Submission on Improving Consumer Access and Choice – Issues Paper

Submitter: Dr Sea Rotmann, CEO, SEA – Sustainable Energy Advice Limited

Submission closes: 5pm, Tuesday 11 August 2026

All questions are optional; answered as fully as time and evidence allow.

Thank you for the opportunity to submit on the Issues Paper on Improving Consumer Access and Choice - it's a very important topic, especially seeing how many New Zealand electricity consumers suffer from increasing energy hardship, some of which is exacerbated by limited access and choice.

SEA – Sustainable Energy Advice Limited ("SEA") is an energy justice and behaviour change research consultancy based in Mohua / Golden Bay. SEA leads Aotearoa's participation in the IEA Users TCP's Hard-to-Reach (HTR) Energy Users Task: Phase 2, co-funded by the Electricity Authority, as NZ Task Leader. Phase 2 developed the concepts of Hidden Energy Hardship (HEH) and Hidden Energy Users (HEU), including a 4-Tier HEU Typology referenced throughout this submission: **Tier 1** – highly isolated/vulnerable energy users (**1a** - vulnerable renters, **1b** - access-constrained customers, **1c** - Medically Dependent Consumers/MDCs, **1d** - severely housing-constrained whānau); **Tier 2** – low-income homeowners (**2a** – whānau-owned home occupants); **Tier 3** – the 'squeezed middle'; and **Tier 4** – higher-income/higher-consuming households. They sit alongside the energy hardship to wellbeing spectrum, with **Tier 1** consumers likely being the most hidden and in greatest hardship, and **Tier 4** consumers being in highest energy wellbeing (depending on the quality of their housing). Note that HEU can sit in more than one tier, and tiers should be prioritised according to their vulnerability / risk of harm.

This submission is intended to align with SEA's accompanying proposal to the related Request for Quotes, EA00504.

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.	Yes – these risks are likely, and rarely occur in isolation; they compound (e.g. adverse credit plus a legacy meter plus housing insecurity). We'd add a broader *equity risk* as the system adopts more smart tech, demand flex and dynamic pricing: those already most constrained risk being left further behind (a 'two-speed' transition). We'd also stress severity: for **Tier 1c** (MDCs) and **Tier 1b** (access-constrained), constrained access isn't just inconvenience – it can be life-threatening, and 'increased disconnection risk' should be read as an existential health and safety risk for this group, not only a financial one.

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?	Evidence comes from EA market data, Utility Disputes/Consumer NZ survey data, Dr O'Sullivan's fuel poverty research, and SEA's own qualitative hidden-hardship research – though our industry-facing work and the Otago research diverge somewhat on prepay impact on customers. For example, many Pasifika households in our research preferred prepay for the self-efficacy of managing their own (non-threatening) disconnection, without the whakamā of contacting a retailer directly – a nuance that doesn't negate real cost / disconnection-frequency risks, it just complicates the picture. We know far less about social retailer, legacy-meter or third-party-access customers, and almost nothing about those who could connect but won't (e.g., distrustful remote Māori communities, 'sovereign citizen'/prepper households, or those priced out by upfront connection costs) – exactly the gap the proposed EA00504 research targets. Beacon Pathway's 2026 review of the home energy advice sector also shows the sector fragmented, uncoordinated, without system-wide standards, and in decline even as need grows. On scale, formal hardship measures (which are inadequate, see more below) show households unable to afford adequate warmth rose from roughly 100,000 in 2021 to almost 200,000 in 2025, with over 360,000 households struggling to pay a power bill in the past year and low-income households spending over 7.5% of income on electricity versus 1.3% for the wealthiest – some estimates put the wider hardship population at 550,000–600,000.
Q3. Are there particular groups of consumers, regions, housing situations or metering circumstances where these risks are more likely to occur?	All **Tier 1 sub-groups** are highest risk. We'd add **Tier 2a** (whānau-owned homes) due to complex multiply-owned-land tenure / authorisation issues, independent of their income. Regionally, remote / high-deprivation areas served by small networks face compounding risk (fewer retailers and weaker security of supply). Regionally, remote / high-deprivation areas served by small networks face compounding risk (fewer retailers and weaker security of supply). This overlap is borne out regionally: Waitaki, West Coast, Tai Tokerau and Tairawhiti show the highest concentration of both legacy meters and unmet structural retrofit need – the same underlying pattern of older housing stock, lower incomes and thinner retail/network infrastructure.

