

Raising consumer awareness of Utilities Disputes and Powerswitch services

Consultation paper

Submissions close: 5:00 pm Tuesday 3 March 2020

21 January 2020

Market Services

Executive summary

Utilities Disputes and Powerswitch are important but sometimes overlooked consumer tools

New Zealand has a competitive electricity market with a variety of choices for consumers but not all consumers are aware of the tools available to help them make informed decisions.

Utilities Disputes and Powerswitch give consumers simple and accessible channels to get more information about their electricity options. They empower and enable consumers to make choices and act. This contributes to a more efficient and competitive electricity industry.

Since 2011, the Authority's What's My Number campaign has successfully raised awareness of Powerswitch but there are still many New Zealand consumers who have never checked to see if they are on the best power deal for them.

There is even less awareness of Utilities Disputes with current awareness among consumers estimated to be between four and six percent.

Improving consumer awareness of Powerswitch and Utilities Disputes will lead to a more competitive and efficient electricity market.

To support increased consumer awareness of Powerswitch and Utilities Disputes we are proposing to:

- amend the Code to require retailers and distributors that bill directly for line function services (distributors) to provide clear and prominent information about the dispute resolution service (currently Utilities Disputes) and the Authority prescribed electricity plan comparison service (currently Powerswitch)
- provide guiding principles to help retailers and distributors understand this requirement and improve consumer awareness.

The Authority is committed to improving its engagement process with all its stakeholders and finding meaningful channels through which we can better capture consumer views

Consumer input is essential when designing regulation intended to improve awareness, promote competition and deliver better outcomes for consumers. We will actively engage electricity consumers on this proposal.

The Ministry of Business, Innovation and Employment is in the process of establishing a consumer advisory council for electricity. Once the consumer advisory council has been established, we will use this representative body to assess the effectiveness of any changes made and identify opportunities for improvement.

We welcome and encourage feedback on the proposed Code amendment and guidance to help retailers and distributors comply with the proposed amendment.

Contents

Exe	cutive sum	mary	2
1	What this of How to ma	need to know to make a submission consultation paper is about ike a submission nake a submission	4 4 5
2 Issues the Authority would like to address Problem 1: Consumer awareness of the dispute resolution scheme is low Problem 2: Consumers want switching tools, but some are not aware of Powe Low consumer awareness impacts competition and efficiency of the electricity		: Consumer awareness of the dispute resolution scheme is low : Consumers want switching tools, but some are not aware of Powerswi	
proposed Code amendment The proposed amendment's benefits are expected to outweigh th The Authority has identified two other means for meeting the object The proposed amendment and guiding principles are preferred to The proposed amendment complies with section 32(1) of the Act		of the proposal rity proposes to amend the Code rity proposes guiding principles to be considered when complying with t Code amendment sed amendment's benefits are expected to outweigh the costs rity has identified two other means for meeting the objectives sed amendment and guiding principles are preferred to other options	10 10 10 10 11 12 13 13 15
Арр	endix A	Proposed amendment	16
Appendix B		Guiding Principles	17
Арр	endix C	Format for submissions	18
Glo	ssary of abl	breviations and terms	19
Tab	oles		

Table 1:	How proposal complies with section 32(1) of the Act	14
Table 2:	Regard for Code amendment principles	15

1 What you need to know to make a submission

What this consultation paper is about

- 1.1 The Authority is consulting with interested parties on its proposal to increase consumer awareness of the dispute resolution scheme identified under clause 3 of Schedule 4 of the Electricity Industry Act 2010 (currently Utilities Disputes) and the Authority prescribed electricity plan comparison service (currently Powerswitch).
- 1.2 Increased consumer awareness and understanding of these services supports a competitive and efficient electricity market.
- 1.3 The proposed changes require retailers and distributors to provide clear and prominent information about Utilities Disputes and Powerswitch on their websites and through all consumer communications, including invoices and other notices.
- 1.4 The proposed amendment is a high-level obligation and would refer to guidance from the Authority. This guidance includes a set of principles (including some prescriptive requirements) which will help support retailers and distributors to comply with the proposed amendment. This paper is also seeking feedback on these principles.
- 1.5 The Electricity Industry Act 2010 (Act) requires the Authority to consult on any proposed amendment of the Code and provide a regulatory statement.¹
- 1.6 The regulatory statement must include²:
 - (a) a statement on the objectives of the proposal
 - (b) an evaluation of the costs and benefits
 - (c) an evaluation of alternative means of achieving the objectives of the proposal
- 1.7 The regulatory statement is set out in part 3 of this paper.

