

YOUR NETWORK, YOUR NEWS.

ENABLING THE ENERGY FUTURE OF OUR COMMUNITIES

MAY 2025

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Aurora
ENERGY

AN UPDATE FROM OUR CHIEF EXECUTIVE

Kia ora koutou,

It's hard to believe, but we now have just one year left of our five-year, \$560 million network investment programme. I'm immensely proud of the work we've done so far to improve the safety of our network. The end of the programme doesn't mean we'll stop upgrading the network, but it allows us to focus more on enabling the future energy needs of our communities.

We're making good progress to ensure homes, businesses and communities across Otago can embrace new technologies as they become available. We want to give customers more choice and control over how and when they use electricity.

Changing energy needs

Aurora Energy is a key player in the transition to a low-carbon future. We are working hard to make sure our network is flexible, supporting the change from a traditional network where power flows one way, to an intelligent network where people can feed electricity they generate back into the grid.

We've partnered with a smart metering provider on a trial that will give us real-time data from smart meters on

homes and businesses. This will help us understand changing energy needs, incorporate renewable energy like solar, and invest wisely to avoid future network congestion.

Price changes

Our annual price increases came into effect on 1 April. On average, our network prices increased by 11.2%. This varies depending on the pricing network you're in, low-user fixed charges being phased out, and changes in energy consumption.

We do our best to balance keeping lines charges affordable while ensuring we provide a reliable electricity network for you. You can read more about pricing on our website, including what to do if you're having trouble paying your power bill.

In our communities

Our team has wrapped up another fun and successful A&P show season. It was great to see and hear from so many of you.

Head to page 7 to find out what we've been doing to support communities where we have had large work programmes.

We want to help businesses prepare for an electrified future, which is why we were excited to again be the principal sponsor of the Electrify Queenstown

event recently. If you're a business owner and want to move toward electrification, get in touch to see how we can help.



Richard Fletcher
Chief Executive



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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 2025 Asset Management Plan provides context for the current 10-year forecast and revised plan within the PPDP period. Key factors influencing adjustments include:

- Cost escalation
- Significant system growth and customer connections over the next 10 years, with strong development continuing in Central Otago and Queenstown
- Our maturing asset management practices enabling us to challenge and refocus investment to where it is most needed

While we have made significant progress with our renewals programme, we have not yet reached steady state for all asset types. We continue to take a risk prioritised approach to renewals investment, particularly for safety sensitive fleets. Safety will continue to be our number one priority beyond the CPP. The following is a high-level summary of our capital expenditure (capex) programme adjustments for the final year of the CPP period:

- Favourable cross-arm health has led to an 82% reduction in forecast expenditure
- Commencement of two new zone substation projects at Dalefield and Queensberry, driven by stronger-than-anticipated growth in electricity demand
- Commencement of Kaikorai Valley subtransmission cables renewal project

- Next stages of the Waipori line replacement project

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

- Ground mounted switchgear
- Multi-year projects such as rebuilding the Green Island substation, Alexandra outdoor-indoor conversion and Smith Street switchboard replacement

We still expect our net capex for the CPP period to be more than the forecasts included in the PPDP in 2022. This is consistent with the Commerce Commission's decision in January 2025 to grant an additional expenditure allowance in response to strong growth in the Central Otago region.

We are also forecasting higher levels of expenditure on our vegetation, preventive maintenance and corrective maintenance operational expenditure programmes, however this has been largely offset by a significant decrease in forecasted fault repair costs.

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

ENABLING THE ENERGY FUTURE OF OUR COMMUNITIES

The way communities are using technology is rapidly evolving, with an increase in electric vehicles and more people generating their own electricity through solar panels and battery storage. Aurora Energy plays a crucial role in enabling the energy future of our communities by ensuring our network can support the changing energy needs of customers. This includes working with them to reach their decarbonisation goals.

ELECTRIFY QUEENSTOWN

Earlier this week, we were proud to sponsor the 'Electrify Queenstown' event. The three-day event highlighted the increasing demand and interest in electrification within the area. We enjoyed speaking with everyone who came to our stand, and the opportunity to share our vision for Queenstown's electrified future.

We were excited to announce we're looking for flexibility solutions in the Queenstown and Upper Clutha areas to manage growing electricity demand outside traditional lines and poles. This follows our successful NZ-first trial in the Upper Clutha area to take pressure off the network during peak periods.



SPEIGHT'S BREWERY CAPACITY UPGRADE PROJECT

We are working with Lion NZ to upgrade the electricity connection to Speight's Brewery in Dunedin. This project, which will take place throughout 2025, will enable Speight's to take a big step toward electrification with the installation of a 3MW electric boiler. The move will make a significant dent in the brewery's carbon emissions. The connection project began at the start of May and is due to be completed in the second half of 2025.

PENINSULA BAY (WĀNAKA) COMMUNITY POOL

The Peninsula Bay Community Pool in Wānaka is making the most of the sun, having recently installed 52 solar panels on its roof, significantly reducing electricity costs by 50% and helping the environment. Heated from Labour Weekend to Easter, the pool capitalises on peak sunshine, with any surplus energy going back into the grid. The pool isn't heated in winter, so any electricity generated by the solar panels is also fed back into the grid for everyone to use.

Allan, the Chair of the organising committee, is a strong advocate for solar power and EVs and believes in both their environmental and economic benefits. "The benefits are clear - for individuals and the environment," he says, encouraging more people to consider these technologies and highlighting the need for government incentives to make solar accessible for all.



