

22 FEBRUARY 2024

ECOBULB[®]

**SUBMISSION ON ELECTRICITY AUTHORITY CONSULTATION:
OPTIONS TO SUPPORT CONSUMER PLAN COMPARISON AND SWITCHING**



1. ABOUT ECOBULB LIMITED

The following document provides Ecobulb's written submission to the Electricity Authority's 1 February 2024 consultation on "*Options to support consumer plan comparison and switching*".

Section 1 of this submission provides background about Ecobulb, while Section 2 is our response to questions in Appendix A of the Consultation Paper.

Ecobulb Limited (formerly Energy Mad) is a 100% owned Christchurch company.

We have a goal to "*Save enough electricity to power New Zealand for one year*".

We are experts in designing, developing and delivering New Zealand regional and nationwide residential energy assessment and lighting projects.

We have a highly successful history and proven track record from delivering 107 large Ecobulb and energy efficiency projects with Governments, Energy Trusts, Lines Companies and Electricity Retailers, in New Zealand, Australia, the United States and Germany since 2004.

With approximately 25 Million "*Ecobulb*" energy saving light bulbs installed in an estimated 3.4 million New Zealand, Australian and United States homes, and having completed energy assessments in 42,200 New Zealand homes, Ecobulb is 64% of the way to achieving our goal.

These Ecobulbs are saving an estimated \$6.0 billion electricity and 19 million tonnes of carbon dioxide emission reductions over their lifetimes.

In addition, since April 2021, we have delivered multiple (Northland, north and west Auckland, the King Country, Whanganui, Christchurch and Ashburton) Home Energy Saver Programmes involving:

1. Ecobulb's world first innovative "*Power\$aver*" software platform for delivering in-home and on-line energy assessments.
2. Funding from Energy Trusts, Lines Companies, City Councils, MBIE's Support for Energy Education in Communities Programme, and EECA.
3. 83 locally employed energy assessors undertaking in-home one-on-one free, personalised "*energy assessments*" to make these homes more energy efficient, help them find the **lowest cost electricity retail plan using an automated Powerswitch assessment**, and supply them (free Ecobulb LEDs, energy efficient showerheads and other low-cost energy saving measures).
4. **10,035 free home energy** assessments completed, saving **\$6.8 million electricity per year**.

We calculate rolling Power\$aver out to 1.5 million NZ homes would deliver:

1. \$1.0 billion annual cost of living reduction for kiwis through the power bill savings.
2. A 340MW (Hamilton's worth) of peak load reduction.
3. Carbon dioxide emission reductions equal to taking all cars off NZ roads for a year.
4. A ridiculously good "*bang for buck*" 18 : 1 benefit to cost ratio for NZ Inc.

2. RESPONSE QUESTIONS IN APPENDIX A OF THE CONSULTATION PAPER

Q1. What are your views on the key issues around supporting consumers to compare and switch, and barriers for consumers? Are there others than those outlined above?

Our view is that the key issues around supporting consumers to compare and switch, and barriers for consumers, have been outlined comprehensively in the Consultation Paper. There are no other issues and barriers we are aware of.

Q2. Do you think we've identified the right opportunities leading us to review how we support comparison and switching? What opportunities do you consider most important?

We think the Authority has identified the right opportunities leading it to review how it supports comparison and switching.

Q3. Do you consider it is important for the Authority to fund and support a comparison and switching website or websites? Why?

We believe it is vitally important for the Authority to fund and support a comparison and switching website or websites for the reasons outlined in the Consultation Paper.

Q4. What do you think are the most important features a comparison and switching website should have to make it the most accessible and effective for users?

Since April 2021, we have undertaken **10,035 free in-home energy** assessments around New Zealand through our energy assessors using our Powersaver software.

These assessments included assessors helping households identify the best electricity plan for their needs and to help them switch – through an automated Powerswitch assessment that we undertake in each home through a special menu (an Application Programming Interface, or API, link) built for us in conjunction with Powerswitch and Consumer New Zealand.

We are strong supporters of Powerswitch and encourage the Authority to continue its long-term funding of Powerswitch and collaboration with Consumer New Zealand by selecting Powerswitch as its web-based option for the 1 July 2025 procurement process.

