

A family of five is shown in a bright, modern kitchen. A woman in a blue long-sleeved shirt is smiling and cooking at a stove. A man in a dark blue long-sleeved shirt is smiling and holding a baby in brown overalls. Two young boys are sitting at a table in the foreground, eating. The kitchen has white subway tiles, a stainless steel range hood, and a fruit basket on the counter.

Delivering into the future

Integrated Report 2024



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About this report

Welcome to our first integrated report.

In it we've reflected on how we've delivered for our customers and communities over the FY24 period (1 April 2023 – 31 March 2024) and highlighted the opportunities and challenges we see ahead.

This is the first step in our integrated reporting journey. We're continuing to evolve our strategic planning so we can think, plan and deliver in a holistic and increasingly integrated way. Sustainability is front and centre so we can successfully enable the energy transition; balancing the need to ensure energy supply is reliable, affordable and delivered in an environmentally conscious way. We're excited for the evolution of thinking and delivery that this journey will bring, and more importantly, the improved outcomes it will deliver for our customers.

That's why Ngā Pou are front and centre of our report. They're the pillars of our work as a sustainable business, based on the material issues our stakeholders have told us are important to them. They're how we create value for our customers, and how we hold ourselves to account.

If you have any queries or feedback about this report [contact us](#)

Here's what you'll find in our report:

Ko Powerco mātou

Who we are and what we do speaks to the foundations of our business. It's where you'll find our purpose, our values, our business model, and read about our team.

[Read more here](#)

Ā mātou mahi

Our strategy and our work is where you'll find our strategic focus areas, which have been informed by the issues our stakeholders have told us are material to them. It also covers the challenges and opportunities we anticipate.

[Read more here](#)

Ngā Pou

Delivering sustainable value looks at how we're creating sustainable value for our customers and our shareholders – looking at our FY24 performance and our targets in FY25 and beyond.

[Read more here](#)

We've written this report with reference to the [<IR> Framework](#), and [GRI Standards](#) (our [Global Reporting Index](#) is included in this document).

The Powerco Board of Directors (Board) acknowledges its responsibility to ensure the integrity of this Integrated Report. Having reviewed the report prepared by Senior Management we believe that this report addresses all material matters and provides a balanced view of Powerco's strategy and its ability to create and preserve value in the short, medium and long-term. We confirm that this report has been prepared with reference to the <IR> Framework and has been authorised for release on 22 August 2024.

Chair and Chief Executive message



John Loughlin
Chair

Kia ora koutou.

It's an exciting – and challenging – time to be part of Aotearoa New Zealand's energy industry. We're committed to helping Aotearoa achieve its net-zero by 2050 goal, and we're ambitious to see Kiwis thrive along the way.

We're a key enabler of the sustainable energy transition. Our strategy is geared towards delivering the right balance of affordable, reliable, resilient and low carbon energy for the customers we serve.

Our mahi is focused on developing the smart and resilient networks of the future to enable our customers to reduce their carbon emissions through electrification, and transitioning to renewable natural gas options over time.

In practice, we're investing in data and digitalisation, investing in our networks to meet growing demand, we're taking tangible steps to explore biogas, and we're developing innovative solutions to deliver electricity to our customers using non-network solutions.

As we chart the course through the energy transition, we remain committed to connecting with the communities we serve, listening to their needs and preferences and keeping customers at the core of our decision-making.



James Kilty
Chief Executive

We're here to deliver for our customers today

As Aotearoa New Zealand's largest dual electricity and gas distributor by network length, we keep the energy flowing to nearly one million Kiwis across the North Island.

We're proud to deliver safe, reliable and resilient energy at fair value to the customers we serve and that's backed up by the results achieved by the team over FY24.

We succeeded in keeping the lights on and the gas flowing for our customers 99% of the time. Our electricity reliability was particularly exceptional – the best in 10 years – driven by the significant network improvements made during our Customised Price-Quality Path (CPP) period.

It was also our safest year, ever, for the teams who carry out the mahi on our networks. We had a 58% reduction in High Potential Incidents and a 59% reduction in LTIFR (Lost Time Injury Frequency Rate) year-on-year – the result of a dedicated focus on [improving safety culture and embedding safety-first behaviours](#).

Both our team and our customers are telling us we're on the right track.

Our employee net promoter score (eNPS) is 40%, well above the 5% year-on-year increase we set ourselves as a goal for the year.

We're taking strides to create a High Performance Environment framework, and our diversity and inclusion strategy is creating a workplace where people can bring their best selves to work. In FY24 we achieved the Rainbow Tick, delivered psychological safety training at all levels of the business, women occupy 50% of our senior leadership roles, and our first cohort went through our bespoke Leadership Development Programme.

Our Customer Satisfaction closed at 61% for Q4 FY24, up 9% on the same period last year.

That was achieved through improvements to our self-serve offerings, such as our searchable live outages map and our distributed generation capacity map, the establishment of a dedicated customer enquiries team, improving our planned outage communications, and the traction we're gaining through our authentic [community and tangata whenua engagement](#).

Overall we delivered EBITDAF of \$304.1m, up \$36.4m on FY23. While we did not meet the overall target we had set ourselves, when excluding customer-initiated works which delivered \$9.2m less revenue than the aggressive target we set at the beginning of the year, we met budget. This is a pleasing result reflecting our focus on good cost management over the year.

Keeping the lights on – our electricity network

On 1 April 2024 we transitioned from our successful five-year, \$1.3b CPP to the Default Price-Quality Path (DPP) – the revenue allowances set by the Commerce Commission for all regulated EDBs.

Revenue from our electricity assets grew \$38.5m to \$431.1m for FY24 – right on budget. We successfully commissioned \$232.6m worth of electricity network investment through a combination of planned, customer-initiated and reactive work, and ended just \$1.5m ahead of our DPP target for the year.

Key projects included 33kV projects at Omokoroa (\$9.3m), Opunake (\$5.3m) and Rangitikei (\$4.3m) as well as the commissioning of our new Eltham Substation (\$4.7m).

We also established a six-year partnership with [solarZero](#) to supply our north Coromandel Peninsula customers during peak times. Rather than commit significant investment in traditional poles and wires to increase capacity to supply the busy, but intermittent, holiday periods we're now using solarZero's 'virtual power plant' which can provide up to 1MW of electricity to meet shortfalls.

In early 2024, construction started on our [Coromandel fibre project](#) enabling real-time monitoring and control of the network in the region from our Network Operations Centre in New Plymouth.

We entered an agreement with Chorus for the telco to use some of the spare capacity, which meant we were able to both maximise the use of the asset, and spread the cost for customers across both businesses. We see potential to deliver more infrastructure projects cost-effectively in this way, where there is alignment.

The volume of customer-initiated work slowed, reflecting the economic downturn and high interest rate environment impacting spend and confidence.

We had net residential ICP connection growth of 2,198 against a target of 4,060 illustrating the significant slowdown in new housing. We saw a similar trend with our large-scale customer connection projects with deferrals or cancellations showing the need for businesses to push out large investment decisions.

Bucking the trend are distributed generation connections and EV Charge Provider Organisation (CPO) connections as customers seek to decarbonise.

Residential homes and small businesses are increasingly choosing to install solar (up to 1MW) and connect it to our network. Applications were up 14% year-on-year – from 1,913 in FY23 to 2,178 in FY24. Meanwhile CPOs are anticipating Government policy and funding support for the EV charger rollout (10,000 public chargers by 2030).

That's why we've been making improvements to our connections process for these types of customers to ensure it's much simpler. This has been supported by the rollout of our distributed generation capacity and high-voltage capacity maps which are now both available on our website and enable customers to make informed decisions.

While the slowdown in customer works is unsurprising, as a key enabler of electrification this is a critical decade for investment on our network to support the electrification of the vehicle fleet and the conversion of industrial process heat.

We'll continue to invest to meet forecast growth. Our ten-year electricity asset management plan charts that growth and the enabling mahi to deliver the networks of the future that Kiwis will need.

Keeping the gas flowing – our gas network

Our gas revenue grew \$5.3m to \$61.1m and we commissioned \$19.1m of assets in FY24.

Our CAPEX investment was \$13.4m across our customer connection, reactive and scheduled investment work.

Our gas leak detection vehicle hit the streets to deliver more efficient leak monitoring. This \$356k investment means we're now able to survey our 6,227km of gas mains annually – a process that up until now took five years for crews to carry out walking with handheld devices.

In April, we announced two partnerships to explore upgrading biogas to renewable natural gas. Bringing together the energy, agricultural and waste sectors to capture and use biogas to reduce our overall emissions. We're excited to be exploring that potential.

Other key projects included investing \$772k in replacing our High-Intermediate Pressure (HIP) steel valves at our Belmont Gate in the Hut Valley. This ensures isolation work can be carried out quickly and safely in the event of an emergency. We also replaced our Levin Gate station which had reached end-of-life. This \$261k investment will ensure gas remains reliable for our customers there.

As with electricity, new connections slowed in the sluggish economy. There were 1,204 new residential connections to our network, but net growth of residential ICP connections was 125 for the year due to a growing rate of disconnections.

We're forecasting connection numbers, network growth and demand for gas to reduce driven by the decarbonisation efforts of our industrial customers who are the biggest consumers of gas.

For our residential customers, who are much larger in number but smaller in consumption (about 5% of natural gas emissions) there is still a role for gas to supply resilient, reliable energy as the complexities of the sustainable energy transition are worked through and over time we will supplement that supply with biogas to reduce emissions.

We're here to deliver for our customers in the future

Enabling a truly sustainable energy transition creates both opportunities and challenges for our business.

Thanks to our largely renewable electricity system, electrification presents the best opportunity to decarbonise our energy system. Having capacity ready to meet growing demand means we're planning significant network investment over the next ten years. We must have it ready for our customers so that we can enable, not inhibit, their growth aspirations.

We're planning a mix of solutions to meet growing demand.

Our CPP investment programme saw us build our major project delivery muscle. We're also innovating to deliver smart solutions and working more closely with our customers to understand their needs and how to deliver them cost-effectively.

In the future, our networks will be much more than poles, wires and cables delivering a one-way flow of energy.

Customers will increasingly be active participants in the energy ecosystem as flexibility markets, distributed energy resources and demand management options all form part of the mix to increase our electricity capacity and use the capacity we already have efficiently.

Natural gas will still have a critical role to play. As we ramp up electricity capacity and increase our reliance on intermittent generation sources (wind, hydro and solar), natural gas will continue to be needed to support peak demand and help manage dry or still winters - ensuring energy remains secure and affordable.

Renewable natural gas will also be an option for customers in the future, particularly our residential customers. Low-carbon gas options will keep choice in the market so they can continue to enjoy the benefits of gas.

Reserves are declining as gas field production slows, resulting in higher prices for both electricity and gas, and supply constraints for industrial gas customers. This brings home the importance of rebalancing the 'energy trilemma' to ensure energy security and affordability is considered equally with environmental considerations in order to manage the energy transition well.

New Zealand already has a relatively low carbon energy system and at 90% renewable, our electricity system is one of the best in the world. We need to ensure back up fuel (like natural gas) is available so we can continue delivering reliable electricity and give customers confidence to electrify their energy use.

For both electricity and gas, the resilience of our networks is also increasingly critical in the face of a changing climate. That means strengthening assets, moving them, and thinking about how distributed resources can support resilience. We also need to enable communities to support themselves when isolated from main supply during major events. Our recently completed [Climate Disclosures Report and Adaptation and Resilience Plan](#) work together to anticipate and plan for the challenges and opportunities presented by our changing climate.

We're here to enable Aotearoa to Grow to Zero

Looking beyond our own business, we believe the energy transition presents a huge opportunity.

We're ambitious to see Aotearoa leverage its clean energy system to attract investment here and grow our economy as we transition to net-zero.

Our clean energy system can attract investment from other countries seeking to reduce their emissions to shift their production and services here – where we can deliver what they need in a sustainable, low-emission way.

That will grow our economy, and in turn fund the adaptation we need to make in response to a rapidly changing climate.

We call this thinking Grow to Zero, and we're working industry-wide and beyond to bring it to life.

We're geared to deliver

Our first Integrated Report tells our story of delivering value for our customers and our shareholders now, and how we plan to continue well into the future.

Our track record of delivering safe, reliable and resilient energy for our customers is evident, while our strategy is charting our path through the energy transition to a future where smart electricity networks and renewable natural gas options are enabling our customers to thrive.

We're proud of what's been achieved, and our team is absolutely focused on what's ahead.

We hope you enjoy learning more.

Ngā mihi nui.

Ko Powerco mātou

Who we are and what we do

Our business

Our people



Our business

Ko tā mātou mahi, he tūhono hapori We're here to connect communities

We keep the energy flowing to more than 900,000 Kiwis across the North Island of Aotearoa New Zealand, connecting the communities we serve to safe, reliable electricity and gas.

From urban and rural homes and businesses to large-scale industrial operations, keeping our customers connected now and in the future drives everything we do.

Our part in supplying energy to our communities

We're one part of the power supply chain. Energy is generated by power stations, then sent along transmission networks operated by Transpower (for electricity) and Firstgas (for gas) to distributors like us. We own and maintain the local lines, cables and pipes that deliver power to the people and businesses who use it. Customers pay their retailer for the energy they use, and some of what they pay comes to us so we can continue to invest in our network to ensure our communities' supply is safe and resilient.

Our networks extend across the North Island, serving urban and rural homes, businesses, and major industrial and commercial sites.

Providing an essential service

Our electricity and gas networks are regulated by the Commerce Commission to ensure we provide a good level of service at a fair price to our customers.

We make up about 27% of a customer's electricity bill, and about 30% of their gas bill if they use gas, which covers our costs to invest and maintain our networks to ensure our communities' supply stays safe and resilient.

Non-network solutions

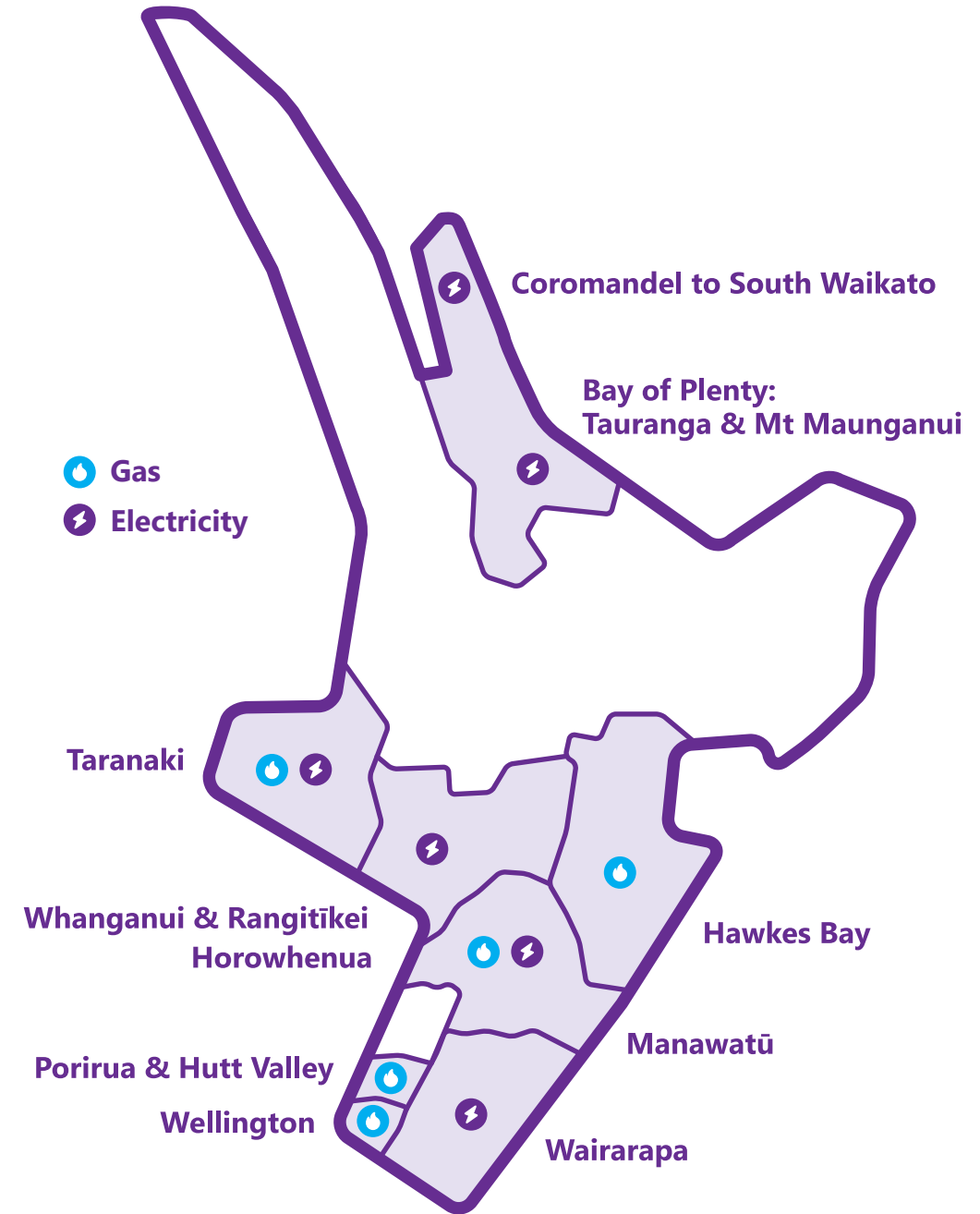
Our [Base Power](#) offerings enable us to work with customers throughout Aotearoa and Australia on energy services that are right for them. Working outside our regulated operations gives these areas of our business the scope to work beyond our distribution footprint and offer non-network solutions.

