process without electricity supply. That is the number that actually matters, and it does not currently exist. ERGANZ offers to work with the Authority on the definitions and data collection needed to produce it.
Q3. Are there particular groups of consumers, regions, housing situations or metering circumstances where these risks are more likely to occur?	On metering, the answer is regional rather than socioeconomic. Concept's analysis of member registry data shows an urban and rural divide. Tasman, the West Coast, Marlborough and Northland sit well above the national average for non-smart metering, and Auckland, Canterbury, Waikato and Wellington sit below it. The likely drivers are travel distance for installation appointments, complex rural premises such as farms and lifestyle blocks, switchboard and isolation complexity, and cellular coverage. This finding is important for the Authority's analysis. The Energy Hardship Expert Panel treated smart meter access as a barrier to fair energy access, and the issues paper carries that assumption forward. Yet, the data does not support it. Directing effort at the remaining metering cohort on equity grounds would misallocate resources relative to the actual distribution of the problem. On credit, Centrix analysis shows that credit score is strongly correlated with the arrears position on the applicant's previous energy account, with more than 40 percent of applicants scoring below 450 carrying arrears of 30 days or more past due on that account. The characteristic that predicts a decline is prior non-payment for electricity, not membership of a demographic group. ERGANZ raises this because it bears directly on how the Authority should interpret the distributional evidence at paragraphs 4.63 to 4.64.
Q4. Do you agree that access and choice constraints may affect retail market performance? Please explain why or why not.	A final credit-related decline rate of around 9 percent, against a market where 87 percent of applications are accepted, is not a market performance problem of the order the paper's framing suggests.

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	It is also worth recording what the market has produced for this segment without regulatory direction: exceptional onboarding accepting 41 percent of failed credit checks, prepay products, the ConnectMe pilot the Authority cites at footnote 43, and the five-year supply arrangement at paragraph 5.63 through which four ERGANZ members provide hedge access on supportive terms to enable social retailing. These are responses to the segment, not evidence of its neglect.
Credit history and access to post-pay electricity	
Q5. Do you agree that consumer credit history or retailer credit-risk assessments may be limiting some consumers' access to electricity services or retail plans? Please explain why or why not.	Yes, and that is what a credit assessment is for. ERGANZ says so plainly because the alternative, in which credit assessment is treated as an incidental friction to be reduced, will lead to poor outcomes for consumers. Supplying electricity on post-pay terms is the extension of unsecured consumer credit. The retailer delivers the service, and then invoices. Retailers carry the working capital, the collection cost and the write-off. As stated above, ERGANZ members wrote off \$13.9 million of residential debt in 2023. There is a policy tension across government the Authority needs to address. Consumer credit law requires lenders to be satisfied that a borrower can repay without substantial hardship, and imposes conduct duties designed to prevent unaffordable debt from accumulating in the first place. The Consumer Care Obligations move in the opposite direction, encouraging retailers to extend payment plans, instalment arrangements and tolerated arrears to households already finding it difficult to pay. ERGANZ is not asking the Authority to withdraw hardship support. We are asking it to acknowledge that arrears are debt, that debt has consequences for the household carrying it, and that a policy which increases the volume of consumer debt to improve access has costs that need to be counted. The distinction between limited credit history and adverse credit history at paragraph 4.25 is important and ERGANZ endorses it. Centrix data shows applicants with no credit file converting at around 70 percent, against around 10 percent for applicants with an adverse file. These are different cohorts with different risk profiles and they should not be aggregated in the Authority's analysis or its monitoring.

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	Credit assessment also performs a function that has nothing to do with credit risk. A credit enquiry is one of the checks that helps a retailer confirm an applicant is who they say they are. In August 2025 the Office of the Privacy Commissioner published a compliance comment on utility providers, following multiple notified privacy breaches. Unauthorised individuals had opened new accounts and added services in other people's names, edited contact details to divert correspondence, and accrued debt in the victim's name that was passed to debt collection agencies and damaged their credit score. The Office found these breaches often went undetected until the victim suffered harm, and that in some cases only a name and date of birth were needed to get through. Each was assessed as notifiable because serious harm had already occurred. Information Privacy Principle 5 requires agencies to hold safeguards that are reasonable in the circumstances against unauthorised access, use, disclosure or loss of personal information. The point for this consultation is that measures that reduce or constrain the checks a retailer performs at onboarding pull against an obligation retailers already hold under the Privacy Act. The people harmed when verification fails are consumers, including consumers whose credit records are damaged by debt they never incurred and who then face the very access barriers this issues paper is concerned with. An electricity account also functions as an identity credential well beyond the electricity relationship. A recent account document issued by a utility provider is among the supporting identity documents the NZ Transport Agency accepts for driver licensing. If retailers did not verify identity and assess credit at onboarding, the consequences would run past this market to the integrity of government-issued photo identification.
Q6. What factors influence whether a retailer accepts, declines or offers alternative arrangements to a consumer following a credit-risk assessment?	The first step is an automated credit check. Members do not generally treat a failed check as the end of the process. The Concept audit records that manual reassessment considers the nature of the adverse credit reporting, including the type of debt; applicant-specific circumstances such as age or whether the applicant is between jobs; whether the applicant has a limited credit history rather than a poor one; the applicant's

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	transaction score as an alternative to a credit score; and referrals from social agencies or Utilities Disputes. Acceptance may also be conditional. Conditions in use across members include bonds, payment plans, benefit redirections, and joint applications or guarantors. The precise process varies between retailers and in some cases between brands of the same retailer. Some members undertake a manual review automatically on every failed check, others on request. That variation is a feature rather than a defect. Concept found that the proportion of failed credit checks ultimately overridden varied substantially from one retailer to another, which is what competition on risk appetite looks like. ERGANZ supports principle-based expectations and consistent outcome reporting. We would resist prescribing the criteria or the process.
Q7. Are there any existing practices, safeguards or support arrangements that are working well to help consumers with adverse or limited credit history access electricity supply?	Exceptional onboarding is the most significant, and on the Concept data it is the largest alternative pathway in the market by volume. It receives less attention in the issues paper than prepay or social retailing, both of which serve far fewer consumers. Beyond that, members report that referral relationships with financial mentors, community organisations and Utilities Disputes work well where they exist. Benefit redirection is effective where the household is willing and the arrangement can be put in place. The ConnectMe pilot showed that consumers with low credit scores can sustain post-pay supply where wraparound support and a third-party guarantee, such as from MSD, are in place from the outset, and ERGANZ considers the guarantor component the element most worth building on.
Q8. Are you aware of any unintended behaviours or consequences that may arise when consumers cannot access electricity supply in their own name? To what extent does this occur?	Members are aware of accounts opened in the name of a family member or another person following a decline, as the paper records at paragraph 4.31. Members do not hold reliable data on the frequency, because by design the practice is not visible at the point of application. ERGANZ supports the Authority working with retailers to establish whether this can be measured. Centrix data suggests some applicants make multiple applications. Around 6,600 applicants applied to more than one retailer in the period analysed, and around 5 percent of all applications resulted in an account being opened with a different retailer. Some multiple applications reflect legitimate

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	shopping around. Some reflect a declined applicant seeking an alternative. The two cannot currently be separated in the data. ERGANZ notes a related consequence that runs the other way. Where a household obtains supply it cannot sustain, the arrears that follow damage its credit standing and make the next application harder. The paper identifies this loop at paragraph 4.60 in the context of hardship. It applies equally to onboarding decisions made without regard to household affordability.
Metering capability and access to services	
Q9. Do you agree that legacy and non-communicating smart meters may be limiting some consumers' access to electricity services, retail plans or retail competition? Please explain why or why not.	Obviously, some products depend on a communicating meter and that consumers without one have a narrower range of plans available. We would qualify the framing in two ways. First, on scale. New Zealand's smart meter penetration is world leading at around 94 percent of all connections. Approximately 144,000 connections remain on non-communicating or legacy meters, of which around 86,000 are residential. That is roughly 4 percent of the residential market, and it continues to fall. Second, on the distinction between supply and product. ERGANZ members serve legacy meter customers and offer products those customers can take up. The constraint is on the range of plans available, not on the availability of supply from our members. The circular barrier the Authority describes at paragraph 4.43, where a consumer cannot get a meter without a retailer and cannot get a retailer without a meter, is a real problem but a narrow one. It is best addressed directly, and we set out how at Q13. We also note the recent 2G and 3G network decommissioning, which required metering equipment providers to replace older communications modems at scale. Bluecurrent alone replaced over a million modems, with the campaign concluding in late 2025. Where a meter could not be upgraded through that campaign it will now show as non-communicating. The Authority should take this into account when interpreting recent movements in the non-communicating meter series.
Q10. What are the most prevalent barriers to upgrading legacy meters or restoring communication capability to	Concept analysed member and metering equipment provider data on installations that could not be completed. The reasons break down as follows: customer-related issues 40 percent, comprising outright refusal at 27 percent, appointment failure at 8 percent and other customer reasons at 5 percent; health

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non-communicating smart meters?	and safety 14 percent, covering damaged wiring, absent earthing, unsafe meter boards, working at heights, asbestos, gas meter proximity, and threatening customers or animals; additional work or inspection required 11 percent; insufficient switchboard space 10 percent; equipment inaccessible 7 percent; and distribution network issues requiring isolation 4 percent. Concept's assessment, which ERGANZ accepts, is that the customer-related cases are the hardest to resolve. Outright refusals reflect deeply held views about cellular communications, health effects and privacy, and the recent modem replacement campaign brought some of those objections back to the surface among customers who had previously tolerated an older meter. Appointment failures typically involve repeated visits and repeated attempts to re-contact. Over 20 percent of Meridian's unable-to-complete cases had already been revisited at least once. The health and safety and property cases are more tractable but expensive and individually unique. Resolving a single case involving significant rewiring or asbestos could cost thousands or tens of thousands of dollars.
Q11. What typically happens when a consumer needs a communicating smart meter to access a particular retail product or service, but an upgrade is delayed, declined, not technically straightforward, or cannot be arranged because the consumer does not have a retailer willing to serve them?	Where the consumer has a retailer, the usual outcome is that they remain on a plan compatible with their existing meter. ERGANZ members offer products for legacy meter customers, so the consumer retains supply while losing access to plans that require interval data. Where the barrier is remedial work on the property, the work sits with the property owner, which introduces the landlord and tenant dynamic Concept describes: a tenant may want the upgrade while the landlord is unwilling to fund the enabling work.
Q12. How are the costs of meter upgrades, remedial work or communication issues currently managed, and are there circumstances where these costs may prevent consumers from accessing electricity services or retail choice?	For a straightforward replacement, the retailer and metering equipment provider generally bear the cost, because the business case supports it. Half-hour data reduces manual reading costs, eliminates estimated bills, enables remote connection and disconnection, supports tariff innovation and improves reconciliation accuracy. This commercial logic has already driven our world-leading rollout without a regulatory mandate. Where the premises require remedial work, such as rewiring, switchboard replacement or asbestos removal, the cost sits

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	with the property and is not part of the metering business case. These costs can prevent an upgrade, and they are more likely to do so where the occupant is a tenant and the decision rests with a landlord. The diseconomies point is worth recording. As the non-communicating population shrinks, the cost of maintaining manual reading and legacy-compatible systems is spread across fewer customers. Concept notes that retailers could recover this through a premium on legacy metering, but also notes why that would be punitive for consumers who are unable rather than unwilling to upgrade, including renters, rural consumers with poor coverage, and homeowners facing expensive wiring remediation. ERGANZ does not advocate that approach and raises it only so the Authority understands the cost trajectory it creates if the residual cohort is left unresolved.
Q13. Are existing arrangements sufficient to address the remaining harder-to-upgrade premises, or are there opportunities to improve coordination between retailers, metering equipment providers, distributors, landlords and consumers?	Existing arrangements have delivered around 94 percent penetration and continue to work at the margin. They are unlikely to resolve the residual cohort, because that cohort is defined by the fact that commercial incentives have already failed to move it. ERGANZ supports Concept's recommendation that a cost-benefit analysis be undertaken on accelerating replacement of the remaining non-AMI meters, assessing costs and feasibility against industry and societal benefits. Pending that analysis, ERGANZ supports the following low-regrets measures. Smart meter readiness should be considered as part of the Healthy Homes standards for private rental accommodation. This is the single most useful lever available, because it places an obligation on the party who controls the property and who currently has no reason to fund enabling work. New home builds should have externally accessible meters, as is standard in many overseas jurisdictions. This makes future upgrades straightforward and reduces the incidence of poor cellular signal. All retailers should be required to accept non-AMI customers through at least one of their brands or tariffs. Concept recommends this and ERGANZ members already offer such products. ERGANZ would want to work through the design,