How to make a submission

- 1.8 The Authority prefers to receive submissions in electronic format (Microsoft Word) in the format shown in Appendix C. Submissions in electronic form should be emailed to <u>AwarenessOfUDandPS@ea.govt.nz</u> with "Consultation Paper— Raising consumer awareness of Utilities Disputes and Powerswitch Services" in the subject line.
- 1.9 If you cannot send your submission electronically, post one hard copy to either of the addresses below, or fax it to 04 460 8879.

Postal address	Physical address
Submissions Electricity Authority	Submissions Electricity Authority
PO Box 10041	Level 7, Harbour Tower
Wellington 6143	2 Hunter Street Wellington

1.10 Please note we intend to publish all submissions. If you consider that we should not publish any part of your submission, please:

¹ Section 39(1)(c) of the Electricity Industry Act 2010

² Section 39(2) of the Electricity Industry Act 2010

- (a) indicate which part should not be published
- (b) explain why you consider we should not publish that part
- (c) provide a version of your submission that we can publish (if we agree not to publish your full submission).
- 1.11 If you indicate there is part of your submission that should not be published, we will discuss with you before deciding whether to not publish that part of your submission.
- 1.12 However, please note that all submissions we receive, including any parts that we do not publish, can be requested under the Official Information Act 1982. This means we would be required to release material that we did not publish unless good reason existed under the Official Information Act to withhold it. We would normally consult with you before releasing any material that you said should not be published.

When to make a submission

- 1.13 Please deliver your submissions by **5pm** on Tuesday **3 March 2020**.
- 1.14 We will acknowledge receipt of all submissions electronically. Please contact the Submissions' Administrator if you do not receive electronic acknowledgement of your submission within two business days.

2 Issues the Authority would like to address

Problem 1: Consumer awareness of the dispute resolution scheme is low

- 2.1 Consumer awareness and understanding of Utilities Disputes is a key ingredient for a competitive market. With more information, consumers are better equipped to make better choices. With more informed choice comes increased pressure on retailers to improve their products and services.
- 2.2 The dispute resolution scheme operated by Utilities Disputes is important to consumers. It gives consumers confidence that there are options to address disputes, beyond raising them directly with the retailer or distributor. This supports the efficient operation of the electricity market.

It is estimated between 4% and 6% of consumers are aware of Utilities Disputes

- 2.3 Consumer awareness of Utilities Disputes is estimated to be around 4% 6%.³
- 2.4 This means between 94% and 96% of consumers do not know who to raise a complaint with should they have a dispute with their electricity provider.

Consumers are not regularly being referred to Utilities Disputes by their electricity providers

- 2.5 Utilities Disputes complaint statistics for 2017/2018 identified that 6% of complaints received were referred to Utilities Disputes by the provider.
- 2.6 We expect most complaints should be referred to Utilities Disputes by the provider. The Utilities Disputes scheme rules require scheme members to provide Utilities Disputes contact details when the complainant first makes the complaint to the provider.⁴

3

Meridian Energy EPR submission referred to 2017 UML research that only 6% of consumers were aware of Utilities Disputes (<u>https://www.mbie.govt.nz/dmsdocument/4195-meridian-energy-electricity-price-review-first-report-submission</u>)

Utilities Disputes EPR submission included information that stated between 1 April 2017 and 30 March 2018 4% of complaints were self-referred because they know about Utilities Disputes. (<u>https://www.mbie.govt.nz/dmsdocument/4233-utilities-disputes-electricity-price-review-first-report-submission</u>).