DELIVERING FOR YOU

We are in the final year of our large, five-year work programme and are investing \$560 million to upgrade our electricity network. Here 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.

ŌTEPOTI DUNEDIN



GREEN ISLAND ZONE SUBSTATION:

We have just kicked off the electrical works for the Green Island zone substation upgrade. This project will strengthen the electricity supply for 4,300 customers in the wider Green Island area, from Concord to Ocean View, by replacing the transformers and ageing equipment, and building a new switchroom. This project will be completed later in 2025.



SMITH STREET ZONE SUBSTATION:

Upgrades to the Smith Street zone substation will benefit 3,000 customers in the Dunedin Central and Roslyn areas. The project began in July 2024 and we are on track for completion in the near future. The construction phase has recently been finished, and the third and final phase (electrical works) is currently underway.



OTAGO PENINSULA:

We have been carrying out a large programme of work on the Otago Peninsula, including a project along Otakou Golf Course Road. We replaced 10 power poles, six cross arms, and 1.2km of power lines along the road and beachfront in December and January. Otakou is within a Coastal Protection Area under the Otago Regional Council Plan, meaning that we needed resource consent and an archaeological assessment. This ensured we did not impact native wildlife and that we did not encounter any archaeological findings during construction.



OMAKAU ZONE SUBSTATION:

The new Omakau zone substation was commissioned in mid-February, and we have reconfigured the network into four new feeders. This will help minimise the number of customers impacted by faults, depending on where the fault occurs, and provide more options for planned maintenance on the network. The larger transformer will double the supply capacity, ensuring it can meet the growing demands of the community.



ALEXANDRA ZONE SUBSTATION UPGRADE:

We are upgrading the Alexandra zone substation and have recently finished the construction phase. Electrical works began in May, and the project is due to be wrapped up in the second half of 2025. As part of this project, we will decommission outdoor 33 kV and 11 kV switchgear, as it is now at end of life, and replace it with new indoor switchgear. This project will also have an indirect benefit to customers in the Omakau area as the main supply line comes from this substation.



DRONE INSPECTIONS:

We undertook acoustic and drone inspections of the two main electricity lines between Alexandra and Roxburgh over four weeks earlier this year. A total of 899 power poles were included in the inspection. We regularly inspect our electricity network using different inspection and testing methods. Both the acoustic and drone inspections help us to see things that aren't visible to the human eye, and allow us to capture the asset integrity, to minimise customer outages and plan proactive repairs.

TĀHUNA QUEENSTOWN

It's no secret that Queenstown's population is growing at a faster pace than many other areas in New Zealand. Combined with our community's desire to electrify their homes and businesses (e.g. heat pumps, electric vehicles, and solar), this means there is increasing demand for electricity and it's our job to make sure there is enough of it.

We have two key projects (below) that will provide more electricity in the shorter term, but some significant upgrades will be needed in the longer term. This will also rely on Transpower (the national electricity grid) providing more power into the area so we can then distribute it to you through our lines and cables. We're working with them on options for this and will keep you updated on this project as it progresses.

FRANKTON ZONE SUBSTATION:

Our contractors ElectroNet recently finished installing the new transformer at our Frankton zone substation.

The new 24 MVA transformer was commissioned late last year, which is larger than the 15 MVA transformer it replaced and complements a second existing 24 MVA transformer.



QUEENSTOWN ZONE SUBSTATION UPGRADE:

We're upgrading the Queenstown zone substation near the gondolas, which will be completed very soon. This will improve the electricity supply to over 2,600 customers in Queenstown and through to Glenorchy.



OUR COMMUNITIES

We're in our community every day - connecting power to new homes and businesses and working on the poles, wires and substations that carry electricity to customers. Our community relations programme helps us connect with and understand customers' needs now and in the future. We value feedback and are dedicated to making a positive difference in the communities we serve.



We've supported (from left) the Glenorchy Heritage and Museum Group in showcasing historic images of early electricity transmission; helped bring the Alexandra pump track to life for bikers, skateboarders, and scooter riders; supported the installation of lighting within the Hugo Tunnel on the new Queenstown Trail; and contributed to essential upgrades at the Allanton Hall, ensuring this important gathering space remains well-equipped for future events.

OUR PEOPLE

We're a friendly team of over 150 people, bringing together talent and experience from more than 20 countries. Get to know the people behind the scenes at Aurora Energy and find out why we enjoy working in the electricity industry in diverse roles, including engineering, planning, project management, finance, digital transformation, communications and more.



Aini - Technical Writer and Trainer

Why did you choose to work at Aurora Energy?

I began my career in teaching and later transitioned into research, but I've always loved writing. After completing my PhD, I wanted to apply my writing skills outside academia. My first technical writing role was with NZ Police. When the opportunity at Aurora Energy came up, it felt like the perfect way to combine my writing and teaching experience. The company's values aligned with mine, which made the decision easy - it felt

like the right place to contribute my skills and be part of something meaningful.

What do you enjoy most about your job and what are you working on right now?

What I enjoy most is simplifying complex technical information to make it more accessible and helping others work more efficiently. I'm currently finalising the Technical Documentation Style Guide and developing operational communication guides for the Operations Team.



JOIN THE TEAM

Aurora Energy is a great place to work! Head to our website to view our current vacancies: www.auroraenergy.co.nz/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.

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.

Have a plan

Treat all electrical equipment as live

Go to our website for outage updates

auroraenergy.co.nz

0800 22 00 05

BE SWITCHED ON TO SAFETY

ANY QUESTIONS? GET IN TOUCH



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