



YOUR NETWORK, YOUR NEWS.

DELIVERING FOR YOU

Aurora Energy's community update about the electricity network in Dunedin, Central Otago/Wānaka, and Queenstown Lakes.

Aurora Energy puts customers at the centre of everything we do. We started our improvement programme back in 2017, and began investing over \$500 million over a five-year period from 2021, to provide our customers with a safe, reliable, affordable, and sustainable supply of power; and we're committed to keeping our customers informed about our plans and the progress we're making.

As well as managing our existing assets, we're also doing a lot of work to enable the energy future of our customers and communities. This is important to ensure the network is adequate to meet the demand growth of the community, in terms of both population and an increasing demand for electricity as people make lifestyle changes to reduce carbon emissions.

COMMUNITY EVENTS

We love getting out and about to meet the customers on our network, answer your questions, and share information about Aurora Energy and the electricity network.

One of the ways we do this is to go to A&P shows and gala days, and we enjoyed chatting with many people over the summer at these great events. Thanks to everyone who came to say hello and gave our new buzz-wire game and spinning wheel a go!

Late last year, we also held community drop-in events in Dunedin, Alexandra, Queenstown, and Wānaka, and hosted three Business After Five events alongside Business South and the Queenstown Chamber of Commerce. Thank you to everyone we spoke to, we got positive feedback from people who liked the opportunity to speak with us directly.



It was great to chat with our customers at our community drop in sessions last year and update them on our progress.

Our buzz-wire game was a hit with the locals at the A&P shows!

IN THIS ISSUE:

UPDATE ON OUR PROGRESS FROM OUR CEO



Aurora Energy Chief
Executive Richard Fletcher

As your local lines company, we deliver electricity to homes and businesses across our Queenstown, Wānaka, Central Otago, and Dunedin network areas. We are continually looking to improve how we perform and deliver our services, and we are preparing now for a future that includes decarbonisation (a reduced reliance on fossil fuels) which will mean an increased use of solar and electrification of transportation.

line charges recover the direct costs of distributing electricity to you across our network (distribution prices), as well as other indirect costs (pass-through prices) including electricity transmission from Transpower's national grid, rates, regulatory levies, and incentives.

The way electricity prices are set will change over the next few years, to make them easier to understand. We will also introduce different time of use tariffs to provide customers with flexible electricity rates tied to supply and demand on the network. This will ensure that our investment to provide future network capacity is optimised, which will overall flow through to lower prices for customers.

Aurora Energy's future changes will be phased in, to give everyone time to understand and adjust to the changes. Head to our back page to read about peak and off-peak prices, and you can find more pricing information on our website.

New and improved website

We know the main service level you want from Aurora Energy is a reliable power supply, and up to date information if the power goes out. We're excited to be launching our new website soon, with better ways to display power disruptions, both for planned work that's coming up, as well as unplanned power outages. And we've made sure it's mobile friendly as we know you may not be able to use a computer when the power is out. We're looking forward to launching the new website later this year.

Pricing changes

You may be aware that Aurora Energy's line charges increased from 1 April, in line with regulatory approvals made in 2021 by the Commerce Commission. Our

Preparing for the future

We're often asked if the electricity network will cope as more people buy electric vehicles and use more electricity, and how we'll adapt to more people having solar panels and batteries. We know Aurora Energy is playing a lead role in helping people reduce their carbon emissions and rest assured we're planning for this growth and ensuring we have enough capacity to meet peak demand. Our ongoing work programme is making great progress and this work also contributes to a more future-proof and robust network. Read about our progress on the following pages.

I hope you enjoy this issue of 'Your Network, Your News'.

UPDATE ON OUR INVESTMENT PLANS

Last year we published our Project and Programme Delivery Plan, which details our investment across our customised price-quality path (CPP) period (2021 to 2026). We also annually publish our 10-year forecast Asset Management Plan (AMP). Since publishing our Project and Programme Delivery Plan, we have experienced pressure from increasing costs and higher network growth, and we have responded to this as best we can. This is reflected in our 2023 AMP.