⁴ 12(f) of the Utilities Disputes scheme rules (<u>http://media.utilitiesdisputes.org.nz/media/Scheme%20Documents/ECS%20rules%20Utilities%20Disputes</u> <u>%201%20April%202019.pdf</u>)

Figure 1: Utilities Disputes complaint referrals

For the 2017-2018 year we received complaints referrals from:

	01 Apr 2017 - 30 Mar 2018	01 Apr 2016 - 30 Mar 2017	01 Apr 2015 - 30 Mar 2016
How people were referred to UDL	2010	2017	2010
Citizen's Advice Bureau	2%	1%	1%
Friend or relative	1%	1%	1%
Other	1%	0%	1%
Other Provider	1%	0%	0%
Own knowledge	4%	3%	3%
Provider	6%	5%	6%
Provider bill	63%	58%	48%
Search engine	4%	2%	2%
Unknown	8%	17%	23%
Utilities Disputes website	1%	1%	2%
Work and Income	1%	0%	1%
No referral recorded	3%	9%	9%

Source: Utilities Disputes submission on the Electricity Price Review, page 5 (<u>https://www.mbie.govt.nz/dmsdocument/4233-utilities-disputes-electricity-price-review-first-report-submission</u>)

- 2.7 This compares to the approximately 63% of complaints where the consumer was referred to Utilities Disputes by information on the bill.⁵
- 2.8 The Authority considers there is a problem with consumer awareness of Utilities Disputes that is not being addressed through the Utilities Disputes scheme rules.

There is likely to be unmet need for Utilities Disputes

- 2.9 While not directly measured, the Authority is aware there is a subset of consumers with a valid complaint who are not made aware of Utilities Disputes by their provider and do not seek out this information themselves.
- 2.10 The Salvation Army submission on the Electricity Price Review (EPR) states that most complaints received by Utilities Disputes are from middle-class consumers. They imply that the low number of complaints from low income consumers are, in part driven by a lack of awareness of the Utilities Disputes scheme.⁶

⁵ 12(a) of the Utilities Disputes scheme rules requires members to promote Utilities Disputes on any invoice and other relevant customer information. (<u>http://media.utilitiesdisputes.org.nz/media/Scheme%20Documents/ECS%20rules%20Utilities%20Disputes</u> %201%20April%202019.pdf)

⁶ Page 3 of the Salvation Army submission on the Electricity Price Review first report (<u>https://www.mbie.govt.nz/dmsdocument/4226-the-salvation-army-electricity-price-review-first-report-submission</u>)

- 2.11 The Grey Power submission on the EPR claims that most consumers are not aware of electricity 'watch dog' organisations such as Utilities Disputes.⁷
- 2.12 The Authority believes more can be done to improve consumer awareness of Utilities Disputes, particularly for those consumers that are vulnerable or low income.

Problem 2: Consumers want switching tools, but some are not aware of Powerswitch

- 2.13 Plan comparison services, such as Powerswitch, are important to consumers as they are a tool to help make a more informed decision on what power plan is best for their circumstances. Consumer switching promotes competition in the electricity industry because retailers innovate and find ways to attract and retain customers.
- 2.14 The Authority's What's My Number campaign has successfully raised awareness of Powerswitch but there continue to be many New Zealand consumers who have never checked or switched their power deal. The Authority trialled more targeted What's My Number campaigns in 2019 to improve consumer awareness. The campaigns increased awareness but there are still many people who have not visited the Powerswitch website.

Some consumers want a plan comparison website, but are not aware one already exists

- 2.15 The 2018 Electricity Authority Electricity Consumers' Survey found that 60.8% of consumers preferred a plan comparison website such as Powerswitch as a source of information for making switching decisions, however 67% of respondents were interested in a plan comparison website.⁸
- 2.16 Analysing the 2018 Electricity Authority Electricity Consumers' Survey, of the respondents that indicated interest in a plan comparison website (section 9.1), 27% indicated they do not use a price comparison website as a preferred source of information when switching.⁹ This indicates there is an unmet need for plan comparison websites that could be resolved by improving consumer awareness of the services.

