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Submissions
Electricity Authority

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Nova Energy submission to the consultation paper: “Improving Electricity billing in New Zealand”

Nova Energy (**Nova**) appreciates the opportunity to provide feedback on the Electricity Authority’s above-mentioned consultation paper.

We support the Authority’s intent to improve the clarity and consistency of electricity bills and back-billing processes, and the proposal to standardise data standards and naming conventions. However, we are concerned that aspects of Proposals A and B would impose significant implementation costs, duplicate existing obligations, and risk confusing rather than assisting customers.

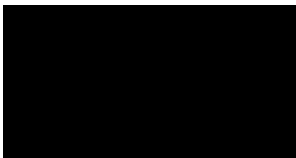
Nova has already undertaken independent research to improve the clarity and usability of its bills. In 2014, Nova commissioned BRR Ltd to review and test its bill design directly with customers. The findings informed a full redesign that delivered clearer layout, improved visibility of key information, and stronger customer satisfaction. Following implementation, Nova received positive feedback and a measurable reduction in billing-related enquiries. This demonstrates Nova’s proactive, customer-centred approach and shows that effective improvements can be achieved without prescriptive regulation

However, we wish to highlight the following concerns:

1. **The change timeline:** Billing system changes of this scale are complex and resource intensive. We therefore would appreciate it if the Authority would consider either a longer implementation period or the adoption of Policy Options 1 or 2 in 2026 with a transition to Option 3 by 2027. Retailers already face multiple compliance and network changes in 2026, which will compete for IT and internal resources.
2. **Scope of changes:** The proposed bill layout focuses on residential electricity customers only. However, a large number of Nova’s customers also hold other services (e.g., business electricity, natural gas, broadband, mobile, home phone, or payment plans). Limiting changes to residential bills risks creating inconsistencies across services, or alternatively, producing bills that are significantly longer and more complex.
3. **Digital account access overlooked:** The proposal emphasises printed bill improvements but overlooks information already available through online and app platforms. We recommend the Authority consider exploring retailer’s online account platforms before finalising their proposal.

Nova’s specific responses to the consultation’s questions are below. Thank you for considering Nova’s feedback.

Yours sincerely



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Regulatory Advisor
Nova Energy

Nova submission: Improving electricity billing in New Zealand

Questions	Comments
Proposal A – Standardise billing information	
Q1. Should minimum billing standards be compulsory or voluntary?	<p>Nova supports the introduction of compulsory, consistent, and minimum billing standards. However, we wish to highlight the following concerns:</p> <ol style="list-style-type: none"> 1. Tiered requirements <ul style="list-style-type: none"> The proposed tiered approach is unnecessary and risks overcomplicating bills. Our own customer research has consistently shown a preference for simplicity, which contradicts the assumption that more information is always desired. 2. Residential vs SME bills <ul style="list-style-type: none"> Limiting changes to residential electricity bills is impractical, as SME connections often appear on the same bill. Both formats should be addressed simultaneously to avoid inconsistency. 3. Multiutility service considerations <ul style="list-style-type: none"> The proposal does not fully account for retailers offering multiple services (e.g., natural gas, broadband, mobile). Billing changes must balance information across all services to ensure a coherent customer experience. 4. Digital access <ul style="list-style-type: none"> Much of the requested information is already available through Nova's online and app portals. The Authority should consider existing digital platforms before mandating additional printed bill requirements.
Q2. Would the Authority providing a model bill and guidelines reduce your implementation costs and the time needed to implement these changes?	<p>While the provision of a model bill is useful, and guidelines are a useful reference, these will not materially reduce implementation costs or delivery timeframes. The bulk of the work associated with the changes proposed lies in IT and billing system changes, along with extensive testing across multiple bill iterations and customer use cases.</p>