We find Powerswitch simple to use and effective and note that Powerswitch continues to evolve to meet the changing electricity market.

Powerswitch has been around a long time. It is trusted and well known to advocates who have learnt how to use it effectively to help people. Changing systems would require a lot of retraining and be costly and disruptive for the existing programs that use the tool.

Powerswitch has become 'part of the plumbing'. The data provided by Powerswitch helps the industry, stakeholders, researchers, policy makers, and forms the basis of long standing and ongoing price monitoring. Organisations such as Ecobulb have invested in systems to automate the use of Powerswitch and integrate it into their own assessment systems. Moving away from Powerswitch would mean losing that investment and paying to recreate it in a new system.

Powerswitch is trusted. Consumer NZ is a well-known not-for-profit organisation with a long track record of effective advocacy for consumers. Because Powerswitch is a free independent service run by an established and effective advocacy organisation it comes with a level of integrity and trust that would not be easily replicated by a commercial or lesser-known organisation.

There is a lot of sunk cost and knowledge in Powerswitch that would be lost. Powerswitch has been with us for 25 years. There has been a lot of investment over the years. Its algorithms are complex and not easily replicated.

Finally, Powerswitch is getting better. Powerswitch has evolved to meet needs and changes in the industry. Of late there has been a lot of investment that has further improved the service.

Q5. What problems, if any, do you see with current comparison and switching websites?

Our view is that the Authority should continue to fund Powerswitch past 1 July 2025.

The main limitation we see with Powerswitch is that most electricity bills do not include the consumer's pricing plan name. This limited information makes it harder for consumers to accurately compare electricity retail plans using Powerswitch. We therefore agree with Section 4.48 of the Consultation Paper statement that limited data creates barriers to switching.

Q6. What else should we consider when assessing the relative advantages and disadvantages of the five website-related options?

Our view is that the Consultation Paper comprehensively covers the key items for assessing the relative advantages and disadvantages of the five website-related options.

Q7. Of the website-related options, which do you think would best remove barriers to comparing and switching (eg, perceptions that switching is time consuming, complex, and confusing)?

Our view is that the "*Website Option 4: Authority Supported Existing website*" outlined in the Consultation paper would best remove barriers to comparing and switching. Further, for the reasons we have outlined earlier in our submission, we believe that Powerswitch, as the existing website, should continue to be supported.

Q8. What other types of website - related options, if any, should we consider to support comparison and switching and why?

Our view is that there are no other website-related options the Authority should consider to support comparison and switching.

Q9. Are there other types of technology in addition to, or alternative to, websites that we should consider?

No.

Q10. What are your views on how retailers providing ‘best plan’ information could work? For example, how should they assess the ‘best plan’ and present/target information to consumers, and how often? What do you think of the Australian ‘automated -switch’ idea?

We agree with “*Option A: Retailers provide their existing consumers with best plan information*” outlined in the Consultation Plan on how retailers providing ‘best plan’ information could work.

We support the implementation of the Australian ‘automated-switch’ idea.

Q11. In what form do you think the community advisers service would function best? For example, what agencies might we collaborate with? What are the best approaches?

The community adviser service’s advantages and disadvantages are listed in Section 7.27 of the Consultation Paper.

To these we would add a disadvantage: namely, advisers will struggle to gain access to households, particularly low-income households, to assist households identify the best electricity plan for their needs and help them switch.

We therefore propose a wider free “*home energy assessment and installation of low-cost energy efficiency measures*” approach to gain access to a larger number of households. The energy assessment approach would include a “*Powerswitch assessment*” in each home to assist households identify the best electricity plan for their needs and help them switch.