Some consumers do not know they can switch

2.17 The 2017 "What's My Number" survey found approximately 6% of respondents believed they did not have a choice of electricity provider.¹⁰ These consumers are unlikely to switch unless the retailer they are with notifies them of this option. Retailers are unlikely to notify consumers of their options to switch unless they are required to do so.

⁷ Page of the Grey Power submission on the Electricity Price Review first report (<u>https://www.mbie.govt.nz/dmsdocument/4178-grey-power-new-zealand-federation-inc-electricity-price-review-first-report-submission</u>)

^{8 &}lt;u>https://www.ea.govt.nz/dmsdocument/25507-electricity-consumers-survey-september-2018</u> sections 8.2 and 9.1.

⁹ Text responses reasons were also reviewed and less than 1% of responses indicated they were aware of existing price comparison websites but did not find the existing sites useful.

¹⁰ <u>https://www.ea.govt.nz/dmsdocument/22803-2017-august-survey</u>, section 4.1. 3% of respondents disagree and 3% of respondents strongly disagree they have a choice of retailer.

Low consumer awareness impacts competition and efficiency of the electricity market

- 2.18 The Authority considers low consumer awareness of Utilities Disputes is affecting the efficiency of the electricity market. Consumers are not well informed of their ability to access Utilities Disputes' service and that this is a free and independent service for consumers. This can lead to consumers who do not attempt to resolve disputes, which can generate and increase dissatisfaction with the wider electricity industry.
- 2.19 The Authority considers low awareness of the Powerswitch electricity plan comparison service directly affects competition in the electricity market. Consumers who may find a better overall deal with another power provider are not aware of the offerings available or where to find them.
- 2.20 Improved awareness of Powerswitch and Utilities Disputes would give consumers access to information to help them:
 - (a) make more informed decisions on identifying which power deal is best for them
 - (b) escalate disputes they have been unable to resolve directly with their power provider.
- 2.21 This proposal seeks to develop a sustainable increase in the level of awareness of the Utilities Disputes and Powerswitch services and will contribute to improved consumer outcomes and increased consumer confidence in the electricity market.
- 2.22 This proposal aligns with the Electricity Price Review recommendation that the Code is amended to require clear and prominent information about Powerswitch and Utilities Disputes.¹¹

Q1. Do you agree the issues identified by the Authority are worthy of attention?

¹¹ Section C2 of the EPR recommended the Electricity Authority should amend the Code to require retailers (and distributors that direct bill consumers) to provide clear and prominent information on their websites and all customer communications about Powerswitch and Utilities Disputes.

3 Regulatory Statement for the proposed amendment

Objective of the proposal

- 3.1 The objective of the proposed amendment is to improve consumer awareness of:
 - Utilities Disputes¹²
 - Powerswitch¹³.
- 3.2 We propose to achieve this by requiring retailers and distributors to provide clear and prominent information about Utilities Disputes and Powerswitch on their websites and in all consumer communications.

Q2. Do you agree with the objectives of the proposed amendment? If not, why not?

The Authority proposes to amend the Code

- 3.3 The Authority proposes to amend the Code to require retailers and distributors to provide clear and prominent information on their websites and all consumer communications about:
 - (a) the dispute resolution scheme identified under clause 3 of Schedule 4 of the Electricity Industry Act 2010 (currently Utilities Disputes)
 - (b) the Authority prescribed electricity plan comparison service (currently Powerswitch).
- 3.4 Only distributors that directly bill consumers are required to provide clear and prominent information.
- 3.5 The drafting of the proposed amendment is contained in Appendix A.

