

# OUR KNOWLEDGE

## OUR THOUGHT

Knowledge equals power. When it is equally shared

## HIGHLIGHTS

- Continued implementation of Meridian's knowledge management strategy
- Launched innovation framework to capture and develop new ideas
- Winter Power Taskforce shows the value of information sharing among industry players and consumers to manage supply and demand.

## FUTURE

- Leverage new infrastructure capabilities
- Use internal innovation to develop value-added, flexible products for customers
- Continue to talk to – and seek feedback from – all stakeholders.



Arc Innovations supplies prepayment technologies Quikpoint to several New Zealand companies.

## OUR REFERENCE POINT

The Meridian Way behaviours (see page 10 for more detail) are at the heart of our approach to knowledge sharing. We are committed to building rapport between staff and with other stakeholders. To do so, we need to be able to share information easily and seamlessly.

This means setting up our internal systems and processes in such a way that it is easy to share and access information, as well as making sure that we are open and receptive to communication with and from external stakeholders.

## OUR PROGRESS

### NEW BUSINESS PLATFORMS

This year we have implemented and enhanced a number of business platforms that enable us to be hot wired – a Meridian Way behaviour – and to support better the company's growth.

- We developed a business process model which was deployed via our intranet, *Wired*. This presents a snapshot of how all the parts of the business work together to achieve our goals, and documents key business processes. This is particularly useful to give new staff a complete picture of the company.
- We rolled out an enhanced document management system that is more secure, intuitive and user-friendly than the previous system, and able to be used across the Meridian information network. This means that more information can be shared across the company.
- We designed and developed a stakeholder management database system to support major growth initiatives and external relationships. This will be rolled out in the first quarter and will provide one central reference point, helping staff to share information more easily.
- We continued to migrate the Meridian Energy website (see case study) and other subsidiary, business unit and project sites onto a content management system so that information can be updated easily, quickly and inexpensively. As more and more New Zealanders are turning to the internet for information, we see this channel as an important way of sharing our views, particularly in relation to development projects.
- In May we rolled out Windows XP to the desktops of all New Zealand staff for increased stability, security and productivity. This included comprehensive training for all staff to ensure that everyone gets the best performance from the same system.
- During the year we also upgraded our telecommunications platforms to support better the company's growth, with an emphasis on remote operations. This has been done in partnership with our outsourced telecommunications and telemetry partner, ABB.
- Investigation continues into further integration of the intranet and other systems with other collaborative tools and extranets.

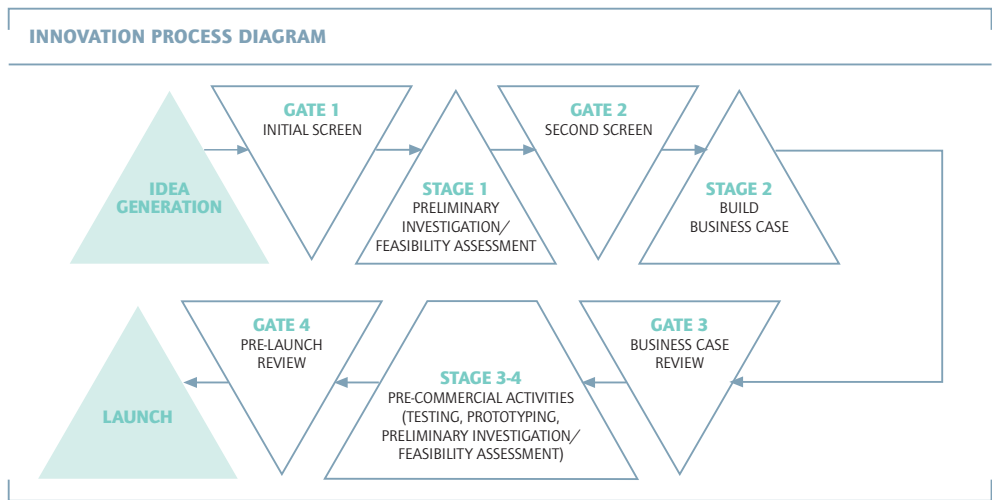
## CASE STUDY

## NEW WEBSITE



In June 2003 Meridian Energy launched its new website. The company website was the last to be moved onto the content management technology that we purchased for our intranet the previous year. Like the intranet project, we spent a considerable amount of time at the outset working on the information architecture, and finding out users' requirements before any design began.