	For context, Nova's last bill change project required more than two years to complete and involved significant customer user group feedback and testing.
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?	<p>The proposed tiered layout risks creating information overload and customer confusion, undermining the Authority's goal of simplifying bills. It would also significantly increase bill length, particularly for customers with multiple electricity connections or additional utility services.</p> <p>Nova has previously completed its own customer research on bill design and redesigned our bill based on these findings. The key insight from this research was that customers wanted a simplified first page where they could find the dollar amount owing and the due date as absolute priorities with all the remaining details on the second page. The following quote from our marketing and research agency BRR summarises this.</p> <p><i>"BRR would advise Nova Energy to carefully consider any decision to add content to the bill design. While we realise it is a key touchpoint, customers appreciate clear, succinct and minimal layouts."</i></p> <p>Rather than using a tiered approach, we suggest focusing on improving the visibility of key information by using design elements like bold text, colour coding, or simple icons. This would help ensure that critical details stand out without overwhelming the customer.</p>
Q4. Content requirements – Do you have any additions or removals to the proposed tier one and tier two content lists?	<p>Tier 1 requirements should focus on what customers want and see as vitally important. As noted above this should be the amount owing, the due date and the retailers contact details should the customer want to discuss their bill. All other elements should be treated as tier 2.</p> <p>We also note that the Tier 2 requirement to shift energy customer billing to displaying dollars for energy use represents a substantial change. Implementing this adjustment will require significant system work and testing. This change alone will take an estimated timeframe of up to three months before it can be reflected on customer bills.</p>
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?	At least 18 months after Code finalisation, allowing for billing redesign and testing.
Q6. Future-proofing – What mechanisms would best ensure these standards to evolve with new technologies, plans and AI-enabled billing in future?	To future-proof billing standards, we need to establish flexible frameworks that can adapt to new technologies such as AI and evolving customer needs. Ongoing collaboration between industry stakeholders and regulators will be key to ensuring that new innovations are practical, transparent, and

	customer-friendly. Regular reviews and testing of new systems will also help ensure they meet both technical and customer experience standards.
Proposal B – Introduce better plan	
Q7. Do you agree with the proposed better plan review mechanism?	<p>No, Nova is not supportive of mandatory six-monthly plan reviews.</p> <p>Implementing such reviews would be costly, particularly due to increased call centre demand, and may be viewed as being overly intrusive for some customers. In addition, customer circumstances often change within short timeframes, meaning plan switching could unintentionally result in higher bills rather than savings.</p>
Q8. Is six months the right frequency for a better plan review?	<p>No. Annual or on-request reviews are more proportionate. Establishing 6 monthly reviews for new customers where there is limited consumption history may not have a full annual seasonality usage cycle available to be used to calculate the relative costs under different plans such as TOU plans or the low/higher user plans, so any comparison undertaken may result in misleading or incorrect assessments. Even with full information, history may not be a good guide to the future as a customer's change in circumstances and usage patterns may render historical usage patterns irrelevant.</p>
Q9. Is three months an appropriate time frame for time-of-use trials? If not, what period would you suggest?	<p>No. We recommend an annual review timeframes, as per our feedback for Q7 and Q8 above. Three-month long trial periods will either provide the opportunity for selective plan switching by consumers and/or lead to retailers creating overly complex TOU plans to prevent selective plan switching to game results at different times of the year. Alternatively, we suggest that a limit is placed on the number of times (once a year) that a consumers can require a retailer to provide the option to plan switch during the course of a year.</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>Time of use savings are not universal, as they depend on customer behaviour change. Labelling these as "risk free trials" is misleading. We recommend the Authority lead an education campaign to help consumers understand what TOU is, how it works, and whether it could benefit them. Equipped with this knowledge, customers can then engage meaningfully with their retailer about available options. We note that there will be a large group of customers that will be worse off on a TOU (Time of Day) plan compared to their current traditional single tariff plan. TOU plans therefore shouldn't be promoted as a new best option plan that will help everyone save money.</p>
Q11. Do you support prohibiting termination fees when switching between plans with the same retailer?	<p>No. Termination fees typically apply only to voluntary fixed term plans, where customers receive added value in exchange for their term commitment. This should not be confused or conflated with customers switching between plans. Even though customers might continue to remain the customer of a retailer, the retailer may have entered into price hedge instruments based on aggregated consumer profiles and if enough consumers switch between plans, then that could create wholesale price risk for the retailer.</p>

