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Submissions  
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## **ERGANZ SUBMISSION ON IMPROVING ELECTRICITY BILLING**

The Electricity Retailers' and Generators' Association of New Zealand ('ERGANZ') welcomes the opportunity to provide feedback on the Electricity Authority's consultation paper, 'Improving electricity billing in New Zealand' from October 2025.

ERGANZ is the industry association representing companies that sell electricity to Kiwi households and businesses. Collectively, our members supply almost 90 per cent of New Zealand's electricity. We work for a competitive, fair, and sustainable electricity market that benefits consumers.

### **Executive summary**

Overall, ERGANZ retailers support the Authority's proposals to improve electricity billing for consumers.

ERGANZ's members already comply with most of the new initiatives including advertising consumer comparison and switching services, providing consumers with clearly laid out bills, and limiting back-billing in circumstances beyond the customer's control. Consumers will benefit from billing reforms that are simple, proportionate, and coordinated with other major policy changes.

The policy proposals contained in the Authority's consultation paper are broken down into four sections: standardise billing information, introduce better plan, encourage consumers to compare plans across all retailers and switch, and limit back-billing. **ERGANZ supports three out of these four, we recommend a different approach to the 'introduce better plan' initiative.**

The proposals around 'better plans' are likely to be more confusing to customers than beneficial. ERGANZ considers the existing reforms for a 'consumer data right' to be more useful for customers. If the Authority does choose to proceed with this regulatory change, ERGANZ strongly encourages a principles-based approach rather than the prescriptive approach contained in the consultation paper.

Retailers require increasing flexibility to accurately reflect their unique service offerings and pricing plans, especially as the energy system becomes more digitised and dynamic, aligning with the Authority's vision. Overly prescriptive regulations may unintentionally lead consumers to switch to plans that do not align well with their preferences, resulting in adverse outcomes. Plan offerings are tailored to meet a range of customer needs and preferences, so while more engaged consumers may benefit from time-of-use, EV or home solar tariffs, others will benefit from a simple, no frills offer.

## **Submission points**

### *Section B - Introduce better plan*

The Authority's reform programme for consumer bills comes at a time when there is a severe compliance load on all retailers across all of the Authority and MBIE's work programmes. Within this, the proposed ideas around 'Introduce better plan' do not appear to be a high priority issue for improving customer outcomes, especially given most customers already benefit from existing mandatory protections. There are other, more impactful regulatory changes pending, like the Consumer Data Right, which will unlock greater value for consumers and so should proceed ahead of the changes in Section B.

Analysing the requirements and supporting evidence in Section B, it appears the Authority is confused between proscribing additional complexity in bills or simplification. The resulting one-size-fits-all approach is torn between catering for unengaged consumers who need important information highlighted to them, and highly engaged consumers who expect granular details such as half-hourly consumption data.

The evidence from Australia, who have pursued similar regulatory changes, is inconclusive. The Energy Consumers Australia's Consumer Energy Report Card from January 2025, in a sub-report titled 'Consumer knowledge of electricity pricing and responsiveness to price signals' notes that 54 percent of households "just wanted a simple and reliable service at a good price," in other words, a basic relationship with the energy system.<sup>1</sup>

The Authority seems to consider New Zealand's electricity pricing plans analogous to mobile phone plans, where the provider offers tiers of volume and pricing to match. This can cause confusion where customers mis-forecast their monthly consumption and so risk either paying for volume they do not use or paying for expensive 'top-ups'. Electricity pricing, outside of the Low-fixed charge regulations, does not operate this way, and the government is deliberately phasing-out the LFC. Electricity plans are designed around non-volume features such as time-of-use, bundled goods and services, feed-in tariffs and fixed prices for fixed terms. This results in a mismatch between the Authority's policy objectives, and how the proposed reforms will actually impact consumers.

