

2 May 2024

Via website submission

SUBMISSION TO DUNEDIN CITY COUNCIL ON THE PROPOSED SALE OF AURORA ENERGY

Thank you for the opportunity to present this submission on the proposal to sell Aurora Energy.

The Queenstown Lakes District Council (**QLDC**) does not have a preferred option on the sale of Aurora Energy.

In recognition of the critical need for a safe, reliable, sustainable and affordable energy supply throughout the Queenstown Lakes District (**the district or QLD**), QLDC emphasises that the specific challenges the district faces with regard to capacity of supply, appetite for rapid decarbonisation and need for resilience be taken into account and given profile during the sale process if it proceeds.

QLDC would not like to be heard at any hearings that result from this consultation process. However, QLDC welcomes any other opportunity to discuss the matters raised in this submission, and to work closely with Aurora Energy and/or subsequent owners to provide and plan for the needs of the QLD.

Thank you again for the opportunity to comment.

Yours sincerely,



Michelle Morss
General Manager, Strategy and Policy

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1.0 QLDC Context

- 1.1 The QLD (Queenstown, Wānaka, Glenorchy, Arrowtown, Hawea, Kingston, and Makarora) has an average daily population of 70,205 (visitors and residents) and a peak daily population of 99,220. By 2053, this is forecast to increase to 150,082 and 217,462 respectively.¹ Over the last five years, the district has grown 4.4% per annum, and over the last 10 years it has grown 5.9% per annum. This compares to 0.9% per annum and 1.2% per annum for the rest of Otago.
- 1.2 Alongside the unprecedented growth in residents, the QLD is one of Aotearoa New Zealand's premier visitor destinations, drawing people from all over the world. The QLD plays a paramount role in New Zealand's international reputation and sees a larger proportion of international guest nights compared to other centres.
- 1.3 The district has a Regenerative Tourism Plan² achieved through partnership between QLDC, regional tourism organisations, Kāi Tahu, the Department of Conservation and other agencies. The keystone project of the Regenerative Tourism Plan is for the visitor economy of the QLD to reach carbon zero by 2030.
- 1.4 This is supported by QLDC's Climate and Biodiversity Plan³ which strives to reduce emissions, prepare for climate adaptation and pursue biodiversity restoration. The plan pursues a low-emission transport network and a collaborative approach to travel behaviour change. This includes actions to expand electric vehicle charging infrastructure and incentivise uptake of electric vehicles (e.g. dedicated parking). It is therefore important to note that QLD has significant decarbonisation and electrification aspirations, which the energy system and its actors need to respond to. There is high potential for significant demand increase in the near future for the district.
- 1.5 Resilience remains an imperative in the district, given the high probability of seismic activity and the increasing risks associated with climate change. The QLD is vulnerable to a wide range of disruptive natural hazard events given its alpine setting. Such events have the potential to result in significant impacts to people, property and communities in the QLD. These vulnerabilities necessitate a highly resilient electricity supply and distribution network capable of addressing future shocks.
- 1.6 QLD faces significant challenges in regard to its electricity supply and as such, has worked to build a strong, direct relationship with key actors in the system, including Aurora. The two urban centres of Queenstown and Wanaka both require joined-up solutions to address supply capacity, reliability, resilience and affordability. In recent years, this relationship has been strong.

2.0 It is important that any new owner(s) and board have an understanding of the pressures, growth projections, and critical nature of overdue maintenance and upgrades in the QLD

- 2.1 Meeting community needs is the core business of an energy network. If the sale progresses, the new owner(s) and board will need to ensure the energy network understands and meets the needs of QLD communities. An understanding of QLD demographics, economies, and growth pressures will be essential to help achieve this. QLDC notes that the consultation process has taken a Dunedin-centric approach but

¹ <https://www.qldc.govt.nz/community/population-and-demand>

² Queenstown_Lakes_Regenerative_Tourism_Plan_33b42536-edd1-4086-acc5-708207e134f8.pdf (simpleviewinc.com)

³ qldc_climate-and-biodiversity-plan_jun22-web.pdf

would encourage Dunedin City Council to ensure that QLD as a high-growth area retains profile in the sale process.

- 2.2 A reliable, resilient, sustainable and affordable energy network is necessary to support growth in both population size and the local economy. It will be essential that the future owners of Aurora appreciate this dynamic and fully understand the implications of the QLD Spatial Plan,⁴ its aspirations and growth cells.
- 2.3 Growth in the QLD has at times outpaced the ability of the electricity supply and distribution network to cope. Whilst the relationship in recent years with Aurora has significantly improved, concern remains that historically the QLD has not been well served by Aurora Energy in regard to network reliability and proactive maintenance and improvement. Steps need to be taken to ensure that a change in ownership does not disrupt the progress of recent years and that we can continue to rely on Aurora as collaborative partners in 'growing well' as a district.
- 2.4 Aurora Energy has been making progress in addressing under-investment in infrastructure in the QLD, under a customised price-quality path.⁵ It is critical that this momentum continues at pace and delivers on the identified growth and security projects, whilst moving toward a proactive maintenance approach. There must be genuine commitment to delivering best practice asset management and operations that meets the current and future growth needs of this district. Planning for future growth includes a commitment to leveraging renewable electricity to enable the QLD to meet its climate ambitions.
- 2.5 The network topography in the QLD and the importance of its landscapes and wilderness puts unique requirements on maintenance and improvement work programme characteristics. An understanding and appreciation of this operating context will be crucial, and QLDC would like to offer its support in ensuring any new owner(s) and board gain an understanding of both the operating context and community needs in the district.

Recommendation:

QLDC raises the importance of Aurora Energy's owner(s) and board understanding and undertaking best practice energy asset management and operations in the district within the context of the QLD's demographics, growth projections, historical under-investment in the energy network, topographical and environmental features, and its decarbonisation and electrification ambitions.

⁴ <https://www.qldc.govt.nz/your-council/council-documents/queentown-lakes-spatial-plan/>

⁵ <https://comcom.govt.nz/regulated-industries/electricity-lines/electricity-distributor-performance-and-data/auroras-performance-alongside-the-customised-price-quality-path>