



## **Press Release**

### **29 August 2017**

#### **ERANZ infographic simplifies for people how electricity system works**

The Electricity Retailers' Association has released an infographic [[attached](#)] that simplifies for people how the electricity system works.

Chief Executive Jenny Cameron says the interaction between generators, lines companies, retailers and the electricity wholesale market makes for a complicated system. This infographic is designed to demystify it.

"We think people need to know how it all works, because how it works shows how we keep New Zealand's electricity reliable, secure and affordable. How it works together also shows all the different components that go into the final price of electricity.

"We've called it 'Behind the light switch' because it depicts all the unseen processes that retailers manage behind the scenes to ensure people get their electricity when they need it. Many think getting electricity to their heaters or lights or TVs is simply a matter of a turbine turning and electricity being pushed down the power lines to the light switch, and that's it.

"But there's much more to it than that. Delivering a system that guarantees electricity at the flick of a switch 99.97 per cent of the time requires something that's seamlessly integrated, robust and efficient.

"The retailers' job is to take the complicated bits and make them understandable for customers.

"Someone from the electricity company has to talk to customers about the plan that best suits their needs and budgets. Then another person from the company has to purchase the electricity off the wholesale market on behalf of customers to get the best deal to meet those needs – such as, will it be a spot price that fluctuates every 30 minutes, or a long-term plan that hedges the costs for the future, or another plan that suits the customer better. What about variations depending on the season and the time of day? Then someone has to reconcile the electricity supplied with the electricity used by the customer.

"And someone else has to stay abreast of latest technology and insights and pass this to customers so they both understand and have clear choices to meet their energy needs.

"That's what retailers do, and what we've attempted to do with this infographic is show how all this fits together.

"With our 85 per cent renewable power, and technology uptake, New Zealanders have good cause to be proud of our world-leading system."

#### **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)**