	Removing the ability to enforce break fees for customers' contracts could lead to reduced availability for fixed term pricing arrangements for those that desire price certainty. Fixed term arrangements are reasonably common in a number of markets including mortgages etc and early termination/break fees are common practice and accepted as being reasonable.
Q12. For retailers, what costs do you anticipate in implementing this change and what implementation support would reduce such costs?	Nova recommends the Authority considers other factors prior to going ahead with this change. For example, customers on plans with associated termination fees often come with fixed pricing for an agreed period of time. If a bar on break fees is put in place, then that will likely lead to consumers not being offered fixed term prices as there is no practicable means to enforce terms. This then leads to reduced demand for hedges in the wholesale market as retailers switch to managing risks on a shorter-term basis.
Q13. Do you agree with our proposed transitional arrangements? If not, how would you change them?	<p>Nova would encourage the Authority to reconsider this proposal, as it is likely to reduce rather than increase competition.</p> <p>Plans with associated termination fees can encourage customer switching by offering tangible benefits, such as discounted pricing or credits (e.g., a \$300 bill credit spread over two years). These plans provide an additional layer of retail competition that may be lost if the proposed change proceeds.</p>
Proposal C – Encourage consumers to compare plans across all retailers and switch where it will save them money	
Q14. Do you agree with the proposed wording of the prompt?	<p>No. We question the requirement for retailers to explicitly advise customers to shop around on every bill. This would be equivalent to requiring one business to promote its direct competitors and is inconsistent with normal commercial practice.</p> <p>We prefer the Authority retain its current non-mandatory approach to referencing Powerswitch (soon to become Billy).</p>
Q15. For retailers, what lead-in period would you need to implement this prompt across all channels?	Nova's preference is that this change is timed with our new bill changes.
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?	We support displaying plans on customer bills and in our digital platforms, such as our website, provided they are current and open to new customers. Like many retailers, Nova regularly reviews and refreshes pricing and plan offers. We therefore prefer to show only those plans that are active and available.
Q17. For retailers, do you already have a catalogue in which you show your current and	Yes, we currently show all our current plans, or each of Nova's four core services on its website, along with their terms in line with the Customer Care Obligations (and Nova's Customer Care Policy).

any prospective customers your generally available plans and tariffs? If not, why not?	
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.
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>No. We support providing customers with clear information about available plans and helping them identify when a different plan may better suit their needs. However, this should remain customer led or provided reactively for example, when payment difficulties suggest a more suitable plan, in line with Customer Care Obligations.</p> <p>Customers contact retailers for many reasons unrelated to pricing or plan suitability (e.g., payment queries, meter faults, account updates). Mandating a “better plan” check for every interaction would be inefficient, extend simple service calls, and risk confusing or frustrating customers with unsolicited pricing information.</p> <p>Nova's view is that “better plan” discussions should occur:</p> <ul style="list-style-type: none"> • when a customer raises questions about pricing, usage, or plan suitability, • when the retailer identifies a material benefit from switching or notes payment difficulties, or • during periodic or customer-initiated reviews consistent with Consumer Care obligations.
Proposal D – Limit back-billing to protect residential and small business consumers from bill shock	
Q20. Do you agree with this proposal to limit back-billing with justifiable exceptions?	No. A 12-month would be more appropriate cap as there are a number of situations where delays can occur, including those associated with third parties and even by the customer.
Q21. Is a six-month cap reasonable?	As states above, a 12-month cap would be more appropriate.
Q22. Do you agree that customers should be allowed to pay back bills in instalments matching the period of the back bills? If not, what alternative do you propose?	Yes.
Q23. What additional proactive measures (beyond those listed) would best prevent back bills from accruing?	Better metering maintenance and proactive customer engagement can prevent back-billing.