	On meters, it's important to separate genuine technology barriers from trust / engagement barriers (e.g. fear meters will 'spy' or overcharge) – different problems needing different fixes.
Q4. Do you agree that access and choice constraints may affect retail market performance? Please explain why or why not.	Yes, strongly – the most deprived, constrained regions already pay disproportionately more for worse service, compounded by underconsumption / self-restriction that's invisible in standard market data (it requires contrasting actual vs modelled-need consumption – a necessary *Hidden Energy Poverty, HEP*, analysis). To our knowledge this hasn't been done in Aotearoa, and is a significant evidence gap.
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. Retailers' decline reasons are opaque and there's no mechanism tracking individual customer journeys over time – a particular issue for **Tier 1**, who may cycle between pathways invisibly. We'd also flag generally *low energy literacy* (especially around billing complexity) as an under-addressed compounding barrier (also backed up by recent Beacon Pathway research into the energy advice sector).
Q6. What factors influence whether a retailer accepts, declines or offers alternative arrangements to a consumer following a credit-risk assessment?	From our engagement with frontline staff, care and empathy shown depends heavily on whether a retailer has a dedicated, trained hardship team. There's no sector-wide standard for identifying vulnerability at sign-up / credit-check or escalating to appropriate support (e.g. via a trusted community organisation) – ERGANZ's *Triage Energy Support Pilot*, which SEA evaluated in March 2026, is a promising model for this but requires more retailer engagement and funding.
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?	Some gentailers / social retailers have dedicated hardship teams and their own programmes (which are, however, little more than band-aid fixes to address the *symptoms* of some vulnerable customers that they are aware of and who are willing to engage with them, not the *structural causes* for rising energy hardship in all customers), and ERGANZ has piloted *EnergyMate* and the *Triage Energy Support Pilot* connecting community organisations with retailer care staff. But *EnergyMate* has since stopped, *Triage Support* has very small numbers so far, and the cross-sector *Energy Wellbeing Network* (EWN) we've co-designed – a major recommendation of the MBIE *Energy Hardship Expert Panel*'s 2023 report – remains unfunded. Without coordinated national support, the sector is left with small-scale band-aid fixes that won't reach the most hidden energy users.

	We'd thus go further and recommend the Authority formally back a national scale-up of the Triage Energy Support Pilot (with scope to redesign elements following its evaluation early next year), alongside a properly funded, redesigned EnergyMate-style programme – they are a proven way of ensuring collaboration between industry and trusted community advisors, but currently woefully underfunded (or cancelled).
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?	Yes – SEA authored a dedicated, EA co-funded report on this (Rotmann et al., 2025). The key unintended behaviour is *Hidden Energy Poverty* (underconsumption / self-restriction), which has real health / wellbeing impacts and hides the true scale of hardship (*Hidden Energy Hardship, HEH*) – widening the gap between **Tier 4** (well-off and with high self-efficacy) and **Tiers 1-3**. Stats NZ and Consumer NZ data suggest hardship is rising sharply; a funded Phase 3 of the HTR Task would let us test Tier effect sizes via Census / IDI data.
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.	Yes – but it matters why a region has high legacy-meter prevalence: infrastructure / investment, or community distrust / misinformation, or both. Each driver needs a different intervention and affects equity and hardship differently. A conflation of the issues can again lead to unintended consequences if interventions are insufficiently targeted and tailored to known barriers, drivers, and needs.
Q10. What are the most prevalent barriers to upgrading legacy meters or restoring communication capability to non-communicating smart meters?	Not qualified to comment technically; we agree with the barriers in paragraph 4.44. Our interest is why customers refuse or can't upgrade meter infrastructure (e.g., household politics, family violence, distrust, misinformation) and identifying those for whom this causes severe or life-threatening impacts.
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?	Our assumption (based on the evidence we have gathered through over six years of dedicated energy hardship research) is that these consumers will be left out of the energy transition (smart appliances, digitisation, electrification, demand flex), lose further trust in the system, and may be pushed into more self-restriction behaviours (HEP), leading to greater HEH.
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?	Can't answer on current cost mechanics – no access to that data. But **Tier 1** HEU should be targeted for no / low-cost upgrades so they aren't left further behind; applying the Tier Typology to industry customer bases could help target this group better with tailored interventions (we are going to trial this with Sustainability Options in Bay of Plenty).

