

YOUR NETWORK, YOUR NEWS.

DELIVERING FOR YOU

MAY 2024

- In this issue:**
- Update on our investment plans
 - Electricity network upgrades
 - Our communities
 - Sustainability
 - Our people

Aurora Energy’s community update about the electricity network in Ōtepoti Dunedin, Central Otago/Wānaka and Tāhuna Queenstown.



KIA ORA KOUTOU,



Chief Executive Richard Fletcher

Welcome to our new look 'Your Network, Your News', we hope you like it.

It's fair to say we have been in the spotlight recently. You may be aware the Dunedin City Council (DCC) has consulted publicly on a possible sale of Aurora Energy. At the time of writing, the consultation will have closed, and a decision is expected to be made in June. Consumer rights will continue to be protected regardless of the outcome. Our role is to support the DCC's process, and for us, it is business as usual.

In February, we announced that we have commissioned an independent review of reliability (how often there are unplanned power outages), with a focus on Central Otago following several widespread unplanned outages earlier this year. The review will provide an additional lens above our own investigation into the faults and will also compare our network reliability against other NZ lines companies.

I'd like to reassure customers that Aurora Energy is trending well within the reliability targets set by the Commerce Commission. We will receive the report later this year.

From 1 April we started phasing in the option for retailers (who you pay your power bill to) to use 'time-of-use' peak and off-peak pricing for residential customers. This will encourage people to shift when they use electricity, such as charging EVs or running appliances like dishwashers or washing machines, to off-peak hours, when prices are lower and there is less impact on the network. We have a new video on our website that explains how time-of-use pricing works and you can use the QR code on this page to watch it. We have more information about pricing and how line charges are set on our website.

Thank you to those who provided feedback on the proposed changes to our Customer Charter. As we outlined during the consultation, we want to update it to include the service commitments we know are important to customers and to make it easier to understand. We look forward to launching our new Customer Charter later in the year.

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

Richard Fletcher
Aurora Energy
Chief Executive



UPDATE ON OUR INVESTMENT PLANS

In March 2022, we published our five-year Project and Programme Delivery Plan (PPDP), detailing our investment across our customised price-quality path (CPP) period (2021 to 2026). Our 2024 Asset Management Plan provides context for the current 10-year forecast and revised plan within the PPDP period. Key factors influencing the adjustments include:

- Cost escalation
- Significant system growth and customer connections over the next 10 years, with strong development continuing in both Central Otago and Queenstown
- Our maturing asset management processes

While we have made significant progress with our renewals programme, we have not yet reached steady state and will continue the theme of risk prioritised renewals to address the backlog over time. The following is a high-level summary of our capital expenditure (capex) project and programme adjustments over the PPDP period:

- Favourable crossarm health - 72% reduction in renewals
- A new substation in Dalefield and Smith Street 33 kV cable projects
- Brought forward consenting plans for the new upper Clutha 66 kV lines

- Deferral of growth projects at Riverbank and Lindis Crossing
- Deferral of the Arrowtown substation 33 kV indoor switchgear

The above adjustments/deferrals partially offset the impact of cost escalation for the following projects and programmes:

- Ground mounted switchgear
- The Upper Clutha auto transformer and Frankton substation upgrades
- Rebuild of Green Island substation, Alexandra outdoor-indoor conversion and Smith Street switchboard replacement

Overall, we are predicting an increase of around 7% in capex to the end of the 2026 regulatory year. This is required to complete projects within the period that are faced with increasing costs and also reflects acceleration of upgrade investment from later in our 10-year plan.

We are predicting a slight increase in our operational expenditure across the CPP period. We have been able to reduce our forecast faults costs by around 10% and have substituted this saving into our preventative and corrective maintenance plans.

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

ŌTEPOTI DUNEDIN NETWORK UPGRADES

We are now three years through a large, five-year work programme and are investing \$560 million to upgrade the electricity network. Below is a snapshot of major projects either recently completed or currently underway in your area, to ensure future resilience of your electricity supply.