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	including how it interacts with cost to serve and how compliance is demonstrated. Trials of alternative sources of interval data are worth pursuing, including smart switchboards and metered devices such as electric vehicle chargers, where these could be relied on for reconciliation in place of a meter upgrade. Concept notes these alternatives often depend on the same site conditions as a meter installation, so expectations should be modest. ERGANZ does not consider a consumer information campaign likely to succeed. Twenty-seven percent of unable-to-complete cases are outright refusals grounded in firmly held views, and more information is unlikely to change them.
Constrained access can affect health, wellbeing and participation	
Q14. Do you have any further information or evidence on the number and characteristics of consumers affected by access and choice constraints, the circumstances in which these constraints arise, and what happens after a consumer is declined or cannot access a suitable retail service?	The Concept Consumer Care Audit and the Centrix analysis summarised at Q2 are the main additions ERGANZ can offer. Two further figures from the audit are relevant to the Authority's characterisation of vulnerability. Seventeen percent of ERGANZ member residential customers were classified as vulnerable as at 30 June 2026, on data from three members. Of those, 6 percent were classified as vulnerable for hardship reasons, on data from two. The largest category by a considerable margin is age, followed by medical and health reasons. Concept notes that a consumer may be vulnerable for more than one reason but be recorded under a single category, so the breakdown understates the overlap between categories. The Authority collects this data but does not publish it. Publishing it would improve the shared understanding the paper seeks, and it requires no new collection. ERGANZ asks the Authority to read these figures carefully, and to keep its focus on lifting outcomes for consumers rather than on definitions. For retailers, the definition of vulnerability is deliberately broad. A customer classified as vulnerable on grounds of age or a medical need may well have the full range of retail choices available to them and no difficulty at all in accessing supply. The classification is a service prompt, not a finding of disadvantage. Retailers should keep the flexibility to take a broad approach to classifying customers as vulnerable, particularly where

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	doing so lifts the service and support that customer receives. Our concern is that a broad classification, once reported, invites regulation calibrated to the size of the classified population rather than to real need. That would add cost and rigidity without improving outcomes for the consumers who actually need help, and it would give retailers a reason to classify more narrowly. ERGANZ would rather the Authority measured whether outcomes are improving. On what happens after a decline, neither the Authority nor the individual sector participants knows. Centrix data shows around 5 percent of all applications result in an account being opened with a different retailer, and that 53 percent of applicants who approached more than one retailer were refused by the first. That tells us some declined applicants obtain supply elsewhere. It does not tell us how many do not.
Alternative access pathways	
Q15. Are the three main alternative pathways, prepay, social retailing and exceptional onboarding, sufficient, suitable and sustainable?	The three pathways are not equivalent in scale, and the paper gives most attention to the two smallest. Prepay serves around 1.4 percent of residential connections. Social retailers serve around 0.6 percent of the residential market. Exceptional onboarding converts 41 percent of failed credit checks into accepted customers, and on the Concept data accounts for around 7 percentage points of total application acceptance. It is by a wide margin the largest of the three. On sufficiency, exceptional onboarding works but is not visible to consumers, and ERGANZ accepts that is a problem worth fixing. Prepay works well for the households that choose it and is constrained by cost to serve rather than by demand. Social retailing is small, geographically uneven, and not yet demonstrated to produce better outcomes than mainstream retailing. On sustainability, the constraint on all three is the same: someone has to carry the credit risk and the cost to serve. Prepay is a marginal commercial proposition. Social retailers depend on hedge access on supportive terms provided by ERGANZ members. Exceptional onboarding depends on retailer discretion, which is the thing most at risk from prescriptive regulation. ERGANZ asks the Authority to remember that each pathway exists because costs are born by market participants.

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Q16. Are there consumer groups, regions, network areas or metering circumstances where consumers currently face limited or no practical pathway to access retail electricity supply? If so, which consumers are most affected and what do they do?	The group most exposed is the one the Authority identifies at paragraph 5.10: consumers with adverse credit history and a legacy or non-communicating meter. Our proposal in Q13 is that all retailers serve non-AMI customers through at least one brand or tariff. We would qualify the mapping at Figure 2 in two respects. It excludes retailers offering exceptional onboarding, which is the largest pathway. And the criterion of retailers widely accepting customers with poor credit is not defined in the paper. Together these are likely to understate the options available in a given network area, and ERGANZ would encourage the Authority to reissue the analysis with exceptional onboarding included before relying on it. We agree with the Authority that the measure which matters is the final outcome for the household. ERGANZ recommends the Authority direct its monitoring effort at measuring final access outcomes rather than initial declines, and we offer to help develop the definitions.
Prepay electricity	
Q17. Do prepay customers have sufficient access to pricing innovation and savings opportunities, including time-varying pricing, demand flexibility, free-hour offers or other emerging retail products? If not, what are the main barriers to making these options available to prepay customers?	Prepay is an innovative product. It is simple and easy to use, and it caters well to a specific market segment. Members who provide prepay report that many of their customers like the product and find it helpful for managing their spending. Prepay customers do have access to a narrower range of pricing products, and so we accept the Authority's observation. But the barriers are mainly technical and commercial rather than a matter of competitive neglect. Prepay requires balance calculation in close to real time, which is a different systems problem from retrospective billing. Applying a time-varying rate to a running balance, and communicating the resulting position to a customer who may be deciding whether to top up tonight, is materially harder than applying it to a monthly invoice. Load control products introduce a further complication, because the customer's usable balance changes as a function of a control action they did not initiate. Prepay is a small segment with a high cost to serve, so the investment required to build these capabilities is spread across few customers. We note the Authority's own analysis at paragraphs 5.22 to 5.24, which finds no systematic or material tariff difference between prepay and comparable post-pay

Questions	Comments
	plans, no disconnection fees charged in 2025, and reconnection fees charged 1,462 times against more than 300,000 disconnections, around 90 percent of them at \$20 or less. On the Authority's own evidence, prepay plans are value for money. ERGANZ appreciates the Authority reporting that evenly.
Q18. What role is prepay currently playing for consumers who cannot access standard post-pay electricity services, and what benefits does it provide for those consumers?	Prepay caters to a specific market segment and is useful to the customers in it. It is a genuinely innovative product, and it is simple and easy to use. It provides visibility and control over spending, avoids the accumulation of arrears, allows a household to pause or limit use deliberately, and provides a mechanism for repaying existing debt while remaining connected. For the households that choose it, these are real benefits and around two thirds do not reach auto-disconnection in a given month. The experience of those members who retail prepay is that many of their prepay customers like the product and find it helpful. The Authority's own analysis at paragraphs 5.22 to 5.24 finds that prepay plans are value for money against comparable post-pay plans. ERGANZ asks the Authority to keep both points in view, because the paper is framed largely around the risks of prepay rather than the value it delivers to the segment it serves. Prepay is not functioning as the destination for declined post-pay applicants. The Concept audit sought data specifically on applications made for post-pay that were accepted on a prepay basis instead. No member who responded reported any such figure. Most members do not offer prepay at all, and the one member with prepay considered the number very low. The evidence indicates that new prepay customers generally applied for prepay in the first place. If prepay were absorbing declined post-pay applicants at scale, concentration in the prepay market would be an access issue. On the available evidence it is not, and the concentration concern should be assessed on its own terms rather than as a proxy for constrained access.
Q19. Is there effective choice and competition in the prepay market, and what are the main operational, commercial, technological or regulatory	Choice in prepay is currently limited, and ERGANZ does not dispute the Authority's account at paragraphs 5.16 to 5.18. The barrier is cost to serve. Prepay requires separate billing and balance systems, real-time top-up processing, balance notifications, emergency credit management, remote

Questions	Comments
barriers to offering prepay services?	disconnection and reconnection workflows, and a materially higher volume of customer contact than post-pay. Compliance obligations sit on top of this, including the prepay-specific requirements in the Consumer Care Obligations and the medically dependent consumer protections. The result is a product with a high fixed cost, a high variable cost to serve, and a small addressable market. Those costs are not evenly shared across the sector. A small number of retailers carry the prepay book and the associated compliance and operational load. If the Authority wants a sustainable prepay market it will need to address cost recovery, not only competition.
Q20. To what extent do prepay disconnections reflect consumer choice, budgeting preferences or temporary pauses in use, compared with circumstances where consumers are unable to top up?	Most prepay disconnections reflect the product working as it is designed to. Around two thirds of prepay customers do not reach auto-disconnection in a given month, and members who provide prepay report that customers value the control the product gives them over when and how much they spend. A small group experiences repeated disconnection, and ERGANZ does not dismiss the Authority's concern about that group. Members report these cases frequently involve complex circumstances, and that the households concerned are often difficult to reach and reluctant to engage. That is consistent with the hidden hardship research the Authority cites at paragraph 4.16, and it is why ERGANZ supports referral pathways to financial mentors and community organisations rather than further retail process obligations. The constraint is contact and trust, not the absence of an obligation. The Authority's own data supports a careful reading. Around 6 percent of disconnections where duration was recorded lasted more than one day. The remaining 94 percent are short interruptions consistent with a top-up cycle rather than with a household losing supply.
Q21. What information are retailers capturing that could help identify when repeated or longer prepay disconnections may indicate affordability pressure, difficulty maintaining supply, or other consumer impacts?	Retailers offering prepay capture top-up frequency, value and timing; emergency credit use and repayment; disconnection frequency and duration; time to reconnection; debt repayment allocation where a repayment arrangement is in place; contact attempt history and outcomes; and vulnerability and medically dependent consumer flags held under the Consumer Care Obligations. Not all of this is currently reported to the Authority, and definitions are not consistent across the small number of

Questions	Comments
	retailers offering the product. ERGANZ is willing to work with the Authority and prepay providers on a common set of definitions and a reporting specification, so that repeated disconnection can be measured consistently and separated from ordinary top-up behaviour. We would prefer this to be settled before it is used to advance policy conclusions.
Q22. Are additional pathways, safeguards or protections needed to reduce the risk that medically dependent consumers are placed on, or remain on, prepay arrangements?	The Authority records that 343 medically dependent consumers were using prepay in December 2025. Retailers have taken steps and no further medically dependent consumer has been disconnected from prepay since May 2026. The practical difficulty is identification. Clause 59 of the Consumer Care Obligations already prohibits recommending prepay to a household where a medically dependent consumer may live and requires best endeavours to move those customers to post-pay. A retailer can only apply that protection to a household it knows contains a medically dependent consumer. Status depends on verification by a health practitioner, changes over time, and is often not disclosed at the point of application or when circumstances change mid-tenancy. Some households do not wish to disclose it. ERGANZ strongly recommends better identification, including a workable mechanism for health providers and Health New Zealand to confirm medically dependent status to the retailer with the consumer's consent. This means the relevant information flows directly to where it is needed, rather than relying on voluntary disclosure. ERGANZ has raised this concern with the Authority repeatedly over many years, including in writing. So far, neither the Authority nor Health NZ have made any progress. ERGANZ would not support prohibiting medically dependent consumers from choosing prepay. For their own reasons, a household that has a medically dependent member may choose prepay.
Q23. Do prepay customers have reduced access to innovation, competition and emerging opportunities to reduce electricity costs? If so, what technical, commercial or regulatory barriers may be preventing retailers from	ERGANZ answers this at Q17 and does not repeat the analysis. In short, prepay is itself an innovative product that serves its segment well, the range of pricing products available to prepay customers is narrower, the primary barriers are real-time balance calculation and the interaction of load control with a running balance, and the commercial barrier is that a small segment with a high cost to serve cannot support the necessary investment.