Q24. For retailers, taking into account any operational requirements, is the proposed transition period sufficient to implement these obligations?	No, Nova suggests a longer transition period, of at least 6 months.
Next steps and proposed implementation	
Q25. Are these the right outcome measures to track success?	<p>Nova supports evaluating reforms against measurable consumer outcomes. However, several of the proposed indicators are counter-intuitive and risk misrepresenting the impact of billing changes.</p> <ul style="list-style-type: none"> • Switching rates: Low switching does not necessarily indicate disengagement. The 2023 Consumer Advocacy Council survey found 72% of respondents were satisfied with their current retailer. In many cases, staying with an existing plan or retailer represents the best outcome. Switching rates are also shaped by external market factors unrelated to billing clarity—for example, retailer exits in 2024 reduced available options and led many consumers to prioritise stability. • Price dispersion: Narrower price differences between retailer plans may have the effect in reducing competition and innovation as opposed to increasing them, as customers see little incentive to switch plans and/or retailers. <p>We recommend outcome measures that more directly reflect consumer experience, including:</p> <ul style="list-style-type: none"> • Consumer understanding — proportion of consumers who can correctly identify their plan, charges, and comparison information. • Consumer confidence and satisfaction — measured through independent surveys. • Complaint trends — reductions in billing related complaints to retailers and Utilities Disputes. • Accessibility and clarity — tested with diverse consumer groups.
Q26. Do you agree with these implementation principles?	Yes. The principles are appropriate if applied flexibly and supported by adequate transition time.
Q27. How could we best support smaller retailers during the transition?	Provide longer transition periods and start off with a non-binding, opt in period.
Q28. Are there other interdependencies we should factor into the timetable?	Alignment with Consumer Data Right, Customer Product Data Standards and the Multiple Trading Relationship changes would be ideal.

Q29. Do you agree with our preferred timing?	No. While agreeing with a staged approach, billing changes are complex and as a small retailer we request at least 18 months to implement all required changes at least.
Q30. If you prefer option 3, which elements should be delayed to 2027?	The back billing changes require the shortest timeframe to implement. We would request all other changes are moved to 2027.
Q31. How much lead time do you need to implement these proposals, should they proceed?	Overall, we would like to request at least 18 months after Code finalisation, as noted above.
Regulatory statement for the proposed amendment	
Q32. Do you agree with the objectives of the proposed amendment?	Partly. The objectives are valid but could be met through lighter-touch guidance.
Q33. Do you agree that the benefits of the proposed Code amendment outweigh its costs?	No. The benefits of Proposals A and B are uncertain and likely overstated, while their implementation costs would be significant. The Authority's analysis assumes greater comprehension and switching without clear evidence - international experience (Australian Energy Regulator's <i>Better Bills Implementation Review and Impact Report</i> (2023)) shows limited improvement in consumer outcomes.
Q34. Do you have any feedback on these criteria for weighing options?	No but measuring these criteria will be challenging in practice due to limited data on actual consumer comprehension and behaviour change.
Q35. Do you agree with our assessment of the four options presented?	No. The preferred option is disproportionate; a voluntary or phased approach is preferred.
Q36. Do you agree with our proposal to introduce mandatory billing improvements, rather than voluntary guidelines?	No. Mandatory standards should be limited to essential billing information only.
Q37. Which elements of standardisation (if any) could remain voluntary without undermining consumer outcomes?	Nova considers that aspects such as bill layout, design, and presentation style should remain flexible, provided that key billing information is clearly displayed and consistent with consumer law requirements. Nova's experience with its independently tested bill redesign shows that voluntary adoption of good-practice principles can deliver strong consumer outcomes without prescriptive templates.
Q38. Do you agree with our proposed approach regarding small businesses?	Yes, but small business coverage should largely mirror residential requirements, as treating them separately or differently could result in unintended consequences.
Q39. Do you agree with our assessment on alternatives to proposal B?	No. Proposal B alternatives (education, comparison tools) are more cost-effective.

Q40. Do you agree with our assessment on alternatives to proposal C?	Yes. Proposal C is reasonable as drafted.
Q41. Do you agree with our assessment on alternatives to proposal D?	Yes.
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.	No. The Authority's preferred option is too costly; a simpler alternative better meets s15 objectives.
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.	Some are. However, the alternative options should remain available for further consideration if implementation costs exceed initial estimates.
Proposed Code amendment	
Q44. Do you have any comments on the drafting of the proposed amendment?	In Nova's view drafting should emphasise outcomes (clarity) rather than prescriptive content lists.
Q45. Do you have any comments on the transitional provisions?	Transitional provisions need longer lead times and clarity for legacy contracts.
Q46. Do you have any other feedback on this consultation paper or proposed Code amendment?	No further comment.

References:

Australian Energy Regulator (2023), *Better Bills Implementation Review and Impact Report*.
 Consumer Advocacy Council (2023), *Electricity Consumer Survey Results*.