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Electricity Authority | Te Mana Hiko

By email to: fsr@ea.govt.nz

Tēnā koutou,

RESPONSE TO SUBMISSION ON IMPROVING CONSUMER ACCESS AND CHOICE

Unison Networks Limited (Unison) and Centralines Limited (Centralines) are consumer-owned electricity distribution businesses serving communities in Hawke's Bay, Taupō, Rotorua, and Central Hawke's Bay. We welcome the opportunity to comment on the Electricity Authority's Improving Consumer Access and Choice issues paper.

As consumer-owned entities, we operate in the best interests of the communities we serve. Guided by our vision, and values, we strive to deliver economic benefits to both our customers and community shareholders, while championing a sustainable energy future. We are committed to maintaining the right balance between keeping electricity affordable and making strategic investments that secure the long-term reliability and resilience of our network. In all aspects of our operations, we place strong emphasis on meeting industry compliance requirements, ensuring we uphold all relevant standards. This approach not only supports New Zealand's transition to new energy solutions but also enables our communities to access cleaner, smarter, and more flexible energy options, now and for generations to come.

Executive Summary

As electricity distribution businesses embedded in the communities we serve, we view electricity access as a whole-of-system consumer outcome. Consumers should not need to navigate institutional boundaries to obtain and sustain an essential service.

The Authority has identified a credible and important risk. Consumers at the intersection of credit constraints, unsuitable metering, and limited alternative pathways may face barriers to obtaining or sustaining an appropriate electricity service. The potential harm is significant, even if the size of the affected population remains uncertain.

We support further work to improve consumer access and choice. However, the current evidence does not yet establish the scale, distribution, duration, or underlying causes of the issues identified. In our view, the immediate priority should be to strengthen the evidence base, improve existing pathways, and establish clearer accountability across the consumer journey. More interventionist regulatory responses should only be considered if evidence demonstrates a persistent market gap that cannot be addressed through targeted measures.

Unison Networks Limited
1101 Omahu Road, Hastings, New Zealand PO Box 555, Hastings 4156 T 06 873 9300 F 06 873 9311 www.unison.co.nz

We recommend that the Authority:

- strengthen the evidence base through common definitions and targeted monitoring of consumer outcomes;
- improve access to mainstream retail supply through supported onboarding, reconsideration, and referral pathways;
- establish clear accountability and escalation processes for complex metering and access issues; and
- enhance consumer protections while preserving flexibility in delivery models and consumer choice.

1. Consumer access requires an end-to-end approach.

Technical connection alone does not guarantee meaningful access. Consumers must be able to obtain supply in their own name, remain safely connected, access suitable products and services, and participate in the benefits of an increasingly electrified and digital electricity system.

We support the Authority's objective of ensuring consumers have reasonable pathways to supply, meaningful opportunities to participate in the market, and appropriate protections where vulnerabilities exist. Consumers should not be left worse off through repeated self-disconnection, reduced protections, limited product choice, or assignment to service arrangements that do not meet their needs.

2. The evidence base requires strengthening.

While the issues identified by the Authority are credible, the current evidence does not establish how many consumers are affected, the duration of access barriers, the pathways consumers ultimately use, or the relative importance of factors such as credit history, metering capability, affordability, tenancy arrangements, property characteristics, or telecommunications coverage.

Before introducing significant new obligations, it is important to understand both the scale of the issue and the consumer outcomes involved. Monitoring should focus on meaningful consumer outcomes and clearly distinguish between:

- reduced product choice;
- temporary administrative delays;
- inability to secure supply;
- inability to sustain supply due to affordability pressures; and
- technical barriers that limit access to specific services.

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- inability to sustain supply due to affordability pressures; and
- technical barriers that limit access to specific services.

A stronger evidence base will enable more targeted and proportionate intervention.

3. Accountability should follow the underlying cause.

Consumers often experience a single access issue even though the causes sit across multiple participants. Effective solutions require clear accountability and coordinate responses across retailers, metering providers, distributors, landlords, community organisations, and government agencies.

Regulatory interventions should allocate responsibility to the party best placed to resolve the underlying issue. Broad obligations imposed on parties that lack the authority, information, or capability to address the root cause are unlikely to improve consumer outcomes.

The Authority should also avoid using the term "obligation to connect" without further clarification. The term risks conflating physical network connection with an obligation to provide retail supply. Any future access obligation should clearly identify the accountable party, trigger, scope, funding arrangements, service standards, and dispute-resolution processes.

4. Improving access to mainstream retail supply

The primary objective should be ensuring consumers can access and remain within mainstream competitive retail markets wherever possible.

Retailers have a legitimate need to manage credit risk. Restricting risk-management practices without careful assessment could increase costs for other consumers and undermine competition. At the same time, inconsistent, opaque, or poorly understood credit processes can unnecessarily exclude consumers, particularly those with limited rather than adverse credit histories.

The Authority should prioritise:

- clearer communication when supply applications are declined;
- transparent reconsideration processes;
- supported onboarding arrangements;
- referral pathways to appropriate assistance; and
- improved visibility of alternative options for consumers experiencing barriers.

The Authority should also better understand situations where consumers are unable to establish an account in their own name, as these arrangements may weaken accountability, consumer protections, and market transparency.

5. Resolving metering barriers

Metering barriers should be viewed as an end-to-end customer access issue rather than solely a meter deployment issue.