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offering more innovative prepay products?	ERGANZ would add one point on sequencing. If the Authority intends to pursue product innovation in prepay, the cost recovery question at Q19 has to be resolved first. Requiring a more innovative product from a segment that is already commercially marginal is likely to reduce the number of retailers offering it.
Q24. Does the use of prepay arrangements to recover previously incurred debt create additional risks for some consumers, and how are debt-recovery settings calculated, managed and communicated to consumers?	ERGANZ agrees with the Authority's framing at paragraph 5.48 that the question is whether repayment settings are reasonable, transparent and designed so as not to increase avoidable disconnection risk. Repayment through prepay allows a household to reduce a debt while remaining connected. The alternatives are less attractive for the consumer: sustained arrears with collection activity, or a write-off that damages the consumer's credit file and raises costs for other consumers. Members offering prepay set deduction rates with regard to the size of the debt and the household's circumstances, and disclose the rate at the time the arrangement is entered into. ERGANZ supports clear disclosure of the deduction rate at the point of arrangement and at each top-up, and supports the ability to vary the rate where a household is struggling. We would not support a prescribed maximum deduction rate set without analysis, because a rate set too low leaves debt outstanding indefinitely and a rate set uniformly ignores differences in household circumstances that members currently take into account.
Social retailing	
Q25. Should social retailing remain a targeted community-based, industry-led response, or should it become a more substantial national access pathway for consumers who face barriers to standard post-pay electricity?	ERGANZ's position is that social retailing should remain a targeted, complementary response until there is evidence that it produces better outcomes than mainstream retailing, and evidence about which of its components produce them. Social retailers currently serve around 0.6 percent of the residential market. ERGANZ members have supported the model in practice, including through the five-year supply arrangement referred to at paragraph 5.63 under which four members provide hedge access on supportive terms. We are not opposed to the model and we have helped it grow. The evidential question the Authority has not asked is whether the model works better, and how. Social retailing bundles several things: a different approach to credit and payment risk, trusted community relationships, budgeting support, referral

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	into other services, and in some cases a different ownership structure. Some of these may be working. Others may not. Without knowing which, we do not know whether the components that work could be delivered at greater scale by mainstream retailers, who already deliver most social retailing functions under the Consumer Care Obligations. ERGANZ therefore recommends the Authority commission an outcomes assessment of social retailing before considering further support. The measures should be the ones at Q32: sustained supply, arrears trajectory, disconnection incidence, and cost to the consumer, benchmarked against comparable mainstream customers.
Q26. What are the main barriers to scaling social retailing, including access to hedges, prudential requirements, metering capability, funding, referral pathways and operational capability?	The barriers the Authority lists are all real: hedge access, prudential requirements, working capital, billing and customer management systems, referral pathways, operational capability and sustainable funding. Hedge access has been partly addressed by the arrangement at paragraph 5.63, and the Authority's prudential consultation may assist smaller traders. The barrier ERGANZ would emphasise is the one common to every model in this consultation. A retailer serving a customer base with a higher incidence of arrears, higher cost to serve and higher support needs incurs costs that a standard retail margin does not cover. Social retailers presently meet that gap through philanthropy, cross-subsidy from other participants, and supportive supply terms. None of these scales automatically with volume. Removing the operational barriers the Authority lists will not by itself make the model scalable, because those barriers are not the reason the gap exists. This is the same problem the Authority faces with prepay at Q19 and with any obligation to serve at Q33.
Q27. What forms of support, if any, would be most effective in expanding social retailing without crowding out existing providers or reducing incentives for mainstream retailers to support consumers in hardship?	ERGANZ's first answer is that the outcomes assessment at Q25 should precede the support. Deciding what support to give ahead of knowing whether the model works better is the wrong sequence. If support is provided, ERGANZ asks that it be contestable and outcome-based rather than attached to an ownership model. Any provider willing to serve the relevant customers and meet the relevant outcome standards should be able to access the same support on the same terms, whether it is a community trust, an iwi-led provider, an independent retailer or an ERGANZ member. Support attached to a category of provider

Questions	Comments
	rather than to a service creates the two-tier market the Authority warns against at paragraph 5.71 and reduces the incentive for mainstream retailers to invest in their own hardship capability. ERGANZ agrees with the risks the Authority identifies at paragraph 5.71 and would add one. Concentrating higher-need customers among a small number of thinly capitalised providers creates a failure risk. If a social retailer exits, its customers must be transferred to retailers who did not price for them, and the households affected are the least able to absorb the disruption.
Exceptional onboarding	
Q28. Are there any other examples of exceptional onboarding for consumers with adverse or limited credit history onto standard post-pay plans, beyond the approaches outlined in this paper?	The Concept audit records several approaches beyond those listed at paragraph 5.75. Manual reassessment is the most common and the most significant. Members review the nature of the adverse credit reporting rather than the score alone, taking into account the type of debt, its age, and whether the applicant has a limited credit history rather than a poor one. Some members undertake this review automatically on every failed check, others on request. Transaction scoring is used by some members as an alternative to a credit score, assessing actual transaction behaviour rather than credit file history. This is more useful than a credit score for applicants with a thin file. Applicant circumstances are taken into account, including age and employment status, such as whether an applicant is between jobs rather than persistently unable to pay. Referrals from Utilities Disputes and from social agencies carry weight in manual reassessment. Joint applications are used alongside guarantors, where a second account holder with a satisfactory credit position enables acceptance. On the conditions listed in the paper, ERGANZ can add detail. Only one member reported accepting applications subject to a bond in the last financial year, although for that member bonds were the most common exceptional onboarding condition used. Members were generally unable to provide a breakdown of applications accepted under each type of condition, and ERGANZ accepts that more granular data would help.

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Q29. How do consumers find out about what onboarding opportunities are available to access standard post-pay plans?	Exceptional onboarding criteria are not generally promoted to the wider customer base. Members work through their own frontline teams and through community organisations to make sure the options are known where they are needed. When an application is declined, members typically provide the applicant with the reason for the decline and what they could do to be accepted, the retailer's Consumer Care Policy, information on support available from the retailer and other organisations, the process for raising concerns, and a reference to comparison services such as Billy. ERGANZ supports improving visibility, and regards it as the most cost-effective measure available in this consultation. Practical options include a plain-language explanation of alternative onboarding routes on retailer websites and in decline communications; a shared industry resource that consumers and advocates can use to see what routes exist across the market; and better briefing of financial mentors, budgeting services and community organisations, who are frequently the first point of contact for the households concerned. ERGANZ distinguishes between publishing the existence of these routes, which we support, and publishing the criteria applied within them, which we would resist. Published criteria can be gamed, and the discretion that produces a 41 percent acceptance rate on failed credit checks depends on the assessment being genuine rather than mechanical.
Q30. How are benefit redirections being used to support access to electricity supply, and are consumers being declined supply if they are unable or unwilling to redirect their benefit?	Benefit redirection is used as one condition of acceptance in manual reassessment. Where a redirection is in place, the payment risk that caused the initial decline is substantially reduced, and the application can be approved. The ERGANZ administered ConnectMe pilot found that redirection combined with wraparound support and a guarantor enabled consumers with low credit scores to stay connected and pay their bills. ERGANZ is not aware of members declining an application solely because a consumer is unwilling to redirect. Willingness to redirect is one factor among several considered in manual reassessment, and other conditions such as a guarantor, a joint account or a bond can serve the same purpose. It is fair to say that for an applicant with an adverse credit file and no other mitigating factor, redirection may be the difference between acceptance and decline.

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	Establishing a redirection requires the consumer to arrange it with the Ministry of Social Development, and members report friction and delay in that process. Redirection amounts are also capped, which limits its usefulness for larger accounts. ERGANZ asks the Authority to raise with the Ministry whether the redirection process can be simplified and expedited, ideally so that it can be arranged at the point of application rather than as a separate step the applicant must complete. This is a concrete, low-cost improvement with a direct effect on access.
Q31. How many consumers with adverse or limited credit history are being offered contracts by retailers after third-party advocacy or referrals, and what are the benefits, risks and limitations of this approach?	Members do not currently record referral-based acceptances as a separate category, so ERGANZ cannot provide the number. The Concept audit confirms that most members were unable to break down exceptional onboarding acceptances by condition or route. The benefit is that advocacy supplies the retailer with information a credit file does not contain, about the household's circumstances, the nature of the debt, and the support that will be in place.
Proposed outcomes and areas for improvement	
Q32. Do you agree with the proposed outcomes, and are there additional consumer outcomes the Authority should consider?	ERGANZ supports the outcomes at paragraph 6.4, and particularly supports the inclusion of 6.4(d), that retailers remain able to manage legitimate commercial risks in a proportionate and sustainable way. ERGANZ proposes three additions. Outcomes should be measured at the point of final access rather than at initial decline. A framework built on decline rates will drive behaviour toward accepting applications rather than toward households ending the process with sustainable supply. Outcomes should include the sustainability of the supply obtained, not only its availability. A household connected onto terms it cannot meet, which accumulates arrears and is disconnected six months later, has not had a good outcome. Arrears trajectory and continuity of supply over time should be included alongside initial access. The cost of any intervention should be identified and allocated. Every measure canvassed in section 6 has a cost, and in a retail market that cost is recovered from consumers. Where the cost falls on consumers who are themselves close to hardship, the intervention can move against the Authority's

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	own objective. ERGANZ asks that cost allocation be an explicit outcome consideration rather than a matter left to implementation. ERGANZ has commissioned independent economic analysis of the cumulative cost of the Authority's consumer protection programme to date, and will provide the final report to the Authority. Cost allocation is not an implementation detail. It determines who bears the cost of a measure and whether the measure is worth making at all.
Q33. What international examples of approaches to ensuring electricity access for all consumers do you believe would be appropriate for the New Zealand context and why?	ERGANZ asks the Authority to separate two Australian mechanisms that paragraph 6.7 and footnote 45 treat together. The standing offer, or standard retail contract, under the National Energy Customer Framework is an access mechanism. Each premises has an assigned local retailer obliged to supply on standard terms, and the consumer may choose a different retailer. The Default Market Offer is a price control. It caps the price on standing offer contracts and provides a reference price for advertised offers. It addresses disengaged consumers who do not or cannot switch, which is a different problem from the one this issues paper is about. Only the first limb is relevant to access. Yet, importing the Default Market Offer alongside it would be a far larger reform than the paper contemplates. On the substance, ERGANZ would be willing to explore with the Authority a universal access obligation. Such an obligation spreads the risk and cost of serving high-risk customers across the industry rather than leaving it with few sophisticated retailers and social retailers who currently carry it, and it resolves the residual access problem the Authority is concerned about more directly than measures aimed at prepay or social retailing. The design would need to allow retailers to retain the tools to manage the associated credit risk, including reasonable bond limits, payment plans, benefit redirection, prepay where suitable and hardship support, so that the obligation confers a right to access supply rather than a right to unsecured credit on unmanaged terms. The obligation would be subject to standard identification and safety requirements.

