

21 March 2023

Utilities Disputes Submission - Review of the consultation and feedback processes

Utilities Disputes Limited : Tautohetohe Whaipainga (UDL) welcomes the opportunity to submit to the Electricity Authority on the Review of the consultation and feedback processes.

Our background

UDL is an independent, not-for-profit company that provides fair and independent resolution of disputes about utilities that have not been able to be resolved between the parties. We facilitate a strong relationship of trust between consumers and utility organisations.

We currently operate three dispute resolution schemes: The Government approved Electricity and Gas Complaints and Broadband Shared Property Access Disputes (BSPAD) Schemes, and a voluntary Water Complaints Scheme.

We have strong relationships with consumer support agencies, consumer advocacy groups and the utility organisations that are members of our schemes. We have been providing dispute resolution services since 2001 and are governed by an independent Board.

UDL has maintained Advisory Committees made up of industry and consumer representatives for a number of years to provide consumer and industry feedback on its operations.

Opening comments

We note the changes are intended to make it easier to engage with the Authority ensure the interests of consumers are represented and have drawn on our experience of working with consumers and providers to inform the comments made below.

Q1. For your preferred option, do you prefer option 1,2, or 3?

We believe Option 2 is best placed to meet the Authority's objectives for establishing the committee.

Q2. Are there any key stakeholders that have been left out of these proposed options?

The Authority may wish to consider membership from the large business or manufacturing sector given the importance of their energy needs. It may also wish to have a standing member with sufficient expertise to provide an environmental perspective, given the need to ensure the industry assists in addressing climate change while ensuring an affordable, stable, and secure electricity supply for consumers.

Q3. Do you have any comments on the proposed membership?

We believe option 2 offers the most balanced approach to membership, however, we wish to make the following comments in relation to the proposed membership.

We note it is proposed the committee has at least two consumer members: one representing the interests of small consumers and one for large consumers.

In practice it is difficult to find a single consumer representative that can represent all small or large consumers groups. These groups do also not appear to be squarely aligned with the Authority's objective to obtain greater input from domestic consumers and small businesses. We therefore recommend the Authority increases the stated minimum number of consumer representatives for each group and changes the labels it applies.

There are approximately 1.9million¹ residential power accounts in Aotearoa New Zealand. Residential energy users have a diverse range of needs and perspectives. It would seem appropriate to have a minimum of 2-3 members representing them, with at least one member representing vulnerable and minority consumers.

We support the proposal to have at least two Maori representative members and expect the Authority has given consideration to how those roles will be defined and supported.

Stats NZ also reports that we are nation of small and micro businesses (defined as those with fewer than 20 employees) with approximately 546,000 small businesses in this country². It would therefore seem sensible to have a minimum of at least two permanent members representing the interests of small consumers.

For the above reasons, we believe the proposed consumer membership in Option 1 is too low.

We believe Option 3 risks the creation of an overly large group that may require significant co-ordination and support. We believe the Authority will be better served with a smaller group that has the ability to call for external input, advice and evidence from any required area as part of its advisory functions.

Whichever model is chosen, we believe it is equally important is to clearly set out the role and purpose of the committee, so any participation is meaningful and authentic. We believe

¹ Electricity Authority EMI database <https://www.emi.ea.govt.nz/>

² <https://www.mbie.govt.nz/business-and-employment/business/support-for-business/small-business/>

consumer representation will likely come from a body that advocates for a broad range of consumers, a similar approach for industry representation could see representation coming with the assistance of ERANZ and the ENA to gain feedback from the whole industry.

Q4. Do you have an alternative suggestion? If so, please provide details.

No.

Q5. Do you have any comments on the proposed changes to the draft documents in Appendices C and D?

We note there is no reference to Te Tiriti principles and how these may be relevant to any Code changes and the role of the advisory groups. It may be the Authority is considering developing a framework for acknowledging and incorporating its principles into its role, noting the proposed Maori membership of its Advisory Groups and that incorporating Te Ao Maori and Te Tiriti may be considered separately.

We expect Committee members will be asked to sign terms and conditions clearly identifying the standards expected in terms of their conduct and any positive obligation to advise the Authority of any relevant matter, as well as confidentiality and potential conflicts of interest. UDL operates on this basis which assists in clarifying and confirming expectations.

Q6. Do you agree with the overall assessment of the Code amendment proposal? If not, what alternative assessment would you make and why?

No comment.

Next steps

If we can be of further assistance at this stage, please contact Paul Moreno directly at paul@udl.co.nz

Yours sincerely



Neil Mallon
Deputy Commissioner
Utilities Disputes Limited