Overall, we are predicting a slight increase in our operational expenditure across our CPP period, mainly reflecting increased planned maintenance

and asset inspection. By continuing to focus on renewals and improving our asset health, we have been able to reduce our forecast faults costs by around \$8m and have substituted this saving into our maintenance plans.

We are also predicting an increase of around 10% in capital expenditure over the five year period to 2026. This is required to maintain our focus on asset renewals but also reflects a bringing forward of upgrade investment from later years in our 10-year plan.

You can find more about our CPP and plans at: www.auroraenergy.co.nz/disclosures

SNAPSHOT OF MAJOR UPGRADES TO THE ELECTRICITY NETWORK

We have a large five-year work programme underway, and are investing over \$500 million across the region to upgrade the network. A very big thank you to our contractors for carrying out this work on our behalf.

CENTRAL OTAGO/WĀNAKA ELECTRICITY NETWORK

Ettrick bundled work



We replaced:

- 45 poles
- 12 cross arms
- 5 distribution transformers
- 1 air break switch
- 7.2km of power lines

Electricity generation was installed at various points to reduce the number of outages and durations for our customers.

Omakau zone substation



We are making good progress on the substation upgrade – we are on track and work is scheduled to be completed this year. We recently commenced the final stage of work.

This includes:

- Installing electrical equipment, including a 7.5 MVA transformer
- Installing an 11 kV switchboard in the new control room
- Followed by planting around the substation

This project will increase the reliability of electricity supply for Omakau, and double the capacity of the substation, ensuring that it is adequate to meet the demand growth of the community. We have a number of projects planned over the next five years for the area, and will provide updates as these progress.

Cromwell bundled work



We replaced:

- 19 poles
- 5 cross arms
- And installed new voltage regulators, surge arrestors, and recloser bypass

To minimise the impact on the community, we bundled the work together and engaged multiple contractors for two coordinated workdays. We also generated the Lowburn Community Hall for one of the days so locals had access to water, toilet, and kitchen facilities. Thanks to everyone who said hello to the Customer Engagement team stationed at the hall.

Alexandra bundled work



We replaced:

- 46 poles
- 113 cross arms
- 117 surge arrestors
- 24 transformers
- 2 air break switches

To minimise customer impact, multiple Delta crews worked across various sites on single days to maximise resources and condense the work as much as possible.

UPGRADES CONTINUED...

QUEENSTOWN LAKES ELECTRICITY NETWORK

Queenstown zone substation



We are excited to announce the upgrade of the Queenstown zone substation. We are future-proofing the network and strengthening the electricity supply for customers in the Queenstown area by constructing a new control room and switchgear building, new indoor 11 kV switchgear and complete replacement of the electrical protection and control systems.

Queenstown zone substation supplies over 2,600 customers in the Queenstown and surrounding areas, and is an important switching station as it connects to Commonage, Frankton GXP (where Aurora Energy connects to the national grid) and Fernhill.

Joint investment to secure future electricity supply for Queenstown

In April, Aurora Energy, Transpower and PowerNet met with Queenstown Lakes District Council to announce joint investment to secure future electricity supply for Queenstown and the Whakatipu Basin.

Two new transformers will be installed at Transpower's Frankton substation by winter 2025 along with upgrades to the high-voltage transmission lines from Cromwell that supply the region. The high-level estimated cost of these upgrades is \$24-30m.

The upgraded equipment will increase Frankton substation's capacity by 35%, ensuring people in the Queenstown area (and across the Wakatipu) can continue to depend on clean, renewable energy provided by the national grid.

Gibbston



We replaced:

- 15 poles
- 1.8km of power lines
- 500m of underground cable

Given the environmental significance of the area, we worked closely with the Department of Conservation and Wildland Consultants in a year-long process to ensure the welfare of the local lizard population while the work was carried out.

Arrowtown bundled work



We replaced:

- 45 poles
- 75 cross arms
- 2 distribution transformers
- Approximately 2km of power lines
- And we upgraded a voltage regulator and recloser

We have a number of projects planned over the next five years for the area, and will provide updates as these progress.

This work will improve the safety and reliability of power supply to our customers across the network.