Questions	Comments
	Identity verification at onboarding is an obligation retailers hold under the Privacy Act, and the Office of the Privacy Commissioner has already found the sector's processes wanting. An obligation to connect should not be designed in a way that pressures retailers to onboard customers without verifying who they are onboarding. The design would need to address how customers are assigned and how the associated cost is allocated across the industry. And it would need a full cost-benefit analysis before any decision to proceed, including analysis of its effect on retail entry, on prices for other consumers, and on the incentive to accumulate arrears. If the Authority is considering an obligation to connect, it should look to the standing offer model rather than the Default Market Offer, and it should design it with the industry rather than around it. We would also ask that any such reform be sequenced realistically. Our members are absorbing a substantial volume of regulatory change at present, and the rate of that change needs to slow. A reform of this significance needs time and a staged implementation if it is to work as intended.
Q34. Do you agree with the proposed areas for improvement, and are there additional areas the Authority should consider?	ERGANZ agrees with the six areas at paragraph 6.10 and proposes two additions. The first is government income support settings, and in particular the Winter Energy Payment. The Authority lists cross-agency responses as an area for improvement but describes it largely in terms of referral pathways and coordination. The largest lever available to the government is the policy design of the Winter Energy Payment itself, and we set out the case at Q35 and Q38. The second is a post-implementation review of the Consumer Care Obligations. The obligations are recent, substantial, and have not been evaluated by the Authority. They were made as a package with limited examination of interaction effects, including the interaction with consumer credit policy that we raise at Q5. Before adding further obligations in the same area, the Authority should establish what the existing ones have achieved and at what cost. ERGANZ members will participate in that review and provide data. That review should extend to cover the consumer protection programme as a whole rather than the consumer care

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	obligations alone. Nine interventions are now in force. Each was assessed separately and none has been assessed together. ERGANZ has commissioned independent economic analysis to begin filling that gap and will provide the final report to the Authority, and we would welcome a separate discussion with the Authority on it. We would add a point on pace. Members are currently implementing a substantial volume of regulatory change across several workstreams at once. ERGANZ asks the Authority to take a whole-of-programme view of participant change capacity when it sequences work arising from this consultation, so that each reform can be implemented properly rather than quickly.
Q35. Which areas should be prioritised for further work, and why?	ERGANZ's first priority is reform of the Winter Energy Payment because it is the largest vehicle for energy-related support in New Zealand yet it is not very well targeted at energy hardship. WEP reform would do more for the households this issues paper is concerned with than any regulatory change to retailers. The WEP payment is made at a flat weekly rate to every recipient of a main benefit or New Zealand Superannuation between 1 May and 1 October, with no test of energy need, housing quality, household size, region or actual energy cost. A superannuitant couple in a new insulated home receives the same amount as a sole parent in a damp rental. A low-income working household outside the benefit system receives nothing, despite renters and low-income households being over-represented in every energy hardship measure the Ministry of Business, Innovation and Employment published and cited by the Authority at paragraph 4.53. The payment is not indexed to energy prices, so its real value has declined since it was introduced in 2018. And because it is paid as cash into a benefit or pension payment, it does not necessarily go towards energy. ERGANZ strongly recommends the Authority to work with MSD and MBIE on reforming the payments. The Authority must investigate whether the payment can be retargeted within its existing fiscal envelope using an energy hardship test, so that the households the Authority is concerned about receive more rather than the same. Whether eligibility should extend beyond main benefit and superannuation recipients to low-income working households. Whether households should be able to

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	elect to have some or all of the payment credited directly to their electricity account, which would materially strengthen the credit position of households currently declined supply and would give retailers a reliable payment stream to assess. And whether the payment should be aligned with Warmer Kiwi Homes and the Healthy Homes standards so that cash support and thermal improvement reach the same households. ERGANZ recognises this is a matter for other government departments rather than for the Authority, and that eligibility for a social assistance payment is contested. We raise it because the Authority has asked which areas would have the greatest effect on long-term consumer outcomes, and the honest answer is this one. Our remaining priorities, in order, are: improving visibility of the issues and of the alternative onboarding routes that already exist, which is inexpensive and can be started immediately; the metering measures at Q13, particularly smart meter readiness within the Healthy Homes standards; and simplifying the benefit redirection process with the Ministry of Social Development.
Q36. What practical steps, including any quick wins, could improve access and choice in the short term?	ERGANZ suggests five, all of which could begin without regulatory change. Publish the data the Authority already collects. Payment plan numbers and vulnerable customer numbers are collected but not published. Publishing them would improve shared understanding at no additional cost to anyone. Agree a common definition of a credit-related refusal with retailers. The current figure aggregates records that retailers capture differently, including abandoned applications, automated declines later overturned, and referrals to alternative products. Until the definition is settled the number cannot support policy conclusions. Improve visibility of exceptional onboarding routes, as set out at Q29. Work with the Ministry of Social Development to simplify and expedite benefit redirection, as set out at Q30. Require, or agree by industry commitment, that every retailer serves non-AMI customers through at least one brand or tariff, as set out at Q13.
Q37. What additional information, data and	ERGANZ supports improved monitoring.

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monitoring would help to improve understanding, practices and outcomes in relation to access and choice?	Move from application-level to consumer-level measurement, so that the Authority can report how many individual people are declined, how many are declined more than once, and how many end the process without supply. This is the single most valuable addition and it is currently the largest gap. Agree common definitions before extending collection, covering what constitutes a refusal, what constitutes an acceptance under exceptional onboarding, and what constitutes a prepay disconnection for reporting purposes. Add a category for exceptional onboarding acceptances, so that the largest alternative pathway is visible in the Authority's monitoring. Collect and publish data on residential debt and write-offs alongside access data. The Authority is asking retailers to accept more risk, so it should also measure the consequences. Publish the payment plan and vulnerable customer data already held, noting the point we make at Q14 about the breadth of the vulnerability classification. Draw on credit bureau data. Centrix and the other bureaus hold substantial information on application volumes, outcomes and the relationship between credit standing and prior energy arrears. This is a better evidence source than either retailer-reported refusal counts or accounts from individual organisations, and ERGANZ encourages the Authority to obtain it directly rather than relying on the anecdotal material that presently supports parts of section 5. ERGANZ asks that new reporting be proportionate. Each addition carries a system change cost that is recovered from consumers, and the Consumer Care Obligations have already imposed a substantial compliance load. We would rather see fewer, better defined measures than a broader set of poorly comparable ones.
Q38. What changes could support increased access to mainstream post-pay electricity services, and what role could retailers, government agencies, iwi and other support agencies play?	The most effective change is reforming the Winter Energy Payment, as we explain in Q35, and specifically the option of allowing a household to direct some or all of the payment to its electricity account. A household with a reliable payment stream attached to its energy account presents a materially different credit proposition, and that single design change would convert a number of current declines into acceptances, and it could be delivered quickly.

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	The second is the Ministry of Social Development, which controls benefit redirection. Simplifying that process, and allowing it to be arranged at the point of application rather than as a separate step, would have a direct and immediate effect. The third is building on the ConnectMe model. That pilot placed a third-party guarantor behind the credit risk and provided wraparound support, and it showed that consumers with low credit scores can sustain post-pay supply. ERGANZ is willing to participate in designing a scaled version in partnership with MSD. For retailers, the contributions available are visibility of exceptional onboarding routes, consistent outcome reporting, and continued investment in referral relationships.
Q39. How could outcomes for consumers using prepay electricity be improved while preserving any benefits that consumers value?	ERGANZ suggests focusing on the small group experiencing repeated or extended disconnection rather than on the product as a whole. Around two thirds of prepay customers do not reach auto-disconnection in a given month, the Authority's own analysis finds that prepay plans are value for money, and members who retail prepay report that many of their customers like the product and find it helpful. Prepay is meeting the needs of the segment it serves. For that group, the useful measures are better identification of repeated disconnection as a signal of difficulty rather than budgeting, which requires the common definitions at Q21; and referral into financial mentoring and community support. On the medically dependent consumer question, ERGANZ's position is at Q22. On product improvement more broadly, the answer depends on resolving the cost recovery question at Q19. ERGANZ would ask the Authority to be careful that measures intended to improve prepay outcomes do not further reduce the number of retailers willing to offer it.
Q40. What role should social retailing and community-based models play in improving access and choice, and what are the risks of relying on them too heavily?	ERGANZ's position on the role is at Q25. Social retailing should remain a targeted, complementary response pending an outcomes assessment. On the risks of relying on the model too heavily, ERGANZ agrees with those the Authority identifies at paragraph 5.71 and would emphasise three. Concentration of higher-need customers among a small number of thinly capitalised providers creates a failure risk. If

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	a provider exits, its customers transfer to retailers who did not price for them, and the households affected are the least able to absorb the disruption. A two-tier retail market, in which households with adverse credit are steered toward a distinct set of providers, is a worse outcome than one in which mainstream retailers serve them. It reduces choice, reduces competitive pressure on the providers serving that segment, and entrenches the exclusion the Authority is trying to remove. Reliance on the model reduces the pressure on mainstream retailers to invest in their own hardship capability, which is where the scale is. Around 0.6 percent of the residential market is served by social retailers. The other 99.4 percent, including the great majority of households in energy hardship, are served by everyone else.
Q41. Are current incentives for retailers to install communicating smart meters appropriate, and are particular regions, consumer groups or housing situations disproportionately affected by current metering arrangements?	The incentives are appropriate and have worked. New Zealand's smart meter rollout is industry-led rather than mandated, and produced world-leading penetration at around 94 percent because the benefits to retailers, metering equipment providers, distributors and consumers justified the investment. These benefits are set out in the attached Concept report and include lower reading costs, elimination of estimated bills, remote connection and reconnection, tariff innovation, load control, outage detection, power quality monitoring and more accurate reconciliation. The recent requirement for retailers to offer time-of-use pricing adds a further incentive. Members and metering equipment providers continue to upgrade where it is possible and practical. The cohort left is unlikely to respond to incentives, which is the point. A customer who refuses installation on health or privacy grounds will not be moved by a stronger commercial incentive on the retailer, and 27 percent of unable-to-complete cases are outright refusals. On disproportionate effects, the submission above already addresses these points.
Q42. What opportunities are there for stronger cross-agency, community or partnership-based responses	ERGANTZ agrees with the Authority's framing at paragraph 6.30 that the issues extend beyond electricity regulation, and we would put it more strongly. The affordability of the basics of life is a question of household income and housing quality. The

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to improve electricity access and choice, and what should a well-functioning and inclusive electricity market look like over the next 5 to 10 years?	electricity sector can act on what sits within the electricity sector, and our members are willing to do so, but the sector cannot resolve income adequacy, and regulation which proceeds as though it can will impose costs without delivering the outcome. The cross-agency opportunities we would prioritise are as follows. Reform of the Winter Energy Payment, as set out at Q35. This is the largest single opportunity and it sits with MSD and MBIE. Simplification of benefit redirection, as set out at Q30. Inclusion of smart meter readiness in the Healthy Homes standards, as set out at Q13, which sits with the Ministry of Housing and Urban Development. Better alignment between Warmer Kiwi Homes, the Healthy Homes Initiative and energy hardship support, so that thermal improvement and cash support reach the same households. A household in a well-insulated home needs less electricity to achieve the same warmth, which is a more durable answer than a payment that has not kept pace with energy prices. A workable mechanism for confirming medically dependent status, involving Health New Zealand, as set out at Q22. Stronger and better funded referral pathways between retailers, financial mentors, community organisations, iwi providers, Kainga Ora and the Ministry of Social Development. On the longer view, ERGANZ shares the Authority's concern at paragraph 6.34 that the benefits of flexibility and innovation should not accrue only to households with the greatest financial resilience. A well-functioning market in ten years is one in which every household can obtain supply from a retailer, has a meter capable of supporting the products it wants, and has income support settings that reach it when it needs them. Two of those three are largely achieved. The third is not an electricity market problem, and ERGANZ asks the Authority to say so in its next steps rather than to pursue it through retail regulation alone.

Conclusion

ERGANZ thanks the Authority for considering our submission.

If there are any outstanding questions or a need for further follow-up, please let me know.

Yours sincerely,

Kenny Clark
Policy Consultant



Equitable access to electricity smart meters

July 2026

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Executive Summary

New Zealand's uptake of "smart" electricity meters is world leading, with around 94% of individual customer connections (Installation Control Points, or ICPs) on smart meters that are electronically interrogable **and** record half hourly energy usage. Only around 144,000 ICPs remain on "non-smart" and/or "legacy" meters. Around sixty percent are residential, about 86,000 customers.

The focus of this report is to identify the specific barriers preventing this last cohort of residential customers from transitioning to smart meters, and the implications thereof.

