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Energy Competition Task Force

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Open Letter: Energy Competition Task Force Work Programme

Utilities Disputes | Tautohetohe Whaipainga is New Zealand's leading provider of independent dispute resolution services for consumers and providers in utilities. Utilities Disputes is a not-for-profit company and there is no charge for a consumer to make a complaint. We deliver dispute resolution schemes covering electricity, gas, water, and telecommunications.¹

In electricity Utilities Disputes operates the mandated Energy Complaints Scheme (ECS). The core purpose of the ECS is to ensure that any person who has a complaint about a retailer or distributor has access to an independent process for resolving it.² Over 2024-2025 the ECS received 7533 complaints and 11499 queries. Complaints are expected to reach almost 13,000 at the end of this reporting year. Including queries the figure rises to an estimated 25,000 contacts. Against this complaint handling background, we comment on the *Open Letter: Energy Competition Task Force Work Programme (Open Letter)*.

Criteria for Inclusion into the Work Programme

Projects to be included in the Work Programme:

- focus on the most material competition or regulation issues in the electricity system.
- are discrete, in the sense that they can be completed or deliver a material improvement within 12 months.
- involve both the Authority and the Commerce Commission, either because decisions are required by both agencies or because shared expertise or involvement would be beneficial.³

¹ In telecommunications we offer the government mandated scheme for considering complaints about the laying of fibre on shared property and a voluntary telecommunications scheme which is not an industry dispute resolution scheme under part 7 of the Telecommunications Act 2001. We also offer a voluntary water complaints scheme. See: <https://www.udl.co.nz/en/our-publications-and-schemes/scheme-rules/>

² For electricity see 95 & sch 4 cl 1 of the Electricity Industry Act 2010.

³ *Open Letter*, pg 2.

Work Programme Considerations

We set out in detail our comments below. However, after reviewing the criteria for topic inclusion into the Work Programme we recommend:

- i. The Work Programme include:
 - a. a review of how the new retailers, and distributors who offer goods and services based on distributed energy services (DERs) are captured within the current electricity legislative framework;
 - b. what actions within this framework are appropriate to ensure the growth and onboarding into the market of these new industry participants;
 - c. what data collection and regulatory oversight is required by Com Com and the EA to assess the performance of these industry participants; and
 - d. an assessment of how current consumer protections apply to these new retailers and distributors.

- ii. The Work Programme include an inquiry into mandating:
 - a. the format and itemisation of any offers, quotes, estimates, and billing by a distributor;
 - b. rules to manage a contractor's billing; and
 - c. guidelines to ensure the distributor advises the consumer, when they have a choice of contractor, that they are not obliged to choose the distributor's preferred contractor (especially when that contractor is a sister or related company of the distributor).

- iii. That the topic of bundling in the Work Programme be further refined to ensure the project is completed within the 12 month window.

Distributed Energy Resources (solar, wind, & batteries)

DERs are changing the network in real time, and the EA has said a trust model is crucial to their consumer uptake:

High levels of trust and engagement between consumers, local and national stakeholders and the energy industry will be critical to enable the full benefits of digitalisation, DERs, and decentralised decision making.

Consumer-owned DERs can offer great value to the energy industry. They support retailers, generators, distribution companies, and Transpower through demand response and other services. However, consumers will need to trust that industry third parties will manage their DERs in a way that reflects their preferences, before giving those parties access to control their energy resources.

The same is true of industry seeking to gain access to consumers' energy data. To develop new energy infrastructure quickly and at the scale needed, the industry must actively engage with local

communities and highlight the benefits these projects could bring to the area and its people and businesses.⁴

Similarly, the Australian regulator says confidence in DERs requires a consistent consumer protection framework:

If consumers understand they will receive consistent protection and outcomes regardless of the energy service they use, this is likely to promote trust and confidence in the energy market, thereby supporting competition, innovation and the increased uptake of consumer energy resources, which would promote the energy transition.⁵

Utilities Disputes in submissions about DER consumer complaints has noted:⁶ a) that we receive complaints about these new DER retailers; b) that consumers do not always appreciate the significance differences of DER retailing compared to traditional retailing. In particular the significance of the long contractual term and high exit fees; and c) there appears a gap in the onboarding of these new retailers and distributors who may not be always aware of their industry obligations.⁷ Regulators and the industry do not always appear to have a clear understanding of how industry standards and obligations apply to the new entities. The standards and reporting obligations that apply to traditional retailing it seems are not applied to the new DER retailers. The scope of regulation needed to ensure best practice for these new industry participants appears to be an under-researched area.

