

QLDC Council
20 August 2020

Report for Agenda Item | Rīpoata moto e Rāraki take 2

Department: Corporate Services

Title | Taitara Feedback for the Commerce Commission on the Aurora Energy Investment Plan

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

- 1 The purpose of this report is to present feedback to the Commerce Commission on the Aurora Energy Investment Plan and to seek the Council's approval to submit the feedback.

RECOMMENDATION | NGĀ TŪTOHUNGA

- 2 That Council:
 1. **Note** the contents of this report; and
 2. **Approve** the contents of the attached feedback.


Prepared by:



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17/08/2020

Reviewed and Authorised by:



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17/08/2020

CONTEXT | HOROPAKI

- 3 The Commerce Commission has released a Key Issues paper relating to Aurora Energy's Investment Plan and Customised Price Path (CPP).
- 4 Feedback is due on the 20th August 2020.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 5 The attached feedback has been prepared to inform the Commerce Commission of QLDC's significant concerns in relation to Aurora's proposal.
 - 6 The feedback addresses the following key points:
 - The proposal is unaffordable and will be detrimental to community wellbeing;
 - The proposal does not accurately reflect residential population growth;
 - The proposal does not accurately reflect visitor demand; and
 - The proposal does not clearly quantify the inevitable economic and social impact of increased outages.
 - 7 In light of this, QLDC recommends to the commission that:
 - Aurora increases its Customised Price Path(CPP) from a three year, to a five year plan.
 - A viable way to reduce the financial impact on QLDC's communities be found, as the current plan is simply not affordable.
 - Part of Aurora's \$5m fine be reinvested in the Queenstown Lakes District Community, in a way that helps the community mitigate the effects of the price rises.
 - An effective Customer Panel for Aurora to hear the community voice and engage effectively be established.
 - 8 There are three options available to councillors:
 - 9 Option 1: to agree the contents of the attached feedback.
- Advantages:
- 10 The feedback will be provided to the Commerce Commission and given due consideration in the process.
- Disadvantages:
- 11 There are no clear disadvantages to this option.
- 12 Option 2: to reject the contents of the attached feedback in full.

Advantages:

- 13 There are no clear advantages to this option.

Disadvantages:

- 14 The feedback will not be given due consideration by the Commerce Commission, thereby reducing representation of the community in the process.
- 15 Option 3: to amend the contents of the attached feedback prior to it being submitted.
- Advantages:
- 16 Councillors can amend and improve the feedback to the Commerce Commission prior to its submission later the same day (20th August).
- Disadvantages:
- 17 There are no clear disadvantages to this option, but amendment at pace will be required.
- 18 This report recommends options 1 or 3, to ensure that the community is represented in this process.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 19 This matter is of [low significance, as determined by reference to the Council's Significance and Engagement Policy.
- 20 The persons who are affected by or interested in this matter are residents and ratepayers of the Queenstown Lakes District community.
- 21 The Council will make this feedback available on its website and will continue to make representations on behalf of the community at every stage..

> MĀORI CONSULTATION | IWI RŪNANGA

- 22 Iwi has not been consulted during the drafting of the attached feedback, but a copy will be shared for reference.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 23 This matter relates to the Strategic/Political/Reputation risk and is associated with Risk 00038 Lack of Alignment – Strategies and policies within the [QLDC Risk Register](#).
- 24 The approval of the recommended option will support the Council by allowing us to retain the risk at its current level. This shall be achieved by ensuring that we deliver consistent messages in relation to QLDC's policy position.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 25 There are no financial implications resulting from the decision to provide this feedback.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

26 The following Council policies, strategies and bylaws were considered during the development of the draft submission:

- Stages 1, 2 and 3 of the Proposed District Plan
- Long Term Plan
- Annual Plan
- Master Plans
- Asset Management Plan
- 30 Year Infrastructure Strategy.

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

27 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by contributing to the development of the NPS-UD;
- Can be implemented through current funding under the Ten Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	Feedback for the Commerce Commission on the Aurora Energy Investment Plan
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