The Authority proposes guiding principles to be considered when complying with the proposed Code amendment

- 3.6 The Authority is also consulting on a set of principles for retailers and distributors to consider when complying with the proposed Code amendment.
- 3.7 These principles are intended to enable distributors and retailers to identify each form of communication they have with consumers and decide on how they can best meet the requirements of the proposed Code amendment.
- 3.8 Principles are preferred over more prescriptive guidelines because methods and technology used to interact with consumers are likely to change in the future. The changes need to be flexible enough to accommodate innovation and technology. However, where it is necessary to ensure all retailers and distributors comply in the same manner, the principles are prescriptive.
- 3.9 The proposed principles include guidance on scope, as well as expected timeframes for retailers and distributors to update consumer communications.
- 3.10 The proposed principles are contained in Appendix B.

¹² The dispute resolution scheme identified under clause 3 of Schedule 4 of the Electricity Industry Act 2010

¹³ The Authority prescribed electricity plan comparison service

The proposed amendment's benefits are expected to outweigh the costs

3.11 We have simplified our evaluation of the benefits and costs on the basis that the merits of requiring retailers and distributors to provide clear and prominent information on their websites and all customer communications was considered during the Electricity Price Review process.

Simplified quantitative assessment of the costs and benefits

3.12 We have performed a simplified quantification of the costs and benefits of the proposal. Overall, we expect the amendment and principles to deliver an estimated net quantifiable benefit of \$127,000 net present value (NPV) over 10 years.¹⁴

Simplified quantification of the costs

- 3.13 We estimate the costs to the industry of implementing the proposed Code amendment and principles to be \$200,000 in the first year, with no ongoing costs once implemented.
- 3.14 This is separated into:
 - Industry costs of \$100,000. This is for design changes to websites, other customer interfaces and printed material. This assumes a cost of \$10,000 for retailers with over 150,000 ICPs and \$50,000 across all retailers with less than 150,000 ICPs.¹⁵
 - Authority costs of \$100,000. This is for further refinement of the principles and interaction with consumer advisory council and consumer groups.

Simplified quantification of the benefits

- 3.15 We estimate the benefits of implementing the proposed Code amendment and principles are at least \$327,000 NPV over 10 years.
- 3.16 This is separated into:
 - \$327,000 NPV over 10 years for increased consumer awareness of Utilities Disputes. This is based on time savings of 40 minutes per consumer complaint, across 2,250 consumer complaints (50% of all complaints) due to consumer going directly to Utilities Disputes rather than contacting multiple agencies to identify correct complaints process.¹⁶
 - A reduction in deadweight loss of \$95,000 for every one cent drop in residential retail price due to increased consumer awareness of Powerswitch increasing residential competition.¹⁷

Qualitative assessments of the benefits

3.17 We estimate consumer awareness of the Utilities Disputes service could increase from 6% to up to 25%. This increased awareness would:

¹⁴ At a 6% discount rate

¹⁵ It is assumed that retailers and distributors will use up any existing printed stock such as letterhead before purchasing new printed stock, so the cost of new printed stock is excluded from this assessment.

¹⁶ This assumes consumer time is valued at \$28 per hour (<u>CBAx tool</u> impacts database table, line 137, time use) and does not include any Authority or participant staff time.

¹⁷ We have not attempted to estimate the impact increased consumer awareness would have on residential electricity prices. The \$95,000 DWL benefit per one cent reduction in price assumes an elasticity of demand of -0.26, a residential price of \$180 per MWh and residential load being one third of total NZ load.

- reduce the amount of time consumers spend identifying and understanding the dispute resolution process
- mean that consumers with a valid, unresolved compliant, (who due to lack of awareness would have not escalated this complaint with Utilities Disputes) can raise this compliant with Utilities Disputes.
- 3.18 We estimate consumer awareness of the Powerswitch website could increase from an estimated 60.8% to 65% within the first year and remain at this level. This increased consumer awareness can drive incremental improvements to competition and savings to consumers.

Q3. Do you agree the benefits of the proposed amendment outweigh its costs?