Large infrastructure projects can take time to deliver and we hope you enjoy following the updates as they progress. **If you would like to keep up to date digitally, email info@auroraenergy.nz to receive a copy of our community updates.**



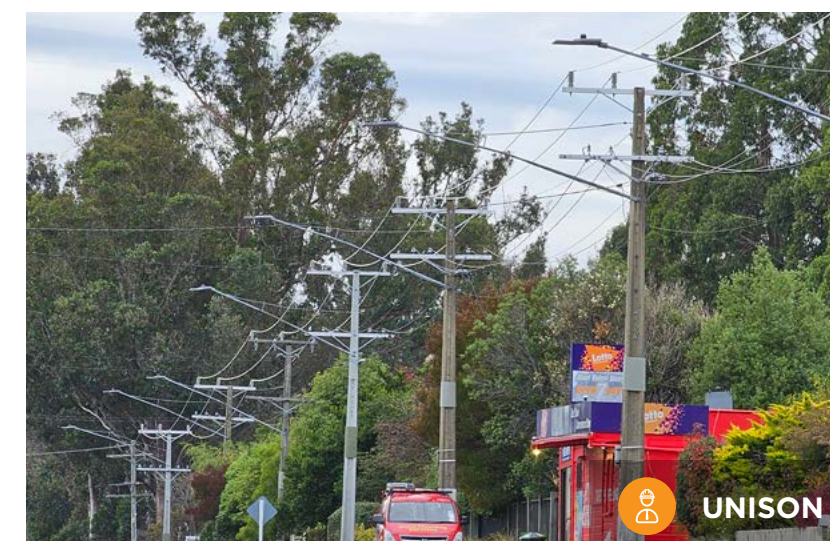
GREEN ISLAND ZONE SUBSTATION

Upgrades to the Green Island zone substation will strengthen electricity supply for 4,300 customers in wider Green Island, from Concord to Ocean View. Upgrades include replacing transformers and ageing equipment and constructing a new switch room and will help to future proof the network for anticipated growth and changing electricity use. Construction started in February and is scheduled to be completed in 2025.



SMITH STREET TO WILLOWBANK INTERTIE

We are creating a ring network to improve the security of electricity supply for approximately 5,900 customers supplied by Smith Street and Willowbank substations. Trenching and cable ducting work is progressing well, which is needed to install a new 2.5km 33 kV underground cable across Central Dunedin. Work on the final stage of this project (York Place near the Smith Street zone substation) started in April, and is expected to be completed by June.



EAST TAIERI BUNDLED WORK

We replaced 13 power poles, 104 crossarms, 4km of power lines, one transformer, and one air break switch along Main South Road and East Taieri-Allanton Road, which will strengthen the supply of electricity to 200 customers in the area. This was a large programme of work that required power outages and road closures over a six-week period, and we want to thank the public for their patience while this work was carried out.

CENTRAL OTAGO / WĀNAKA NETWORK UPGRADES



BANNOCKBURN BUNDLED WORK

We have upgraded the electricity network in Bannockburn by replacing four power poles, 17 crossarms, 1.6km of power lines and installing a new air break switch along Hall Road. To minimise the impact on customers, we used multiple crews and also conducted some live line work (where power is still running through the power lines) to reduce the number of planned outages. This work will benefit 800 customers in the area.



CROMWELL HERITAGE BUNDLED WORK

We have completed a large programme in the Cromwell Heritage area. We replaced 15 power poles, five crossarms, 1.4km of high voltage power lines, and 1.9km of low voltage power lines over three months. These important upgrades have further strengthened the electricity supply for 1,600 customers in the local community.



CLYDE TO ALEXANDRA DRONE SURVEY

Earlier this year we carried out a drone inspection and a ground-based acoustic inspection of the two main electricity lines between Clyde and Alexandra. This was following two widespread unplanned outages in Central Otago on January 19 and 23, to support our own investigations into the potential causes. We found evidence of interference from a possum and have concluded that the primary cause of the outages was most likely triggered by wildlife and third-party interferences on the network. We also identified and replaced a faulty communication radio, thereby reducing the consequence/impact of future faults. You can read more about this in the 'News' section on our website.

TĀHUNA QUEENSTOWN NETWORK UPGRADES



KELVIN HEIGHTS, FRANKTON, AND DALEFIELD

We have replaced 27 power poles and 11 crossarms, and repaired two power poles, in the Frankton, Kelvin Heights and Dalefield areas. This work was scheduled ahead of winter to help minimise the likelihood of unplanned outages during the colder months. Multiple crews from Queenstown, Wānaka, Cromwell and Alexandra worked together on this project to minimise outage frequency and times as much as possible.