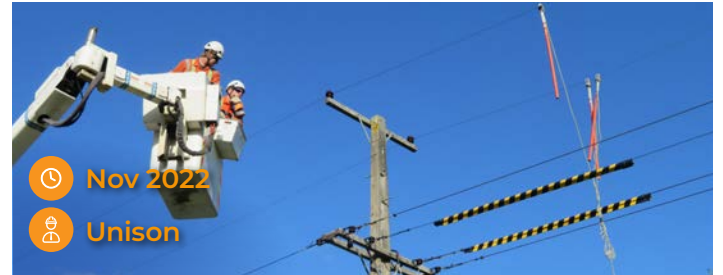
DUNEDIN ELECTRICITY NETWORK

Andersons Bay zone substation



Work is progressing well with the \$8.4m upgrade. We are replacing the existing aged equipment with new modern switchgear and transformers. We'd like to thank the local residents for their patience for any disruptions while we undertake this work.

Henley bundled work



We replaced:

- 20 poles
- 38 cross arms
- 3.2km of power lines
- 2 transformers
- 1 air break switch

We collaborated with the Otago Regional Council, coordinating this work around their works on the Taieri River flood banks, which resulted in a positive outcome for both parties.

Waitati Valley Road



We replaced:

- 19 poles
- 10 cross arms
- 3.9km of power lines
- 4 transformers

To minimise the impact to customers, this project was spread over three stages, with all work being completed this year.

Want more information?

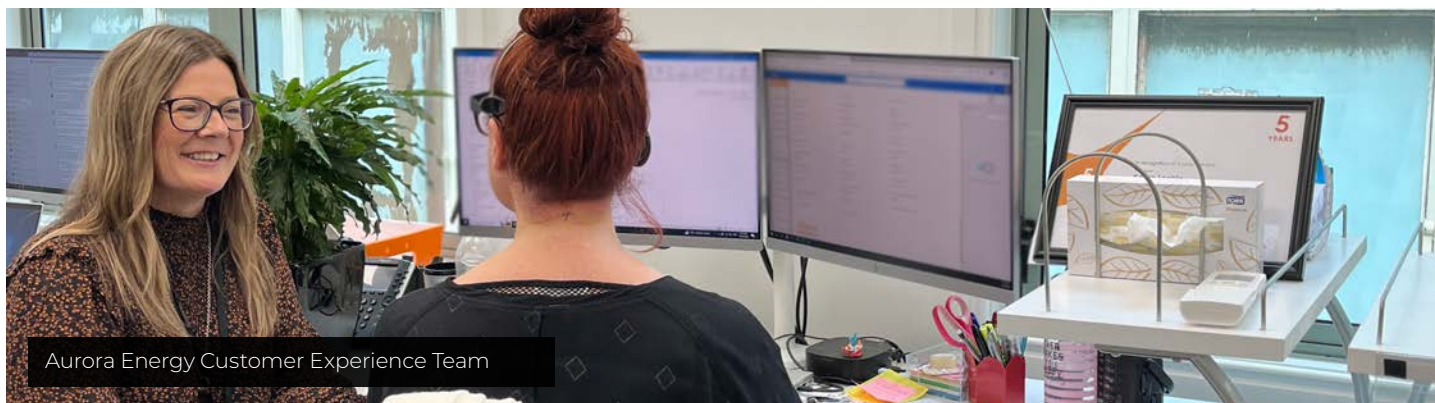
If you would like more information, or to see photos and footage of these projects, head to: Aurora Energy Major Projects Webpage www.auroraenergy.co.nz/about/major-projects/

Aurora Energy YouTube Channel



Large infrastructure projects can take a long time to deliver, and we hope you enjoy following the updates as they progress. **Stay tuned!**

A DAY IN THE LIFE OF...



We chatted to our Customer Experience team to find out what they do on a normal day and why they like working at Aurora Energy.

What does a typical day in the office look like for you?

There is no typical day, each brings a different set of challenges! Alongside our daily tasks, we are often dealing with planned outage or fault queries, complaint management, maintaining the website and Facebook pages, answering emails and phone calls, along with supporting many other areas of the business. There is never a dull moment, and the variety is what makes the job so interesting.

What might people be surprised to know about your role?