As a result we altered the navigation significantly from the previous site, making it more obvious for our retail customers to find information. This has set up a solid platform for service delivery via the internet.



**ENCOURAGING AND CAPTURING INNOVATION**

During the last financial year we developed and piloted an internal innovation process to enable us to tap into the entrepreneurial spirit, expertise and experience of all our staff. People from throughout the business will be encouraged to submit ideas for business improvement and value growth, which will be assessed on their commercial viability. With positive results from the pilot phase, this process will be rolled out further in the coming year.

As part of the innovation project, in May 2003 we acquired CIC Global, a Christchurch-based metering company which we have renamed Arc Innovations. The company, which supplies prepayment technology for several New Zealand companies, will help us to deliver on our prepayment goals. It was a strategic acquisition and is now being operated as a strategic business unit by our Knowledge and Innovation team to maintain commercial integrity for Arc Innovations' other retail electricity customers.

**RESEARCH ACTIVITIES**

We actively monitor new technology developments internationally and assess whether they may be threats or opportunities for Meridian. To this end, we leverage our relationships with external research

providers and with Nth Power Technologies, a US-based venture fund specialising in the energy industry (please see page 51 for case study on secondment).

During the year, we participated in the Energy Efficiency and Conservation Authority's demand-side management (DSM) trial, which gave insight into the technical challenges and value proposition for time-of-use metering to support DSM activities for a variety of customers.

We are investigating the feasibility of building a refinery to convert animal tallow into biodiesel, with the hope of commercialising the technology for use in the construction of Project Aqua (see case study on page 57 for details).

We have continued our investment in Whisper Tech, a Christchurch-based developer of a new technology known as the Whispergen. This is a residential-sized combined heat and power device that replaces a conventional boiler with a unit that can generate base-load electricity while meeting the heating requirements of a home.

Whisper Tech has continued to make good progress over the last 12 months with a number of units placed with customers for testing and evaluation.

This year 400 units have been ordered by Powergen in the UK for a full-scale market trial.

#### KNOWLEDGE SHARING DURING WINTER

Meridian's approach to knowledge sharing was well demonstrated during the autumn of 2003 when we were a key member of the Winter Power Taskforce.

The Taskforce included representation from all industry players and enabled a coordinated, industry-wide response to the issue. Meridian contributed to the Taskforce's Target 10 campaign, which encouraged all New Zealanders to make 10% energy savings. This was supported by incentive/reward programmes run by individual retailers (please see page 20 for the full range of activities carried out during winter).

The Winter Power Taskforce was wound up in July 2003, once inflows in June and greater certainty over coal stockpiles eased pressure on supply. However, Meridian hopes the establishment of the new Electricity Commission will help to maintain the momentum of better information sharing among industry players.

#### STAFF INITIATIVES

The company intranet, *Wired*, continues to be a key internal communications tool. Now that it has been operating for a year, work is underway to develop it further so that it continues to meet the needs of staff.

Another initiative developed this year to share knowledge among Meridian's staff is *LiveWired* – a seminar series that features five presenters speaking for five minutes on five different topics. The seminars are designed to foster and encourage the creative, imaginative side of the Meridian Way.



#### CASE STUDY

#### BIODIESEL RESEARCH

"POWERING THE CONSTRUCTION WITH RENEWABLE FUEL IS ANOTHER WAY WE ARE DEMONSTRATING OUR COMMITMENT TO RENEWABLE ENERGY AND EXPLORING LOW-IMPACT TECHNOLOGIES FOR THE CONSTRUCTION OF AQUA AND OTHER PROJECTS."

**GEORGE RITCHIE**  
MANAGER TECHNICAL OPERATIONS.



Meridian is working with a Massey University team to develop an environmentally friendly fuel to power the bulldozers, scrapers and diggers that could be used in the construction of Project Aqua. The fuel in development is a biodiesel derived from animal tallow – a readily available waste product from meat processing.

It is estimated that 55 million litres of fuel will be needed to power the machinery that will build Project Aqua. The biodiesel will be greenhouse gas-free and could be blended with ordinary diesel in any proportion or used on its own.

The team is also developing plans to build a refinery that will be able to be used to produce biodiesel for other purposes once the construction of Project Aqua has been completed. It is believed this would be the country's first biodiesel plant and the first in the world to use animal tallow as the base product.