Backed by the best

We're 58% owned by funds managed by [QIC Limited](#) and 42% owned by funds managed by [Dexus](#).

Being backed by the best means we can attract international funds to capitalise on opportunities to improve and grow our investment in infrastructure in Aotearoa.

Working closely with our [Executive Team](#), our [Board of Directors](#) have significant international experience in asset management and infrastructure markets, giving our corporate governance the right level of expertise to confidently deliver our strategy while creating value for our shareholders.



Electricity

Keeping the lights on for our customers takes a team of people and a network of specialist assets. From overhead poles and lines to underground cables, transformers, substations, switchrooms and more, our people work hard to maintain the electricity network and plan for the future, so we cater for demand before our customers need it.

Working in partnership is key to our success. We live and work in the communities we serve so we can stay better connected to both our physical network and our community networks.

Working closely with our team are the contractors who provide field services to maintain, renew and build additional parts of our electricity network.

Our Network Operations Centre in Taranaki is the heart of our electricity operations. The team works 24/7, monitoring the performance of the network and keeping our customers and crews safe by controlling the flow of power.

They're also ready to respond when the unexpected happens, working with our fault response contractors to restore power outages as quickly and as safely as possible.



By the numbers

We kept the lights on 99.9% of the time

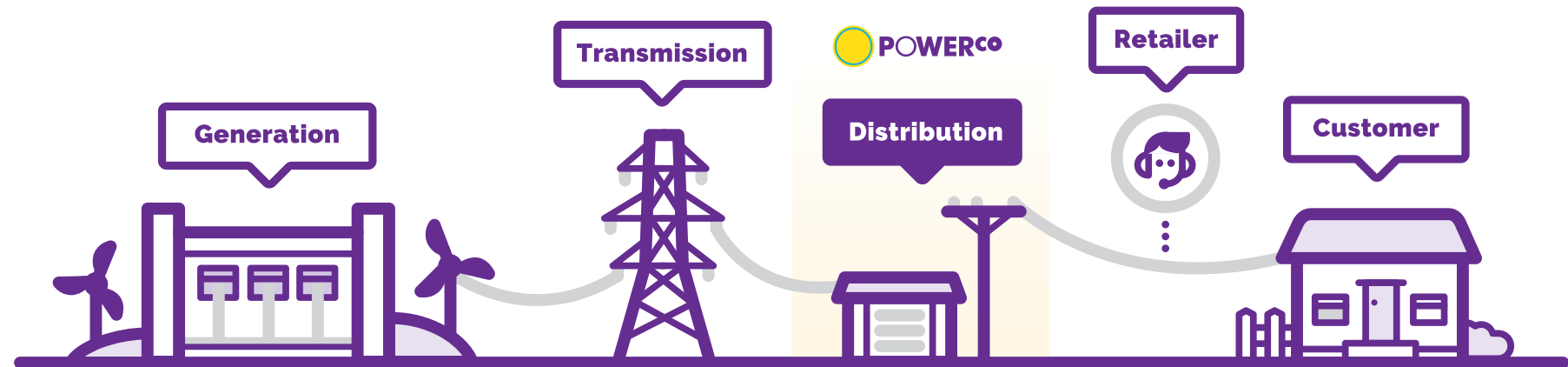
3,214 new ICPs connected

115km new line/cable

6 new substations

43 GWh more electricity delivered

These figures are based on our electricity disclosure 1 April 2023 – 31 March 2024.





Case study:

Delivering differently – supporting network demand with an innovative solution

As technology has advanced, we've evolved our thinking to include non-network solutions to cost-effectively connect our communities beyond traditional power poles and overhead lines.

That's why, in 2021 we launched an industry-wide call for solutions to provide additional supply for our Coromandel network for times when peak demand – particularly during busy holiday periods – exceeded network capacity.

We wanted to explore solutions that would meet the low cost, reliability, and environmental priorities our communities told us were important.

That led to our partnership with solarZero - a home solar, battery storage and energy services company - to supply our north Coromandel Peninsula customers during peak times.

We're now trialling solarZero's 'virtual power plant' made up of solar generation and battery storage in homes across the region to request energy via our live online dashboard of available supply when there's a shortfall on our network.

Our initial six-year partnership began in 2023 and we're pleased that this collaboration has led to an innovative solution supporting the move to a sustainable future while providing a low-cost option to maintain network reliability for our Coromandel customers.

[Read more here](#)

Gas

Sourced in Taranaki and delivered to homes and businesses around the North Island, we know our customers have a choice when it comes to using natural gas. To make it easy to connect to natural gas, we have a dedicated team at [The Gas Hub](#) who coordinate the whole process for residential and commercial customers.

Largely underground and out of sight, our team use a combination of condition information and modeling the expected life of our assets against current and predicted performance to guide where we need to invest.

And we use smart tech to detect faults and the people smarts of our Network Operations Centre to coordinate and manage our field service providers to investigate and address any suspected gas leaks and service interruptions quickly and safely.

Our focus is on continuing to provide affordable natural gas supply to our customers, while collaborating with industry on alternatives to natural gas that can be used in existing infrastructure so our customers can continue to enjoy the benefits of natural gas today and into the future.



By the numbers

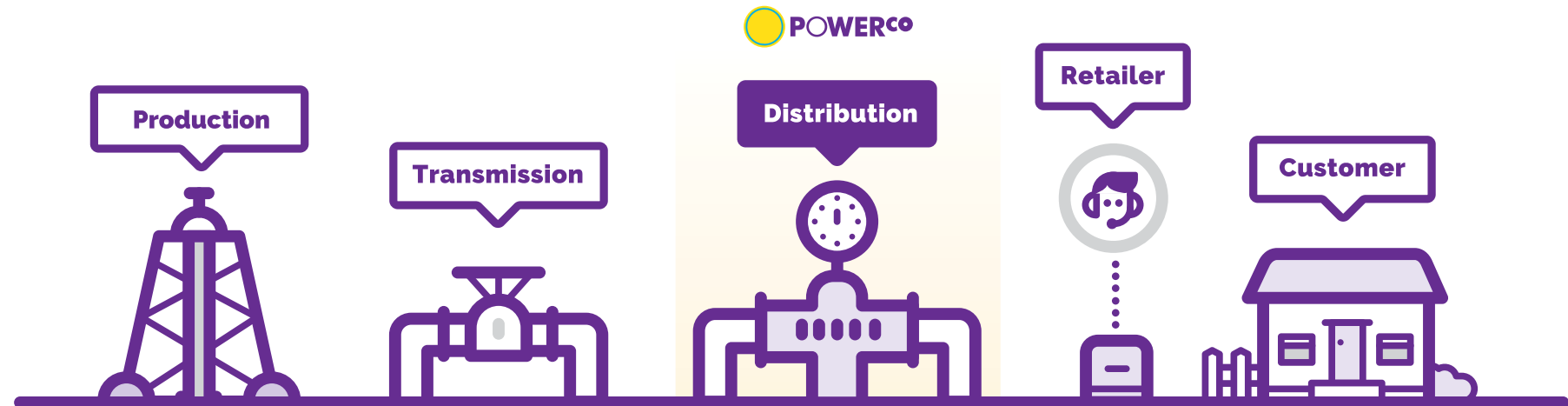
We kept the gas flowing 99.9% of the time

1,392 new ICPs connected

6 new stations

0.493 PJ less gas delivered

These figures are based on our audited [gas disclosure 1 October 2022 – 30 September 2023](#).



Case study:

Taking to the road - our gas leak detection vehicle

In April 2023 our high-tech gas leak detection vehicle took to the roads above our gas network to detect potential gas leaks.

In the past, it took about five years for Powerco's over 6,200km of underground gas mains to be surveyed for leaks by technicians on foot using handheld gas monitors.

Now, our gas leak detection vehicle can cover the same distance in a year.

Our car is equipped with more than 40 specially designed intake pipes connected to the front bumper, as well as a sensor on the roof which uses laser technology to detect the direction of potential leaks.

That enables an operator seated in the back to instantaneously see if signs of a gas leak from our gas pipes under the road have been detected.

We can then prioritise any work that may be needed and, if a leak is present, organise an urgent fix.

Being able to survey our network faster means leaks can be detected and fixed more quickly, which is good for the safety of the public, and the environment as being able to promptly locate and fix any leaks helps lower carbon emissions.

[Read more here](#)



Non-network solutions

Our [Base Power](#) stand-alone power systems (SAPS) enable us to work with customers on off-grid energy solutions that are right for them. Working outside our regulated operations gives this area of our business the scope to work beyond our distribution footprint and offer non-network solutions.

Base Power evolves its technology and offerings to keep pace with customers' off-grid energy requirements. During FY24, development progressed on its next-generation SAPS units as well as providing bespoke models to suit individual customer requirements.

Customers included a western Bay of Plenty property owner in a rural area near Pukehina, who received Base Power's latest offering – a skid-mounted hybrid SAPS configuration, including solar array. The integrated skid, which was pre-built and pre-commissioned in the workshop prior to going out to site, and ground-screw compatible footing on the skid and array, meant the team was able to complete the installation in less than two days – providing a reliable and permanent off-grid power supply to this remote property in record time.

One of the biggest costs and time constraints of a Base Power installation previously was transport, civils and onsite wiring. The custom-designed skid means these turnkey systems are faster than ever to deploy, and as simple as dropping a generator on site – pre-wired and ready to transport via trailer, truck or hiab.



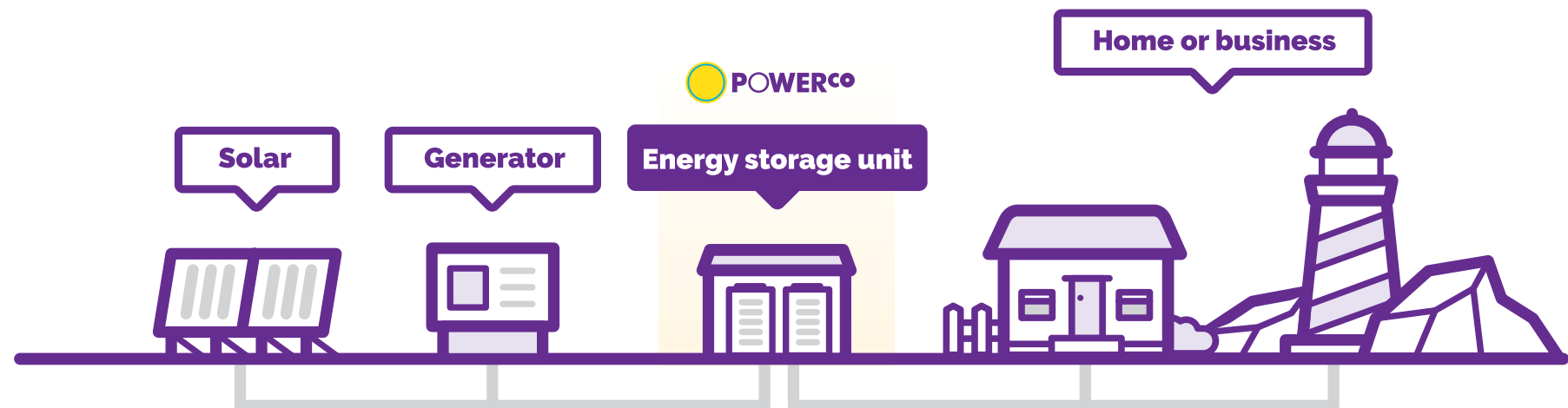
By the numbers

34 units throughout Aotearoa

5kVA inverter X 7.6kWh battery
(smallest)

90kVA inverter X 160kWh battery
(largest)

4 mobile units supporting faults work



Case study:

Reliable, renewable energy powering coastal club

When coastal erosion threatened to wash away a power pole and line providing electricity to Waitara Bar Board Riders Club, Base Power provided a bespoke off-grid solution to support the club's energy needs.

While Powerco had worked to supply the club with traditional mains supply, plans for a new pole and wires away from the immediate coastline had the potential to impact the views of an adjacent property, while there were easement constraints with another potential line route.

"We came up with a customised Base Power system to suit their small load - a solar-only solution, with solar integrated on the building," Base Power Business Manager Will Buchanan explains.

"For them, it was the best outcome. They're getting free power from the sun, they have no ongoing costs, and the system requires minimal maintenance."

Base Power supplied the club with a micro-SAPS that included a 5kVA inverter with 7.6kWh of battery storage, as well as roof-mounted solar panels – all of which were gifted to the club. With standard Base Power systems, the minimum specifications are usually at least 12kVa with around 30KWh of storage, solar panels and a backup generator.

"Having Base Power and solar has been awesome," says Waitara Bar Board Riders Club president Peter Martin.

Finding the money to pay a power bill, which used to be about \$100 a month, was tough going for the club, which only has about 50 members.

"It's cut out one bill for us. We just don't have to worry about the power bills anymore and we're getting enough power from the solar without running out."

Peter Martin

Waitara Bar Board Riders Club president



We distribute electricity and gas to over 900,000 Kiwis across the North Island

Our inputs

There's a lot that goes into keeping the lights on and the gas flowing and we're proud to do it.



Human

~500 FTE.
Investing in current and future talent, leadership, gender equality, and pay equity.
~1,300 contractors work on our networks.



Financial

\$353.7M invested to grow, renew, and maintain our electricity and gas networks.



Manufactured

1,377 new poles
432 new transformers
Net 115km new conductor and cable
11km gas pipe replaced
6 new gas stations



Intellectual

Data and digital investment in SAP, Copperleaf, OSI ADMS, satellite-based vegetation management. and low-voltage monitoring tools.