ARROWTOWN WORK PROGRAMME

Over the last three years, we have had a large focus on upgrading and reconfiguring the network in the Arrowtown and surrounding areas, to operate more efficiently and reliably. The work so far has included replacing 88 power poles, 93 crossarms, 6.1km of power lines, repairing eight power poles, undergrounding one span of overhead power lines in Denbigh Street, installing two distribution transformers, upgrading and maintaining the voltage regulator and recloser on Morven Ferry Road, upgrading the Arrowtown ring through the completion of a new 33 kV cable and installing a recloser on Whitechapel Road (Crown Range).



GLENORCHY BUNDLED WORK

We've been busy in Glenorchy over the last two years, including replacing 110 power poles and rebuilding the network across Dart River and through Diamond Lake. Since then, we've replaced seven power poles, three pole transformers, repaired six power poles and replaced 1.3km of lines in the Glenorchy township. This work will benefit the community by assisting with flood resistance from stronger structures, and the new power lines will allow for increased capacity and future growth.

OUR COMMUNITIES

Meeting customer and community needs is at the heart of Aurora Energy. We value feedback and are dedicated to making a positive difference in the communities we serve.



Students at our new Omakau substation



Omakau students planted 105 plants!



Great summer attending A&P Shows!



Science Fair winners tour



Students at Ward St substation

SUSTAINABILITY

FUTURE NETWORKS FORUM AND HOW WE ARE PREPARING FOR THE FUTURE

Aurora Energy is part of a nation-wide group working together to help Aotearoa reach its climate change goals, and enabling the energy future of our communities. We're exploring ways to make sure the electricity industry can deliver the future that customers want and have confidence in the electricity industry that we will provide an affordable and equitable transition to a reliable, decarbonised energy system. It's important that lines companies, Transpower, retailers, flexibility providers, Electricity Networks Aotearoa, and other stakeholders work together to develop aligned solutions and we're excited to be part of the Future Networks Forum.

You can learn more about the Forum at: www.ena.org.nz/fnf

EXPLORING THE ELECTRIC THRILLS OF E-BOARDING

Bob, Aurora Energy's Network Procurement Manager (pictured below), has embraced the thrill of e-skiboarding, finding it an exciting alternative to mountain biking. Bob, who lives in scenic Cromwell, rides to work most days. He also navigates local trails in Pisa Moorings and Bannockburn on his e-board, relishing the challenge. Boasting 7" all-terrain wheels, a 504WH battery, and a top speed of 32km/h, his e-board offers a 30km range on a 4-5 hour charge. He says he loves the unique wave-carving sensation similar to surfing that the double pivot truck system in his e-board creates. When asked about what he enjoys most about riding, Bob says, "You have to concentrate while riding, so it takes your mind away from all your other daily worries".



OUR PEOPLE

We spoke with Bob from our Service Delivery team about what a day in the office looks like for him and what he likes about his role.

What does a typical day look like?

It's a busy role. I manage logistics and procurement for our project managers and attend project and contractor engagement meetings. I support our asset management team with strategic spares activity, which involves storage, purchasing, and keeping data up to date. I manage communications and maintain relationships with our suppliers, ensure deliveries are made intact and on time, and provide forecasts to help with planning. I also work with our asset lifecycle engineers on the reverse logistics of used equipment coming off the network.

What do you enjoy most about working for Aurora Energy?

I've been in this industry for nine years and I'm still learning new things. My past roles have included managing customer relationships, and this is no different. I enjoy using my knowledge and skills to save the team time.

What's your proudest or most memorable moment at Aurora Energy?

I feel proud when I'm driving around the network and I see all the projects I have had a hand in. One that stands out is when I organised the painting of steel poles to blend into the scenery. When someone asked where they were, I realised they hadn't noticed them — mission accomplished!



Bob riding his e-board



Join our team

Aurora Energy is a great place to work! Head to our website to view our current vacancies.

www.auroraenergy.co.nz/who-we-are/our-careers



PLAN AHEAD FOR POWER OUTAGES

Be prepared for power outages, whether they are caused by weather events, emergency situations or necessary maintenance. If you do experience an outage, we'll be working as quickly and safely as possible to restore power.

Have a plan

Treat all electrical equipment as live

Go to our website for outage updates

It's important to have a plan, especially if you are medically dependent or your business depends on power. As your local lines company, we have up-to-date outage information on our website and advice to help you before, during and after power outages.

auroraenergy.co.nz

0800 22 00 05

BE SWITCHED ON TO SAFETY

ANY QUESTIONS? GET IN TOUCH



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