Smart meter shares tend to be higher than average in regions with major urban centres, such as Auckland, Canterbury, Waikato and Wellington. More remote and less heavily urban regions such as Tasman, the West Coast of the South Island, Marlborough and Northland lag the country in smart meter uptake. Our analysis finds no clear relationship between high deprivation locations and low penetration of smart meters.

Reasons for not being able to install residential smart meters broadly fall into the categories of:

- **Customer-related issues** (refusals and inability to secure appointments) – 40%.
- **Health and safety** (electrical safety and wiring, hazards, animals, asbestos, etc.) – 14%.
- **Other matters** such as:
 - Additional work being needed – 11%.
 - Switchboard space – 10%.
 - Equipment inaccessibility – 7%.
 - Distribution network issues – 4%.

We consider that many of these installations may prove challenging to resolve, noting that:

- over two-thirds of customer-related UTCs (27% of the overall dataset) are outright refusals, where there may well be vehement opposition and deeply held views at play, and
- 20% of customer-related UTCs (8% overall) relate to appointment issues. These often involve multiple visits as well as repeated attempts to re-contact customers and re-schedule appointments.

Given the complex challenges associated with resolving the remaining residential non-AMI metering cohort expeditiously, we consider a cost-benefit analysis (CBA) that assesses the potential costs and feasibility of accelerating the replacement of non-AMI meters (against industry and societal benefits) to be a useful next step. Pending such a CBA, there may be some "low regrets" actions that the electricity industry could progress, such as:

- Working with regulators to ensure that new home builds have externally accessible electricity meters, as is common in many overseas jurisdictions. This would help ensure that subsequent meter upgrades (e.g., to future generations of smart meter) and/or maintenance works are straightforward. Externally located meters may also reduce the likelihood of (or improve the ease of resolving) non-communicating meters due to poor cellular network signal strength.
- Undertaking further analysis to explore the regional variations in smart meter uptake. Whilst our analysis is relatively clear that there is little correlation between deprivation and lack of access to smart meters, it does appear that more generally there is some degree of an "urban-rural divide" in accessing smart meters.
- Requiring all electricity retailers to accept non-AMI customers through at least one of their brands and/or tariffs. This could potentially improve consumer choice for those customers unable to access AMI metering promptly.
- Considering smart meter readiness as part of New Zealand's Healthy Homes standards for private rental accommodation.

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1 Introduction

New Zealand's uptake of "smart" electricity meters is world leading, with around 94% of individual customer connections (Installation Control Points, or ICPs) on smart meters that are electronically interrogable **and** record half hourly energy usage.

Only around 144,000 ICPs remain on "non-smart" and/or "legacy" meters. Around sixty percent are residential, about 86,000 customers.

The focus of this report is to identify the specific barriers preventing this last cohort of residential customers from transitioning to smart meters, and the implications thereof.

We have analysed the distribution of non-smart meters and investigated what the barriers might be to transitioning to smart meters – including customer-related, safety-related, technological, physical and other barriers. We have assessed the implications of these barriers at a high level, including potential solutions, costs and benefits of switching to smart meters, and potential equity concerns.

In conducting our work, we interviewed electricity retailers and smart meter providers around their experiences with barriers to residential smart meter uptake. We also made use of retailer and Electricity Authority datasets as part of quantifying the current state of non-smart metering usage.

2 Background

2.1 About this report

The Electricity Retailers' and Generators' Association of New Zealand (ERGANZ) commissioned Concept Consulting to better understand the barriers preventing the remaining cohort of residential electricity consumers on non-smart metering from transitioning to smart meters, and the implications thereof.

Barriers to smart meter uptake may include (but are not limited to) technological, physical, regulatory and consumer barriers.

ERGANZ represents companies that generate and sell electricity to New Zealand homes and businesses. Collectively, ERGANZ members supply almost 90 percent of New Zealand's electricity - Contact Energy, Genesis Energy, Mercury, Meridian Energy, and Nova Energy. ERGANZ works to champion a **competitive, fair and sustainable electricity market** that benefits all New Zealanders. Consumer care is a key pillar of ERGANZ's work programme, ensuring households and consumers have fair access to affordable energy and can live in warm healthy homes.

2.2 Smart metering in New Zealand

Historically, homes and businesses had electricity meters that had to be physically and literally read periodically by a meter reader who visited the premises to record how much electricity had been used since the last reading.

In contrast, smart meters record half-hourly power use electronically and transmit the data using communications (typically cellular) networks to a Metering Equipment Provider (MEP) who in turn share this information with the customer's electricity retailer.

Smart meters now represent the vast majority of electricity meters in use in New Zealand. Some non-smart meters remain, recording power usage electronically but are read manually, such as in locations with poor cellular network connectivity. Some legacy meters also endure, recording power consumption mechanically whilst also requiring manual meter reads.

As shown in Figure 1 and as discussed in Section 2.3, the smart meter rollout in New Zealand began circa 2008. By 2016, over 70% of ICPs (both residential and commercial) were on AMI (Advanced Metering Infrastructure) meters that were communicating remotely and certified to record consumption half hourly (HHR.) Towards the end of 2023, this percentage had grown to about 90%.

The extensive growth in smart metering has occurred despite concerted efforts from some groups¹, representing small (but significant) consumer opposition based on largely unfounded health and other concerns. The continued impacts of such opposition are discussed further in section 4.1.

The smart meter rollout in New Zealand was also unique globally in that it was largely industry-led as opposed to being driven through regulatory mandates. Electricity retailers were incentivised to invest in smart meters in partnership with their MEP partners because of the benefits that smart metering delivered, such as:

- **Remote connection and disconnection** – reducing costs and improving convenience for both retailers and consumers.
- **Tamper detection** to reduce the prospect of electricity theft or fraud.
- **Regular, accurate and lower cost meter readings**, benefitting:
 - retailers, through lower cost to serve, and
 - consumers through the elimination of estimated bills (due to missed manual meter reads, or two-monthly reading cycles) as well as the potential for more flexible billing and payment options.²
- **Tariff innovation**, such as time-of-use and other plans that benefit:

¹ E.g., [Stop Smart Meters](#) |

² A corollary of this is that maintaining support for a shrinking population of non-smart meters nationwide will increasingly entail diseconomies of scale for retailers and their MEPs.

- retailers – by incentivising consumers to shift load away from peak periods to optimise the retailers’ contract positions and defer the need for investment in new generation capacity,
 - electricity networks – through time-of-use network pricing to reduce network peaks and defer “poles and wires” investment,
 - consumers that can access lower-cost off-peak power by shifting load to off-peak times (such as appliance use between 9 pm and midnight or overnight EV charging),
 - and consumers with rooftop solar generation and/or batteries that seek remuneration for exporting power from their premises.
- **Increased accuracy in the wholesale market settlement process** through more accurate reconciliation quantities (i.e., actual half hourly profiles rather than estimated profiles).
 - **Real-time network outage detection** to support distributors in restoring power to homes and businesses promptly following an outage.
 - **Power quality monitoring** to support distributors in understanding variations in voltage across their networks.
 - **Health and safety** improvements through meter readers not having to contend with dogs, abusive residents and so on.
 - **Load control / demand flexibility coordination** (such as of hot water cylinders in lieu of traditional ripple relay control) to shift load away from peak periods, thereby optimising network “poles and wires” investment as well as investment in generation capacity.

Furthermore, these benefits meant that retailers and MEPs could justify largely bearing the up-front investment costs associated with deploying smart meters themselves as part of concerted and sustained work programmes over many years. This is seen in the progress depicted in Figure 1, with retailers and MEPs continuing to upgrade customers to smart meters to this day.

³ For example, refer reports by the Parliamentary Commissioner for the Environment here: [smart_meters.pdf](#) and [pce-smart-meters-update-web.pdf](#).

At the time, critics of the industry-led approach pointed out that an industry-led approach missed an important opportunity to mandate additional consumer and environmentally beneficial capabilities relating to the deployment of smart meters in New Zealand. Some of these capabilities were considered to include:³

- Smart in-home displays that show power usage and cost information in close to real-time, thereby drawing consumers’ attention to high consumption and/or high pricing periods.
- Leveraging the smart meter to coordinate demand response with a wide array of smart devices and/or electrical loads in the home.

Key to both initiatives described above is the ability for the smart meter to perform networked within-home communication using protocols like Bluetooth, Zigbee and Home Area Networks more generally.⁴

2.3 The smart metering rollout in New Zealand

Figure 1 shows the progression of the “smart” or “AMI” meter rollout in New Zealand through time.

Strictly speaking, AMI (Advanced Metering Infrastructure) is understood to be a meter that is electronically interrogable and incorporates load control (i.e., hot water cylinder control in lieu of traditional ripple relay control) capability.⁵ However, it is commonly understood today as electronically interrogable metering that **also** records half hourly power consumption.

The enormous jump in the AMI (HHR) line in Figure 1 circa 2013 represents AMI meters capable of half hourly consumption recording (that had already been installed) being enabled and certified for such consumption recording.

It is also worth noting that a recent major metering transition is largely invisible to Figure 1. As of the end of March 2026, all of New Zealand’s mobile networks have decommissioned their legacy 2G and 3G networks in favour of 4G and 5G connectivity. The 2G/3G phaseout affected many smart meters in New Zealand with older wireless modems, forcing MEPs

⁴ However, we note that the passage of time has shown that industry-wide consensus and standardisation (both locally and globally) over protocols for smart devices has not necessarily progressed smoothly.

⁵ Refer: [Metering | Electricity Authority](#) and [Guidelines on AMI](#).

and retailers to replace these older modems ahead of the 2026 network closure deadline. MEPs and retailers thus embarked on a widespread smart meter modem replacement campaign that largely concluded in late 2025. Bluecurrent (one of the two major MEPs alongside Intellihub) replaced over a million smart meter modems through its upgrade campaign.

The 2G/3G phaseout may explain why the share of AMI meters peaked at the end of February 2026 before dipping very slightly in Figure 1. In other words, the relatively few meters that were unable to be upgraded through the campaign are no longer able to communicate and be considered AMI.

As at the end of April 2026, only around 144,000 ICPs remain on non-AMI (i.e., non-communicating) half hour meters or “legacy” meters that are non-communicating and do not record half hourly consumption. About sixty percent are residential, with there being about 86,000 such customers.

