

OUR QUEENSTOWN PROJECTS

FROM APRIL 2021 TO MARCH 2026

A SNAPSHOT OF OUR PROJECT AND PROGRAMME DELIVERY PLAN

At Aurora Energy, we are committed to building a stronger and more resilient network to meet the needs of our customers and the future growth of our communities.

To do that, we have identified areas in Queenstown where we need to invest in maintaining, replacing and upgrading our assets; and enhance the way we run our business so we can enable the energy future of our communities.

As part of our Customised Price-quality Path (CPP) commitments, we have identified a series of projects and a programme of work to be delivered in Queenstown over the 5-year CPP period (2022-2026).

Variations to the CPP determination and what we plan to do

In some areas we are forecasting spending less, and in other areas, more. A number of factors have contributed to this:

- Improved asset condition data to inform our renewal and maintenance activities
- Improvements to how we prioritise investments since we made our CPP application
- Higher than anticipated demand growth in Central Otago and Queenstown, which was initially expected to slow down as a consequence of COVID-19
- Increased prices from suppliers

Where we are anticipating spending more in Queenstown to meet higher than forecast growth, we will:

- Seek approval from the Commerce Commission to carry out customer-initiated works under their Capacity Event allowances (\$5.2m)
- Re-adjust the Central Otago work programme to ensure we can deliver strong growth in Central Otago while also accommodating important Queenstown projects

Measuring our performance

We will track our delivery of these projects, and our spend, and keep you updated on our progress in our Annual Delivery Reports. Our first Annual Delivery Report (Interim) is due in 2022.

For a full copy of our Project and Programme Delivery Plan, go to www.auroraenergy.co.nz/disclosures/delivering-our-cpp

WE WILL BE INVESTING AND DELIVERING WORK IN SIX KEY AREAS

We will be investing and delivering work in six key areas across Queenstown

Network Capital (\$49m total)

1. \$18.3m on Renewals

To ensure the existing assets on our networks are renewed when required – things like replacing our poles, crossarms, distribution transformers and power lines.

2. \$11.8m on Growth and Security

To deliver the projects needed to ensure the capacity of our network can meet the future expansion and growth of our communities.

3. \$18.8m on Network Connections

So customers can connect and we can relocate our assets for third party developments, so we can evolve our network for the future.

4. Non-Network Capital (\$2.4m total)

To make the necessary investments needed in our IT systems and supporting facilities to enable our asset management activities.

5. Network Operating (\$16.5m total)

To continue to inspect, maintain and repair our assets and manage vegetation growing too close to them.

6. Non-Network Operating (\$23m total)

To run our system operations and network support functions, and the day-to-day operations of our business.

IN ADDITION TO THE NETWORK INVESTMENT THESE ARE THE MAJOR PROJECTS WE'RE PLANNING TO DELIVER



1 **Frankton** special protection system interface (RY22)

2 **Arrowtown** substation re-configuration (RY22)

3 **Arrowtown** 33 kV ring upgrade (RY23-24)

4 **Arrowtown** new substation (RY23-24)

5 **Frankton** substation upgrade (RY24-25)

6 **Arrowtown** zone substation indoor switchgear upgrade (RY25-26)

7 **Distribution and low voltage network reinforcement across Queenstown** (RY22-26)

*Regulatory Year (RY) runs from 1 April – 31 March