A lot of people may be surprised at the level of knowledge we hold as part of our roles, all of which is required to answer the myriad of queries we face daily. A lot of people assume we just answer the phones, but there's a lot more to it than meets the eye.

What do you enjoy most about your job/working for Aurora Energy?

We love that each day brings a new challenge, and is most certainly never boring! We enjoy working with a great supportive team, who are always willing to help.

Do you want to work for Aurora Energy?

We are always looking for talent to join the Aurora team. Flexibility, a people-focused culture, and support for your career and development are just some of our perks! Plus, you get to live in what we consider to be the most beautiful part of New Zealand!

To see current vacancies, go to:
www.auroraenergy.co.nz/careers/



COMMUNITY SUPPORT – STREET ART IN WĀNAKA

A very big thank you to local Wānaka artist Chrissy Wickes, who has done a beautiful job of transforming another one of our electricity assets into a work of art on Dungarvon Street, Wānaka. The design features a large kowhai at the different stages of flowering and seeding. A big thanks to Chrissy for her time and efforts!

SUSTAINABILITY

We had a chat to Andrea Johnston and David Vaughan, who installed solar panels on their house in 2015. Both in their mid-60s at the time, they had no expectations of recovering the cost within their time in the house – they were thinking of the future, rather than themselves. They spoke to us about the process, and gave some tips for anyone who may be considering the switch to solar panels.

What was your motivation behind installing solar panels?

Installing solar panels on our house seemed an obvious thing to do, as the site gets good sun all year round. We were thinking of the future, not simply of ourselves. We were both in our mid-60s at the time, and so had no expectations of recovering the cost within our time in the house. We have been pleasantly surprised by their performance – we have seven 255-watt panels (giving 1.79 kW potential output), and even have room to install at least seven more, which we may consider in the future.

How easy was the process?

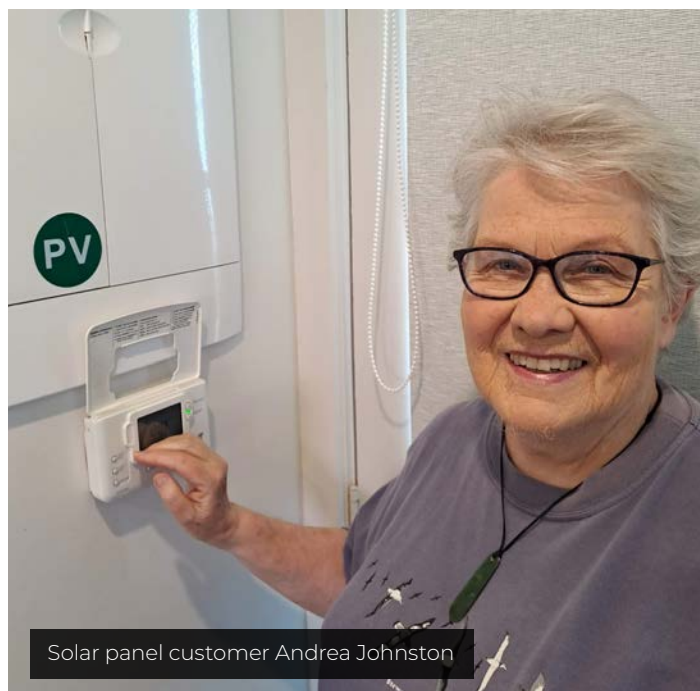
The basic installation process of the panels themselves was reasonably straightforward. We decided against including battery storage at the time we installed the system. This was partly due to cost, but mainly because we weren't entirely convinced of the value of available systems and the ethics of Lithium battery production. This was back in 2015, when technology was different to what it is now.

How do you use the panels?

We originally had ripple control enabled, but quite soon had it disabled. If hot water heating was stopped via a ripple control, our panels were unable to heat our hot water. We stagger our use of appliances – we don't run the dishwasher and the washing machine at the same time, and we wait a while after showers before using other appliances. The panels produce power even on cloudy days, so we do these things as a matter of course now. This means the maximum amount of power from panels is used in the house.

Have the solar panels made any difference to your power bills?