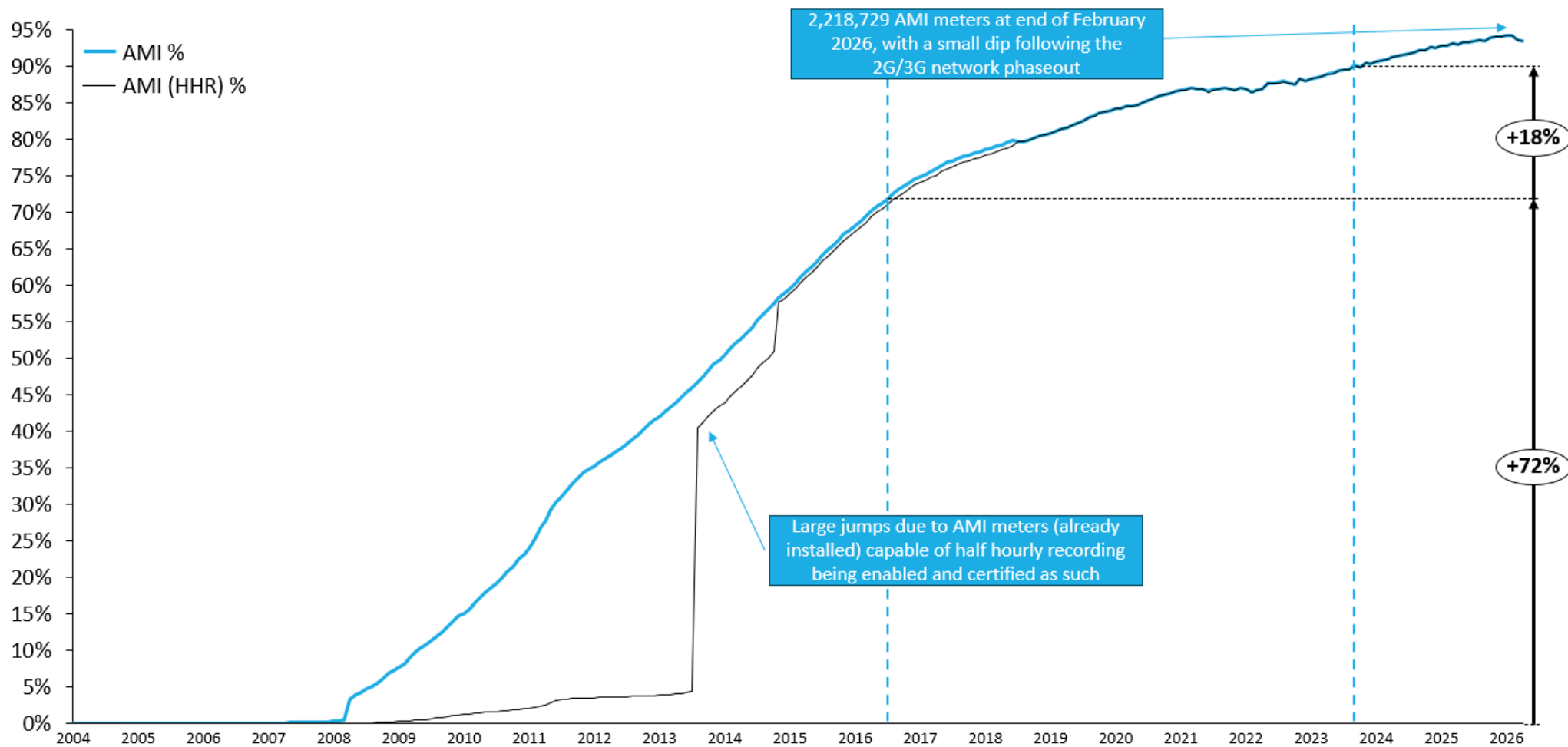


Figure 1: The smart metering (residential and commercial) rollout in New Zealand (Source: Electricity Authority. Meters pertaining to generation and large industrial users directly connected to the high-voltage transmission grid are excluded)

3 Statistics on non-smart metering

This section discusses some of the key characteristics of residential consumers that remain on non-AMI metering. We investigated this topic by analysing the anonymous electricity registry data of ERGANZ members to develop the high-level insights described below.

Anonymous “LIS” files from Contact, Genesis, Mercury, Meridian and Nova were obtained to perform the analysis. Every retailer can query the electricity registry to produce LIS files about their customer base. LIS files describe high level characteristics of the ICPs that form part of a retailer’s customer base, such as:

- The status of the ICP – active, inactive, decommissioned, etc.
- Whether the ICP is commercial or residential.
- Meter type, meter category, meter channel count, MEP responsible for the meter, etc.
- Distributor loss and price category codes.
- Whether generation (e.g., solar) is present at the ICP.
- The ultimate point of connection (POC) to the electricity system – either a GXP (grid exit point on Transpower’s national grid that feeds the portion of the distribution network that the ICP exists on) or an embedded network (e.g., industrial park, shopping centre, residential development, etc.) within a distribution network.

LIS files may also contain address information for an individual ICP, but this type of data was stripped out for our analysis. Therefore, a key limitation of our work is that geographic groupings described in this report were performed based on point of connection data – i.e., the location of an ICP’s parent GXP or embedded network. More granular geographic groupings could be performed with access to street address information – be it the street at which ICPs exist or simply the suburb and/or postcode for ICPs.

Important note

Geographic groupings in this report are based on the ultimate point of connection to the electricity system – i.e., grid exit point on Transpower’s national grid feeding the portion of the distribution network

that a customer is supplied by, or an embedded network location like a residential development.

Geographic groupings were **NOT** made based on customer street address information.

3.1 Regional trends

Figure 2 shows that smart meter shares tend to be higher than the national average in regions with major urban centres, such as Auckland, Canterbury, Waikato and Wellington.

More remote and less heavily urban regions such as Tasman, the West Coast of the South Island, Marlborough and Northland lag the country in smart meter uptake.

Figure 3 displays the same information as Figure 2, but by electricity distribution network regions. Once again, more rural regions tend to demonstrate lower smart meter shares as compared to more urbanised regions.

The trend of the regions generally having lower smart meter access is again underscored by Figure 6 in the Appendix, which shows legacy metering shares by town or suburb, noting that the locational classification is relatively high level because it was performed based on the location of the ICP’s grid point of connection rather than the specific geographic address of an ICP.

Figure 2, Figure 3 and Figure 6 all appear to show a relatively weak correlation between lack of smart meter uptake and deprivation. This topic is explored further in Section 3.2.

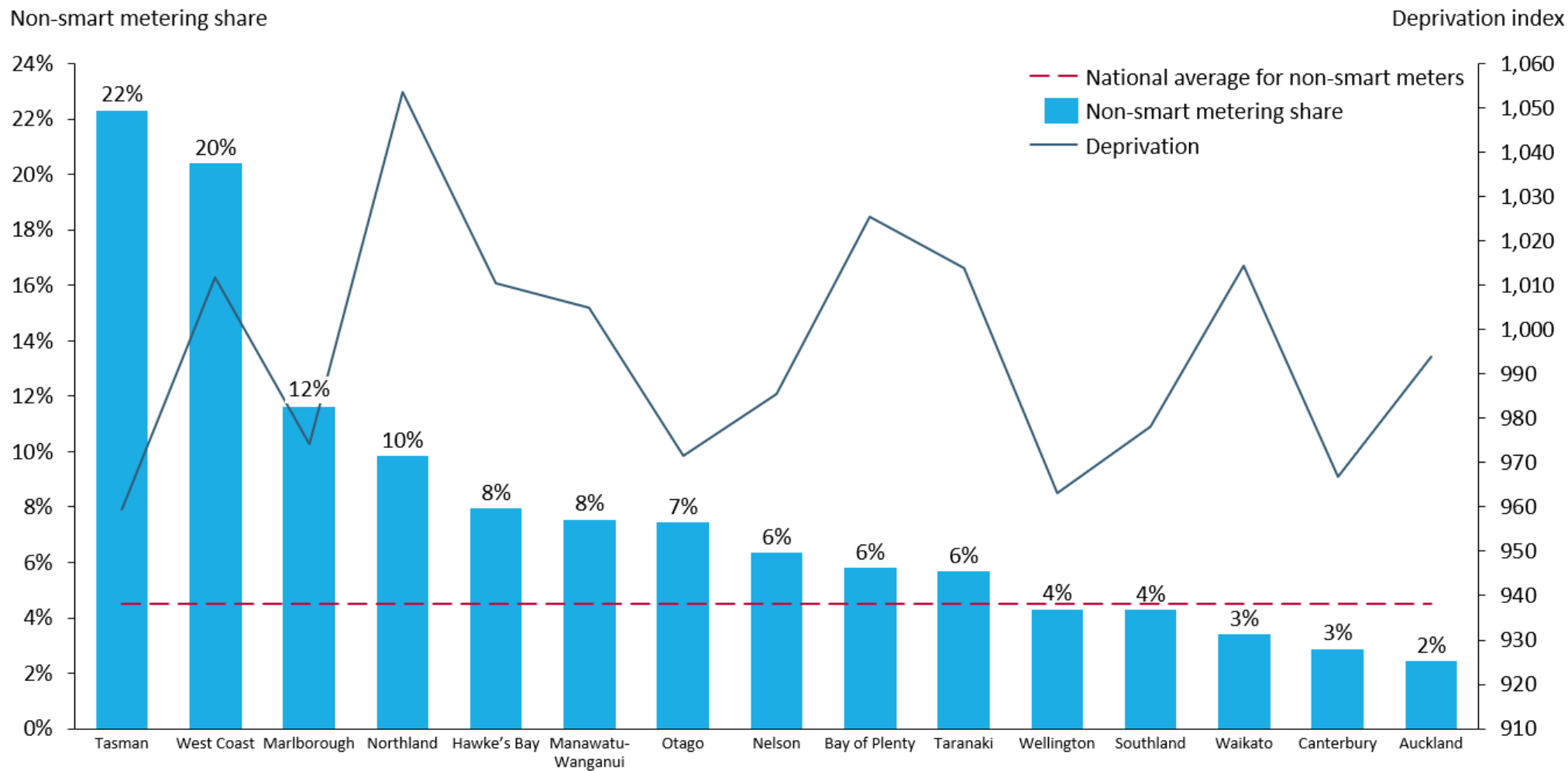


Figure 2: Share of non-smart meters by region (Contact, Genesis, Mercury, Meridian and Nova residential ICPs)

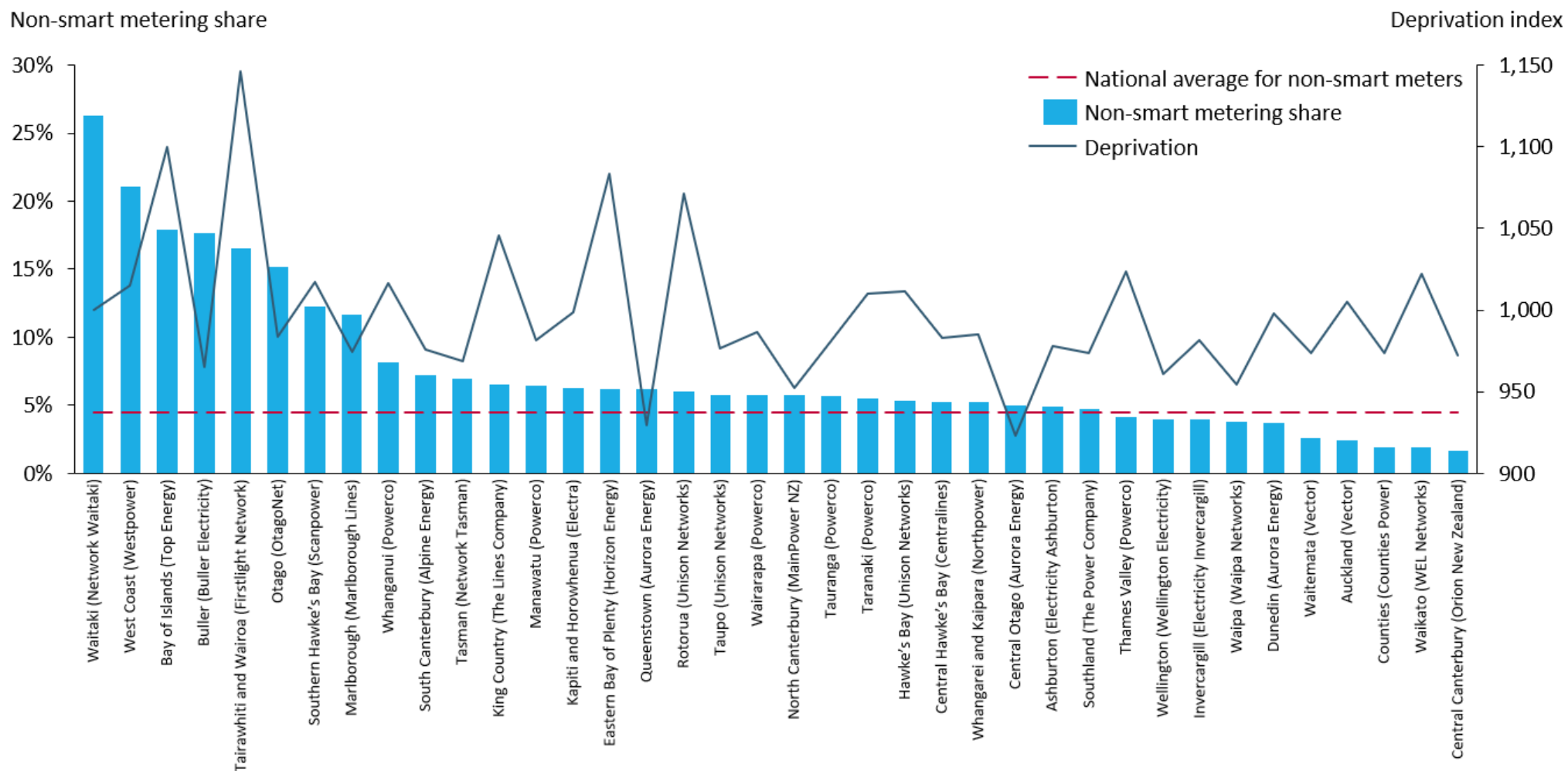


Figure 3: Share of non-smart meters by distribution network region (Contact, Genesis, Mercury, Meridian and Nova residential ICPs)

3.2 Equity

In this section we assess the equitability of current smart metering access.

