



09 November 2020

Submissions
Electricity Authority
PO Box 10041
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By e-mail: AwarenessOfUDandPS@ea.govt.nz

Guidelines for improving consumer awareness of Utilities Disputes and Powerswitch

Electric Kiwi welcomes the opportunity to submit on the draft proposed Guidelines for improving consumer awareness of Utilities Disputes and Powerswitch.

Electric Kiwi is particularly supportive of Electricity Authority initiatives aimed at increasing consumer awareness that they have choice of electricity retailer and can save money by switching. There are a suite of potential initiatives that may be useful for helping to promote awareness, including the requirements on electricity retailers to provide details of powerswitch, marketing of powerswitch, other Authority marketing activity, and other potential initiatives aimed at consumers who have never switched.

It is essential, in conjunction with raising awareness, that the powerswitch methodology is reviewed to ensure the site fairly and accurately represents all relevant pricing plans. Consumers (and competing retailers) need to be able to rely on powerswitch to provide correct information about who provides the lowest cost tariffs and what the savings from switching are. If powerswitch fails to do this, confidence in the website would be lost and it could end up doing more harm than good for market competition.

It is important to ensure regulation does not stifle innovation

While the Guidelines offer a checklist of possible communications, no regulator can develop Guidelines that capture all new and innovative ways of communicating with consumers, and regulators are not well placed to take into account consumer preferences. We are protective of our branding and the way we engage and communicate with our customers.

We don't consider the Guidelines are needed to support compliance with new clauses 11.30A to 11.30E in the Electricity Industry Participation Code. Nor do we have any objection to the Guidelines as long as the intention is to support compliance and interpretation of the Code changes, and they aren't used to create expectations about how the Code changes will be complied with that could stifle retailer innovation and differentiation.

Simple invoices are critical for transparency and helping consumers find better offers

We are mindful the Authority is undertaking a number of worthwhile initiatives such as improving consumer awareness that they can switch retailer, and social initiatives such as reform of consumer



protection (medical dependence) guidelines. Care is needed to ensure consumers are not overloaded with information, particularly on invoices.

We agree with the Australian Energy Market Commission that simplification of energy bills can help ensure “households ... can better understand and manage their bills”, and “that clearer energy bills may help small customers engage with the retail market to find better offers, driving competition”.¹ The corollary to this is Theresa Gattung’s, then CEO of Telecom, infamous comment that “It’s used confusion as its chief marketing tool. And that’s fine” and this helped enable Telecom to “keep ... prices up”.²

Concluding remarks

Electric Kiwi supports raising consumer awareness about the ability to switch supplier and powerswitch. We have nearly 70,000 customers and our customer base is growing at an increasingly rapid rate. One thing distinguishing us from the incumbent retailers is that every one of our customers is aware they can switch, and have chosen to be supplied by Electric Kiwi.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'L. Blincoe', with a long horizontal flourish extending to the right.

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¹ Australian Energy Market Commission, CONSULTATION PAPER, NATIONAL ENERGY RETAIL AMENDMENT (BILL CONTENTS AND BILLING REQUIREMENTS) RULE, 24 September 2020 available at:

[https://www.aemc.gov.au/sites/default/files/documents/rrc0036 - bill contents and billing requirements - consultation paper fv.pdf](https://www.aemc.gov.au/sites/default/files/documents/rrc0036_-_bill_contents_and_billing_requirements_-_consultation_paper_fv.pdf)

² <https://www.nzherald.co.nz/business/gattung-admits-telcos-not-being-straight/CVL6FXSNGGNID32ZGUPGWQPQHTE/>