The Authority appears determined to advance time-of-use pricing plans by pitching it to consumers as a universal way they can save money. This is too simplistic and ignores the understanding required to change consumer behaviour to ensure any hypothecated savings are realised. Different consumer segments respond differently to time-of-use incentives. By ignoring the required

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<sup>1</sup> Energy Consumers Australia, 'Consumer knowledge of electricity pricing and responsiveness to price signals', January 2025, <https://energyconsumersaustralia.com.au/sites/default/files/wp-documents/survey-consumer-energy-report-card-dec-24-report-consumer-knowledge-electricity-pricing-2.pdf>

behaviour changes, the regulator risks unintentionally increasing consumers' distrust of the sector if the promised savings do not eventuate. Time-of-use plans do have their place, but it is within a broader catalogue of pricing plans available from retailers, rather than being constantly singled out as the best available.

In addition, the time-of-use plan regulations under the Electricity Taskforce Initiative 2B do not come into force until 1 July 2026, so have not had time to bed-in. Therefore, by advancing the proposed Section B regulations in advance, the Authority risks unintended consequences including operational inefficiencies that ultimately will create costs that are passed on to consumers.

Any calculation of a “better” plan for consumers is prone to miscalculation due to underlying assumptions or methodology which may or may not match the consumer’s actual profile. Any calculation method cannot accurately forecast for the benefits of participation in flexibility or load-shifting. For example, if a retailer’s plan includes an element of load-shifting by restricting charging an electric vehicle during peak usage, or by discharging a battery based on wholesale market prices, this variable operation cannot be accurately forecast. This will result in plans that could end up being more expensive in retrospect being calculated as the “better offer”.

On the proposal ‘B2 Enable risk-free time-of-use adoption’, the Authority states that time-of-use plans are perceived as risky by consumers because they may be locked-in to their new plan. Yet, available plans, such as Contact Energy’s Good Plans, do not have a fixed term. Therefore, it is hard to see what problem this initiative is seeking to solve.

Conversely, with proposal ‘B3 Prohibit termination fees for switching plans with the same retailer’, the Authority states that some customers are locked into unsuitable plans due to “exit fees making them less likely to try time-of-use plans”. Yet, exit fees are only charged in circumstances where customers have willingly signed on for a fixed term in exchange for fixed pricing or some other value. The consultation paper does not explain why retailers should face an asymmetry in fixed-term contracts whereby retailers would be required to honour the fixed price for the full term, but consumers could leave early if they found a better offer.

It is important to point out the Authority claims so-called ‘low’ switching rates as evidence of problems with bills, and claims this is due to deliberate market design, “retailers have few incentives to provide the data that makes switching easy.” There is no evidence cited to support this claim, and it is contrary to the results of the 2023 Consumer Advocacy Council survey which found 72% of respondents satisfied with their current electricity retailer.

In addition, the consultation document does not refer to any of the Authority’s complementary workstreams, particularly the consumer data right and multiple trading relationships. This results in no coordination of policy approach, or efficiency in how retailers are expected to implement and communicate to customers. This is a serious weakness which is not addressed at all in the paper’s cost-benefit section.

Additionally, the cost-benefit analysis, contained on pages 45-48 of the consultation paper is qualitative, rather than quantitative. No real costs or benefits are put forward in the consultation document.

Therefore, instead of advancing the ‘better plan’ proposal, **ERGANZ recommends the Authority progress, alongside the MBIE, the consumer data right for electricity.** This is a better way to meet the Authority’s policy objective of allowing consumers to learn more about their electricity plans, compare options in the market, and use new data-driven switching tools.

#### *Section A - Standardise billing information*

ERGANZ supports the Authority’s overall objectives, however, the proposed approach in Section A is unnecessarily prescriptive. ERGANZ understands that clear and consistent bills can build consumer confidence.

ERGANZ members work hard to ensure bills are accessible and understandable for customers. While bills are generally clear, there is room for minor improvements. However, improvements to bill design does not guarantee comprehension. There will always be a segment of consumers who are unable to engage with their bill, regardless of how “simple” it is, due to poor literacy or English language skills. This presents barriers to switching for many consumers which bill design will not resolve and these issues are already addressed through the Consumer Care Obligations.

ERGANZ supports a principles-based billing standard focused on clarity and transparency, not prescriptive layouts. Rather than the idea of ‘tier one’ and ‘tier two’ information, **ERGANZ recommends a principles-based approach so retailers have flexibility to achieve the Authority’s desired outcomes.** This would help avoid situations where the Authority is asking retailers with already very clear and concise bills to redesign them just to tick a compliance box. In addition, this would avoid placing retailers in the position where it is impossible to physically fit all the information the Authority is suggesting should be tier one on the front page of a bill if a customer has more than one ICP or bundled services for their ICP.