Therefore, we recommend the Task Force include in its Work Programme: a) a review of how the new DER retailers and distributors are captured within the current electricity legislative framework; b) what actions within this framework are appropriate to ensure the growth and onboarding into the market of these new industry participants; c) what data collection and regulatory oversight is required by Com Com and the EA to assess the performance of these industry participants; and d) an assessment of how current consumer protections apply to these new retailers and distributors.

This proposal appears to meet the criteria for insertion into the Work Programme. DERs are and will change the market from a mono-directional network to a bi-directional network, and the EA in their policy documents is relying on their growth to make savings for the consumer. The materiality test for Task Force review then is met. The task is also limited to what actions are possible within the current regulatory framework, therefore the work

⁴ EA, *Working Together to Ensure Our Electricity System Meets the Future Needs of All New Zealanders*, 30 April 2025, pg 8 (paragraph numbers omitted). Consumer NZ has also observed: "There is a real danger that decentralisation, without safeguards, will deepen existing inequalities." Consumer NZ, *Submission on Green Paper: Working Together to Ensure our Electricity System Meets the Future Need of all New Zealanders*, 25 June 2025, pg 2.

⁵ Australian Energy Regulator, *Review of Consumer Protections for Future Energy Services: Final Report*, November 2023, pg. 22.

⁶ UDL, *Improving Pricing Plan Options for Consumer Time-Varying Retail Pricing for Electricity Consumption and Supply*, 26 March 2025, pgs 5-6, UDL, *Working Together Paper*, 25 June 2025, pgs 2-3, *Consultation – Evolving Multiple Retailing and Switching*, 29 July 2025, pgs 5-6; UDL, *A Regulatory RoadMap for Batteries*, 31 July 2025, pg 3; and *Improving Electricity Billing in New Zealand*, 12 November 2025, pg 14.

⁷ We understand the EA did have an onboarding process which was discontinued.

appears to fit within the 12 month window for completion. Finally, both Com Com and the EA have regulatory powers over these new retailer and distributors, and therefore this appears a project that will be of interest to both bodies.⁸

Network Connections

Over the past 12 months there has been consultation on proposals to make connections to the network easier and fairer.

The work of the EA and Com Com is focused more on the overarching framework or principles for the offering of connections. The Task Force wishes to continue this work. An achievable aim that fits within these proposals is to investigate mandating clear user-friendly communications in all facets of the connection process especially as they relate to billing, estimates, pricing, offers, disconnections, decommissioning, and all their services. Utilities Disputes has been raising the issue of distributor billing and transparency since 2024.⁹ A further connected task would be to consider guidelines and rules about the billing of contractors. Such contractors may not fall under the ECS when acting independently of the distributor. There may also be a need for promotional guidelines to ensure, when there is an option, the distributor does not favour their own contractor, and advises the customer they have the option to choose other contractors.¹⁰

These issues of transparency and costing go to the heart of the customer-distributor relationship (no matter the customer's size). Therefore, we think this issue satisfies the materiality test for inclusion, and that work on this issue can be completed within a 12 month window. Com Com and EA have powers in terms of price, fairness, and issuing guidelines, therefore this issue appears something that both bodies should consider jointly.

Bundled Products

Bundling is included in the Work Programme:

Bundling electricity with other utilities like telecoms and gas can reduce consumer mobility, obscure pricing, and create switching barriers that weaken competition. While convenient, bundling risks lock-in, hidden costs and complex terms that make comparisons difficult. Cross-service contracts (eg, telco terms tied to electricity) reintroduce switching barriers and can raise household costs.

Potential project scope: Assess existing regulatory approaches to bundling across electricity, telecommunications and potentially gas. Evaluate whether any opportunities exist to improve

⁸ To complete the task some liaison with bodies such as SEANZ will be needed.