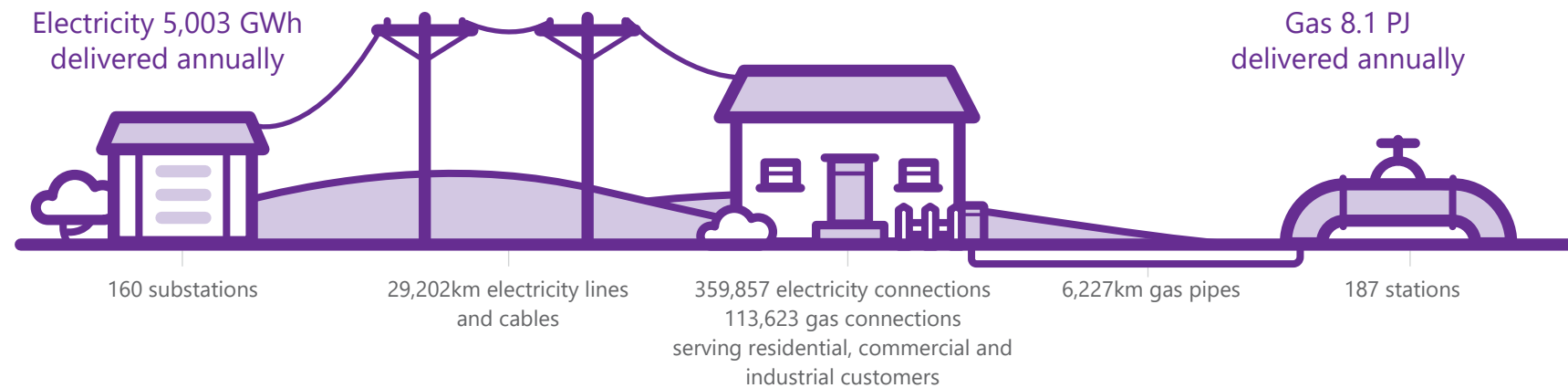
Natural

282,005MWh of energy used or lost during our direct operations.

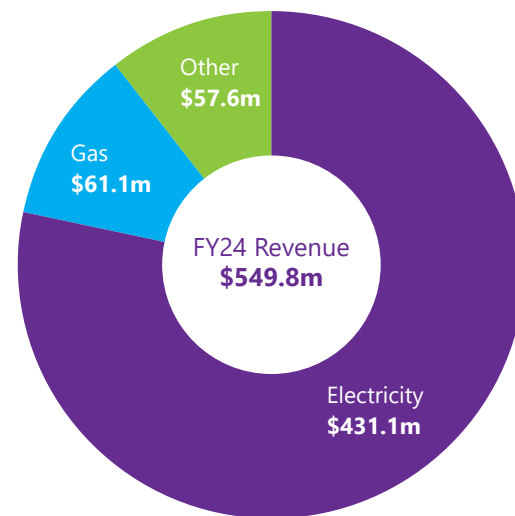


Social & Relationship

We serve and work with
21 District councils
64 Iwi
6 Civil Defence Emergency Management areas across our network.



Our outcomes



Whirinaki

Ensuring reliable and resilient networks

We kept our customers' electricity flowing for an average of 99.95% of the time and gas for an average of 99.99%.



Taiao

Contributing to a lower carbon world

Total Greenhouse gas emissions reduced by 2.39% (partially influenced by our direct impacts on our vehicle fleet, electricity use, office waste and business travel).



Hauora

Promoting health and safety

29% positive incident reporting rate (near misses, push backs and hazard IDs).



Maanaki tāngata

Supporting our people

Employee Net Promoter Score of 40%, which exceeds our target of 5% increase year on year (FY22 base year).



Whakakotahitanga

Engaging with our communities

Improvement in our customer satisfaction score of 59% (up from +52% in FY23).



Te Teo

Sustainable governance, financial and risk management foundations

Sustainable growth in our regulated asset base to \$3.1b through disciplined governance, funding, risk and asset management, focused on supporting our customers' needs.

The inputs and outcomes are based on our resources and performance for FY24.
Our electricity model figures are based on our electricity disclosure 1 April 2023 – 31 March 2024.
Our gas model figures are based on our audited gas disclosure 1 October 2022 – 30 September 2023.

Case study:

Engaging authentically

We engage with a diverse range of people, organisations and stakeholders who are all unique and have different, sometimes conflicting, viewpoints. Key groups include our community representatives, delivery partners, tangata whenua, our team and our regulators.

We know those relationships are strongest when the conversation is two-way, and that collaboration of knowledge, experience and resources significantly contributes to the lowest-cost, highest value-add delivery of our services.

Our stakeholders have told us that they value this engagement, too. Community engagement was identified as increasingly important in our last materiality assessment.

That's why our newly developed Stakeholder Engagement Framework, (endorsed by the Board during 2024) defines four principles that guide our engagement, our engagement priorities, and how we plan to monitor and measure success.

Our Framework is informed by the IAP2 Spectrum of Public Participation so we can be confident that our approach is consistent, credible and comprehensive. That approach is driven by a dynamic five-step cycle of thinking, planning, preparing, engaging and evaluating every engagement activity.

Our engagement principles

Kōrero (Talk)

Principle: Kānohi ki te kānohi – Face-to-face communication to see who or what is being communicated in the flesh using all the senses.

Wānanga (Learn)

Principle: Mana Motuhake - Self-determination established with a common interest to take control over one's own, and/or a community's destiny.

Kaupapa (Cause)

Principle: Whanaungatanga - A relationship developed through shared experiences working together and sense of belonging.

Mahi tahi (Work)

Principle: Kotahitanga - The desire to unite together in solidarity, as a collective shared action, vision or drive.



Our engagement in practice

In May 2023 we were privileged to celebrate the commissioning of our biggest project ever, the \$43m 110kV [South Waikato National Grid Connection](#) alongside the community at Mangakaretū Marae.

Engaging with the community was key to the project's success, with council, iwi and landowners involved in the selection of the route, and the placement of poles.

In February 2024, the team were honoured to roll up their sleeves and help at a wānanga at Patiarero Marae at Hiruhārama, where a contribution from our Community Fund was used to help the Keremeneta whānau gather from as far away as Finland to reconnect, share whakapapa, and tidy an urupā on their whenua.

Members of the team went along to help, organising kai for the urupā working bee, keeping the rangatahi entertained and staying the night.

The visit opened up dialogue about future network renewal work in the area, and emergency hub solutions.

We're committed to seeing those relationships evolve.

"We've got a lot of mahi to do up the awa – not just replacing lines and poles, but building and nurturing relationships. We're here to connect with people and understand the impact our work might have on our communities and the environment. Listening, understanding and working with our communities and tangata whenua as tiaki of the whenua and the taiao is essential."

Anna Rowe
Property Specialist

"At first, we were skeptical about the role Powerco would play during the wānanga especially when we're accustomed to a business exchange-type approach. However our whole whānau were impressed. It was cool to have the team interact with us like they did, and it broke down preconceived stereotypes about big businesses. We value the life-long relationships they've established with us."

Atiria Paranihi
Keremeneta whānau





Our people

Ngā Tikanga – our cultural framework

Ngā Tikanga - Our Way, is our cultural framework, showing how our values and our ways of working help us achieve our purpose of connecting communities. Based on the concept of tikanga - the right way of doing things - from te ao Māori, Ngā Tikanga guides how we work with each other, our partners and industry stakeholders to get the best outcomes for our people and our communities.

To move forward, together as one, our mahi is guided by four values:



Proud to be here

We're recognised for the difference we make and are respected for our actions and decisions. Our customers and communities value and trust us.



Better together

We're one team and stronger for it, inspired by our purpose to keep our communities connected and supporting each other to achieve great outcomes.



Working smarter

Innovating, learning and improving together every day, we keep things simple and streamline our approach.



Future focused

We're passionate about making sustainable choices that will help our communities thrive now and into the future.

Meet our team

With offices in New Plymouth, Whanganui, Palmerston North, Wellington and Tauranga, we have a team of around 500 employees who keep our 900,000 customers connected to electricity and gas across the North Island.

Guided by Ngā Tikanga – Our Way, which incorporates our values and ways of working with each other, we've built a culture where people can bring their true self to work.

We're committed to growing the number of women in our organisation and reducing the gender pay gap. Māori, Pasifika and women are underrepresented in our industry, but we're pleased to have 50% female representation in senior leadership roles and we're currently meeting our 40/40/20 gender diversity senior leadership target. Read more about how we are [closing the power and participation gap](#).

We've established Te Puāwai o Powerco to grow our understanding of te ao Māori, while our partnerships with [Champions for Change](#) and previous work with Rainbow Tick and GenderTick are seeing us make progress towards becoming a more inclusive and accessible workplace.

Our graduate programme supports engineers new to the industry and is second-to-none. We're proud to be a New Zealand top 100 graduate employer as surveyed by Prosple and a past sector winner. We currently have eight graduates participating in the three-year graduate programme four of whom joined us in 2024.

Awards and certifications help us monitor our progress externally, and our annual eNPS (employee net promoter score) lets us know how our people think we're tracking.

Together, we're making progress to become a more inclusive and accessible workplace that reflects the communities we serve.



Case study:

Proud to be here

We want our team to be as diverse as the communities we serve.

That's why we're proud to have achieved the Rainbow Tick and we're committed to the ongoing mahi needed to create an inclusive workplace that supports our LGBTQIA+ colleagues and customers.

Our work has included conducting Rainbow Workshops throughout the business to support understanding and establishing a Rainbow team for anyone who needs support or an ally. The team also organise social events to encourage connections and fun outside work through our PowerQ group.

In September 2023 we were thrilled to take home the ASB Emerging Award at the New Zealand Rainbow Excellence Awards in recognition of the work achieved to-date, and our ongoing journey.

Going forward we will focus on joining up to the [Pride Pledge](#) and helping other businesses on their journey towards Rainbow inclusion.



Meet our Board of Directors

Led by Chair John Loughlin, our Board provides strategic guidance and ensures we're on track to perform well for our customers and are accountable to our shareholders, now and into the future.

For full biographies visit [Powerco Board of Directors](#)



John Loughlin - Chair

MBA, BCA, FCA, FNZIM, ANZIIF (Fellow), AFInstD, INFINZ (Fellow)

Appointed 2013



Bopha Ly

BEc, GradDipAppFin

Appointed 2021



Michael Cummings

BEng (Hons), Fellow AICD, Chartered Member EngNZ

Appointed 2013



Philip Cory-Wright

BCA, LLB (Hons)

Appointed 2019



Richard Van Breda

BCompt (Hons), CA(Z), CA (Aus and NZ), Dip. Fin. Serv. GAICD

Appointed 2024



David Kenny

LLB (Hons), BCom, MBA

Appointed 2024



Michael Bessell

BEc, LLB (Hons), GradDipAppFin, GAICD Alternate Director for Bopha Ly

Appointed 2015



Sue Jiang

BCom, MPAcc, GAICD Alternate Director for Michael Cummings

Appointed 2022



Matt David

BEng, BCom Alternate Director for Richard Van Breda

Appointed 2023

Meet our Executive Team

The needs of our communities are at the centre of the thinking of our Executive Team. Driving our strategic direction, they help lead our business into the future.

For full biographies visit [Powerco Executive Team](#)



James Kilty
Chief Executive

James leads the Powerco whānau to deliver customer, financial and operational targets.

"We are ambitious for Aotearoa. We see the opportunity for New Zealand to leverage its renewable electricity resources and Grow to Zero. Our plans now and in the future see us working hard to enable our customers to thrive and grow as we chart a path to a net zero 2050 future."



Chris Taylor
Chief Financial Officer

Chris leads the teams responsible for strategy, business development and our finance and treasury activities.

"We will continue to invest in conventional and non-conventional solutions to support our customers' growth aspirations. In addition to enhancing productivity and ensuring sufficient financial resources, we are committed to delivering the investment and level of service our customers expect, all while maintaining affordability."



Karen Frew
General Manager Electricity

Karen's team manages our electricity network, responsible for planning, designing, constructing, maintaining and operating our network 24/7.

"Supplying our new and existing customers with an affordable, reliable and resilient electricity supply is core to our business. We invest in our communities through sustainable partnerships which deliver stakeholder expectations. Keeping the lights on is the heart of our business, FY24 was a great year for providing our customers with the reliable electricity supply we strive to deliver."



Don Elers
General Manager Gas

Don leads the Gas team, ensuring the planning and operations of our gas networks are aligned to deliver the energy mix that customers want today and in the future.

"We distribute gas to 113,623 New Zealand homes and businesses. Gas plays a critical role in New Zealand's energy system. We will advance our work on biogas and other renewable gases to provide a sustainable option for customers who want to continue to use gas"



Emma Bennett

General Manager Business Transformation

Emma's team is responsible for leading Powerco's digital transformation, which includes our customer and Distribution System Operator transformation programmes, data, digital and information technology work, and people and culture mahi.

"Generative AI opens up vast possibilities and is putting once unimaginable solutions at our fingertips. We're redefining what's possible in service, choice, and value for our customers."



Stuart Dickson

General Manager Customer

Stuart's team keep our customers at the heart of what we do. They work to deliver exceptional customer solutions and service, engage with our communities and key stakeholders, and are responsible for our regulation, policy and pricing functions.

"Our customers are integral to the energy sector and the economy. Whether it's providing reliable service or delighting customers with personalised experiences, their satisfaction is at the core of our work."



Jemma Gerring

General Manager Corporate Services and Company Secretary

Jemma heads up the Corporate Services team, responsible for key areas of governance and risk management, including health and safety, sustainability, cybersecurity, legal, property and risk.

"It is crucial that our workers, customers and stakeholders have confidence in our compliance and governance processes and culture, that we keep people safe and maintain an authentic and sustainable balance across environmental, social and economic outcomes."



Ryno Verster

Distribution System Operator Programme Director

Ryno and his team are orchestrating our transformation from an electricity Distribution Network Operator to a Distribution System Operator.

"In future, customers will increasingly participate in the supply and demand sides of the energy market. To ensure we can cost-effectively support the major increase in electricity demand that meeting electrification targets will bring, it will be essential to integrate customer-based solutions into the way we build and operate our networks."

Ā mātou mahi

Our strategy and our work

Our context

Defining value - Ngā Pou

Our strategic framework

Key risks and opportunities

Our governance structure



Our context

Here are some of the key external factors that influence our strategy and business planning.

A highly electrified future

With roughly half of the country's carbon emissions coming from our energy use, our sector has a huge role to play in reducing emissions. Our electricity sector is already ~90% renewable and set to climb to ~95% by 2030, which is why electrification presents the best opportunity to reduce our energy emissions - enabling us to switch to EVs, electrify industrial and process heat and continue to increase renewable generation.

To make that happen, we need to increase capacity. Demand is forecast to increase 68% by 2050, requiring investment throughout the supply chain to meet that growth.

That's our challenge, and our opportunity.

To enable, rather than inhibit the country's economic growth we need to invest now, and quickly, while getting the balance right between our investment, and the cost to customers.

At the end of 2024 our regulator, the Commerce Commission, will determine revenue allowances for the five years from 1 April 2025. We need sufficient allowances to enable electrification and we are optimistic for a positive outcome.

How we meet customers' electricity needs is changing. Non-network solutions (such as flexibility products) and non-traditional solutions (such as distributed energy resources) will help us to work with customers and others to meet increased demand through better asset utilisation, managing power quality and maintaining network safety.

That's why our journey to develop our Distribution System Operator (DSO) services and functions is as important to our asset management planning as the physical assets we build. Data and digitisation will provide significantly increased visibility and control over network assets to manage load and power quality, better utilise the asset capacity we have, and enable our customers to be prosumers – not just consumers – of power through flexibility markets. We formally established our dedicated DSO programme in April 2024, to expedite an efficient transition to a DSO without disrupting the services our customers rely on.

The future of gas

As Aotearoa electrifies, we need to manage our transition away from natural gas and towards low-carbon gas options.

Natural gas is needed for some time to come to provide reliable power supply for customers while we build the capacity needed to electrify. It shores up peak electricity demand and provides backup generation for our intermittent renewables.

Past policy decisions around gas exploration have had a chilling effect on the market, which, when coupled with more recent drilling failures, has pushed both gas and electricity prices up as gas supply has dwindled. While a reversal of the legislation is expected at the end of 2024 it may not provide sufficient confidence for exploration investment to return.

We're working towards using low-carbon renewable natural gas in our networks in the future and we're taking tangible steps to make that a reality. Biogas has a proven track record overseas, and we have sufficient feedstock to produce more than enough for residential and small commercial customers in Aotearoa. We see opportunities in helping develop the market, supply chain and influencing the regulatory framework needed to bring renewable natural gas to Kiwis.

The economic and environmental benefits of biogas go beyond the energy sector, with potential for the agricultural, waste and manufacturing sectors to reduce their emissions and the amount of waste produced, while making use of the byproducts of the biogas-to-biomethane process such as CO₂ and natural fertiliser.