The requirements need to accommodate the characteristics of digital bills compared to printed or PDF bills. The Authority’s approach does not recognise the inherent differences between these communications channels. Digital channels can present key information upfront using drop down boxes with additional information contained on other tabs, for example, consumption volumes or customer information. It is hard to translate the Authority’s proposed prescriptive requirements into the digital environment.

For example, it is harder to accommodate bespoke messages of varying lengths, such as information on back billing or emergency information, on printed or PDF bills. These bills are converted into static images. Instead, requirements that are more principles based would allow retailers to demonstrate they are communicating clearly to consumers while adapting around their own plans and systems design.

The Authority claims that the Electricity Code only prescribes three items that must appear in bills. This ignores the requirements of standard consumer law (Paragraph 2.11). Retailers are already bound by the Fair Trading Act and Consumer Guarantees Act to provide accurate, clear information.

## Consultation questions

Questions	Comments
<b>Proposal A – Standardise billing information</b>	
Q1. Should minimum billing standards be compulsory or voluntary?	ERGANZ supports the introduction of minimum billing standards to ensure consistency across retailers, but recommends these standards be expressed as principles rather than highly prescriptive requirements. Principles-based standards would achieve the Authority's objectives without constraining innovation or forcing unnecessary system redesigns.
Q2. Would the Authority providing a model bill and guidelines reduce your implementation costs and the time needed to implement these changes?	Yes. A model bill and accompanying guidance would be useful for smaller or newer retailers and could help ensure consistent interpretation of the requirements. However, retailers with existing clear and compliant bills should not be required to replicate the model bill purely for compliance reasons.
Q3. Tiered layout – Do you support adopting a two-tiered approach to information on bills? If not, how should critical and important information be distinguished?	As stated in the body of our submission, ERGANZ prefers a flexible, principles-based approach rather than mandating a strict two-tier layout. Retailers should be free to decide how best to present key information so that it is clear and accessible across different channels, including digital bills and apps, while meeting the Authority's underlying intent.
Q4. Content requirements – Do you have any additions or removals to the proposed tier one and tier two content lists?	ERGANZ recommends reducing prescription in the content lists and instead defining outcomes. The proposed Tier 1 list is too lengthy to be accommodated on the first page for many customers, particularly those with multiple ICPs or bundled services. Retailers should have discretion to determine placement of information while ensuring clarity.
Q5. Implementation – For retailers, how much time would be needed for your organisation to incorporate this content across all billing channels? What challenges or dependencies (e.g. data collection, data standards, IT systems or staff training) need to be factored into timing?	N/A

<p>Q6. Future-proofing – What mechanisms would best ensure these standards to evolve with new technologies, plans and AI-enabled billing in future?</p>	<p>The Authority should adopt a principles-based framework supported by non-binding guidance that can be updated periodically. This would avoid repeated Code changes as billing technology evolves and allow flexibility for retailers to integrate emerging digital and AI tools.</p>
<b>Proposal B – Introduce better plan</b>	
<p>Q7. Do you agree with the proposed better plan review mechanism?</p>	<p>No, for the reasons explained in the main body of our submission above, ERGANZ recommends that the “better plan” proposals not proceed.</p> <p>The Authority should instead prioritise development of the Consumer Data Right, which will enable consumers to access their own data and use trusted third-party tools to compare and switch plans.</p>
<p>Q8. Is six months the right frequency for a better plan review?</p>	<p>ERGANZ does not support introducing compulsory better-plan reviews. Market transparency and data access under the Consumer Data Right will achieve the same objectives without requiring retailers to conduct bespoke reviews for each customer.</p>
<p>Q9. Is three months an appropriate time frame for time-of-use trials? If not, what period would you suggest?</p>	<p>This proposal should not proceed. Time-of-use plan regulation is already being addressed through the Electricity Taskforce Initiative 2B and will not be in force until mid-2026. The Authority should allow those changes to bed in before considering any additional requirements.</p>
<p>Q10. Do you have any feedback on the risk-free time of use proposal, requirement to inform customers whether they are saving on a time-of-use plan and type of guidance given on how to shift consumption?</p>	<p>The proposal is unnecessary. Retailers already provide information to help customers choose appropriate pricing plans, and many time-of-use plans, such as Contact Energy’s Good Plans, are already risk-free.</p>
<p>Q11. Do you support prohibiting termination fees when switching between plans with the same retailer?</p>	<p>ERGANZ does not support this proposal. Termination fees are only applied where customers have chosen a fixed-term contract in exchange for a fixed price or other value. It would be inconsistent to require retailers to honour the fixed term while allowing consumers to exit early without cost.</p>

