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15 August 2023

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Submissions  
Electricity Authority  
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By email: [distribution.pricing@ea.govt.nz](mailto:distribution.pricing@ea.govt.nz)

### Issues Paper - Targeted Reform of Distribution Pricing

Thank you for the opportunity to provide feedback on the Authority's **Targeted Reform of Distribution Pricing**.

Nova Energy (**Nova**) supports the Authority's paper in as far as it moves towards standardising what is an array of different, and in some cases archaic, pricing methodologies employed across the country's electricity distribution businesses (**EDBs**).

As a nationwide energy retailer, Nova welcomes moves towards standardising the fundamental principles behind EDB pricing. Employing some consistent principles should lead to more transparent, simple to understand pricing, for customers and industry participants alike.

Nova asks the Authority to consider the following recommendations:

1. **More engagement with retailers** to gauge any unforeseen issues with structural price changes. Given the widespread nature of what's being proposed Nova suggests a three-way consultation would gain clarity and greater buy-in on what's being proposed.
2. **Detailed customer research** is undertaken to inform the Authority's proposed changes (prior to any changes being implemented). For example, Time of Use pricing could aggravate the impact of 'energy use avoidance' - where customers deliberately avoid using power during peak times to their detriment, if peak periods are priced too high.
3. **Do not enable EDBs to mandate retailers' pass-through distribution charges**. Retailers need be free to structure their customer pricing as they see fit. Any restrictions on this would likely inhibit pricing innovation and market competition. Furthermore, many customers value the simplicity and certainty offered by flat-rate pricing.

Please feel free to contact me if you wish to discuss our views further.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Paul Baker".

Paul Baker

Commercial & Regulatory Manager

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