In March 2024 we were pleased to announce our first two [biogas initiatives](#) to explore the feasibility of producing biogas for our network.

Networks resilient to a changing climate

Reducing our country's emissions is the right thing to do and a sound economic step as it maintains access to markets for our exporters, but it won't halt changes to our climate, which are caused by much larger economies.

Coastal inundation, flooding and severe storm events will increasingly impact our communities and test the resilience of our networks which serve them.

We need to anticipate those changes and move our assets, build them differently, and support our remote communities with their resilience when isolated from the main supply during major storm events.

The urgency of this mahi was brought home by events like cyclones Gabrielle and Dovi.

To ensure we're addressing the challenges and opportunities presented by a changing climate holistically, we finalised our first [Climate Disclosure Report and Climate Change Adaptation and Resilience Plan](#) in July 2024. The associated adaptation investment will now flow into our electricity and gas asset management plans respectively.

A talented team

Attracting, developing and retaining talent in our sector will be crucial to our ability to deliver a net-zero future.

By one estimate, the electricity sector alone needs 1,100 more people a year to meet growing demand - people with a diverse range of skills, viewpoints and expertise to do that mahi well.

Encouraging our rangatahi into STEM subjects, removing barriers to entry, creating workplaces that are inclusive of everyone, reducing pay gaps, and supporting more female, Māori and Pasifika leadership – these are all ways we will make our sector an exciting and attractive place to be part of.

In May 2024, along with Transpower we co-presented the first electricity sector gender pay gap research to the Electricity Sector CEO Forum's Diversity, Equity and Belonging (DEB) working group. This has provided baseline data for the industry to continue its work on initiatives to create meaningful change.

A reliable supply chain

We rely on international technology - importing equipment and sophisticated control systems from countries like Taiwan and China.

Increasing tensions, the long tail effects of COVID-related supply chain issues, and being a small market at the very end of that supply chain competing with other countries for the same resources all affect availability and lead-times for the equipment we need to invest in and maintain our networks.

We're working to reset our supply chain management.

Delivering infrastructure differently

Aotearoa needs significant investment in its infrastructure. As a business experienced in infrastructure delivery and operation we see opportunity to partner with other sectors to leverage that expertise to deliver infrastructure efficiently and cost-effectively for Kiwis.

We've already applied that thinking to our Coromandel fibre optic project which kicked off construction in early 2024. We've spread the cost of the project by entering an agreement with Chorus for the telco to use some of the spare capacity of our fibre which delivers data to and from our Network Operations Centre.

Being a provider of choice

Ultimately, we're here to serve customers and communities and we're ambitious to be New Zealand's most customer-focused infrastructure owner and operator.

Working closely with our customers and stakeholders to understand their drivers and needs, transforming our customer experience and partnering with them on their decarbonisation journeys are all ways we can earn and retain our customers' trust.

That enables us to apply that customer-focused thinking to future opportunities, and prepares us for a future where customers will have much more choice about how they power their homes and businesses, and who they partner with to do it.

We're in the midst of transforming our customer experience; offering better service, more digital and self-serve options and improving the information we have available so they can make informed choices that are right for them.



Defining value – Ngā Pou

Ngā Pou – our pillars, represent our key focus areas to provide sustainable value to our stakeholders.

We established Ngā Pou in 2020 in collaboration with our stakeholders through a [materiality assessment](#), creating a direct link between the issues most important to them, and our mahi.

Materiality – defining what’s most important to us, and our stakeholders

Using a combination of online surveys and interviews we engaged with approximately 500 people both inside and outside the business, to identify the most material sustainability issues.

In 2023, we conducted an independent review of our [material sustainability issues](#) through a desktop review of current megatrends, an online questionnaire, and seven online workshops with internal representatives for our key stakeholder groups. This assessment was undertaken in line with the updated 2021 Global Reporting Initiative (GRI) standards.

The assessment confirmed our Pou were still relevant for our business and that supporting New Zealand’s decarbonisation remained the most material topic. Changes to our material sustainability issues were:

- Cybersecurity became a new material topic.
- Two areas rated higher than they did in 2020; having a strong organisational culture and community engagement.

In 2024, Nga Pou was broadened, with the recognition that sustainable businesses have the foundational requirements of governance, and financial and risk management. We have represented this with the inclusion of Te Teo (a strong bollard).

We plan to undertake more regular materiality assessments through integration with our stakeholder engagement programme.

Te ao Māori concepts

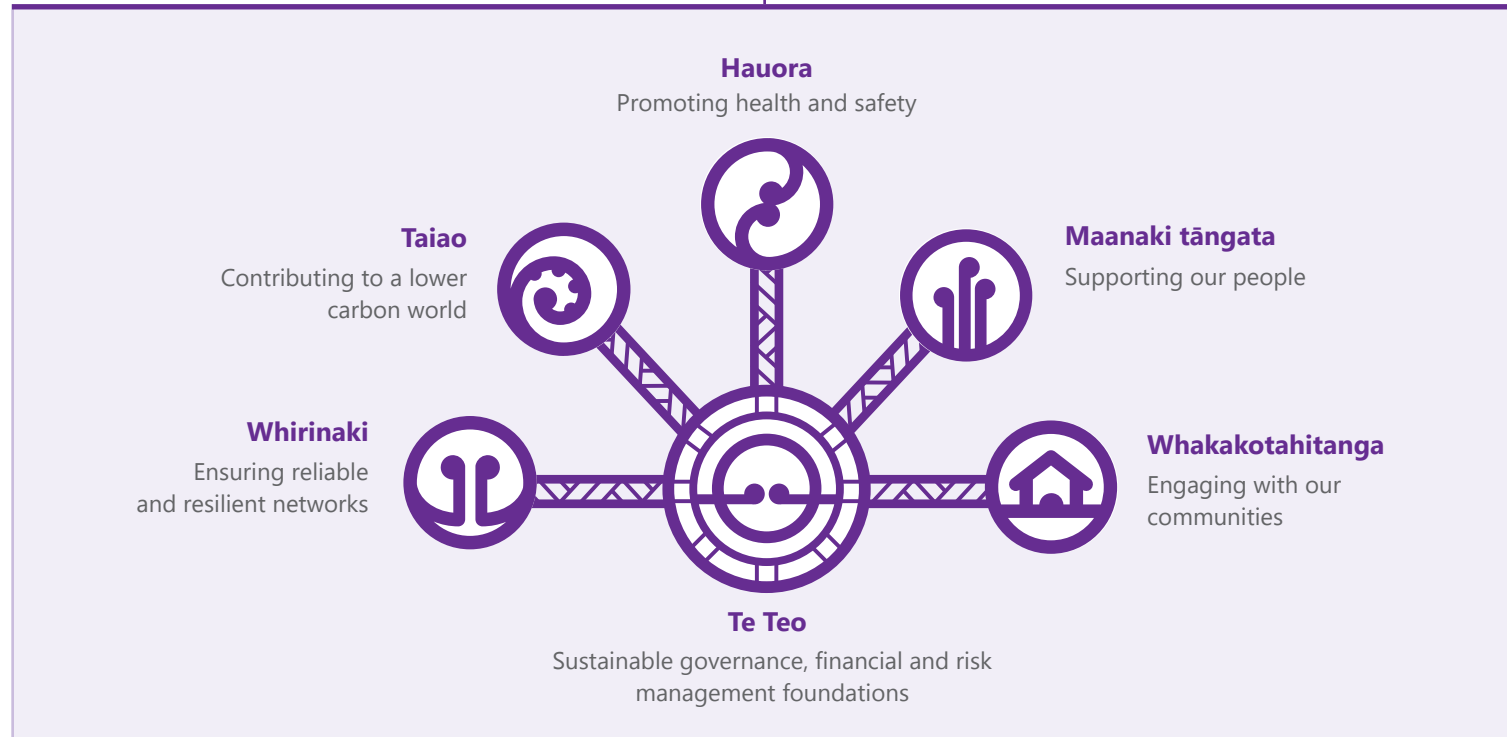
Ngā Pou and Te Teo draws from te ao Māori concepts, where te teo is a hitching stake that safeguards and protects. For Powerco, Te Teo provides a foundation and security for the delivery of Ngā Pou.

Stakeholder engagement: Material sustainability issues

1 Supporting New Zealand’s decarbonisation	▲ 5 Community engagement	9 Workforce learning and development
2 Resilience to extreme weather and climate change	6 Price and reliability	▼ 10 Industry collaboration
3 Health and safety	7 Technology and innovation	* 11 Cybersecurity
▲ 4 A strong organisational culture	8 Powerco’s carbon footprint	

* Cybersecurity - a new material topic in the 2023 Assessment
▼ Movement down in ranking compared to 2020 Assessment
▲ Movement up in ranking compared to 2020 Assessment

Ngā Pou: How we measure and communicate value



Our strategic framework

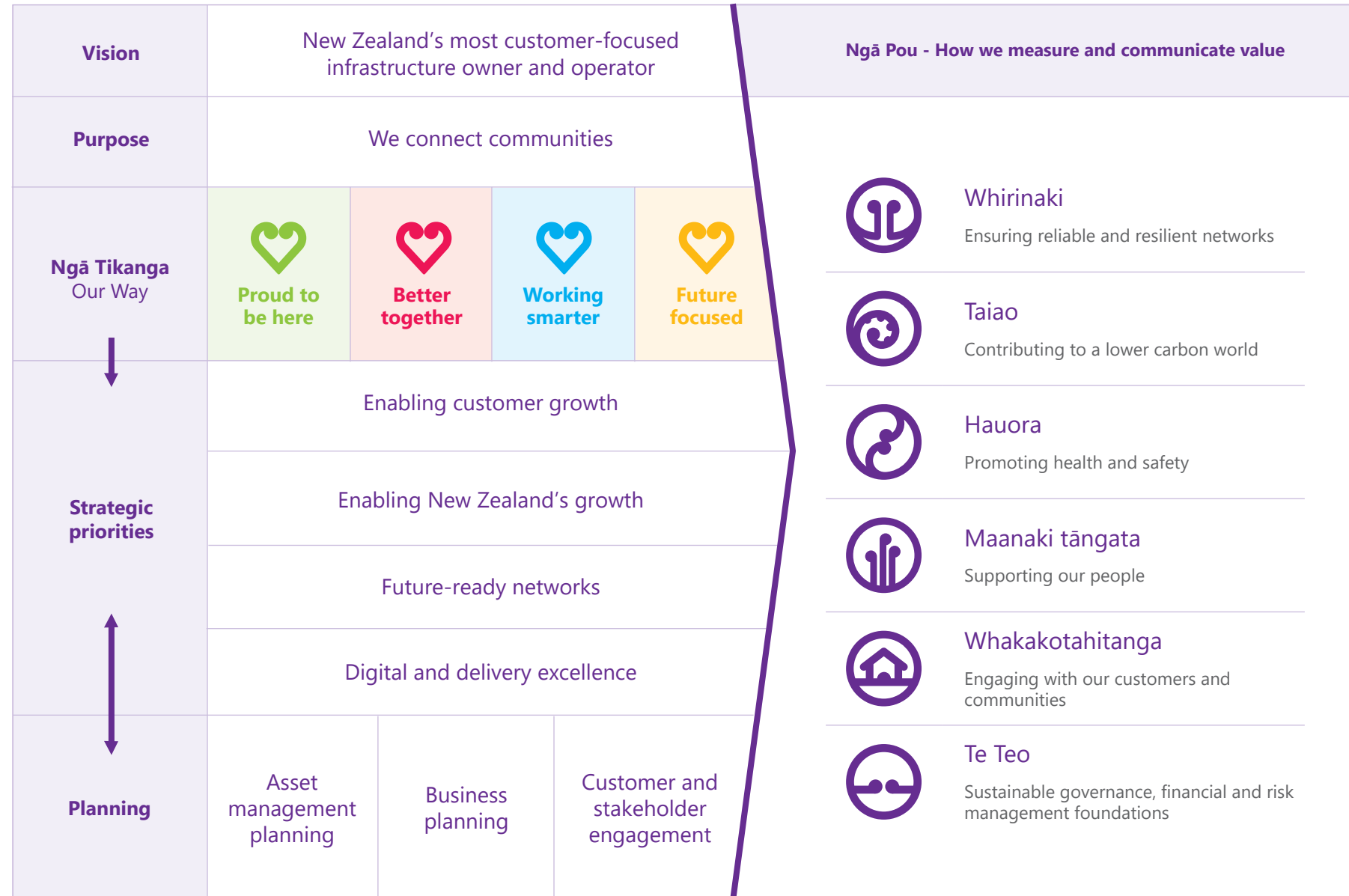
Our framework unites our vision, purpose, values, and strategic priorities, informing the creation of our annual [business, asset management, and stakeholder engagement plans](#).

This ensures we have a strong alignment with our vision right through to the mahi we do to grow, maintain, and secure our electricity, gas, and fibre networks.

We measure the success of our work through [Ngā Pou](#) so we can be confident that we're delivering sustainable value for our stakeholders and our customers, based on the material sustainability issues they've helped us to define.

That's why our targets and results are set and measured against Ngā Pou, and you can find our FY24 performance results, as well as our FY25 targets in the [next section](#) of this report.

Ngā Pou also informs our strategy, closing the loop between what our stakeholders value and the direction of our business.



Defining our direction - our strategic priorities



Enabling customer growth

We're transforming our customer experience to better support our customers through their decarbonisation journey. We want to partner with our customers to deliver innovative, cost-effective, reliable and flexible energy solutions that work for them. Ultimately, we want to create outstanding customer experiences at every interaction and be an energy solutions provider of choice.



Enabling New Zealand's growth

We're experts in delivering infrastructure for Aotearoa, and we're looking for opportunities to leverage that where there is alignment. We're already taking strides to develop a biogas market, and our Coromandel fibre project shows that we can deliver efficient, cost-effective fibre with multiple benefits for customers. Base Power, the unregulated side of our business already has a proven track record of success in delivering innovative off-grid solutions for customers around the country.



Future-ready networks

We're modernising our electricity architecture to provide smart, flexible, open-access networks for our customers, capable of safely managing the two-way flow of energy to accommodate distributed generation. We're also adapting our networks to ensure they're resilient to the impact of climate change – flooding, coastal inundation and severe weather events. We're working with our communities to implement solutions so they can self-support during events where they may be cut off from the main supply.



Digital and delivery excellence

We enable productivity and innovation by leveraging digital technology and creating a supportive culture that attracts, develops, and retains the diverse talent we need to deliver to our customers. Through continuous improvement, we're also strengthening our delivery muscle with better decision-making data, resilient management systems and robust business processes. We are assessing our technology landscape to identify opportunities to utilise leading-edge technology such as Artificial Intelligence.

Delivering our strategy - our plans

Our plans align our work across our business to ensure we're working together to deliver our strategy and create value for our customers and shareholders.

Annual Business Plans

Our business plans put our strategic priorities into action by defining the projects and initiatives our teams will collaborate on to deliver within each financial year.

Asset Management Plans

Our electricity and gas management plans map how, where and when we'll be investing in our networks over the next ten years. These plans provide assurance to our customers and our regulators that we're managing our networks with the future in mind.

Customer and Stakeholder Engagement

Our customer and stakeholder engagement planning supports our entire strategic framework, ensuring that we're consulting, listening and responding to their needs.

Key risks and opportunities

Meeting our purpose of connecting communities requires us to take measured risks. During the past 12 months, we have taken a new approach to how we assess and manage risk. We have completed a programme of themed risk deep dives that have been brought together into our new top risks profile. We review these on a quarterly basis with the Executive Leadership Team and Board. In support, monthly emerging risk intelligence from around the world is provided in our monthly Board Report. On the next four pages, you will see our refreshed top-risk profile. It is a mix of traditional, long-standing and well-understood risks relating to network and critical system resilience, workplace and public safety, cyber security and our gas transition. New risks draw out consistent themes reflecting changing customer and market patterns, emerging technology and AI, regulatory challenges and the ever-present difficulties in sourcing resources that Powerco needs to support our strategic delivery now and into the future.