Q12. For retailers, what costs do you anticipate in implementing this change and what implementation support would reduce such costs?	N/A
Q13. Do you agree with our proposed transitional arrangements? If not, how would you change them?	As ERGANZ does not support the proposals in Section B, transitional arrangements are not required.
<b>Proposal C – Encourage consumers to compare plans across all retailers and switch where it will save them money</b>	
Q14. Do you agree with the proposed wording of the prompt?	Yes. ERGANZ supports the requirement for a simple, consistent prompt linking customers to the Authority-funded comparison and switching service. Clear, neutral wording referencing the Electricity Authority will help maintain trust and avoid marketing confusion.
Q15. For retailers, what lead-in period would you need to implement this prompt across all channels?	N/A
Q16. Do you agree that each retailer should be required to maintain a catalogue to allow customers to compare their full range of plans and costs?	<p>Yes. Retailers already make this general information available and would support a consistent expectation across the market.</p> <p>However, this proposal as worded requires much more refinement by the Authority. It must recognise that some offers are bespoke or location-specific, and so full price transparency must be balanced with practicality and avoid misleading consumers by placing offers in front of them they are ineligible for. In addition, the paper makes no reference to the concurrent Product Data consultation paper and the preparations for the Consumer Data Right. This would be the best route for addressing the identified issues.</p> <p>As the paper is worded, the Authority is asking retailers to place a significant amount of detailed and complex information in front of customers. This information potentially covers tens of thousands of price points across different plans, pricing networks, load groups, meter types. Rather than making customers better informed, this overloads them with complexity.</p>

Q17. For retailers, do you already have a catalogue in which you show your current and any prospective customers your generally available plans and tariffs? If not, why not?	N/A
Q18. Do you agree that the annual check-in should also include telling customers about the retailer's channels for comparing and accessing better plans?	Yes. Integrating this reminder into the annual Consumer Care Obligations check-in is practical and reinforces existing requirements without unnecessary duplication.
Q19. Do you agree that retailers should offer information about better plans whenever a customer contacts them about their bill or plan, not only when the customer explicitly asks to change plans?	<p>Retailers should be encouraged, not compelled, to discuss better plan options where it is relevant to the customer's enquiry. Overly prescriptive requirements would slow service and create repetitive or irrelevant interactions.</p> <p>The paper makes no reference to the ban on 'win-backs' by retailers. Therefore, the Authority needs to explicitly state how it will reconcile this requirement for customer service representatives dealing with a customer considering a switch who could potentially be on a different plan with their current retailer.</p>
<b>Proposal D – Limit back-billing to protect residential and small business consumers from bill shock</b>	
Q20. Do you agree with this proposal to limit back-billing with justifiable exceptions?	Yes. ERGANZ supports introducing a reasonable limit on back-billing to protect consumers as long as it allows exceptions where the consumer has contributed to the issue or where access to the meter was denied.
Q21. Is a six-month cap reasonable?	Yes. A six-month limit is proportionate and aligns with practice in other jurisdictions. It provides certainty to consumers without unduly penalising retailers where genuine billing errors occur.
Q22. Do you agree that customer should be allowed to pay back bills in instalments matching the period of the back bills? If not, what alternative do you propose?	Yes. Matching repayment periods are fair to consumers and workable for retailers.
Q23. What additional proactive measures (beyond those listed) would best prevent back bills from accruing?	The key preventative measure is continued roll-out and maintenance of communicating smart meters. Retailers already take proactive steps to ensure meter accuracy