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?	Not enough visibility into current arrangements, and rollout is already high (96%) nationally. But the most hidden / vulnerable customers are clearly not well served by current arrangements regardless of the aggregate success rate.
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?	In order to establish effect sizes of different HEU tiers, this is a high priority for our ongoing HEU / HEH / EWN work, to be expanded under a funded Phase 3 of the HTR Task. Characteristics are likely to overlap heavily with **Tier 1**'s compounding vulnerabilities. Genuinely systemic understanding needs the Energy Wellbeing Network's shared research / data function – a huge amount of relevant industry frontline / community evidence currently sits in CRMs or in-house and never reaches the Regulator or researchers.
Alternative access pathways	
Q15. Are the three main alternative pathways — prepay, social retailing and exceptional onboarding — sufficient, suitable and sustainable?	Not fully, at least not in their current form. Prepay is constrained by minimal provider competition and limited pricing innovation (see Q17–24); social retailing remains small-scale and structurally limited by the large gentailer market share (Q25–27), though recent developments like the "Pool of Power" are a promising start; and exceptional onboarding appears ad hoc and inconsistent, with no sector-wide standard for who receives it or how (Q6–7). Individually and together, these read more as fragmented, band-aid pathways than a coherent, sustainable safety net - and we'd expect them to be least sufficient for the highest-need **Tier 1 sub-groups**, who most need a reliable pathway. This reinforces our broader point (Q7, Q35, Q42) that a coordinated, funded, system-wide response - such as the *Energy Wellbeing Network* - is needed, rather than relying on these three pathways alone.
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?	Yes – **Tier 1** HEU with compounding *extrinsic* (housing, income, tenure, metering, remoteness) and *intrinsic* (bad credit, distrust, whakamā, household politics, health) factors face the greatest constraints. Advocates / frontline orgs likely know who these customers are individually, but there's no research establishing broader patterns or effect sizes. What they do depends on circumstance and energy literacy – the EA's qualitative research should help shed more light, though its small sample limits systemic inference (but can be triangulated with the EA's survey data).

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?	The Issues Paper itself shows prepay customers lack sufficient access to emerging products. We assume higher cost-to-serve is a major disincentive for retailers – which should prompt a policy discussion on whether tailored, income-proportional pricing should be required, given Otago research already shows lower-income households pay disproportionately more.
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?	From our qualitative industry research we know that some communities (e.g. many Pasifika households) prefer prepay for self-efficacy and to avoid the whakamā of contacting retailers, and for real-time cost visibility most can't otherwise access. It may also suit low-occupancy baches / short-term rentals (no data on scale). Main risks are that self-disconnection is used as a control mechanism (e.g., in family violence), health / safety impacts from extended appliance outages, and normalised insecurity of supply.
Q19. Is there effective choice and competition in the prepay market, and what are the main operational, commercial, technological or regulatory barriers to offering prepay services?	Based on EA data, no – effectively, only one provider still widely accepts new prepay customers, and this retailer is often among the pricier options on power switch / comparison sites. Can't comment on the underlying commercial / technical / regulatory barriers.
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?	Can't answer without dedicated research – an important question the EA's (necessarily small-sample) qualitative research will provide a good start on, but likely not yet a full answer.
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 themselves would need to surface this – including by funding independent researchers to access relevant CRM data or interview prepay / frontline staff.
Q22. Are additional pathways, safeguards or protections needed to reduce the risk that medically dependent consumers are placed on, or remain on, prepay arrangements?	Yes. Many New Zealanders likely don't know about the obligation to advise retailers of MDC status, especially where it's in transient or new occupants. This is likely worse in **Tier 1** households and among those with low energy literacy, language barriers, mental health issues, or particular cultural contexts (e.g. reluctant elderly, recent immigrants or refugees). Needs stronger links with health professionals and a national energy-literacy education strategy (EWN).
Q23. Do prepay customers have reduced access to innovation, competition and emerging	Yes, with real equity implications for a 'just' transition. Can't comment on the specific technical / commercial / regulatory barriers – outside our expertise.

opportunities to reduce electricity costs? If so, what technical, commercial or regulatory barriers may be preventing retailers from offering more innovative prepay products?	
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?	Yes to the first part; can't answer the mechanics. We'd argue pricing / debt-recovery / disconnection should be more progressive for the most vulnerable – the Tier Typology could flag **Tier 1** for wrap-around support and disconnection / debt amnesty, with pricing proportional to income (Consumer NZ found many hardship households already pay 7%+ of income on utilities – worth benchmarking, or addressing via something like a "Universal Basic Electricity Allocation"). We think retailers are already reducing vulnerable customer disconnections but under-publicise this for fear of attracting 'freeloaders' or criticism around 'fairness'; we'd argue that concern is outweighed by the existential risk to vulnerable customers and by public criticism of retailer profits – a small Crown-shareholder-return levy could fund this at a likely very high social ROI.
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?	Important not to conflate 'social retailing' (a practice, used by larger retailers too) with 'social retailers' (the few dedicated providers, e.g. *Nau Mai Rā, Toast Electric*). We think social retailing should become a substantial national access pathway, with support for communities to engage with or establish their own dedicated social retailers where distrust / historical trauma is a major barrier.
Q26. What are the main barriers to scaling social retailing, including access to hedges, prudential requirements, metering capability, funding, referral pathways and operational capability?	Outside our expertise, but the four-gentailer market structure is an obvious structural barrier to competition and fairness for smaller retailers and their customers.
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?	Targeted, tailored support for all **Tier 1** (and **2a**) HEU specifically, aimed at raising 'energy wellbeing' for all – noting energy hardship → wellbeing is a scalar, not the binary measure MBIE currently uses.
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?	No industry insight to offer.