⁹ UDL to EA, *Consultation Papers: Distribution Connection Pricing & Network Connections Pricing*, 20 December 2024, 3; *Improving Electricity Billing in New Zealand*, 12 November 2025, 13; and *Reducing Barrier for New Connections: Up-Front Charges and Distributor Obligations*, 19 December 2025, 7-8; & UDL to Com Com, *Open Letter: Ensuring Our Approach to Price Paths is Delivering for Consumer*, 7 October 2025, pgs 6-7. Utilities Disputes has also provided decisions to Com Com and the EA that appear to raise this issue.

¹⁰ UDL, *Reducing Barrier for New Connections: Up-Front Charges and Distributor Obligations*, 19 December 2025, pg 6-7.

competition and consumer choice. If appropriate, consider further mechanisms to ensure transparency, comparability, and prevent bundling from limiting consumer choice.¹¹

If the Task Force takes up this topic, it will be important to build upon work already completed, particularly in the area of telecommunications where Com Com has issued bundling guidelines.¹² Gas and electricity have also been bundled for some time, therefore the input of the Gas Industry Company will be helpful in any review. The EA's recent proposals about billing will also be of assistance, proposals which in part are based on the work of Utilities Disputes about the need for the clear itemisation of prices, fees, and credits.¹³

Aggregators will also have an increasing role in telecommunications and electricity. These new businesses will aggregate consumer billing, usage, and plans. These entities will provide aggregation services not just in electricity but across the utilities. Therefore, any consideration of bundling, oversight, and consumer care may need to consider, in addition to the offerings of retailers, the role of these new businesses who will also bundle products and services.¹⁴

Bundling also affects vulnerable consumers.¹⁵ In electricity for back billing of bundled services there was a recommendation under the Consumer Care Guidelines that the retailer should allow the customer to pay off electricity first:

Retailers that offer bundled goods/services should, for a customer not on a payment plan and who is in payment arrears and/or is having payment difficulties, explain to the customer how part payments are being cleared against bundled components of an invoice that cover multiple goods/services provided. Retailers should consider allowing customers to elect that any part payments clear the customer's debt related to electricity supply or distribution services first.¹⁶

The Task Force may wish to consider if any recommendations like the one above are needed in the Consumer Care Obligations or any other industry rules or guidelines. Utilities Disputes notes bundled services could also be noted in the ICP identifier records. This visibility could help customers as the gaining retailer could be prompted to ask questions about the switch, that the customer is not aware of.

Utilities Disputes began its independent and voluntary telecommunication scheme, in part, to provide dispute resolution services for retailers who provide telecommunication and

¹¹ *Open Letter*, pg 2 (bullet points omitted).

¹² Com Com, *Product Disclosure: Retail Service Bundling Guidelines (Energy and Telecommunications)*, 22 November 2023; see *Consumer Care Obligations*, cl 19(2).

¹³ EA, *Improving Electricity Billing in New Zealand*, 8 October 2025. pg 15-19.

¹⁴ See for example discussion UDL, *Consultation Paper: Evolving Multiple Retailing and Switching*, 29 July 2025, paras 11-13, 29.

¹⁵ See submissions when Com Com was preparing the bundling guidelines: FinCap, *Draft Product Disclosure: Retail Service Bundling Guidelines*, 11 October 2023 & Consumer NZ, *Submission on Draft Product Disclosure Retail Service Bundling Guidelines*, 13 October 2023.

¹⁶ *Consumer Care Guidelines*, cl 44. See also UDL, *Submission Product Disclosure: Retail Service Bundling Guidelines*, 13 October 2023, pg 3.

electricity services.¹⁷ Therefore Utilities Disputes supports the Task Force’s consideration of bundling. However the topic has a number of threads, and the Task Force may wish to carefully scope the topic if it is to complete any review within the 12 month window.

Next Steps

Thank you for the opportunity to comment on the *Open Letter*. If you have any questions, please at the first instance contact me at: paulb@udl.co.nz



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¹⁷ UDL’s Telecommunications Complaints Scheme is not an Industry Dispute Resolution Scheme under Part 7 of the Telecommunications Act 2001. Note the Telecommunications Amendment Bill currently before Parliament is drafted to encourage more industry dispute resolution schemes to enter the market, in part to serve retailers who offer bundled services. See *Regulatory Impact Statement*, 20 November 2024, para 30.