Our seven panels have generated 2.1 MWh annually, all of which is power we are not drawing from the grid. For the first few years, across each complete year, we exported an average of 15 kWh per month. This dropped to 10 kWh per month during 2022, as we



were both at home much more of the time. We have been somewhat surprised to see that even during June and July each year, we regularly export small amounts of power!

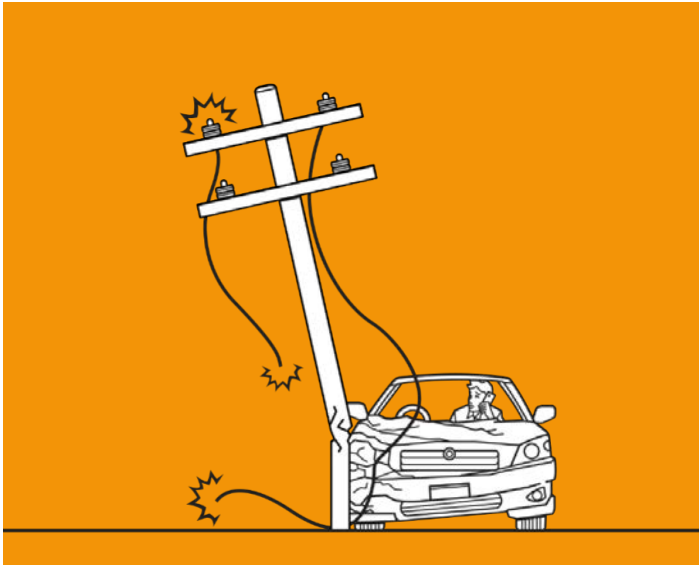
What advice would you give to others considering solar panels?

- If you can afford it, get a hot water timer
- Take the time to find out all about solar panels and suppliers – installation, support after installation, monitoring the panels and their performance, the attitude of your electricity retailer and support from them
- Look into the after-sales service performance of the companies you are considering
- Ask questions about who exactly will be involved in the installation, and who your contact will be after the installation is complete
- Find out about the online tools and/or apps that are provided for you to monitor power flows, and the reliability of those tools
- Check whether your current power retailer is on board with customers arranging their own installation.
- If potential cost recovery is an important factor, check any estimates from retailers very carefully. We received system quotes with payback estimates that had assumed we would return 50% of the power generated to the grid. This was never a realistic prospect, because we are both at home during the day.

PUBLIC SAFETY

Stay safe, call for help

If you hit a power pole, stay in the vehicle and call 111. If your vehicle is on fire, jump as far away as reasonably practical without making contact with a downed line. If you come across an accident, stay well clear of downed lines and call 111 for help.



Be prepared for power outages

As we head into the colder months, we wanted to share some tips on how you can prepare for power outages. Whether there is a planned or unexpected power outage in your area, here are some tips to make sure you're ready in case the lights go out:

- Remember to keep your fridge and freezer door closed as much as possible. An unopened fridge will keep your food cool for at least four hours. A half-full freezer will keep your food chilled for up to 24 hours, and a full freezer for up to 48 hours
- Have a supply of bottled water and long-life items such as milk and canned goods
- A torch with spare batteries is the best source of alternative light
- Extra clothing and blankets are a good way to keep warm. You can also conserve heat in your home by closing doors, windows, and curtains
- Keep your mobile phone charged. If you have a device that can be charged with a USB cord, use a power bank or car charger as they're great sources of backup energy



CHANGES TO PEAK AND OFF-PEAK PRICES

We are planning to phase in peak and off-peak pricing (time of use pricing) and are currently working through what this will look like. Once fully implemented this will mean that customers will pay more to use electricity during peak times, and less when using it off-peak.

Time of use pricing will encourage people to move their discretionary electricity use such as turning on the washing machine or dishwasher, or charging their electric vehicle, to off-peak. The Time of Use pricing impact will be neutral for customers with a typical usage pattern because the higher peak prices will be offset by lower off-peak charges.

This is being done to minimise how much network investment we need to make, which keeps prices lower for all customers in the longer term.



We also want to provide a pricing incentive for new technology users, such as electric vehicle owners, to charge during off-peak times so the impact on the network can be managed efficiently.



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