



## **Press Release**

**14 December 2017**

### **Electricity retailers welcome Winter Energy Payment**

The Electricity Retailers' Association of New Zealand (ERANZ) welcomes the additional Winter Energy Payment for beneficiaries and superannuitants that was announced by the coalition Government today.

Chief Executive Jenny Cameron says the payment will make a real difference to many who struggle to pay their power bills and stay warm, particularly if their home is damp and cold, and their appliances are inefficient.

“This grant will allow people to choose how best to make their homes warmer. It could go towards draught-stopping, insulation in the roof, thermal curtains, double glazing, better heating, or even to simply pay their power bill. We are offering to help the Government to promote and implement the grant.

“Hand in hand with the Healthy Homes Guarantee Bill No 2, which will enable homeowners and landlords to access grants of up to \$2000 for upgrading insulation and heating, the Winter Energy Payment will go a long way to helping address why some people find it hard to heat their home.

“The electricity retail sector has been doing a lot of work to improve and streamline services for customers who struggle to meet their bills. That includes helping with early intervention such as referring customers to budgeting services, moving to different plans or packages, providing education on reducing energy costs, and working with social agencies and government departments to resolve systemic issues.

“But if someone is in a house that is poorly insulated, damp and cold, and they are trying to heat a house with a one-bar heater, or they don't know how to get the help they need, then it can be a struggle to maintain a temperature that is needed to keep healthy and comfortable. This payment will provide an income boost that may help to remedy some of that.”

Ms Cameron says the introduction of the Winter Energy Payment should mean the end of the Low Fixed Charge (LFC) policy by the Government.

“The previous government had started to investigate a review of the LFC policy because it was achieving the exact opposite of what was intended.

“The policy means that some of our poorest families are cross-subsidising wealthier households, which is the exact opposite of what was intended. It can create a perverse incentive for income-constrained households to under-heat their homes to save money.

“The International Energy Agency recommended a review of the LFC, and an independent report estimated that only 5 per cent of the total benefit is flowing to households in the most deprived category. That’s surely reason enough for it to be scrapped and replaced by the Winter Energy Payment.”

#### **About ERANZ**

The Electricity Retailers Association of New Zealand was established in August 2015 to represent the electricity retail industry on important sector-wide issues such as delivering value to stakeholders and consumers, and supporting the continued development of an open, competitive, sustainable and effective electricity market.

**For further information, contact Brent Webling on 021 821 383 or email [media@eranz.org.nz](mailto:media@eranz.org.nz)**