Key - Related pou



Whirinaki
Ensuring reliable and resilient networks



Maanaki tāngata
Supporting our people



Taiao
Contributing to a lower carbon world



Whakakotahitanga
Engaging with our communities



Hauora
Promoting health and safety



Te Teo
Sustainable governance, financial and risk management foundations









Key - Risk velocity










Slow: Medium to long-term, potentially over decades

Rapid: Expected to occur in the short term, 1-2 years

Immediate: The risk is occurring now

Risk	Risk velocity	Current and future mitigations and opportunities	Related pou	Material issue
Environmental				
Impact of climate change	Slow	<ul style="list-style-type: none"> Revising the Crisis Response Plan and practising it through exercises Reviewing procurement of equipment and stock of critical spares Industry standardisation National development of climate scenarios Developing network resilience and digital strategies Implement the Climate Change Adaptation and Resilience Plan 	 	<ul style="list-style-type: none"> Supporting New Zealand’s decarbonisation Resilience to extreme weather and climate change Community engagement Technology and innovation Powerco’s carbon footprint Industry collaboration
Natural disasters	Immediate	<ul style="list-style-type: none"> Revision to and exercise of Crisis Response Plan Procurement and critical spares review Industry standardisation 		<ul style="list-style-type: none"> Resilience to extreme weather and climate change Industry collaboration

Risk	Risk velocity	Current and future mitigations and opportunities	Related pou	Material issue
Social				
Work-related illness or injury	Immediate	<ul style="list-style-type: none"> FY25 High safety risk asset reduction programme Safety Stop, Contractor FY25 safety programme collaboration Introducing a learning management system Review of our health and safety assurance programme 	 	<ul style="list-style-type: none"> Health and safety A strong organisational culture Price and reliability
Public safety	Immediate	<ul style="list-style-type: none"> Implementing improvement opportunities arising from the Health and Safety Strategy/outcomes of sources of assurance (eg NZS7901 – Public Safety Management System) Implementing the outcomes of our high-risk power pole assessment, safety in design (lines down monitoring) and defect management (eg use of pole top photography) 	 	<ul style="list-style-type: none"> Health and safety Community engagement
Poor customer service	Slow	<ul style="list-style-type: none"> Implementing our customer experience transformation Developing our digital customer journey Implementing a new Customer Initiated Works (CIW) model Commencing phase one of our Advanced Data Management System (ADMS) Working towards becoming a Distribution System Operator (DSO) enabled network AI adoption plan 	 	<ul style="list-style-type: none"> A strong organisational culture Community engagement Price and reliability
Talent acquisition and retention	Slow	<ul style="list-style-type: none"> Developing diversity and inclusion programmes Introducing a bespoke inhouse leadership development programme Growing a positive workplace culture Graduate Engineer Programme Review compensation strategy for targeted roles 		<ul style="list-style-type: none"> A strong organisational culture Workforce learning and development Industry collaboration
Data protection and privacy	Immediate	<ul style="list-style-type: none"> Implementing recommendations from an independent privacy health check 		<ul style="list-style-type: none"> A strong organisational culture Workforce learning and development Cybersecurity

Risk	Risk velocity	Current and future mitigations and opportunities	Related pou	Material issue
Governance				
Long-term regulatory changes	Slow	<ul style="list-style-type: none"> Executing our stakeholder plan to deliver regulatory and policy outcomes that enable us to support the transition DSO initiatives to minimise asset-intensive investments and increase utilisation of existing assets Biogas strategy to minimise asset stranding risk of existing natural gas pipelines 	  	<ul style="list-style-type: none"> Supporting New Zealand’s decarbonisation Resilience to extreme weather and climate change Price and reliability Industry collaboration
Regulatory limitations	Immediate	<ul style="list-style-type: none"> Executing our stakeholder plan to deliver regulatory and policy outcomes that enable us to support the energy transition Achieving appropriate funding levels through either default price-quality path (DPP) and flexibility mechanisms, or Customised Price-quality Path (CPP) routes Live within regulatory outcomes, except where it creates value otherwise 	  	<ul style="list-style-type: none"> Supporting New Zealand’s decarbonisation Resilience to extreme weather and climate change Price and reliability Industry collaboration
Loss of critical systems/ information	Immediate	<ul style="list-style-type: none"> Enhance content and awareness of Powerco’s Crisis Response Plan Review and implement refreshed stakeholder communication process Periodic testing and awareness of failover process Enhance resilience of internet connections to support situational awareness 	 	<ul style="list-style-type: none"> Resilience to extreme weather and climate change Health and safety Cybersecurity
Cybersecurity	Immediate	<ul style="list-style-type: none"> Physical security enhancements Embedding data management framework Vendor risk management Ongoing investment and improvement in our cybersecurity system 		<ul style="list-style-type: none"> Cybersecurity

Risk	Risk velocity	Current and future mitigations and opportunities	Related pou	Material issue
Operational				
Technological change and artificial intelligence (AI)	Rapid	<ul style="list-style-type: none"> • Implement the data and digital strategy • Implement AI governance, policy and guidelines • AI maturity assessment and target setting • Workforce training and development • Implement an AI deployment roadmap • IT investment programme • Modernised network architecture and DSO strategies • External collaboration and partnerships 		<ul style="list-style-type: none"> • Technology and innovation • Cybersecurity
Gas transition	Slow	<ul style="list-style-type: none"> • Implementation of the renewable gas roadmap • Wind down scenario captured in corporate model, accelerated depreciation captured 	 	<ul style="list-style-type: none"> • Supporting New Zealand’s decarbonisation • Resilience to extreme weather and climate change • Powerco’s carbon footprint
Infrastructure interdependencies	Immediate	<ul style="list-style-type: none"> • Opportunity to leverage lifeline advisory group co-ordination in FY25, to align infrastructure owner adaptation plans 		<ul style="list-style-type: none"> • Resilience to extreme weather and climate change • Industry collaboration
Supply chain	Immediate	<ul style="list-style-type: none"> • Extensive review of our procurement practice • Review of inventory and critical spares to provide short-term resilience during disruptive events • Acceleration of equipment standardisation to enhance holding effectiveness and reducing costs 	 	<ul style="list-style-type: none"> • Supporting New Zealand’s decarbonisation • Resilience to extreme weather and climate change • Health and safety • Price and reliability
Major network outage	Immediate	<ul style="list-style-type: none"> • Procurement and inventory remediation included in the supply chain assessment • Alternative network supply options to reduce impact, such as distribution batteries 		<ul style="list-style-type: none"> • Resilience to extreme weather and climate change • Community engagement • Price and reliability • Cybersecurity

Our governance structure

Powerco has four formal Board sub-committees that assist the Board with discharging its governance responsibilities and provide robust strategic guidance. Each committee includes at least three Directors (although all Directors have a standing invitation to attend) that meet at least quarterly, or more frequently as required. The committee charters set out any specific expertise required for appointments to the committees (for example all members of the Audit and Risk Committee must be financially literate and at least one member required to be a financial expert).

The Health, Safety and Wellbeing function is overseen by the Board as a whole, given the important role each Director plays as an officer of Powerco in setting the direction for health and safety leadership and fulfilling the Board’s due diligence and governance obligations.

For our Governance Statement [read more here](#)

Powerco Limited Board				
Provides strategic guidance and makes sure we’re on track to perform well for our customers and are accountable to our shareholders. They also focus on creating value for our shareholders into the future.				
<p>Health, Safety and Wellbeing Health, safety and wellbeing governance is the responsibility of the Board as a whole, as set out in the Powerco Board Health, Safety and Wellbeing Charter.</p>	<p>Regulatory and Asset Management Committee Assists the Board with oversight and approval of Powerco’s long-term asset management strategy and plans and material decisions, as well as oversight in relation to regulatory and policy affairs.</p>	<p>Audit and Risk Committee Assists the Board with ensuring the integrity of financial outputs, internal and external audit processes, and oversight of enterprise risk management systems.</p>	<p>Treasury Committee Assists the Board with decisions relating to debt funding, capital structure and treasury management.</p>	<p>HR and Remuneration Committee Assists the Board in all matters related to human resources and remuneration.</p>
Executive Leadership Team				
The needs of our communities are at the centre of the thinking of our Executive Team. Driving our strategic direction, they lead our business into the future.				
<p>Contractor Approval Process (CAP) Committee To oversee the approval of new contractor applications and current contractor compliance with ISN requirements.</p>	<p>Network Reliability Governance Group Oversees unplanned network performance and, through coordination, prioritises activities throughout the business to meet reliability standards and regulatory requirements.</p>	<p>Internal Audit Function Provides the board and management with independent, risk-based, and objective assurance, advice, insight and foresight.</p>	<p>Due Diligence Committee Convened as required to provide oversight and management governance for debt transactions.</p>	<p>People and Culture function Provides the board and management with advice and reporting on human resources policies and procedures including employment law, remuneration, culture and inclusion and diversity performance.</p>
<p>HSE Operational Safety Governance Group Provides HSE leadership, learning and continuous improvement through the review and discussion of HSE-related topics, behaviours and performance.</p>	<p>ADMS Steering Committee A high-level decision-making group, which provides strategic direction and to ensure the achievement of Advanced Distribution Management System (ADMS) programme outcomes.</p>			
	<p>Asset Management Steering Committee Provides strategic guidance and oversight on the ongoing development and implementation of Powerco’s Electricity Asset Management System (AMS).</p>			

Ngā Pou

Delivering sustainable value

Whirinaki

Taiao

Hauora

Manaaki tangata

Whakakotahitanga

Te Teo



Whirinaki

Ensuring reliable and resilient networks



Whirinaki Ensuring reliable and resilient networks

Responding to a changing climate

In July 2024 we released our first Climate-Related Disclosure Report, and Climate Adaptation and Resilience Plan.

While we've been planning for the impacts of a changing climate for a while, these documents brought our thinking together holistically for the first time.

Together they help ensure;

- we can help our customers mitigate their emissions,
- that our assets are resilient to sea level rise and severe weather events, and
- that we're ready to capitalise on opportunities such as biogas, electrification and smart grids.

A closer look at the Climate-Related Disclosure Report

Our report identifies the most significant physical and transitional risks (climate drivers) to our business across four climate scenarios developed specifically by, and for, us.

Global alignment – emissions reductions succeed, limiting temperature increases to 1.5°C.

Global Delay – transition delay, steady increase in temperature 2020 – 2030.

Hothouse – emissions rise unabated, temperature increases 4°C by end of century.

New Zealand Greenhaven – developed world pursue net-zero but developing world do not follow suit, temperature increases 2-3°C.

We now have a transition strategy in place for each climate driver, each of which has been aligned with the relevant Strategic Priority.

While climate change poses challenges, our report also acknowledges that it presents opportunities, and articulates how we're capitalising on those.

[Read more here](#)

Climate driver	Business	Climate scenario				Time horizon		
		Global Alignment	Global Delay	Hothouse	New Zealand Greenhaven	Short - 2035	Medium - 2050	Long - 2080
Transitional								
Supply chain impacts	Electricity and gas	Operational	Operational	Operational	Operational			
Regulatory misalignment	Electricity and gas	Governance	Governance		Governance			
Uptake in renewables	Electricity and gas	Social			Social			
Customer behaviour	Electricity and gas		Social		Social			
Physical								
Sea level rise and managed retreat	Electricity and gas		Environmental	Environmental	Environmental			
Severe weather events	Electricity and gas	Environmental	Environmental	Environmental	Environmental			

Whirinaki Ensuring reliable and resilient networks

A closer look at the Climate Adaptation and Resilience Plan

Our Climate Adaptation and Resilience Plan focuses on our response to the physical climate risks identified in the Climate-Related Disclosure Report.

It outlines how we'll be assessing hazards and vulnerabilities and investing in remediation and strengthening of our priority gas and electricity assets.

It also looks at how we will support our remote communities during major events using non-network solutions.

For these physical risks, we have opted for a balanced approach. We're planning around the low and medium risk scenarios identified. This will help us to achieve optimal outcomes for our customers in terms of balancing reliability and cost.

Our vulnerable assets will now undergo an investment optimisation process. Selected projects, and their associated forecast expenditure will then be articulated in our 2024 Gas Asset Management Plan and 2025 Electricity Asset Management Plan.

[Read more here](#)



Whirinaki Ensuring reliable and resilient networks

Green = On track or completed
 Amber = Still in progress or target modified
 Red - Limited progress or change in direction

Term	Target FY24	Performance FY24
Short	Develop a comprehensive resilience strategy, with roadmap and early actions in place during FY24. This will include our plans for mitigation of physical climate change risks and reflecting our customers' energy resilience needs.	Powerco's Energy Resilience Strategy was completed and published internally. Supporting roadmaps, success measures and roles and responsibilities for delivery are under development.
Short	Transition our internal cyber risk management framework to the updated accreditation of ISO-27001:2022.	An external assessment was conducted to identify differing requirements between the 2013 and 2022 revisions of the ISO-27001 standard and to pinpoint any potential gaps in Powerco's Information Security Management System (ISMS). Any gaps have been integrated into the organisation's annual business planning process and are currently being addressed. Powerco is scheduled to undergo formal accreditation against the latest ISO 27001:2022 standard during FY25.
Short	Keep our customers' power on for an average of 99.95% of the time.	During FY24, our electricity customers' power was on for an average of 99.97% of the time.
Short	Physical and Transitional climate change risks are included in our risk registers, and our first Adaptation and Resilience Plan is reflected in our Asset Management Plans.	Powerco's climate change scenarios and the initial outputs of physical risk analysis have been included in our 2024 Electricity AMP and 2023 Gas AMP. Our first Climate Adaptation and Resilience plan will be published during FY25. Work is underway to determine how to value resilience through our electricity value framework, and embed this into our gas asset management decision framework. We have also set up working groups in planning/design on our network hardening initiatives.
Short	Deliver energy security to gas customers by keeping gas flowing 99.99% of the time.	Gas flow to customers in FY24 was maintained for 99.9999 % of the time.

Term	Current targets
Short	Resilience to climate change - Undertake site and feasibility assessments to determine the impact of assets identified as vulnerable to physical climate risks and prioritise according to our decision-making framework/investment tool.
Short	Resilience to disaster - Collaboration with other key infrastructure operators to identify interdependencies for resilience to disaster events.
Short	Cyber risk management - Maintain our independent certification under the ISO 27001 Information Security management standard.
Short	Reliable energy supply - Keep our customers' power on for an average of 99.95% of the time.
Short	Resilience to climate change - Publication of our first Climate Related Disclosure , and our Climate Adaptation and Resilience plan .
Short	Reliable energy supply - Deliver energy security to gas customers by keeping gas flowing 99.99% of the time.

Whirinaki Ensuring reliable and resilient networks

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Term	Target FY24	Performance FY24
Long	Implementation of our Advanced Distribution Management System (ADMS) to support the reliability and resilience of supply.	<p>Progress has continued on the implementation of phase one of the Advanced Distribution Management System (ADMS) programme. This includes work on:</p> <ul style="list-style-type: none"> Deploying eMap – an updated full graphical visualisation of the network for operations Switch order management (process automation of network switching), and Distribution power flow (improved operational visibility of voltages and power flows). <p>Testing and user acceptance is to begin in early FY25, with go-live expected later in the financial year.</p>
Long	Implementation of Powerco’s resilience strategy.	<p>Initial resilience measures have been developed, setting a baseline for further community consultation and refinement. Building on work undertaken with Lifelines groups (Waikato, Manawatu-Whanganui, Wairarapa etc.) so that cross-sector understanding of interdependencies can feed back into our network investment.</p>

Term	Current targets
Medium	<p>Reliable energy supply - Implementation of our Advanced Distribution Management System (ADMS) to support the reliability and resilience of supply.</p>
Medium	<p>Resilience to disaster - Complete regionally based scenario assessments to test our proposed likely response capabilities for critical customers during high impact, low probability events. Develop community acceptable response targets and where appropriate, improvement plans.</p>



Taiao

Contributing to a lower
carbon world



Taiao Contributing to a lower carbon world

Tapping into the potential for biogas

We're 100% behind Aotearoa New Zealand's net-zero by 2050 goal.