This could take the form of Ecobulb’s Power\$aver Programme, where Ecobulb have delivered multiple (Northland, North and West Auckland, the King Country, Whanganui, Christchurch and Ashburton) Home Energy Saver Programmes since April 2021 involving:

1. Ecobulb’s world first innovative “*Power\$aver*” software platform for delivering in-home and on-line energy assessments.
2. Funding by Energy Trusts, Lines Companies, City Councils, MBIE’s and Employment’s Support for Energy Education in Communities Programme and EECA.
3. 83 locally employed energy assessors undertaking in-home one on one free, personalised “*energy assessments*” to make these homes more energy efficient, help them find the **lowest cost electricity retail plan using an automated Powerswitch assessment**, and supply them (all for free) Ecobulb LEDs, energy efficient showerheads and other low-cost energy saving measures.
4. **10,035 free home energy** assessments completed, saving **\$6.8 million electricity per year**.
5. With sufficiently increased funding, Ecobulb alone could scale Power\$aver to hundreds of thousands of households.
6. The Authority could leverage EECA and MBIE “*SEEC*” funding to support such a service.

Other key points to note about our Power\$aver Programmes are that they:

1. Are **extremely cost effective**, delivering an **average five-month payback**, based on average annual household power bill savings of \$680, versus the average \$297 per household funding required.
2. Target households in regions likely to be in energy hardship, which often are Māori and Pasifika households.
3. Work closely with Māori health, social service and other local organisations embedded deep in the community and which have existing relationships with homes likely to be in energy hardship. These organisations help provide or help identify local people to train as energy assessors, and who can help arrange appointments and events for energy assessments.
4. Utilise energy assessors to reach the intended households in energy hardship through (predominantly female Māori) energy assessors that are:
 - a. From communities in energy hardship being assessed; who are
 - b. Motivated to undertake assessments to help their community; and are
 - c. Well-connected in their community so that they can generate their own leads for energy assessments; and are
 - d. Flexible to undertake energy assessments on nights and weekends, because many homes assessed can only have them on nights or weekends.

Electronic copy of completed "Power\$aver" assessment emailed to customers

HOME ENERGY SAVER REPORT

Report prepared for:

Name: 
Address: 

[Watch video](#) on how to maximise your power bill savings from your report.

Assessment Date:





21/2/2024

Assessor:

Valda Henare

Do you own the home? Yes No

Recommended Actions:

	Potential Savings:	Actioned Savings:																					
 <p>Lighting:</p> <ul style="list-style-type: none"> Install the following FREE Ecobulb LEDs: <table border="1"> <tr> <td>Bayonet</td> <td> Screw</td> <td> 12v</td> <td> 240v</td> <td> Downlights</td> <td> Potential</td> <td> Actioned</td> </tr> <tr> <td>12</td> <td>3</td> <td>0</td> <td>0</td> <td>0</td> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td colspan="5">TOTAL</td> <td>15</td> <td></td> </tr> </table>	Bayonet	Screw	12v	240v	Downlights	Potential	Actioned	12	3	0	0	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	TOTAL					15		\$ 207	\$ 207
Bayonet	Screw	12v	240v	Downlights	Potential	Actioned																	
12	3	0	0	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>																	
TOTAL					15																		
per year																							
 <p>Water Heating:</p> <ul style="list-style-type: none"> Have a shower instead of a bath <input checked="" type="checkbox"/> Potential <input checked="" type="checkbox"/> Actioned Provided efficient shower head Watch video... <input checked="" type="checkbox"/> Potential <input checked="" type="checkbox"/> Actioned Wash clothes in cold water <input checked="" type="checkbox"/> Potential <input type="checkbox"/> Actioned Shorten your showers by one minute each <input checked="" type="checkbox"/> Potential <input checked="" type="checkbox"/> Actioned 	\$ 132	\$ 132																					
per year																							
 <p>Home Heating:</p> <ul style="list-style-type: none"> Heat pump set to 20 degrees for heating <input checked="" type="checkbox"/> Potential <input checked="" type="checkbox"/> Actioned Close the doors <input type="checkbox"/> Potential <input type="checkbox"/> Actioned Turn heat pump off when leaving the room <input type="checkbox"/> Potential <input type="checkbox"/> Actioned Close the curtains before the sun goes down <input checked="" type="checkbox"/> Potential <input checked="" type="checkbox"/> Actioned Heat pump filters cleaned Watch video... <input checked="" type="checkbox"/> Potential <input checked="" type="checkbox"/> Actioned 	\$ 60	\$ 60																					
per year																							
 <p>Other Appliances:</p> <ul style="list-style-type: none"> Empty the old, second fridge and turn off <input type="checkbox"/> Potential <input type="checkbox"/> Actioned Turn towel rail off when towels dry <input checked="" type="checkbox"/> Potential <input checked="" type="checkbox"/> Actioned Turn off appliances when not using them <input checked="" type="checkbox"/> Potential <input checked="" type="checkbox"/> Actioned Advice on drying clothes and ventilation <input checked="" type="checkbox"/> Potential <input checked="" type="checkbox"/> Actioned 	\$ 0	\$ 0																					
per year																							