Q29. How do consumers find out about what onboarding opportunities are available to access standard post-pay plans?	Good question – curious how much retailers have already researched this themselves. Hopefully the EA's qualitative research sheds some light.
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?	No direct insight – hoping MSD and retailers can help answer this.
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?	Can't answer directly – look forward to insights from other submissions and future EA research.
Proposed outcomes and areas for improvement	
Q32. Do you agree with the proposed outcomes, and are there additional consumer outcomes the Authority should consider?	Agree with the proposed outcomes; would add an overarching energy equity / wellbeing objective, applying an energy justice lens (distributional, procedural, recognition, restorative, intergenerational) across solutions and how outcomes are measured.
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?	The EU's energy poverty policy architecture is a good start: it views electricity as an essential service, has obligations to identify / monitor / address energy poverty, disconnection bans for vulnerable / energy-poor households, and dedicated energy transition funding. Strongly suggest looking into this and seeing how it can be applied to Aotearoa.
Q34. Do you agree with the proposed areas for improvement, and are there additional areas the Authority should consider?	Agree, and would highlight the last option in particular as one the *Energy Wellbeing Network* is designed to address.
Q35. Which areas should be prioritised for further work, and why?	Cross-agency / system coordination via the *Energy Wellbeing Network* – most other improvements can flow from this more coordinated, less siloed approach. Concretely, this means resourcing the EWN's four core functions: research and evaluation (by supporting and funding the Energy Wellbeing Evaluation Network, EWEC); training and education (including by funding a Phase 2 of Sally Blackwell's research into the sector); strong regional networks (should be co-funded by regional and local philanthropic actors and EDBs and supported by national programmes like HHI and WKH); and a triage and referral platform (this would make sense to be funded by industry) – each maps directly onto a gap this paper identifies (visibility of barriers, pathway effectiveness, and cross-agency coordination). Plus, we really need to develop a bipartisan, long-term and just energy transition framework.

Q36. What practical steps, including any quick wins, could improve access and choice in the short term?	The EA's qualitative research, this paper, and the consumer survey are good quick wins, but need to fold into a sustainably-funded, cross-sector EWN plus a bipartisan, and just / clean energy transition strategy – to move from 'ambulance at the bottom of the cliff' fixes to addressing the root causes for energy hardship.
Q37. What additional information, data and monitoring would help to improve understanding, practices and outcomes in relation to access and choice?	Agree with 6.15, but add the need to capture the 'why' (e.g. 6.15b) via triangulated qual/quant data and Tier-Typology-based effect-size analysis (Census / IDI + EA data) – while addressing data sovereignty / privacy issues, especially around smart meters. Another reason why the EWN's data-sharing function is needed.
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?	A systemic approach addressing root causes, a bipartisan just / clean transition framework, and a national *meso* coordinating body linking *macro* (industry / government) and *micro* (frontline / community) actors.
Q39. How could outcomes for consumers using prepay electricity be improved while preserving any benefits that consumers value?	Agree with the suggested directions, but more qualitative research is needed first to understand prepay patterns and drivers.
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?	Risk of retailers 'palming off' difficult customers to already-stretched social retailers – should be discouraged and maybe regulated. Trusted community-based models should be separately encouraged, especially to overcome distrust / misinformation and support self-determination.
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 Issues Paper's own figures show uneven regional impact. Beyond education, actively counter smart-meter misinformation via trusted community actors (some community groups actively discourage installation), and address tenancy / property barriers as part of broader healthy-homes / energy-efficiency / literacy training.
Q42. What opportunities are there for stronger cross-agency, community or partnership-based responses to improve electricity access and choice, and what should a well-functioning and inclusive electricity market look like over the next 5–10 years?	We've repeatedly flagged the need for a funded, independent *Energy Wellbeing Network* (a meso-level connector between macro and micro layers) and a bipartisan, long-term just / clean transition framework that builds on a Te Ao Māori lens. A small, sustained levy on Crown shareholder returns from the gentailers could fund this sustainably, outside election cycles and political interference. We strongly endorse the Authority's own framing that the future market shouldn't reward the most resilient consumers while excluding the most vulnerable – vulnerable consumers should be a priority voice on par with groups like MEUG, with the transition pursued as just, clean and intergenerational.