While natural gas will still have an important role to play in the energy mix for some time to come, developing lower carbon gas options will enable customers to continue enjoying the benefits of gas while reducing the emissions associated with it.

That's why we're working towards distributing renewable natural gas in our networks in the future.

To make renewable natural gas a reality we've established agreements with Manawatū District Council and Midwest Disposals to investigate using the biogas produced at their sites as renewable natural gas for our customers.

By capturing the biogas that comes from decomposing waste and transforming it into biomethane, we can reduce overall greenhouse gas emissions by avoiding the direct release of biogas into the atmosphere and reducing the dependency on fossil fuels.

Our Renewable Gas team is now scoping the upgrading equipment required to purify the biogas produced at each site using different feedstocks (wastewater and landfill waste respectively).

Additionally, we're looking at the enabling factors for the development of a viable renewable gas market in Aotearoa.

That includes pursuing renewable energy certificates, optimising transportation and injection techniques, and addressing the regulatory, legislative, and policy frameworks that influence renewable gas projects.

We're also closely assessing the economic viability of these projects.

We're excited by the opportunity to bring the energy sector together with the agricultural, manufacturing and waste sectors to create economic and environmental benefits through capturing and using organic emissions. We can increase renewable energy, while also reducing emissions and waste volumes.

That's why we're open for business to partner with other organisations to develop more biogas projects.

"There's an ever-growing interest in biogas as organisations see its potential not just as a renewable energy source, but also to realise the potential of their waste, lower emissions, and create an additional revenue source."

David Hendry
Renewable Gas Manager

[Read more here](#)



Taiao Contributing to a lower carbon world

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Term	Target FY24	Performance FY24
Short	Achieve <100 pipe leaks per 1,000km per annum.	Our leakage target of fewer than 100 pipe leaks per 1,000km was achieved with 95 leaks in FY24.
Short	Undertake our first round of gas leak detection, using new equipment, that will provide more accurate data to determine specific emissions mitigation options.	Our first round of gas leak detection was undertaken from April 2024.
Medium	Evaluate gas leakage data quarterly using the Marcogaz leakage model.	We are planning for the gas network to be fully surveyed using the gas leakage vehicle by the end of Q3 FY25. This will enable us to set a baseline for emissions reductions.
Short	Develop a comprehensive decarbonisation roadmap for the electricity network with early actions in place during FY24.	Powerco's decarbonisation strategy was completed and published internally. Work on climate change adaptation is underway with plans included in the 2024 AMP. Longer-term actions will be rolled into our network modernisation plan.
Short	Develop decarbonisation solution offerings for large customers.	A pipeline of load and hosting capacity requirements was established, enabling short and long-term strategic planning.
Short	Reduce carbon emissions from our vehicle fleet by 15%.	FY24 saw a significant shift in fleet strategy, with our pool fleet electrified and changed 21 diesel utes for hybrid electric vehicles. Although our target of 15% reduction in vehicle emissions wasn't achieved (in one year), we did reduce fleet emissions by 11%; and importantly we curbed the upward trend.
Short	Set a business-wide, ambitious emission reduction target and plan.	A business wide public emissions reduction target was not set in FY24. Significant progress was made in charting emissions reductions pathways for our internal target emissions sources. We are still focused on setting a target - now proposed to include our gas line losses (originally excluded).
Short	Set up a streamlined process for connecting Electric Vehicle charging points.	Fast EV charger providers were supported with capacity studies to inform their rollout of chargers. Process enhancements have been identified for FY25 implementation. We have also improved the information and enquiry process for EV infrastructure on our website .

Term	Current targets
Long	Reduce gas fugitive losses - Reduce leaks on the gas network (and related emissions) over the next five years.
Short	Reduce gas fugitive losses - Survey our entire gas network (usually this would take 5 years), using our improved leakage detection vehicle.
Short	Reduce gas fugitive losses - Evaluate gas leakage data quarterly while refining Marcogaz leakage model in preparation for setting a baseline for emissions reductions.
Short	Customer decarbonisation - Measure our contribution to customer decarbonisation through: 1) Forecast MWh electricity enabled through committed industrial decarbonisation projects (customers changing to a lower carbon energy source). 2) Additional MW capacity through public EV chargers on our network. 3) Additional MW capacity of Distributed Renewable Energy delivered directly into Powerco's electricity network (projects over 100kW) 4) Fossil gas volumes (GJ) displaced by renewable gas.
Short	Reduce corporate emissions - Reduce carbon emissions from our vehicle fleet by an additional 6%
Short	Reduce corporate emissions - 100% of scope 1 and 2 target emissions sources have an emissions reduction plan demonstrating a holistic reduction target.

Taiao Contributing to a lower carbon world

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Term	Target FY24	Performance FY24
Medium	Halve the average connection time for Electric Vehicle chargers to be installed on the Powerco network.	Progress towards this goal has been made through our FY24 target to set up a streamlined process.
Long	Develop alternatives to remote diesel generation units such as biofuel, battery storage and small-scale hydrogen generation possibilities.	<p>Permanent backup network generators Ongoing monitoring reveals that biofuel or hydrogen-based permanent network generators are not yet commercially available. Grid-scale battery storage for long-duration outages remains prohibitively expensive. Our current focus therefore remains with combined solar PV, diesel generation and (short-term) battery storage for remote sites. This is an area that we will continue to investigate and new solutions will be trialed as these become available.</p> <p>Temporary generators used during outages During FY24, we utilised a portable temporary small-scale battery (BESS) for a 7-hour planned outage. This resulted in a 100% diesel reduction compared to standard diesel-only generation units. Four portable hybrid generators that include a battery to reduce diesel use, have since been procured and will be used on unplanned outages in FY25. These will provide insights for the application of this technology to potentially move to larger batteries for higher capacity requirements.</p>
Short	Update Powerco's low carbon transition strategy for the 2023 Gas Asset Management Plan.	Powerco's low carbon transition strategy was outlined in the 2023 Gas AMP, published in September - Chapter 2 and 4 External Forces and Future focused strategies.
Short	Determine the optimal blend and volumes of low carbon gas for the gas network.	A review on the integration of biomethane into the gas network has commenced. During FY25, we will complete an analysis for the potential to inject 250 TJ into the Manawatū network.

Term	Current targets
Medium	Customer decarbonisation - Reduce the average connection time for Electric Vehicle chargers to be installed on the Powerco network. During FY25 we will baseline connection times and adopt Powerco-managed connection process.
Medium	Reduce corporate emissions - Reduce generator usage through the management of reactive fault management.
Short	Customer decarbonisation - Complete our renewable natural gas feasibility and network integration project.

Taiao Contributing to a lower carbon world

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Term	Target FY24	Performance FY24
Long	20% reduction in natural gas volumes going through the network by 2030 (compared to FY20) and identify specific year-on-year volume reductions for FY25-FY30.	During FY24, we announced two initiatives to investigate using biogas in our network to help customers to decarbonise. During FY25, we will conduct technical analysis and engineering design to understand the upgrading plant and transport methods required to bring the biogas to pipeline specification and inject into our network.
Medium	Set up a streamlined process for utility scale solar (1 MW or more) and conditionally approve 200MW of distributed energy connections.	Technical standards for grid scale distributed energy were published during FY24. A utility scale generation portal is now available on the Powerco website for information relating to large scale generation, including a hosting capacity map. We met our target with 225MW of utility scale generation conditionally approved.
Long	Reduce and offset our target emissions of scope 1 and 2, excluding line losses by 2030.	In FY24, we undertook a strategic shift in our organisation's emissions reduction strategy, by directing more of our shorter-term resources into broadening our emissions reductions and setting credible ambitious reduction targets. Offsetting does not form part of this shorter-term focus, but we will revisit its role in the future.

Term	Current targets
Long	Customer decarbonisation - 20% of residential and small commercial gas volume going through our network is renewable by 2030. Identification of a specific year-on-year targeted renewable gas volume supply for FY25-FY30.



Hauora

Promoting health and safety



Hauora Promoting health and safety

Health and safety at our core

We're committed to keeping people healthy and safe. This includes supporting our field crews who maintain and renew our assets, ensuring a safe network through our asset management plans, supporting our team, and educating the customers who live and work in the communities we serve.

Our goal during FY24, was to improve the safety culture among our people at Powerco. This was to be demonstrated by a 5% year-on-year improvement in a SafePlus assessment. Through targeted interventions and embedding safety-first behaviours within our business, we surpassed our goal – achieving an 11% improvement.

Powerco undertook a SafePlus assessment* in June 2023, which included a review of information, as well as interviews and discussions with selected employees, managers, senior leaders, and the Board of Directors. The June assessment also included a deep dive into how contractor management and psychosocial risks (such as stress, high workload, workplace bullying) were managed.

A report was then prepared offering suggestions for improvement and maturation of the current health and safety system. Scoring against the SafePlus performance measures was also included to enable progress to be captured at subsequent reviews. The February 2024 reassessment was carried out against the suggestions for improvement, as well as selected areas of leadership, worker participation, and risk management.

The recommended reassessment timeframe is every two-to-three years, with a likely reassessment scheduled for FY26.

How we improved

The SafePlus assessment focuses on three broad areas: Leadership, worker engagement and risk management.

Following the initial assessment, we revamped our Health and Safety committees, which had largely been in hiatus, at our New Plymouth, Tauranga, Palmerston North and Wellington offices. This involved selecting new committee leaders, supporting the committees in carrying out their roles (including detailing roles and responsibilities of the representatives who were from throughout the business), and getting members involved in meaningful tasks. These tasks included actively participating in the risk assessment process – identifying Powerco's biggest risks, controls for those risks, the effectiveness of them, and what required improvement.

Additionally, risk management work focused on tightening the management of:

Asbestos

People working alone

Confined space work

Drug and alcohol risks

Our HSE (Health, Safety and Environment) business partners were assigned these risk topics to work with the business to drive improvement. The development of the Lone or Remote Work Standard, as well as the Drug and Alcohol Standard were two large pieces of work, requiring significant consultation and collaboration, that were completed. Improvements were also made to asbestos management and confined space work, in terms of best practice site management, training and awareness, and improved governance and reporting.



“Powerco’s health and safety processes continue to mature and foundational elements of health and safety are predominantly in place. The organisation is now developing and refining its systems to embed the changes made and to commence further enhancements. Powerco’s practices for health and safety are well positioned to reflect its intended direction, bringing with it both culture change and the support and enthusiasm of its people.”

Robyn Bennett
(Avid Plus), SafePlus Assessor

* SafePlus assessment: A SafePlus onsite assessment looks at how well a business is performing in health and safety leadership, worker engagement and risk management. An independent SafePlus assessor visits the business to take an in-depth look into three health and safety risks.

Hauora Promoting health and safety

Green = On track or completed
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Term	Target FY24	Performance FY24
Short	Improve the safety culture at Powerco, demonstrated by a 5% year on year improvement in a Safe Plus Assessment.	We achieved an 11% improvement in our Safe Plus Assessment score, compared to our original assessment 8 months prior. This was significantly over the target of 5%. This was achieved through targeted interventions and an embedding of safety behaviours within the business. The recommended reassessment timeframe is every 2-3 years, and so a likely reassessment is scheduled for FY26.
Short	Achieve Workplace Safety Interaction targets at three levels: Directors (15) Executive Leadership (80) and Powerco staff (180).	We achieved our workplace safety interaction targets for all three levels - Directors (15), Executive Leadership (80), and Powerco staff far exceeding the target of 180, with 437 workplace safety interactions during FY24.
Short	Achieve 25% positive incident reporting rate (near misses, push backs and hazard IDs).	We exceeded our target of 25% positive incident reporting rate (near misses, push backs and hazard IDs) in FY24, with a combined figure of 29% across both electricity and gas.
Short	Deliver quarterly workshops to all Powerco gas network service providers to improve our safety relationships with our contractors.	During FY24, we held monthly meetings with all of our Gas Service Providers. Toolbox meetings are also attended throughout all of the regions. These sessions included discussions on incidents, KPI results, works plans, audit results, training, system changes and the future of gas.

Term	Current targets
Short	Health and safety systems risk management - Achieve Workplace Safety Interaction targets at three levels: Directors (15) Executive Leadership (80) and Powerco staff (250)
Short	Health and safety systems risk management - Achieve 25% positive incident reporting rate (near misses, push backs and hazard IDs)
Short	Keep our people safe - Deliver quarterly workshops to all Powerco gas network service providers to improve our safety relationships with our contractors
Short	Keep our people safe - 10% reduction in higher safety risk assets (electricity).
Short	Health and safety systems risk management - Establish a benchmark for the percentage of scoped projects with Health and safety Risk Assessments, then establish a % target.
Short	Health and safety systems risk management - Develop and deploy a Learning Management System
Medium	Keep our people safe - Establish a Psychosocial Risk Management metric, target and report monthly



Maanaki tāngata

Supporting our people



Maanaki tāngata Supporting our people

Closing the power gap creates greater equity

Thanks to regularly measuring diversity and inclusion since 2020, we knew a participation and power gap was a stubborn problem at Powerco.

“Our first step to creating greater gender equity was getting more women into leadership roles,” says Head of People and Culture Leile Sims.

We started at the top and looked to our executive leadership team. Once a 50:50 gender split was achieved at that level, women throughout the business could see a reflection of themselves at the top tier of the organisation.

“More women in leadership not only addresses the gender balance, we know greater diversity and inclusion in leadership also leads to higher performing teams,” says Leile Sims.

The introduction of a bespoke inhouse leadership development programme in 2023 exposed more of our women to leadership pathways.

“We made a conscious effort to get a 50:50 split of women and men on the programme to expose more women to the possibility of being leaders and what this looks and feels like,” says Leile Sims.

Survey scores from participants showed taking part in the programme significantly increased their leadership confidence and understanding of key leadership concepts. Over time it also resulted in several women being promoted into new leadership roles.

With more men than women in the business, attracting women to the industry is also key to closing the power and participation gap.

“We rigorously check our recruitment ads for bias and to ensure they are gender neutral. We ask for skills and transferable experiences rather than years of experience as we know time measures favour men. We also ensure our longlists have a 50:50 gender split, as humans have a brain preference for what is considered a lower risk status quo, and favour someone from the majority group no matter how good the ‘other’ candidate is,” says Leile Sims.

Progressive benefits such as equal parental leave for primary and secondary carers and flexible return to work programmes support and help spread the societal load of parenthood and encourage retention of women in the workplace.

Psychological safety training – creating an environment where everyone feels safe – and a strengths-based coaching culture, adds to creating a workplace people feel part of and want to stay working in.

Closing the participation and power gap has been deliberate, it’s involved a cross-team approach across multiple levels of the business, and it’s taken time.

“The beauty is that the changes we have made to create greater equity for women helps us achieve a more equitable workplace for all.”

Leile Sims
People and Culture



Maanaki tāngata Supporting our people

Green = On track or completed
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Term	Target FY24	Performance FY24
Short	Achieve equal gender representation (50%) within tier 3 leadership roles (+/- 10%) by Q2 FY25.	Our target of equal gender representation within our tier 3 leadership roles was achieved early with 50% of Senior Leadership roles currently held by women in FY24.
Long	5% increase year on year for employee NPS (FY22 base year).	Our employee NPS is 40%, which exceeds our target of 5% increase year on year (FY22 base year).
Long	10% workforce identify as Māori by 2025.	We are working on our ability to collect and report ethnicity data. Reports indicate improved self-reporting is likely to see us meet our target of 10% of our workforce identifying as Māori by 2025.
Short	Implement a high-performance framework aligned with Ngā Tikanga, Powerco's cultural framework, to improve performance. Support this with processes such as remuneration, recruitment, induction, performance management, and leadership programmes.	Although very close to completion in FY24, during FY25 we will fully embed our High Performance Environment framework across the business.
Medium	Pay equity: (a) Maintain gender pay equity (+/-2%) (b) <15% overall gender pay gap	Our Pay equity is within our target of +/-2%, and our latest recorded Gender Pay Gap was 14.86% - better than our target of <15%.
Medium	Ethnicity pay equity (+/-2%)	We are working to improve our ethnicity data, which is currently incomplete due to its reliance on self-reporting upon employment. Planned deployment of a new HRIS will enable this data to be accurately collected and reported.