While legacy and non-communicating meters can limit access to products and services, the causes may extend beyond meter technology itself. Telecommunications coverage, property characteristics, commissioning issues, data configuration problems, and customer-side infrastructure can all contribute to poor outcomes.

We support development of a structured escalation framework for difficult cases. Such a framework should clearly identify:

- who leads each case;
- what information can be shared;
- when different parties become involved;
- how landlord and property issues are addressed; and
- how remediation costs are allocated.

Responsibility should sit with the participant best able to resolve the underlying cause.

Existing commercial incentives appear to be supporting continued smart meter deployment. However, remaining barriers are increasingly concentrated in more complex situations involving telecommunications coverage, property constraints, landlord involvement, site-specific technical issues, and remediation costs. In these cases, improved coordination and escalation processes are likely to deliver greater benefits than additional regulatory obligations.

6. Maintaining appropriate consumer protections

Prepay services, social retailing models and community-led initiatives can all play a key role in supporting consumers. However, they should complement rather than replace mainstream retail participation.

Prepay arrangements can provide valuable budgeting and payment-management benefits. However, they should not become the default outcome for consumers experiencing credit challenges.

Priority areas include:

- monitoring repeated or prolonged self-disconnection;
- robust protections for medically dependent consumers;
- transparent debt-recovery arrangements;
- access to innovative products where feasible; and
- pathways back into post-pay arrangements where appropriate.

Similarly, social retailing and community-led models can provide trusted relationships and tailored support. However, policy settings should avoid creating a two-tier market or concentrating higher-risk consumers within a small number of providers. Any support arrangements should be transparent, targeted, and subject to clear accountability.

7. Supported onboarding represents the most practical near-term opportunity.

Supported onboarding appears to offer one of the most promising opportunities to improve consumer outcomes without major market intervention. Experiences such as Connect Me suggest that credit history is not necessarily determinative when appropriate support mechanisms, flexible payment arrangements and wraparound services are available.

The Authority should collaborate with retailers, community organisations, and support agencies to develop consistent and accessible onboarding pathways that consumers can easily identify and access without requiring specialist advocacy.

8. Future Regulatory Options

The Authority should not rule out more interventionist options, including forms of default retailer arrangements or obligations to supply. However, these options introduce significant questions regarding:

- cost allocation;
- risk management;
- retailer incentives;
- competition impacts;
- funding arrangements; and
- long-term market outcomes.

These options should therefore be considered only after the evidence base has been strengthened and lower-cost interventions have been evaluated.

We acknowledge that some jurisdictions have adopted default retailer arrangements or obligations to supply. While these examples may provide useful insights, we do not consider international models should be adopted in New Zealand without first establishing a clearer understanding of the problem being addressed, its scale, and the effectiveness of existing pathways. Priority should remain on improving evidence, accountability, and consumer outcomes before considering more interventionist mechanisms.

9. Recommended Work Programme

We recommend the Authority adopt the following staged approach:

Define: Establish common definitions for refusal, constrained choice, self-disconnection, metering limitations, and inability to secure supply.

Measure: Collect targeted data and undertake consumer-journey analysis to understand both causes and outcomes.

Improve: Implement supported onboarding pathways, referral mechanisms, and structured processes for resolving complex metering issues.

Evaluate: Assess consumer outcomes, including access, continuity of supply, affordability, participation, and wellbeing.

Regulate (if necessary): Consider targeted regulatory interventions only where evidence demonstrates persistent gaps that cannot be addressed through existing arrangements.

10. A role for Distributors

Distributors can contribute constructively were network information, physical connection, outage coordination, pricing arrangements, or local partnerships can improve consumer outcomes.

This includes:

- providing regional insight and network context;
- supporting escalation processes where network involvement is required;
- participating in place-based partnerships;
- developing practical pricing and flexibility arrangements; and
- supporting future flexibility markets that enable broad consumer participation.

The effectiveness of any distributor role depends on responsibilities being matched with the appropriate information, authority, and funding. Distributor involvement should complement, rather than replace, the roles of retailers, metering providers, and social agencies.

Improving access and choice will require coordinated action beyond the electricity sector alone. Many of the underlying drivers of constrained access intersect with housing, affordability, financial inclusion, and social support services. We support stronger collaboration between retailers, distributors, metering providers, community organisations, consumer advocates, government agencies, and iwi to ensure consumers experiencing complex barriers can be identified, supported, and referred through appropriate pathways.

11. Conclusion

The Authority has identified an important consumer issue that warrants further attention. We support further work to improve access and choice but consider the immediate priority to be strengthening the evidence base, improving mainstream access pathways and establishing clearer accountability across the consumer journey.

These actions can deliver practical benefits for consumers while preserving flexibility to consider more significant regulatory intervention if evidence demonstrates a persistent and material gap. Any future intervention should remain proportionate, evidence-led and focused on delivering enduring consumer outcomes.

We look forward to continuing to engage with the Authority as this work progresses and would welcome the opportunity to discuss any aspect of this submission.

Ngā mihi nui,

JASON LARKIN / TARRYN BUTCHER
GROUP GM CUSTOMER, COMMERCIAL AND REGULATORY / REGULATORY MANAGER
TARRYN.BUTCHER@UNISON.CO.NZ