Recommended Provider:

Electric Kiwi

Recommended Plan:

PowerShifter with broadband All Inclusive Residential (Low User)
<https://powerswitch.org.nz/results?p=qonad0jkA>

Up to:

\$ 497

\$ 497

per year

Consumer NZ analysis of the Powerswitch results pages over the last 12-months showed that, on average, users of Powerswitch from the Central North Island region saw there was a potential annual saving of \$326 through switching to the cheapest electricity provider.

OVERALL, YOU COULD SAVE:

\$ 896

\$ 896

per year

(saved by up to \$389 worth of services and products provided for FREE to you)

Q12. What conditions or support would enable community advisers to be best able to help consumers? What barriers need to be removed to achieve this?

We have covered **what conditions or support would enable community advisers to be best able to help consumers** in our answer to Q11 – and have proposed our “PowerSaver” option.

The key barrier we see that needs to be removed is limited funding that has restricted us to 10,035 households since April 2021, versus over 100,000 households that we could have undertaken over the same period with sufficient funding.

Q13. What else should we consider when assessing the relative advantages and disadvantages of the three consumer choice support options?

Our view is that the Authority has considered the key relative advantages and disadvantages of the three consumer choice support options and that there is nothing else they should consider relating to this.

Q14. Of the consumer choice support options, which do you think would best remove barriers to comparing and switching (eg, perceptions that switching is time consuming, complex, and confusing)?

We note point 4.7 in the Consultation Paper that only one in five lower income households were likely to switch companies as a result of using Powerswitch.

We also note point 4.9 in the Consultation Paper that the two key reasons consumers chose not to switch electricity retailers were either because they were happy with their current plan or retailer, or thought switching was too much hassle or they were too busy to consider switching.

We also note that “*Option C: Promotional activity and campaigns for comparison and switching services*” would raise awareness of Powerswitch and “*Option A: Retailers provide their existing consumers with best plan information*” would assist consumers to change to a lower cost electricity plan with their existing retailer.

However, neither Options C nor A would overcome the two key reasons consumers are not switching after undertaking a Powerswitch assessment – which in our experience from 10,035 home energy assessments including Powerswitch assessments is only overcome by one-on-one in-home conversations that undertake the Powerswitch assessment with the consumer and then helping them switch.

Our view is therefore that “*Option B: Community advisers to support comparison and switching*” would best remove barriers to comparing and switching (eg, perceptions that switching is time consuming, complex, and confusing).

Q15. What other types of consumer choice support options, if any, should we consider to support comparison and switching and why?

Our view is that there are no other types of consumer choice support options the Authority should consider to support comparison and switching.

Q16. What are your thoughts on ruling out these options? If you disagree, why should they still be considered?

We agree with the Authority on ruling out the other two options the Authority considered but did not progress.

Q17. What are your views on the criteria we've chosen to assess options. Do you think some criteria should be weighted more than others as they are more important?

We agree with the Authority's views on the criteria chosen to assess options.

We do not think some criteria needs to be weighted.

Q18. Are there other criteria you think are important to help decide on the best options?

No.

Q19. What's your opinion on the Authority's proposed 'four-pronged' approach to supporting consumer comparison and switching? What alternative approach might you support?

We fully agree with the Authority's proposed 'four-pronged' approach to supporting consumer comparison and switching.

Q20. What thoughts do you have on our current assessment of the options against the proposed criteria in Appendix D and their scores? How might your assessment differ?

We agree with the Authority's assessment of the options against the proposed criteria in Appendix D and their scores.

Q21. Are there any other issues concerning supporting consumers to compare and switch that you would like to comment on, whether raised in this paper or not?

No.