3.2.1 Energy hardship

It is not clear that a lack of smart metering correlates strongly with the likelihood of a home being in energy hardship. While the Energy Hardship Expert Panel report (2023)⁶ outlines that a lack of smart meter access is a barrier to fair energy access, the data here indicates that there is no clear relationship between high deprivation locations and low penetration of smart meters.

As shown in Figure 4, towns or suburbs with high levels of deprivation (per the New Zealand index of socioeconomic deprivation⁷) only correlate very weakly with higher levels of legacy metering at residences.⁸

However, it is important to note that this finding should ***not*** be taken to discount some of the potential benefits of smart metering for households in energy hardship. For example, smart meters enable:

- Remote reconnection – if a customer has been disconnected, smart meters enable customers to be remotely reconnected at low cost and in a timely manner.
- Regular and accurate reporting on consumption, enabling:
 - estimated bills⁹ due to missed or infrequent manual meter reads (and the potential bill shock of a large “catch up” bill) to be consigned to the past, and
 - customers to increase engagement and monitor usage (e.g., via a retailer’s app) regularly and budget accordingly, including by taking advantage of flexible payment options.

⁶ [Energy Hardship: The challenges and a way forward, Energy Hardship Expert Panel Report to the Minister](#)

⁷ [New Zealand index of socioeconomic deprivation: 2023 Census | Stats NZ](#)

⁸ R-squared value of 0.0012. Grouping by region resulted in an R-squared figure of 0.0026. Grouping by distribution network region produced a higher R-squared figure of 0.1078, but this remains a relatively low correlation.

Conversely, some of benefits of smart metering can arguably be less beneficial for those facing energy hardship over other customers. For example, time-of-use plans may not be favourable for households with inefficient heating appliances and poor insulation.¹⁰ Nor is more frequent information on usage necessarily materially beneficial for a customer in deep hardship and facing complex circumstances.

3.2.2 Other equity considerations

As discussed in Section 3.1 and Figure 2, there is a general (albeit relatively moderate) trend of non-urban regions under-indexing urban regions on smart meter uptake. This means that regional consumers are somewhat more likely to be unable to take advantage of smart metering benefits such as:

- Time-of-use tariff innovation.
- Improved network outage detection and power quality monitoring.
- The potential for smarter load management – not just for traditional loads like hot water cylinders but other devices in the home such as heat pumps, electric vehicle chargers and so on.

Based on Figure 2 and Figure 6, we surmise that more remote electricity consumers are less likely to have a smart meter due to issues relating to factors such as:

- Accessibility to perform a meter upgrade, especially for highly remote locations and/or more complex premises like farms or lifestyle blocks.
- Difficulties in coordinating appointments to perform a meter upgrade as MEP staff would need to plan to travel long distances to reach some customers.
- Switchboard, wiring and isolation complexities, especially on complex premises like farms, lifestyle blocks, etc.

⁹ Note that the Consumer Care Obligations also restrict retailers from basing consumer debts on estimated bills.

¹⁰ This is not straightforward and depends on individual circumstances. For example, households will people at home during the day may benefit from time-of-use plans that have a daytime off-peak period.

- Health and safety risks to smart meter installers such as animals, exposed locations, etc.
- Poor cellular network connectivity.

Further discussion on reasons for non-deployment of smart meters is found in Section 4.

NZDep2023 deprivation score

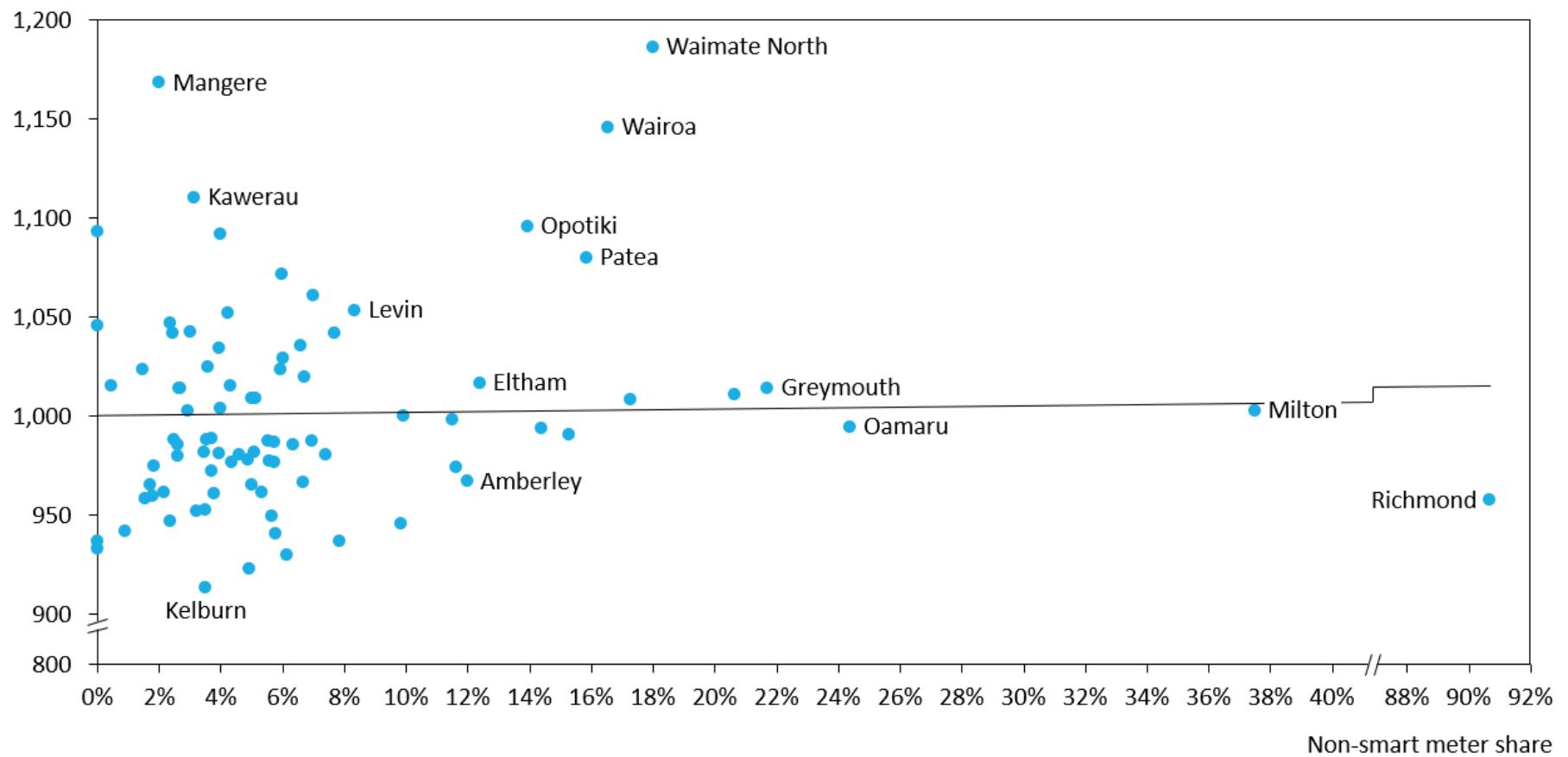


Figure 4: Town or suburban deprivation index vs. residential non-smart meter share (Contact, Genesis, Mercury, Meridian and Nova residential ICPs)

4 Reasons for non-deployment of smart metering

ERGANZ members provided Concept with supplementary datasets (originating from their MEPs) outlining the results of smart meter rollout campaigns. Of particular interest was the quantitative data on smart meter installations unable to be completed (“UTCs”) and the reasons behind them. This is summarised in Figure 5.

Concept also interviewed ERGANZ members’ respective subject matter experts on metering, electricity connections and related operational and compliance matters. Concept then interviewed representatives from the two large MEPs – Bluecurrent and Intellihub. The interviews provided a qualitative dimension and invaluable context to supplement the quantitative data on the reasons behind UTCs.

4.1 Customer-related UTCs

The main driver of UTCs can be classed as “customer-related,” accounting for about 40% of the UTC dataset as summarised in Figure 5. These can be further enumerated as follows:

- Outright refusal, with some customers being opposed to any type of smart meter. The objections of these customers appear to stem from issues such as:
 - Opposition to the use of cellular communications by smart meters, and associated concerns such as perceived adverse effects on human health.¹¹

¹¹ Recent smart meter modem upgrade campaigns in response to the 2G/3G network phase out also appear to have brought such objections to the fore. For example, we understand that some customers who had tolerated a 2G/3G smart meter now objected to the modem being upgraded to the latest generation.

- Privacy concerns relating to smart meters logging power consumption over granular intervals as well as more fears over being surveilled by smart devices and wireless networks in general.

Other customer reasons for refusing a smart meter may not stem from opposition to smart meters in and of themselves, but various other objections to permitting an MEP representative onto site. For example:

- Illegal activities occurring on the premises, including (but not limited to) electricity theft.
- Mistrust of institutions and authority figures.
- Renters unwilling to permit access without explicit landlord approval.¹²
- The inability to secure an appointment to install a smart meter (and/or follow through on it) with a customer. Factors behind this could include:
 - Language barriers.
 - Mistrust of institutions and authority figures.
 - Repeated poor appointment keeping.
 - Customer contact details not being current.¹³

4.2 Health and safety

Health and safety related UTCs (representing 14% of the dataset) are smart meter installs that have been aborted due to the health and safety of MEP representatives (tasked with the meter replacement) and/or that of the residents at the property in question being placed at risk if the installation were to go ahead. Health and safety issues may include:

¹² We note that landlord consent is generally not required for (straightforward) meter replacements and that retailers and MEPs also have developed processes to expedite meter replacements on vacant properties.

¹³ For instance, some customers pay regularly by post but have declined to or neglected to keep other contact details current despite routine annual contact information checks undertaken by retailers.

- Poor electrical safety – damaged wiring, lack of insulation, lack of earthing and/or an electrically unsafe meter board.
- Hazards in the area where the meter replacement is to take place, such as needing to work at heights, placing ladders on uneven surfaces or an area dangerously exposed to the elements.
- Threatening customers and/or animals.
- Animal or insect infestations.
- The presence of asbestos.
- Proximity of gas metering to the electricity meter.¹⁴

Resolving some of these issues can be expensive, which may pose difficulties for the homeowner, tenant and/or landlord.

Where the retailer's customer is a renter, the tenant-landlord dynamic could become a further complicating factor – such as when the tenant is supportive of smart meter deployment, but the landlord is unwilling to commit to the expenditure of the “enabling works” that are sometimes required (e.g., to create space or resolve health or safety issues).

4.3 Other matters

Other key drivers of UTC events are:

- Additional work or inspection being required on a variety of technical issues before installation can commence (11%).
- Lack of room on switchboards for smart meters (10%). As with health and safety matters, switchboard replacements and/or meter upgrades could represent costly work that the retailer's customer (or their landlord) may not wish to commit to.
- Equipment on the customer's premises being inaccessible for a variety of reasons (7%). This may be due to gates or cabinets being locked, highly remote locations that may only be accessible over water, various obstructions, the presence of animals and so on.

- Distribution network issues (4%) – these typically require the support of distribution network personnel to safely isolate the property before meter replacement work can begin.

