

# Consultation Paper - Improving electricity billing in New Zealand

## 1. Introduction

I (consumer/prosumer) support the Electricity Authority's goal of improving electricity bills to make them clearer, more accurate, and easier for consumers to understand. However, it is vital to recognise the limits of what a paper bill can achieve in a market that is rapidly evolving towards dynamic pricing, distributed energy resources (DER), and peer-to-peer (P2P) trading.

A paper bill should be treated as a **receipt**: a legal and accessible summary of costs for the billing period. It is **not** a suitable tool for interpreting complex supply/demand dynamics, locational delivery costs, losses, or behavioural flexibility. Attempting to compress all of that information into a one-page document risks confusing consumers and undermining trust.

## 2. The Role of a Paper Bill

The paper bill should remain **minimal and consistent** across retailers:

- Account and ICP details
- Billing period
- Energy bought and sold (kWh)
- Total energy cost, delivery cost, GST, and total due
- Three simple KPIs: average buy price (c/kWh), average sell price (c/kWh), and delivery cost per kWh
- A single sentence explaining the main cost drivers (e.g. "Evening peak use increased your bill by \$12 this period")
- A QR code or link to the digital version

This preserves accessibility and comparability while avoiding information overload.

## 3. The Digital Payload

To unlock transparency and trust, every bill must be paired with a **machine-readable digital payload** (e.g. JSON) that contains:

- Half-hourly consumption and generation data
- Tariff logic (energy, delivery, losses)
- Locational identifiers (feeder, phase, GXP)
- Dynamic Operating Envelopes (DOEs) for the billing period
- P2P trades and credits
- Any third-party service or aggregator fees

This payload allows switching tools, apps, and independent comparison services to provide meaningful, like-for-like analysis. It is the only way to make dynamic tariffs, P2P trading, and locational pricing workable for consumers.

## 4. Independent Interpretation

I recommend that the Commerce Commission (or a neutral independent body) operate an **interpretation and comparison service** that ingests the digital payload and:

- Replays the consumer's usage against all accredited tariffs

- Shows annualised cost differences
- Explains *why* one supplier is cheaper than another (e.g. fuel mix, weather dependency, carbon/consumables, delivery charges, losses, flexibility credits)
- Unbundles energy, delivery, and third-party fees for transparency

This neutral service is crucial to regaining consumer trust. It removes the perception of bias, ensures comparability, and exposes any rent-taking where intermediaries are not adding value.

## 5. Why This Matters for the Transition

Consumer trust is essential for New Zealand's energy transition. Without it, households and businesses will resist participating in flexibility services, P2P trading, and demand response schemes. If consumers see their bills as confusing or unfair, they will disengage.

By treating the bill as a receipt and delegating interpretation to an independent, trusted service, consumers can:

- Clearly understand their total charges
- Access detailed drivers of cost through digital tools
- See transparent comparisons between suppliers and tariffs
- Gain confidence that they are being treated fairly

This approach turns consumers into **willing partners in the transition** rather than passive or sceptical participants.

## 6. Recommendations

1. Retain the paper bill as a **minimal receipt** with totals and 2–3 KPIs.
2. Mandate a **machine-readable digital payload** with usage, tariffs, DOEs, losses, and P2P credits.
3. Establish an **independent interpretation/comparison service** to build trust and explain drivers.
4. Require **fee unbundling** so third-party/aggregator costs are transparent.
5. Align billing reforms with ongoing EA work on **Multiple Trading Relationships** and **Distribution Pricing Principles**.

## Conclusion

The paper bill alone cannot deliver the transparency or trust needed in a modern electricity market. To achieve the Government's objectives and ensure consumer confidence, bills must be paired with machine-readable data and independent interpretation. This dual-layer approach will enable genuine competition, informed switching, and consumer participation in the energy transition.

For supporting notes refer <https://solarenergy.kiwi/ea-billing-notes/>

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