Term	Current targets
Medium	Enable diversity, equity and inclusion - Achieve equal gender representation (40/40/20) within all leadership roles (50/50 +/- 10%) by FY27 Tier 2 40/40/20 FY24 Tier 3 40/40/20 FY25 Tier 4 40/40/20 FY27
Medium	Enable diversity, equity and inclusion - 10% workforce identify as Māori by 2025.
Medium	Enable diversity, equity and inclusion - Closing the Gender Pay Gap: Continue to reduce our gender pay gap. FY24 levels >FY25 levels



Whakakotahitanga

Engaging with our communities

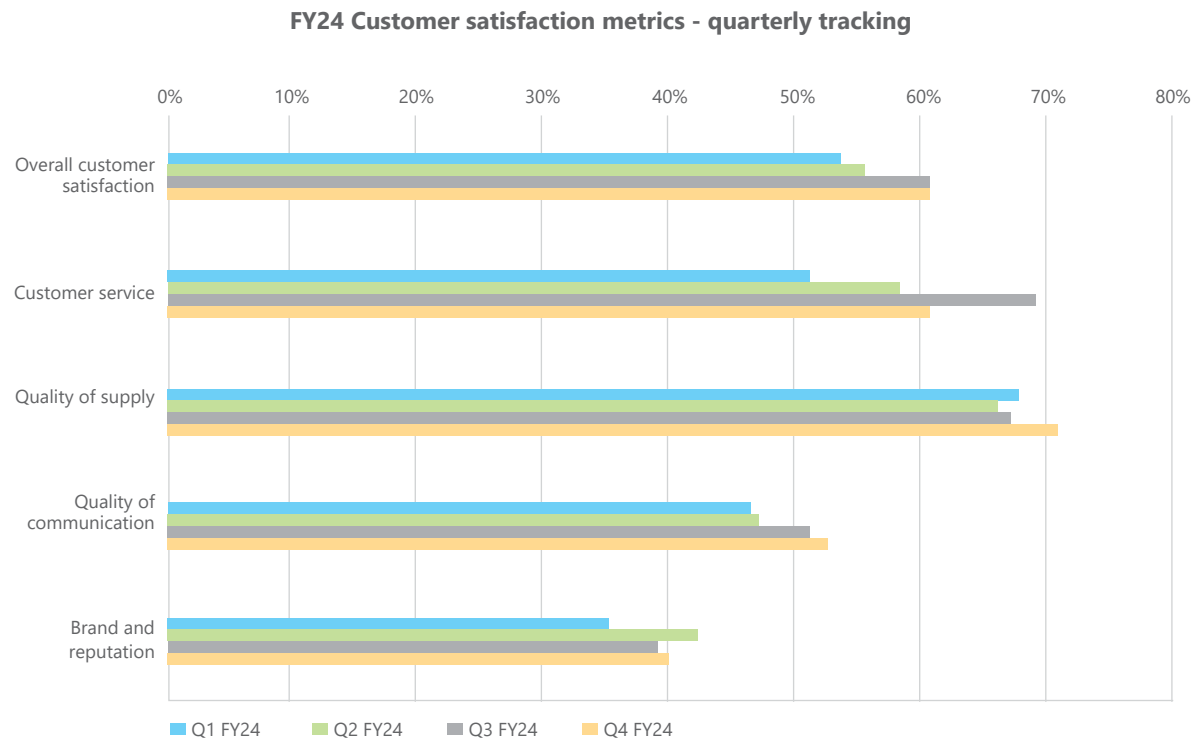


Whakakotahitanga Engaging with our communities

Transforming customer experience

We're on a journey to improve the experience we give our customers. We deliver electricity and gas to over 900,000 customers across the North Island – bringing light and heat to homes and businesses through the lines, cables, and pipes we own and operate.

During FY24, our business has transitioned from being largely reactive – resolving any issues if they become a problem – to being proactive and letting our customers know ahead of time about work that may affect them. We anticipate planned outages that could cause disruption – notifying affected customers by email or letter, rather than relying solely on electricity retailers to notify their customers of a planned outage to enable work.



Pole-top photography survey

When we carried out our electricity pole-top photography survey during the 2023/24 summer period, we emailed affected customers to let them know about the disruption. While we've advertised the survey to rural communities in the past, customer feedback showed some people missed those ads and, as a result, hadn't moved their animals away when the helicopter flew low over their property – frightening the animals. Emailing customers led to about 40 enquiries to our team, enabling us to work proactively with those customers to alleviate animal stress. Traditional advertising had in the past garnered a handful of responses.

Smart gas meter roll-out

During the past 18 months, we replaced 31,000 gas meters – a complex task requiring our contractor to turn off supply, remove the old meter, install the new, then check the customer's appliances before relighting (so an adult needed to be home at the time to provide access to the property). Communicating by letter several times with customers before the contractor was booked, and then via text or email the day prior, paved the way for a good customer experience. Customer complaints were very low for such a large and complex rollout – 1 in 1000.

Customer data confirms improvement

During Q3 FY24, we moved 'general enquiries', which were handled by our electricity dispatch team, to a dedicated in-house call centre team, specifically trained to help resolve a customer's query within the first call. Customer feedback gathered during an after-call survey, showed a positive trend, with the percentage of customers who felt their query was resolved during the call rising from 79% to 85% between Q3 and Q4. The Net Promoter Score (NPS) also increased from 52 to 63. The surveys allow real time feedback for consultants and their Team Leaders to ensure that calls with a low or negative rating can be listened to and used for training to improve future outcomes.

The Q4 FY24 Electricity Customer Satisfaction and NPS survey also saw a strong quarter. Overall, 'customer satisfaction' was steady at 61% (a +5 percentage points (pp) increase on Q1), and satisfaction with 'quality of supply' was particularly strong at 71% - the strongest quarter for the year for this measure.

While there was an -8pp quarter-on-quarter dip for satisfaction with 'customer service', this should be viewed in a full year context, with the Q4 score of 61% the second-best quarterly performance of the year.

For our gas connection business, the NPS score increased from 52% in FY23 to 64% in FY24 – the highest since data began in 2016.

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Whakakotahitanga Engaging with our communities

Term	Target FY24	Performance FY24
Short	Improve customers' experience with Powerco, by a 5% increase in Customer Satisfaction score.	We achieved our customer experience target with a Customer Satisfaction score for FY24 of 59% (up from +52 in Q4 FY23 which was the first time we measured it in this way).
Short	Maintain net promoter score of +52 to measure our quality of gas customer service and customer experience.	During FY24, we achieved a net promoter score of 63 for gas customers receiving a new connection. This is our highest rating since we first started measuring this in 2016 and well above our target of +52.
Short	Engage and operate in line with our Te Raa framework – our engagement plan with tangata whenua.	Increased numbers of Powerco employees are now aware and engaged with our Te Raa framework. This has resulted in an increase in the quantity and quality of tangata whenua interactions. Our relationships with identified tangata whenua are being increasingly viewed as partnerships rather than transactional relationships.
Short	Publish annual customer insight information relating to customer views on reliability, price, sustainability, service experience and use/planned uptake of new technologies.	We did not meet our target of publishing customer insights relating to customer views on reliability, price, sustainability, service experience and use/planned uptake of new technologies. Foundational systems and processes to implement a meaningful customer insights programme were established during FY24 and tested through customer satisfaction research. We are well placed to expand our research programme in FY25 and be in a position of publishing findings.

Term	Current targets
Short	Delivering value for customers - Continue to improve our customers' experience across Powerco's electricity footprint, by a 5-point increase in Customer Satisfaction score.
Short	Delivering value for customers - Maintain net promoter score of >50 to measure our quality of gas customer service and customer experience
Short	Understanding our customers' needs - Publish annual customer insight information and how this has guided our decision making.
Short	Delivering value for customers - Successfully trial varying low voltage network battery configurations, as a proof of concept for deferring higher cost upstream lines investments and to prepare for a future larger scale roll-out.
Short	Delivering value for customers - 5-point increase in brand and reputation score from the FY24 Quarterly Customer Survey average of 40%

Whakakotahitanga Engaging with our communities

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Term	Target FY24	Performance FY24
Medium	Prepare for integrated reporting in FY25.	During FY24, we undertook a gap analysis against the international integrated reporting framework. This document is our first report - the start of our journey to more integrated style reporting.

Term	Current targets
Medium	Delivering value for customers - Improve pricing methodology and contributions policy - as reviewed in the Electricity Authority scorecard.
Long	Delivering value for customers - Establish and embed a Distributed System Operator (DSO) programme for Powerco where we partner with customers to optimise opportunities for distributed energy resources and other flexibility applications.



Te Teo

Sustainable governance, financial
and risk management foundations



Te Teo Sustainable governance, financial and risk management foundations

Unlocking green finance

During FY24 we established a Green Finance Framework as part of establishing programmatic Climate Bonds Initiative (CBI) certification.

The CBI is a voluntary scheme for businesses that want to access sustainability-linked bonds, loans and other debt instruments.

In order to meet certification criteria our Green Finance Framework had to demonstrate that we could meet rigorous climate mitigation, adaptation and resilience standards.

That involved showing how we actively manage our electricity assets to minimise environmental impact and ensure resilience to climate change throughout the asset lifecycle; from planning, construction and operations, right through to decommissioning.

We'll need to continue to show that we meet the criteria through annual re-certification.

Establishing the Framework is part of our wider sustainability journey and commitment to enabling the sustainable energy transition. It follows our 100/100 GRESB score in October 2023, the international survey that sets the global standard for ESG benchmarking.

We're ambitious to see Aotearoa grow as we transition, and to make that happen we need domestic and foreign capital to invest in our networks – enabling Kiwis to electrify, and ensuring our networks are resilient to a changing climate.

Being able to evidence our genuine commitment to reducing our climate impact in order to unlock green finance to make that happen is a win-win for the customers we serve.

We executed our first CBI-certified loan in July 2024 for \$300m over a seven-year term. Interest was exceptional – we intended to raise \$175m but oversubscription was high – a testament to our strong investor relationships and market confidence in our business and our team.

We're the first Electricity Distribution Business (EDB) to execute a CBI-certified green loan under the scheme's 'Electrical Grids and Storage' criteria.

Moving forward the Framework will be used to support future debt financing, allowing the business to raise more green loans and bonds.

It's heartening to see that sustainability is important not just to us, but to our investors and shareholders.



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Te Teo Sustainable governance, financial and risk management foundations

Term	Target FY24	Performance FY24
Short	Implement a new Risk Management Framework across the business aligned with our four strategic themes; Deliver for our customers, Get ready to do more for our customers, Transform our customer experience, and Serve new customers.	We implemented a refreshed enterprise risk management framework through the delivery of 11 risk deep dives, aligned to our four strategic priorities and assessed in a consistent manner using environmental, social, governance and operational risk criteria. This provided a modern approach to risk, aligned with our strategy processes and integrated across the business.

Term	Current targets
Short	Enterprise risk management - At least a third of FY25 business plan initiatives include uniform risk assessment, Risk Appetite Statement, and action plan
Short	Financial stability - Maintain our existing S&P credit rating (BBB)
Short	Financial stability - Secure regulatory settings that enable us to fund and deliver our strategy
Short	Sustainable governance - Minimum of two ESG professional education sessions undertaken by our Governance Board.
Short	Sustainable governance - Undertake an annual review of the performance of the Audit and Risk, Regulatory and Asset Management, Treasury and HR and Remuneration Committees' performance against their Charters, and the Board's performance against the Health and Safety Charter.

Financial summary

Financial summary

The financial information provided on the following pages is based on a subset of Powerco's fully audited financial statements. It details key financial metrics and aspects of our operations to provide stakeholders with a clear and concise overview of our financial performance. While this subset reflects the integrity and accuracy of the full audited financials, it is important to note that it does not encompass all disclosures included in the complete financial statements.

Revenue

In FY21, electricity network revenue was reset lower by the Commerce Commission as we entered a new five-year regulatory period (DPP3), where our returns were reset to reflect lower observed interest rates at that time. Since then revenues have grown strongly reflecting customer growth and the continued investment in our asset base.

Gas network revenue was reset by the Commerce Commission during FY23 with the full impact of the revenue uplift reflected in FY24. This reset allowed for an increase in revenue to capture accelerated depreciation on the gas network, reflecting the uncertainty associated with future utilisation of gas networks.

Other revenue is dominated by capital contributions which reflect the contributions that our customers have made to connect to our network. These grew considerably during the period, until FY24 when the economic downturn started to negatively impact the number of customers connections, eg. through stifled demand for residential property connections.

Item	FY2020 (\$M)	FY2021 (\$M)	FY2022 (\$M)	FY2023 (\$M)	FY2024 (\$M)
Electricity Revenue	403.5	355.6	365.8	392.6	431.1
Gas Revenue	54.1	54.9	55.4	55.8	61.1
Other Revenue	41.2	36.3	54.4	64.6	57.6
Total Revenue	498.8	446.8	475.6	513.0	549.8
EBITDAF \$	270.7	230.4	241.0	267.7	304.1
EBITDAF Margin % (excluding pass through costs)	71.3%	67.5%	65.9%	66.9%	67.6%
Maintenance	49.4	48.0	56.2	59.5	60.6
Capital - Renewal/Replacement	83.3	124.9	115.5	105.6	120.2
Capital - Growth	110.2	121.4	139.7	190.1	172.9
Total network investment	242.9	294.3	311.4	355.2	353.7

EBITDAF

Our EBITDAF largely tracks our revenue profile. In particular, EBITDAF dropped in FY21 following the DPP3 electricity regulatory reset, but has experienced strong growth since then, on the back of our revenue growth and disciplined cost control in a high inflationary environment.

EBITDAF margin (excluding the impact of pass-through costs) has remained relatively consistent over the five-year period peaking in FY24, following the step-down in FY21 after the regulatory reset.

Network investment

We have continued to invest heavily to provide the energy solutions our customers need.

Over the last five years, expenditure on our networks through a combination of maintenance and capital expenditure has increased by nearly 50%. Our investment reflects our commitment to ensuring that our networks support our customers to deliver their electrification goals, improve both the resilience and reliability of our networks, and to provide energy options to our customers.

Fixed assets

Our network assets underpin our ability to serve our customers, and reflect our investment in continuing to ensure we can meet their needs. As highlighted above, we have invested heavily over the last five years in our network assets, which manifests in an asset base that has grown from \$2.4bn to \$3.1bn over that time.

Item	FY2020 (\$M)	FY2021 (\$M)	FY2022 (\$M)	FY2023 (\$M)	FY2024 (\$M)
Electricity Assets	2,032.3	2,177.4	2,327.2	2,521.9	2,683.2
Gas Assets	390.3	394.5	399.9	408.3	416.8
Total Fixed Assets	2,422.6	2,572.0	2,727.1	2,930.2	3,100.0

Capital structure

Credit rating

Our credit rating provides an independent view of the credit worthiness of our business. We target an S&P BBB rating, which represents an investment grade rating (ie signifying a low risk of default).

This rating provides the right balance of risk and reward for our capital providers. We manage our business and its capital structure to maintain this rating. This ensures we can attract capital that allows us to fund our business to meet the needs of our customers, at the right cost.

Funding

As a monopoly service provider operating under a well-established regulatory framework, we generate stable cash flows from our business. In addition to ensuring fair outcomes for customers, the regulatory framework also allows us to earn a fair return on our investment.

This return is underpinned by our regulated assets, or more specifically our regulated investment value (RIV). As a result, we have structured our debt levels such that they are supported by these assets. This approach is relatively common for regulated assets in countries with similar regulatory frameworks.

Our internal target for gearing (net debt/RIV) is 77.5%. We have been operating below this level for the past five-years, and most recently due to uncertainties regarding the economic environment and the DPP4 electricity reset we have maintained a conservative buffer below this level.

