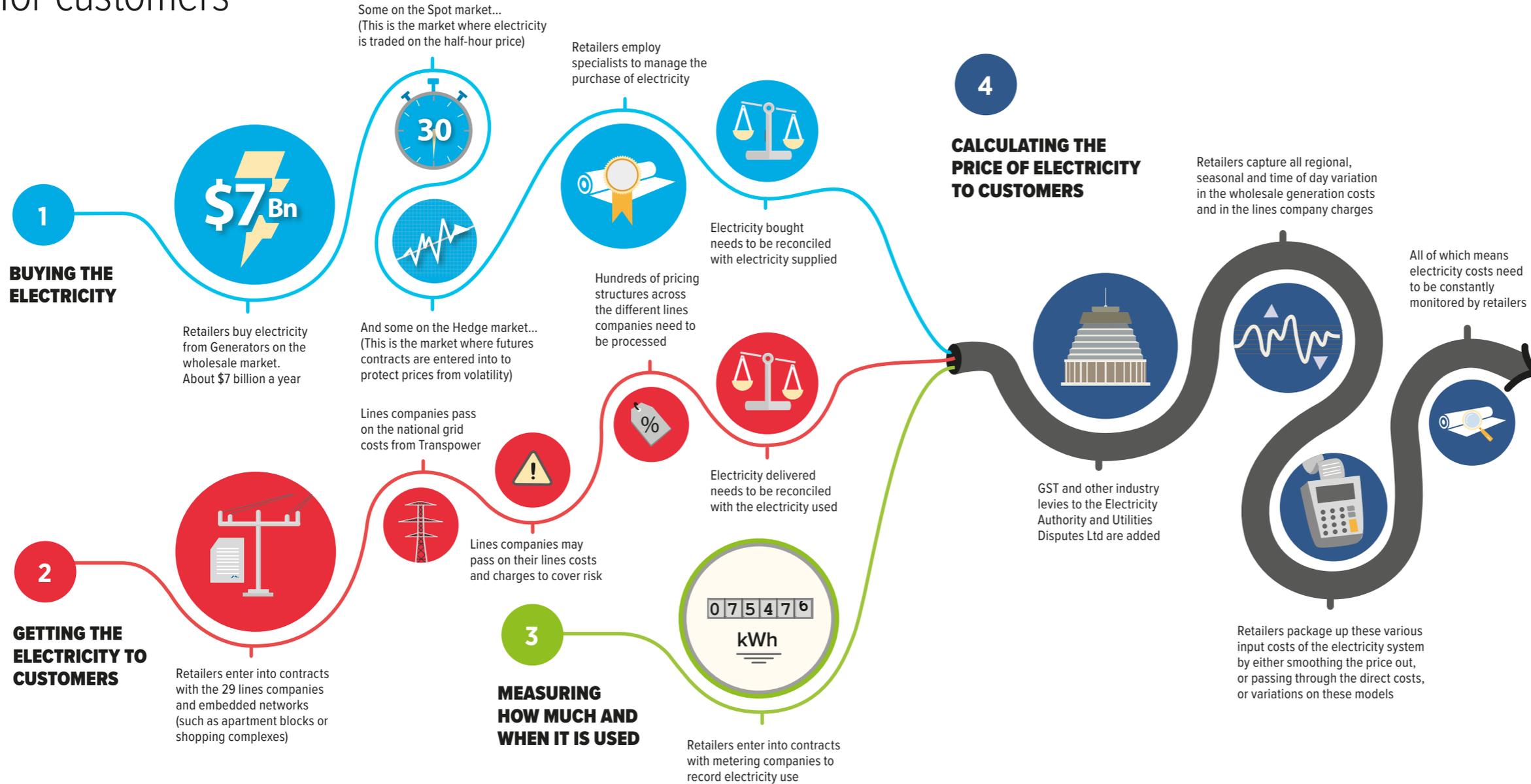


Behind the light switch: how retailers simplify NZ's complex electricity system for customers



5 PROVIDING THE BEST SERVICES & PRODUCTS FOR CUSTOMERS

- Regular engagement to understand customer needs and preferences
- Assisting vulnerable customers manage bill payments and managing credit and bad debt risk
- Regular engagement with customers who are Medically Dependent on electricity
- Developing and promoting pricing plans and services and providing insights into electricity use
- R&D on technology and innovative services
- Deliver outage notifications on behalf of some lines companies

New Zealanders can rely on reliable and affordable electricity at the flick of a switch 99.97% guaranteed

Behind the light switch

This infographic by the Electricity Retailers' Association simplifies for people how the electricity system works.

The interaction between generators, lines companies, retailers and the electricity wholesale market makes for a complicated system, and this infographic is designed to demystify it. ERANZ thinks 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 that 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 ERANZ does 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.
