

Meeting Date: 1 June 2023

## ELECTRICITY RETAILERS' ASSOCIATION PRESENTATION

## SECURITY AND RELIABILITY COUNCIL

This paper introduces a presentation from the Electricity Retailers' Association (ERANZ) on its role in supporting its members to ensure power system security and reliability.

**Note:** This paper has been prepared for the purpose of the Security and Reliability Council (SRC). Content should not be interpreted as representing the views or policy of the Electricity Authority except where specifically noted.

## The Electricity Retailers' Association (ERANZ)

- 1.1.1 The SRC has asked the secretariat to provide information on the role of various industry organisations and groups, in supporting power system security and reliability as part of the SRC's *Industry Associations and Groups* theme.
- 1.1.2 As part of this work, the secretariat has invited ERANZ to present. ERANZ notes its members "*supply over 90% of New Zealand's electricity*". The secretariat therefore considers it important the SRC has clarity about how ERANZ may support SRC security and reliability functions and its advice to the Authority.
- 1.1.3 ERANZ notes its aims to ensure a "*competitive, fair and sustainable electricity market that benefits New Zealand consumers*."
- 1.1.4 With SRC member input, the secretariat posed a series of questions to ERANZ.
- 1.1.5 The questions:**
- a) *What are the top 3 risks or concerns to security and reliability (including cyber) for your members and what is your organisation's role in reducing those security and reliability risks or concerns? Please include risks or concerns over short-, medium- and long-term horizons.*
  - b) *Does your organisation believe consumers get value for money, in terms of the security and reliability they currently receive from your members? How does your organisation support consumer trust and confidence in the sector more generally?*
  - c) *What are some examples of 'wins' for the industry your organisation has led or supported and how did you collaborate to achieve them? Conversely, what are some examples of areas where security and reliability wins were not achievable due to barriers?*
  - d) *What benefits do you provide to your members, and how? Please give examples of how you ensure the government and regulators make the best choices for the power system and consumers.*
  - e) *What does your organisation do to achieve consistency and minimum standards of security and reliability across its membership group? What are the impediments to consistency and minimum standards?*
  - f) *If you had the opportunity to give the Electricity Authority Board advice about what it can do to support a secure and reliable electricity supply for consumers, what would it be?*
- 1.1.6 Members are encouraged to raise these or additional questions to ERANZ during the presentation, to clarify any points in the presentation and support the SRC's understanding of ERANZ's role in supporting power system security and reliability.
- 1.1.7 Members may, for example, wish to ask ERANZ about how the '*Powering Change*<sup>1</sup>' initiative will support security and reliability for those consumers it is targeting.
- 1.1.8 Representatives from the ERANZ will present and be available for questions.

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<sup>1</sup> <https://www.eranz.org.nz/assets/documents/Powering+Change+launch+media+release-+for+ERANZ.pdf>

## Questions for the SRC to consider

The SRC is asked to consider the following general questions.

- Q1. What further information, if any, does the SRC wish to have provided to it?**
- Q2. What advice, if any, does the SRC wish to provide to the Authority?**

## Appendix A: ERANZ presentation

June 2023



**Bridget  
Abernethy**

Chief Executive



**eranz**

Electricity Retailers' Association of New Zealand

# Who is ERANZ?

- Electricity Retailers' Association of New Zealand.
- We are the industry association representing companies that sell electricity to kiwi households and businesses.
- Our members supply almost 90 per cent of New Zealand's electricity.
- We work for a competitive, fair, and sustainable electricity market that benefits consumers.

# Taking a consumer perspective

- How do we ensure consumers have the power they need to heat their homes and stay well?
- Includes all aspects of the trilemma: sustainability, affordability, and reliability.
- Modern households coming to rely on electricity more and more: transport and EVs, internet connection, heating, hot water, etc.
- The focus on security and reliability is heightened following Cyclone Gabrielle.

# Steps towards a modern system

- A highly renewable system that enables New Zealand's transition to a zero carbon economy.
- Infrastructure investments across generation, transmission and distribution.
- Modernisation towards a 'smart' system.
- Distributed generation and demand response services.
- Collaboration and data sharing.
- Consumer education and empowerment.
- Emergency preparedness and response.



# Protecting medically dependent consumers

- Medically dependent consumers have additional protections under the Consumer Care Guidelines published by the Authority.
- Retailers work with known medically dependent consumers to help them design an 'Emergency response plan' to use in case of outages.
- ERANZ trying to engage with Te Whatu Ora on better information sharing as patients discharged with electrical equipment for home use.

# Getting to zero emissions

- BCG 'Future is Electric' report tells us \$22 billion is needed for infrastructure upgrades this decade.
- Industry is capable of making this transition.
- Incorporate flexibility technology to lower peaks, e.g. smart EV chargers.
- But, all this investment needs to be paid for somehow.
- How do we have an equitable transition?
- Challenge is to cater for those unable to take advantage of electricity's cheaper fuel cost.

# Adverse weather events

- Cyclone Gabrielle highlighted industry-wide issues to address.
- ERANZ to push for nationally consistent cessation and compensation for fixed-line charges to red-stickered homes.
- Requires uniform rules applying across all distributors so consumers know where they stand.

# Adapting to a changing climate

- Climate change will make adverse weather events worse and more frequent.
- Cyclone Gabrielle raises questions about reliability – the forgotten part of the trilemma.
- Can households pay for the infrastructure upgrades required to deliver zero emissions as well as greater reliability?