In addition, to further reduce volatility in our returns, we hedge our interest rate costs to reduce exposure to movements in rates due to macro-economic events. Our 'regulatory hedging approach' largely aligns our interest costs with the interest rates that underpin our regulatory return, reducing volatility in our overall financial returns.

Net Debt to RIV - Treasury Policy Target	77.5%	77.5%	77.5%	77.5%	77.5%
Net Debt to RIV - Actual	69.04%	72.71%	74.98%	71.16%	70.10%

Our Global Reporting Index

GRI Index FY24

Our Integrated Report has been prepared with reference to the universal Global Reporting Initiative (GRI) standards - 2021.

GRI Standard	Disclosure
GRI 2: General Disclosures 2021	
2-1 Organisational Details	Powerco Ltd 35 Junction Street, New Plymouth, New Zealand Our people (powerco.co.nz)
2-2 Entities included in the organisations sustainability reporting	Powerco Limited and all its subsidiaries
2-3 Reporting period, frequency and contact point	Figures in this report are based on FY24 (1 April 2023 to 31 March 2024) unless specified. We intend to keep stakeholders updated as material topics evolve, and with at least an annual disclosure.
2-4 Restatements of information	Any updates or restatements have been identified in the report
2-5 External assurance	No assurance has been sought on this report. The greenhouse gas emissions inventory referenced in this document has limited assurance. Both reports are disclosed to Powerco Executive and Board before publishing. The full financial statements referred to in summary within this report have been audited.
2-6 Activities, value chain and other business relationships	Our business (powerco.co.nz) Disclosures and submissions (powerco.co.nz) Our partners (powerco.co.nz)
2-7 Employees	Our people FY2024
2-8 Workers who are not employed	Powerco has approximately 1300 people working on our networks that are not direct employees but are contractors carrying out work on behalf of Powerco. This figure has been obtained from data collected monthly through our approved contractor process which reports on the number of people working on our network. We have rounded to 1,300 to account for all other contractors that undertake work on behalf of Powerco.
2-9 Governance structure and composition	Powerco's Governance Statement Our people (powerco.co.nz)

GRI Standard		Disclosure
2-10	Nomination and selection of the highest governance body	Powerco's Governance Statement
2-11	Chair of the highest governance body	Our people (powerco.co.nz)
2-12	Role of the highest governance body in overseeing the management of impacts	Powerco's Governance Statement
		Our people (powerco.co.nz)
2-13	Delegation of responsibility for managing impacts	Powerco's Governance Statement
2-14	Role of the highest governance body in sustainability reporting	This Report is provided to the Powerco Board for review prior to publishing. The Board was also a key stakeholder in establishing Powerco's original material sustainability topics as well as a participant in the review undertaken in 2023. They are advised of the outcomes of any materiality assessments undertaken.
2-15	Conflicts of interest	Powerco's Governance Statement
2-16	Communication of critical concerns	Contact
		Powerco's Governance Statement
		No critical concerns were reported to the Board in FY24.
2-17	Collective knowledge of the highest governance body	Powerco's Governance Statement
2-18	Evaluation of the performance of the highest governance body	Powerco's Governance Statement
		In FY24, the Board undertook a skills (self) assessment, which was matched to a management capability assessment and has directed the focus of Board member CPD (Continuing Professional Development), as well as any areas where the Board may need to engage expert advice. Each Board committee also undertook its usual annual assessment of its compliance with the committee charter, and the Board as a whole of its compliance with its Health & Safety Charter and obligations.
2-19	Remuneration policies	Powerco's Governance Statement
2-20	Process to determine remuneration	Powerco's Governance Statement

GRI Standard

Disclosure

2-21	Annual total compensation ratio	<p>The ratio of annual total compensation for the CEO to the median annual total compensation for all employees (excluding the highest-paid individual) is 15.73:1.</p> <p>The percentage increase in annual total compensation for the CEO to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) is 2.5%(CEO): 2.33% (median for all employees)</p> <p>Contextual Notes:</p> <p>Total remuneration paid was used for each part-time employee, not FTE equivalent payrates.</p> <p>Types of compensation include: ACC, Alternative Holiday Buy Out, All paid Leave, Annual Leave (Cashed Up), Leave paid on Termination, All Bonuses, Higher Duties Allowances, Payments in Lieu of Notice, All Allowances, One off Lump sums taxable and non taxable, Overtime Public holidays worked, Redundancy compensation, Settlement payments, KiwiSaver Employer contributions.</p>
2-22	Statement on sustainable development strategy	<p>This report - Powerco's 2024 Integrated Report Powerco incorporates a precautionary approach within our environmental management system, Code of Business Conduct, and Health, Safety and Environment by Design guidelines</p> <p>Powerco's Governance Statement</p>
2-23	Policy commitments	<p>This report - Powerco's 2024 Integrated Report Powerco incorporates a precautionary approach within our environmental management system, Code of Business Conduct, and Health, Safety and Environment by Design guidelines</p> <p>Powerco's Governance Statement</p>
2-24	Embedding policy commitments	<p>This report - Powerco's 2024 Integrated Report Powerco incorporates a precautionary approach within our environmental management system, Code of Business Conduct, and Health, Safety and Environment by Design guidelines</p> <p>Powerco's Governance Statement</p>
2-25	Processes to remediate negative impacts	<p>This report - Powerco's 2024 Integrated Report Powerco incorporates a precautionary approach within our environmental management system, Code of Business Conduct, and Health, Safety and Environment by Design guidelines</p> <p>Powerco's Governance Statement</p>
2-26	Mechanisms for seeking advice and raising concerns	Contact

GRI Standard	Disclosure
2-27 Compliance with laws and regulations	Powerco had no material non-compliances with relevant laws and regulations during FY24.
2-28 Membership associations	Australian Pipelines and Gas Association; Business NZ – Sustainable Business Council, Energy Council; Drive Electric; Edison Electric Institute; Electricity Engineers’ Associate – Lifeline Utilities Group, National Committee for Live Work; Overhead Line Design Competency, Public Safety Working Group, Safety Standards and Procedures Group; Electricity Networks Association (ENA) NZ – Low-Fixed Charge Power Credits Scheme, Customer Engagement Working Group, Smart-Tech Working Group, Strategic Pricing Working Group, Tree Regulations Policy and Task Group, Quality of Service; ENA AUS – Safety Comm Project - Electricity Retailers’ Association of NZ – Vulnerable and Medically Dependent Working Group, ESC Powering Change; Energy Resources Aotearoa; Enerlytica Ltd; Gas Future Working Group; Gas Association of NZ; Gas Industry Company; International Association of Public Participation – Market Development Advisory Group; Marketing Association; BCG Sector Accord and Metrics and Measures Contribution; NZ Arb Utility Arborist Group; NZ Hydrogen Association; Public Relations Institute of NZ; Low Carbon Energy System Project; Taranaki Chamber of Commerce
2-29 Approach to stakeholder engagement	This report - Powerco’s 2024 Integrated Report Engaging with communities Powerco’s latest materiality assessment
2-30 Collective bargaining agreements	No employees are covered by collective bargaining agreements
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	This report covers Powerco’s performance for FY24 across our full operations. The Materiality assessment summary covers topic boundaries Powerco’s latest materiality assessment
3-2 List of material topics	Defining value – Nga Pou
3-3 Management of material topics – Technology and innovation	The section Delivering sustainable value in this report contains the ambition we have to improve or manage our performance for all material areas. Included in this section are examples of work we have undertaken during the reporting year for each material topics. The link between Nga Pou and our material topics is detailed in the section Defining value – Nga Pou . The material topics of industry collaboration and Technology and innovation do not relate specifically to one of our pou, but are a focus across all. Electricity asset management plan Gas asset management plan Ensuring reliable and resilient networks (powerco.co.nz)

GRI Standard

Disclosure

3-3	Management of material topics – Price and reliability	<p>Powerco is regulated by the Commerce Commission. Powerco has pricing, regulatory, financial, and legal staff to ensure we are operating within parameters set out by our regulators.</p> <ul style="list-style-type: none"> • Annual delivery reports • Information disclosures and audits • Financial audits • Asset management plans • Reports to regulators <p>Engaging with our communities (powerco.co.nz)</p>
3-3	Management of material topics – Industry collaboration	<ul style="list-style-type: none"> • Dedicated Customer team • Procurement policies and standards • Stakeholder engagement forums • Partnerships with other electricity and gas businesses • HSEQ by design
3-3	Management of material topics - Resilience to extreme weather and climate change	<p>Powerco's Climate Disclosure Report</p> <p>Ensuring reliable and resilient networks (powerco.co.nz)</p>
3-3	Management of material topics - Health and Safety	<p>Powerco's Health and safety team oversee policies and strategies including:</p> <ul style="list-style-type: none"> • Competency administration • Training programme • Incident databases • Awareness raising campaigns • Development of Safety as usual approach • Learning teams • A health and safety database which records all incidents in detail including how these were resolved <p>Health and safety at our core</p>

GRI Standard

Disclosure

3-3

Management of material topics - Workforce learning, development and a strong organisational culture

Powerco actively maintains policies and strategies including:

- Our values (Nga Tikanga)
- Inclusion and diversity
- Employee benefits such as flexible work hours, extended parental leave, volunteer days
- Whistleblower contact number

[Supporting our people \(powerco.co.nz\)](https://www.powerco.co.nz)

3-3

Management of material topics - Cybersecurity

[Ensuring reliable and resilient networks \(powerco.co.nz\)](https://www.powerco.co.nz)

ISO27001 certification

GRI 305: Emissions 2016

305-1

Direct (Scope 1) GHG emissions

[GHG Inventory Report](#)

305-2

Energy Indirect (Scope 2) GHG emissions

[GHG Inventory Report](#)

305-3

Other indirect (Scope 3) GHG emissions

[GHG Inventory Report](#)

305-4

GHG emissions intensity

[GHG Inventory Report](#)

Reference documents

Reference documents

An aggregated list of links to the reports, disclosures, plans and website pages referred to within our Integrated Report is provided below.

Disclosures

[Gas disclosure 1 October 2022 – 30 September 2023](#)

Plans

[Electricity asset management plan](#)

[Gas asset management plan](#)

Reports

[Climate Adaptation and Resilience Plan](#)

[Climate-Related Disclosure Report](#)

[GHG Inventory Report](#)

[2023 Materiality Assessment Summary](#)

[2020 Materiality Assessment Summary](#)

Powerco website pages

[Contact us](#)

[Disclosures and submissions](#)

[Our business](#)

[Our partners](#)

[Our people](#)

[Our people - Statistics](#)

[Powerco Governance Statement](#)

[Ngā pou pages](#)

[Hauora/Health and Safety at our core](#)

[Manaaki tāngata/Supporting our people](#)

[Taiao/Contributing to a lower carbon world](#)

[Whakakotahitanga/Engaging with communities](#)

[Whirinaki/Ensuring reliable and resilient networks](#)

[Project pages](#)

[Delivering differently – our Coromandel fibre project](#)

[Gas detection vehicle](#)

[SolarZero to supply Coromandel network support using virtual power plan technology](#)

[Powerco announces renewable natural gas development initiatives](#)

[South Waikato National Grid Connection](#)

Other websites

[Dexus](#)

[QIC Limited](#)

[The Gas Hub](#)

Glossary

Te Reo

We support the revitalisation of te reo Māori. Here are the reo words and phrases we use in our report.

Aotearoa
New Zealand

Awa
River

Hāngī
Earth oven, used to cook food using steam and heated stones.

Iwi
A large group of people or tribe, descended from a common ancestor, usually linked to a specific territory.

Kanohi ki te kanohi
Face-to-face

Kura
School

Pōwhiri
Formal welcoming ceremony, usually on to a marae.

Mahi
Work

Marae
Courtyard in front of a whareniui (meeting house). Often used as the overall term for both the marae and the complex of buildings that surround it such as the whareniui and the wharekai (dining hall).

Rangatahi
Young people, the younger generation

Tangata Whenua
The people of the land. Used to acknowledge Māori as the original inhabitants of Aotearoa New Zealand.

Taiao
Natural world, environment

Te ao Māori
The Māori worldview

Tiaki
Guardians, keepers

Urupā
Burial ground

Waiata
Song

Wānanga
To meet and discuss or learn.

Whakapapa
Give history, the links to your ancestors and your whenua.

Whānau
Family

Whenua
Land

Terms used in our report

Advanced Data Management System (ADMS)

Powerco is evolving its current Distribution Management System (DMS) to an Advanced Distribution Management System (ADMS) to facilitate its customers' transition to a low carbon future. It will also help its Network Operation Centre (NOC) teams operate the network as efficiently as possible and reduce many of their manual processes.

BESS

Battery energy storage system.

Customised price-quality path (CPP)

The Commerce Commission can set a customised price-quality path to better suit the specific needs of a regulated business and those of its consumers. Each of the price-quality regulated electricity distributors can apply for its own customised price-quality path (CPP), as a more tailored option than the default price-quality path (DPP). For example, if a business needs to invest more in its network than provided for under the DPP. Customised price-quality paths are based on our analysis of information specific to the business, and require in-depth audit, verification, and evaluation of the information provided by the regulated business.

Distributed Network Operator (DNO)

Powerco is currently a DNO, meaning we own and control the electricity distribution network in the communities where we operate. The focus for DNOs has typically been keeping the lights on and connecting people and businesses to our network.

Default price-quality path (DPP)

Applies to most electricity distributors in New Zealand. This type of path is intended to influence the behaviour of the businesses by setting the maximum average price or total allowable revenue that the businesses can charge. They also set standards for the quality of services that each business must meet. This ensures that businesses do not have incentives to reduce quality to maximise profits under their price-quality path.

Distributed System Operator (DSO)

A DSO is an emerging model for how electricity is delivered and, increasingly, provided by local consumers. It requires Distributed Network Operators (DNOs), Powerco's current model, to take on additional system operator functions, such as active network management, using new technology and real-time data to make interventions on the network. This is a more sophisticated role, driven by the increasing complexity to manage supply and demand, higher use of electricity, and energy flowing in multiple directions.

EBITDAF

Earnings before interest and taxation, depreciation and amortisation and fair value adjustments.

EDB

Electricity Distribution Business.

GDB

Gas Distribution Business.

GRESB

The Global Real Estate Sustainability Benchmark is an international survey that benchmarks environmental, social and governance performance across companies in North America, Europe and Australasia

GRI

The Global Reporting Initiative is an international independent standards initiative that represents the best practice for reporting on a range of economic, environmental and social impacts. The GRI Standards are the first and most widely adopted global standards for sustainability reporting.

IAP2

International Association for Public Participation (IAP2) is an international organisation advancing the practice of public participation. Its mission is to promote and advance public participation/community engagement globally through targeted initiatives that are guided by culturally adaptive standards of practice and core values.

IAP2 Spectrum of Public Participation

Designed to assist with the selection of the level of participation that defines the public's role in any public participation process. The spectrum is used internationally and is found in public participation plans around the world.

ICP

Installation Control Point connects our electricity and gas customers to our network. There is a unique ICP for every cable, line or pipe connection to our network, and it's how we identify our customers' connection.

ISN

Powerco uses the ISN platform to approve prospective contractors via desktop review and verification of their health, safety, environmental, and quality management systems.

Net Promoter Score (NPS)

A common metric used in customer experience programmes. An NPS score measures customer loyalty by looking at their likelihood of recommending a given business. A NPS score is measured with a single-question survey and reported with a number ranging from -100 to +100, where a higher score is desirable.

Part 4 regime

Part 4 of the Commerce Act contains a special regulatory regime for large electricity lines businesses, gas pipeline businesses and airports.

SafePlus assessments

Assessors provide advice on improving health and safety performance, using the SafePlus tool. SafePlus was jointly developed by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE). However, assessors act independently of those organisations and are not their employees, partners, or agents of them.

SAPS

Stand-alone power system.

Stranded asset

Stranded assets refer to assets that have become or are projected to become obsolete, uneconomical, or non-productive before the end of their expected useful life.

