

SNEAK PEAK

Customer Newsletter March 2016

New Advanced Pricing Smarter Power Use



Waipa Networks is introducing some new Advanced Pricing plans from 1 April 2016 so we thought we'd tell you a bit about them. These pricing plans are to encourage people to use less power during peak usage times.

Don't Panic! Before you jump on the phone or social media to voice your concerns, please note that these are new pricing options and you don't have to change to these for a few years (a bit sooner if you have solar panels or have a Time of Use Meter, but you can read about that later). We're just giving you some information now so you can see where we are going and why it is we are heading there.

Why Do Power Line Companies Care When Power Is Used?

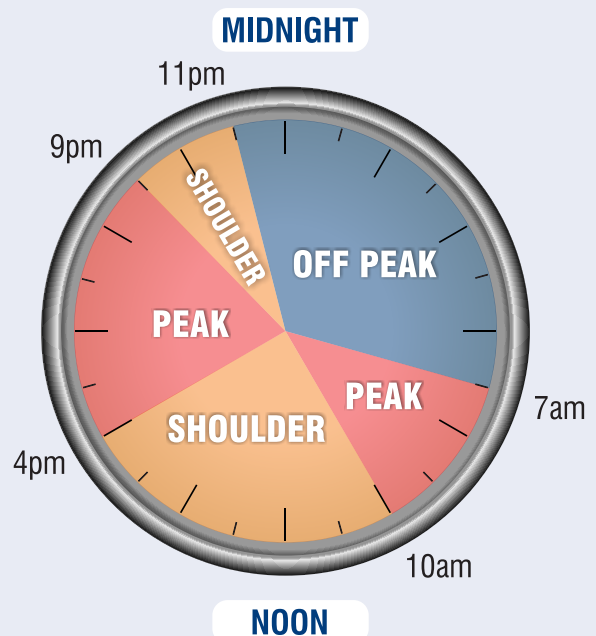
Peak electricity usage is a bit like peak traffic on a motorway. People tend to want to use the motorway the most at the same time – travelling to and from work. So the roads need to be made bigger and multi-laned to handle this, even though most of time the road has much less traffic and in the middle of the night not much at all.

Power lines are a similar situation - the more power people use at the same time, the bigger the power lines and equipment need to be to handle this, even though there are times when hardly any power is used.

Bigger power lines cost more money and ultimately it is the power customers that have to pay for these. So it is in everyone's interest to try to reduce peak power usage.

What is Advanced Pricing?

Traditional electricity meters only record the amount of power you are using, but not the times that it is being used. Advanced pricing takes advantage of newer 'smart' electricity meters that are being gradually installed throughout the country, including the Waipa Networks area. These new meters are capable of recording how much power is used at different times during the day. For Waipa Networks area, we group these times into three categories: Peak, Off Peak and Shoulder. There is a different price for each category.



- **Peak** (7am – 10am and 4pm – 9pm)
- **Off Peak** (11pm – 7am)
- **Shoulder** (10am – 4pm and 9pm – 11pm)

Peak – this is when electricity usage is heavy. Everyone is cooking meals, turning on their heating (or air conditioning), watching TV, etc. People might also be putting on their dishwashers, clothes dryers, etc.

Shoulder – this is when electricity usage is moderate. Businesses are open and most people are at work, or late evening when people start to go to bed.

Off Peak – when most people are asleep and power usage is generally limited to shift-workers and appliances on standby-by.

To see our pricing schedule, which contains both the new Advanced Pricing and traditional pricing, visit www.waipanetworks.co.nz and click on 'Lines Charges'.

I Have A Smart Meter – When Do I Change To The New Pricing Plan?



The new plans are optional and not all electricity retailers offer them yet. Please phone your electricity retailer to check if they offer this new plan. The new plan will gradually become compulsory over the next few years, starting with customers with distributed generation (e.g. solar panels) from 1 April 2017. We intend to make it compulsory for all customers by 1 April 2019.

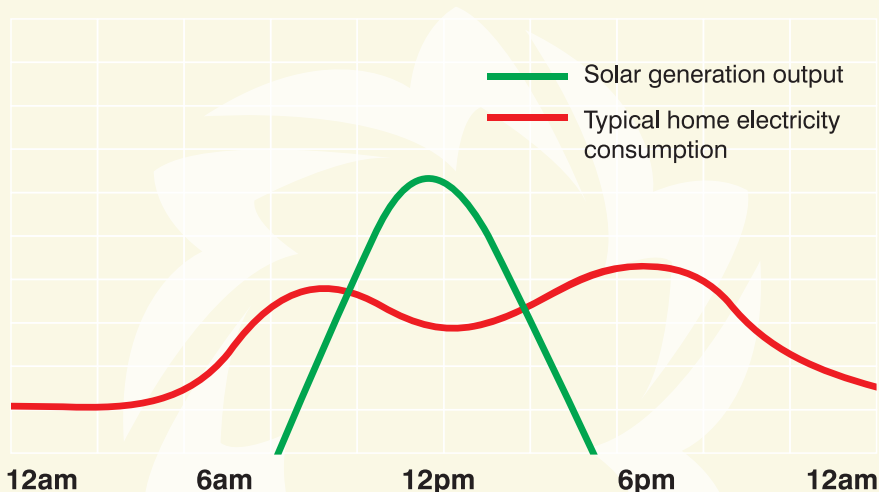
(There are a handful of commercial customers who have a Time of Use meter who will automatically change to the new plan from 1 April 2016. These customers should have received a letter from the electricity retailer advising this).

Does Solar Power Help the Electricity Network Manage Peaks?

The short answer is no.

Solar panels, whether they are simply reducing the amount of power you use from the Network, or exporting power back into the Network, do very little to help with peak demand. This is because the most power generated by solar panels occurs during the middle of the day, not early in the morning or evening when people are using the most power. The following chart shows typical solar generation versus peak use on our Network.

**Example of solar generation output versus electricity consumption
(Indicative Only)**



It costs just as much for Waipa Networks to maintain a supply to a customer with solar generation as it does to supply a customer without, yet traditional electricity pricing means that people with solar generation pay less. With new Advanced Pricing people with solar generation will still save money by using less power, but they'll be paying a fair price for the electricity they use at peak times when their solar panels aren't generating much power.

What Can I Do To Reduce My Peak Power Usage?

When it comes to peak power usage, there are a lot of things that for practical reasons people want to do at the same time. Things like cooking breakfast or dinner, watching TV, heating or cooling their home, etc. But there are other things which people tend to do during peak electricity usage, which with the use of timers could easily be done at other times. For example:

- Using the dishwasher.
- Using the washing machine or dryer.
- Charging your cellphone, tablet, or laptop computer.
- (For you lucky ones) heating a spa or swimming pool.
- (For you really lucky ones) charging your electric car.

The best use of power lines is for people to switch on things outside of peak hours if possible. To encourage people to do this, we have introduced new advanced pricing.

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