

Electricity Transparency Bill

Member's Bill

Explanatory note

General policy statement

This Bill amends the Electricity Industry Act 2010 to require that every electricity bill sent to domestic consumers includes a list itemising the amount and percentage for each of the different components comprising the bill.

At present, consumers have no way of knowing what part of their power bill goes to the generator, transmitter, distributor, and retailer, and what part is accounted for by GST and other Government levies. This state of affairs allows different parts of the sector to blame price increases on other industry participants. Requiring that all power bills include an itemised list will give consumers a clear understanding of which sector is responsible for any change to their power bill.

In addition, this Bill requires that every electricity bill sent to domestic consumers include a percentage describing the renewable energy component of the electricity used. This Bill will bring improved transparency to the electricity market, allowing domestic consumers to make informed choices about their electricity use.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause. It provides that the Bill commences on the day after the date on which it receives the Royal assent.

Clause 3 provides that the Bill amends the Electricity Industry Act 2010 (the **principle Act**).

Clause 4 inserts a *new subpart 4* in Part 4.

David Shearer

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Electricity Transparency Act **2015**.

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent. 5

3 Principal Act

This Act amends the Electricity Industry Act 2010 (the **principal Act**).

4 New subpart 4 of Part 4 inserted

After section 108, insert: 10

Subpart 4—Mandatory disclosure of bill components

108A Disclosure requirements

- | | | |
|-----|---|----|
| (1) | All electricity retailers must include on every electricity bill sent to domestic consumers an itemisation, by amount and percentage, in list and graphical form, showing each of the following components of the total electricity bill: | 5 |
| | (a) generation: | |
| | (b) transmission: | |
| | (c) distribution: | |
| | (d) retail: | |
| | (e) liabilities under the Climate Change Response Act 2002: | 10 |
| | (f) GST: | |
| | (g) other Government and council levies. | |
| (2) | In addition, all electricity bills sent to domestic consumers must include an itemisation, by percentage, in list and graphical form, describing what percentage of the electricity supplied to the consumer is from renewable sources and what percentage is from non-renewable sources. | 15 |
| (3) | The Authority must set out in the Code the format and methods of calculation required for electricity bills in sufficient detail and layout to allow direct and easy comparison between different electricity retailers. | |