	and regular reads. Additional prescriptive measures are unnecessary.
Q24. For retailers, taking into account any operational requirements, is the proposed transition period sufficient to implement these obligations?	N/A
<b>Next steps and proposed implementation</b>	
Q25. Are these the right outcome measures to track success?	No evidence is provided to support these outcomes. For example, switching rates are not a good proxy for competition. Switching rates can be influenced by many factors beyond billing clarity, a more useful measure may be overall customer satisfaction.
Q26. Do you agree with these implementation principles?	These implementation principles are sound, but the consultation paper does not always apply them. For example, “sequence around dependencies” makes sense, but other Authority workstreams affecting retailers are not considered or adapted into these proposed reforms.
Q27. How could we best support smaller retailers during the transition?	N/A
Q28. Are there other interdependencies we should factor into the timetable?	Yes, particularly the severe compliance load on retailers currently across all of the EA and MBIE’s work programmes.
Q29. Do you agree with our preferred timing?	Yes, if the Authority adopts principles-based requirements and other recommendations contained in the main body of our submission above.
Q30. If you prefer option 3, which elements should be delayed to 2027?	See answer to Q29.
Q31. How much lead time do you need to implement these proposals, should they proceed?	N/A
<b>Regulatory statement for the proposed amendment</b>	
Q32. Do you agree with the objectives of the proposed amendment?	Broadly yes. The objectives of improving bill clarity and strengthening consumer protections are supported. ERGANZ recommends, however, that the “better plan”

	component be replaced with the Consumer Data Right initiative as the more efficient means of achieving the same policy outcomes.
Q33. Do you agree that the benefits of the proposed Code amendment outweigh its costs?	There are no costs or benefits quantified in the consultation paper. However, broadly, ERGANZ anticipates that there will be benefits from implementing Sections A, C and D. ERGANZ does not consider that Section B's costs are justified, as its benefits are speculative and duplicative of other forthcoming reforms.
Q34. Do you have any feedback on these criteria for weighing options?	The proposed criteria are reasonable. ERGANZ suggests adding an explicit test of alignment with existing regulatory programmes, including the Consumer Data Right and time-of-use initiatives, to avoid overlap.
Q35. Do you agree with our assessment of the four options presented?	
Q36. Do you agree with our proposal to introduce mandatory billing improvements, rather than voluntary guidelines?	Minimum mandatory standards must be principles-based and proportionate.
Q37. Which elements of standardisation (if any) could remain voluntary without undermining consumer outcomes?	Design elements such as colour schemes, layout style, and whether information appears in “tier 1” or “tier 2” positions should remain voluntary. The focus should be on outcomes, not identical templates.
Q38. Do you agree with our proposed approach regarding small businesses?	Yes. Extending the back-billing protections to small businesses is appropriate, but the other proposals should continue to focus on residential consumers.
Q39. Do you agree with our assessment on alternatives to proposal B?	ERGANZ considers that more interventionist approaches, such as mandatory “best plan” notices or automatic switching, would create confusion and undermine trust. The Authority should instead prioritise the Consumer Data Right.
Q40. Do you agree with our assessment on alternatives to proposal C?	Consumer expectations are that there is a single comparison site capable of comparing across the sector.

Q41. Do you agree with our assessment on alternatives to proposal D?	There must be a carve-out for situations where the consumer has contributed to a lack of data to inform accurate billing.
Q42. 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 objectives in section 15 of the Electricity Industry Act 2010.	See our main submission above.
Q43. Do you agree the proposals are overall better than the alternative considered? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.	See our main submission above.
<b>Proposed Code amendment</b>	
Q44. Do you have any comments on the drafting of the proposed amendment?	See our main submission above.
Q45. Do you have any comments on the transitional provisions?	See our main submission above.
Q46. Do you have any other feedback on this consultation paper or proposed Code amendment?	See our main submission above.

## **Conclusion**

ERGANZ supports the Authority's desire to make industry-wide billing practices clear and fair. However, the 'better plan' proposals risk unnecessary complexity and overlap with the upcoming Consumer Data Right. Instead, a principles-based approach will best achieve clarity for consumers while maintaining flexibility and innovation in the market.

ERGANZ would like to thank the Authority for considering our submission.

If there are any outstanding questions or a need for further comments, please let me know.

Yours sincerely,

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