



14 August 2018

MDAG Chair  
c/- Electricity Authority  
PO Box 10041  
Wellington 6143

By email: [mdag@ea.govt.nz](mailto:mdag@ea.govt.nz)

**MDAG Acquisitions, Saves and Win-backs Issues Paper –  
Meridian / Powershop Cross-submission**

Meridian and Powershop appreciate the opportunity to provide further feedback on the Market Advisory Group's (MDAG's) '*Customer acquisition, saves and win-backs – issues paper*' (MDAG's 'issues paper').

In terms of next steps there are clearly different views among retailers. In formulating its recommendations, we urge the MDAG to focus on consumers' interests rather than the interests of any particular retailer or group of retailers. Consideration of what would best promote those interests requires sound analysis, and careful separation of real impacts on competition and consumers from what is merely claimed or asserted.

The ability of retailers to make offers and counter-offers, and the freedom of consumers to receive such offers are a vitally important part of competitive dynamics of the current retail electricity market and indeed of any market. Any regulatory intervention aimed at restricting this dynamic would be a significant change, with associated risks of unexpected and unintended consequences.

Currently in New Zealand the conditions in the retail electricity market are attractive to potential entrants and it is apparent that those who have entered have been able to grow their businesses. The number of retailers continues to increase and smaller retailer customer numbers also continues to grow. In addition, at last count the overall switching rate was at a record high and awareness of the ability to switch was assessed as upwards of 80 per cent amongst residential consumers.<sup>1</sup> In addition to the 17 per cent of residential consumers who switched in 2016,

---

<sup>1</sup> Refer for further details August 2017 UMR "tracker" survey report, available:  
<https://www.ea.govt.nz/dmsdocument/22803>

another 30 per cent actively investigated switching providers i.e. almost half the market had either switched or thought about it.<sup>2</sup> In these circumstances we suggest the policy focus should be on ensuring that information about switching is readily available, and that the switching process is quick and easy for consumers.

Consistent with this, we would suggest the MDAG as part of its further considerations focuses on potential improvements to the switching process, as recommended to the Authority by 'Switch Technical Group' industry members.

Please contact me if you have any questions regarding this submission.

Yours sincerely



Alannah MacShane  
Regulatory Analyst

**DDI** 04 381 1378

**Email** [alannah.macshane@meridianenergy.co.nz](mailto:alannah.macshane@meridianenergy.co.nz)

---

<sup>2</sup> As discussed paragraph 3.2.6 of the MDAG's issues paper, available: <https://www.ea.govt.nz/dmsdocument/23465>