The Authority has identified two other means for meeting the objectives

- 3.19 The Authority has identified two other means for addressing the objectives.
- 3.20 These alternatives do not include retaining the status quo. The Authority considers taking no action would not result in any improvement to the level of consumer awareness of Powerswitch and Utilities Disputes.

Alternative 1: Defer amending the Code until the consumer advisory council can be consulted on what information should be provided and in what form

- 3.21 Under this alternative the Authority would not consult on amending the Code or provide any supporting guidance until after the consumer advisory council has been established and consulted.
- 3.22 The advantage of this option is there would be increased certainty in the details of the change as the consumer advisory council would be involved in the initial development of the change.
- 3.23 The main disadvantage of this option is the benefits of increased consumer awareness are expected to be delayed by at least 12 months, and potentially up to 24 months.
- 3.24 This alternative is not preferred because it would delay a relatively simple and low risk intervention which would improve consumer awareness by up to two years.

Alternative 2: Request industry develop voluntary arrangements until the consumer advisory council can be consulted

- 3.25 This alternative is similar to alternative 1, however the Authority would request the industry develop voluntary arrangements to increase consumer awareness of Utilities Disputes and Powerswitch until the consumer advisory council is established.
- 3.26 The advantage of this option is that work could start on delivering increased consumer awareness of Utilities Disputes and Powerswitch before formally consulting with legislative changes.
- 3.27 The disadvantages of this option are:
 - there is a risk that any industry-led initiative would result in changes that needed to be undone once the Authority developed a solution in consultation with Utilities Disputes, the consumer advisory council, and stakeholders

- there is a risk that an industry-led initiative would result in inconsistent levels of consumer awareness and information across the different retailers and distributors.
- 3.28 This alternative is not preferred because we consider a voluntary arrangement does not incentivise retailers and distributors to consistently promote awareness of Utilities Disputes and Powerswitch.

The proposed amendment and guiding principles are preferred to other options

- 3.29 The Authority has evaluated the other means for addressing the objectives and prefers the proposal to amend the Code, develop principles, and consult with the consumer advisory council once it is established.
- 3.30 The Authority is committed to improving its engagement processes with all stakeholders and finding meaningful channels through which we can better capture consumer views.
- 3.31 Consumer input is essential when designing regulation intended to improve awareness, promote competition and ultimately deliver better outcomes for consumers. We will actively engage electricity consumers on this proposal. Where appropriate, we will use existing consumer representative bodies as well as other direct channels to capture consumer input and ensure it's reflected in the final decision.
- 3.32 Once the consumer advisory council has been established by the Ministry of Business, Innovation and Employment, we will use this representative body to assess the effectiveness of any changes made and identify opportunities for improvement.
- 3.33 This is a flexible and iterative approach that would enable the Authority to work with consumers and industry to refine the form and function of the obligation.
- 3.34 An iterative process would help us ensure the obligation remains fit for purpose as technology, industry and consumer expectations change and will include direct consumer engagement during the consultation and review process.
- 3.35 This is the preferred proposal because:
 - the benefits of increased consumer awareness will be delivered as soon as possible
 - it will support consistency by providing guidance for retailers and distributors to follow
 - consumers and other stakeholders will be involved at all stages to help ensure the form and function of the obligation remains fit for purpose.

Q4. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

The proposed amendment complies with section 32(1) of the Act

- 3.36 The Authority's objective under section 15 of the Act is to promote competition in, reliable supply by, and efficient operation of, the electricity industry for the long-term benefit of consumers.
- 3.37 Section 32(1) of the Act says that the Code may contain any provisions that are consistent with the Authority's objective and is necessary or desirable to promote one or all of the following:

(a) competition in the electricity industry;	This proposal will improve competition in the electricity industry by improving consumer awareness of Utilities Disputes and Powerswitch websites. Promoting information about Powerswitch will increase consumer awareness of potential savings by switching retailer. Customer switching promotes competition in the electricity industry because retailers innovate to find ways to attract and retain customers. Promoting information about Utilities Disputes can improve competition because it can encourage retailers to innovate and improve their customer experience, thus attracting potential customers
(b) the reliable supply of electricity to consumers;	This proposal has no impact on the reliable supply of electricity to consumers
(c) the efficient operation of the electricity industry;	This proposal will improve the efficient operation of the electricity industry by improving consumer awareness of the Utilities Disputes website. Providing clearer and more prominent information about Utilities Disputes promotes efficiency in the electricity industry because it gives consumers more certainty about who they can contact for assistance with disputes and reduces the time they might spend identifying who to approach for help
(d) the performance by the Authority of its functions;	The proposed amendment will not materially affect the performance of the Authority
(e) any other matter specifically referred to in this Act as a matter for inclusion in the Code.	The proposed amendment will not materially affect any other matter specifically referred to in the Act for inclusion in the Code

Table 1: How proposal complies with section 32(1) of the Act

Q5. Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?

The Authority has given regard to the Code amendment principles

3.38 When considering amendments to the Code, the Authority is required by its Consultation Charter¹⁸ to have regard to the following Code amendment principles, to the extent that the Authority considers that they are applicable. Table 2 (below) describes the Authority's regard for the Code amendment principles in the preparation of the proposal.

Principle	Comment
1. Lawful	The proposal is lawful and is consistent with the statutory objective (see section 3) and with the empowering provisions of the Act.
2. Provides clearly identified efficiency gains or addresses market or regulatory failure	The efficiency gains are set out in the evaluation of the costs and benefits (see section 3).
3. Net benefits are quantified	The extent to which the Authority has been able to estimate the efficiency gains is set out in the evaluation of the costs and benefits (see section 3).
4. Preference for small-scale 'trial and error' options	Not applicable.
5. Preference for greater competition	Not applicable.
6. Preference for market solutions	Not applicable.
7. Preference for flexibility to allow innovation	Not applicable.
8. Preference for non- prescriptive options	Not applicable.
9. Risk reporting	Not applicable.

Table 2: Regard for Code amendment principles

¹⁸

The consultation charter is one of the Authority's foundation document and is available at:: http://www.ea.govt.nz/about-us/documents-publications/foundation-documents/

Appendix A Proposed amendment

11.30A Promotion of dispute resolution scheme and electricity plan comparison website

- (1) Each **retailer** must provide clear and prominent information about the dispute resolution scheme identified under clause 3 of Schedule 4 of the Electricity Industry Act 2010 and the **Authority** prescribed electricity plan comparison website—
 - (a) on a website maintained by, or on behalf of the **retailer**; and
 - (b) in all **consumer** communications (including every invoice or associated document relating to the sale of **electricity**).
- (2) If a **distributor** sends accounts for **line function services** directly to a **consumer**, it must provide clear and prominent information about the dispute resolution scheme identified under clause 3 of Schedule 4 of the Electricity Industry Act 2010 on every invoice or associated document relating to the supply of **line function services**.
- (3) When providing information under this clause, participants specified in subclauses (1) and (2) must have regard to any guidance the Authority may publish to assist participants in complying with this clause.

Q6. Do you have any comments on the drafting of the proposed amendment?

Appendix B Guiding Principles

Q7. Do you have any comments on the proposed principles?

Appendix C Format for submissions

Submitter

Question		Comment
Q1.	Do you agree the issues identified by the Authority are worthy of attention?	
Q2.	Do you agree with the objectives of the proposed amendment? If not, why not?	
Q3.	Do you agree the benefits of the proposed amendment outweigh its costs?	
Q4.	Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	
Q5.	Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	
Q6.	Do you have any comments on the drafting of the proposed amendment?	
Q7.	Do you have any comments on the proposed principles?	

Glossary of abbreviations and terms

Authority	Electricity Authority
Act	Electricity Industry Act 2010
Code	Electricity Industry Participation Code 2010
Consumer	A person who is supplied electricity for consumption
Customer	A person who purchases or has agreed to purchase electricity from a retailer
EPR	Electricity Price Review
Minister	The Minister of Energy and Resources