¹⁴ For example, NZS 5258 defines the extent to which areas around gas meters could be considered hazardous - [Electrical work near gas installations | WorkSafe](#). This could change as the standard and other relevant regulations are reviewed and evolve.

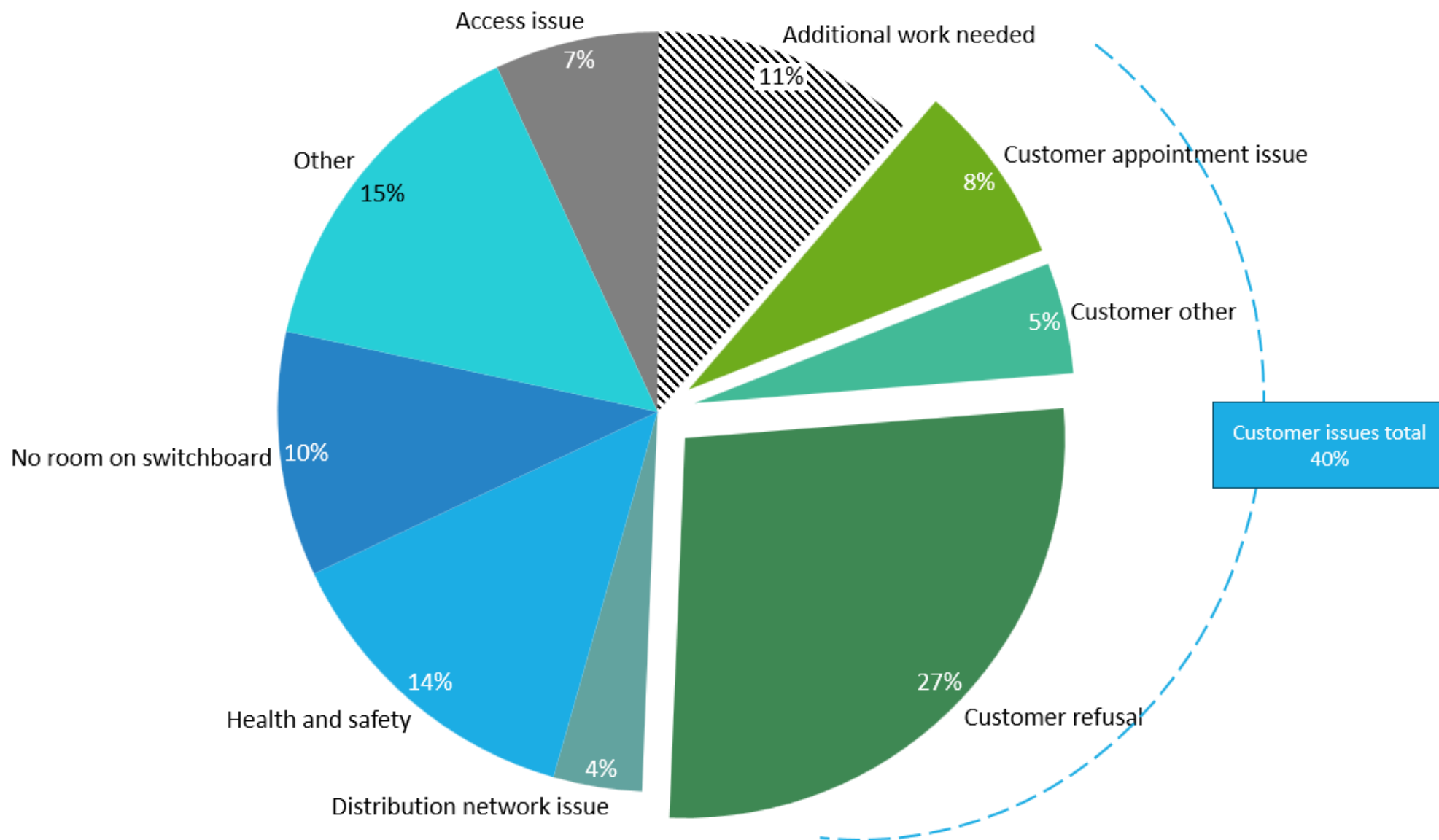


Figure 5: Breakdown of reasons for smart meter "UTCs" (Genesis, Mercury and Meridian)

5 Conclusions and recommendations

5.1 Conclusions

As discussed in Section 4, residential smart meter UTCs broadly fall into the categories of:

- **Customer-related issues** (refusals and inability to secure appointments) – 40%.
- **Health and safety** (electrical safety and wiring, hazards, animals, asbestos, etc.) – 14%.
- **Other matters** such as:
 - Additional work being needed – 11%.
 - Switchboard space – 10%.
 - Equipment inaccessibility – 7%.
 - Distribution network issues – 4%.

Many of these UTCs have also been visited multiple times across multiple campaigns. For example, Meridian's most recent snapshot of UTC data provided to Concept showed that over 20% of UTCs had been revisited at least once.

We consider that many customer-related UTCs may prove challenging to resolve, noting that:

- over two-thirds of customer-related UTCs (27% of the overall dataset) are outright refusals, where there may well be vehement opposition and deeply held views at play, and
- 20% of customer-related UTCs (8% overall) relate to appointment issues. These often involve multiple visits as well as repeated attempts to re-contact customers and re-schedule appointments.

In contrast, the resolution of health and safety and other matters may be more tractable, subject to the availability of time and financial resources to commit to them. In this regard, it is vital to note that many of these cases are highly likely to be complex, costly, and individually relatively unique. Resolving just one such UTC could conceivably cost many thousands of dollars (if not tens of thousands of dollars), especially if significant home wiring and other safety issues like asbestos are at play.

5.2 Recommendations

Given the complex challenges associated with resolving the remaining residential non-AMI metering cohort expeditiously, we consider a cost-benefit analysis (CBA) that assesses the potential costs and feasibility of accelerating the replacement of non-AMI meters (against industry and societal benefits) to be a useful next step.

Pending such a CBA, there may be some "low regrets" actions that the electricity industry could progress, such as:

- Working with the relevant regulatory bodies to ensure that new home builds have externally accessible electricity meters, as is common in many overseas jurisdictions. This would help ensure that subsequent meter upgrades (e.g., to future generations of smart meter) and/or maintenance works are straightforward. Externally located meters may also reduce the likelihood of (or improve the ease of resolving) non-communicating meters due to poor cellular network signal strength.
- Electricity retailers could consider charging a premium for the added costs to serve legacy metering, although this could be punitive for customers that are unable to opt in to a smart meter (e.g., renters reliant on landlord permission or upgrades, homeowners requiring expensive switchboard and/or wiring improvements, or rural consumers with poor cellular network connectivity.) It may also be an insufficient incentive for customers that are indifferent to or vehemently against smart metering to switch.
- Undertaking further analysis to explore the regional variations in smart meter uptake. Whilst our analysis is relatively clear that there is little correlation between deprivation and lack of access to smart meters, it does appear that more generally there is some degree of an "urban-rural divide" in accessing smart meters.
- Requiring all electricity retailers to accept non-AMI customers through at least one of their brands and/or tariffs. This could potentially improve consumer choice for those customers unable to access AMI metering promptly.
- Considering smart meter readiness as part of New Zealand's Healthy Homes standards for private rental accommodation. For example, the standards could place an onus on landlords to

remedy barriers to meter upgrades, such as wiring and/or switchboard issues. This would then provide tenants with the opportunity to take advantage of smart metering.

- Trialling potential solutions to give consumers access to “smart metering like” capabilities. For example, smart home switchboards and many smart devices like electric vehicle chargers can record power consumption over time granularly. If retailers were able to rely on such devices for reconciliation where half hourly AMI metering was not present, it might reduce the need for a smart meter upgrade for some customers.¹⁵

¹⁵ However, it should be noted that these alternatives may sometimes rely on the same dependencies as a smart meter installation. E.g., installing a smart switchboard requires there to be sufficient space, fit-for-purpose wiring, and so on. Extracting data remotely from smart devices will also be reliant on there being wired or cellular wireless internet connectivity at the relevant property.

Appendix A. Additional charts and data

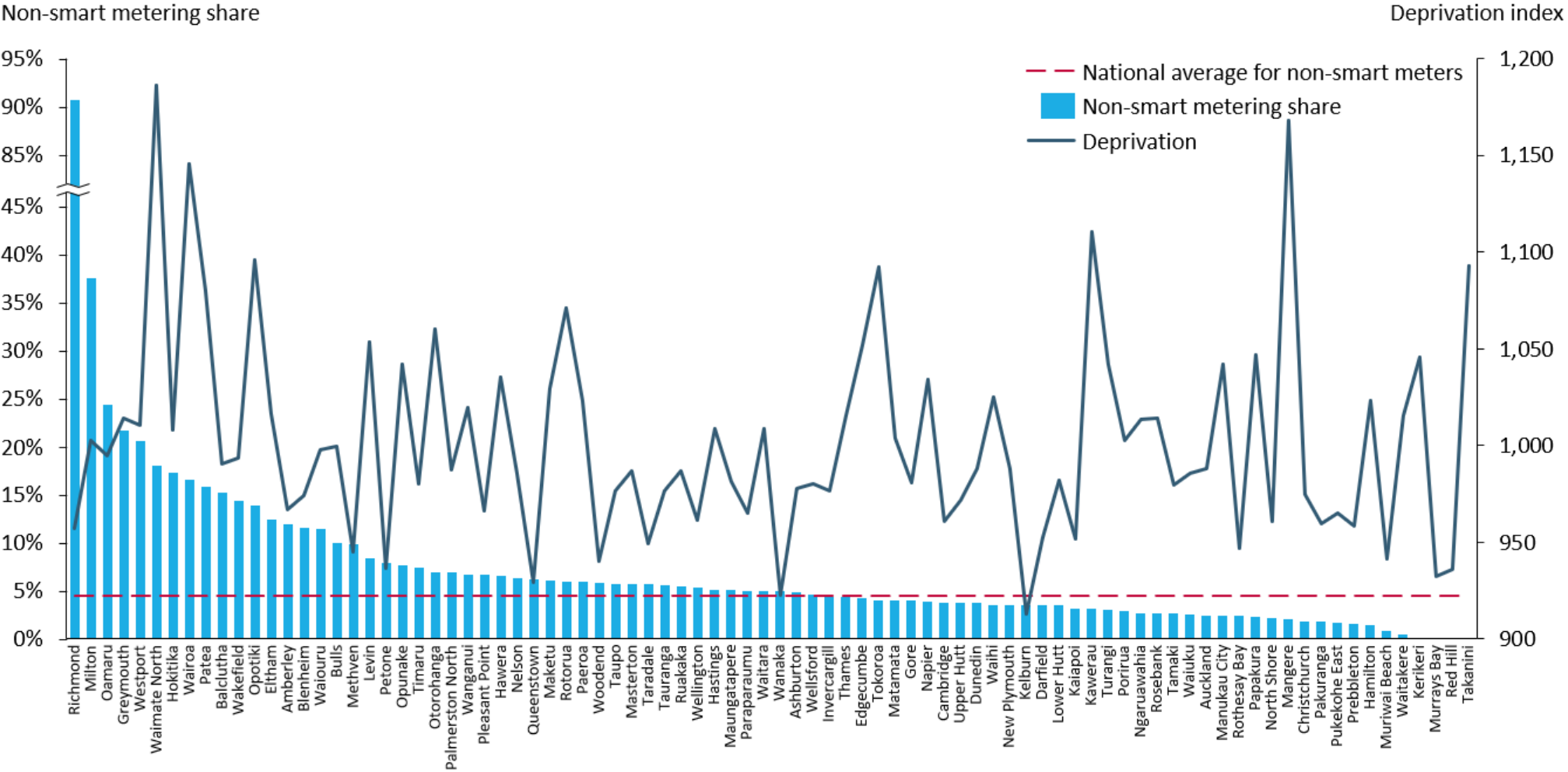


Figure 6: Share of non-smart meters by approximate town or suburb (Contact, Genesis, Mercury, Meridian and Nova residential ICPs)

