



Report to Entrust

The Energy Solutions Programme

Financial Year 2023/24

## 1 Purpose

This report highlights the achievements against The Energy Solutions Programme for the 2023/24 financial year (FY23/24).

## 2 Executive Summary

In FY23/24 Vector invested \$10.6M in the Energy Solutions Programme, and thereby met its investment obligations under Clause 4 of the New Deed Recording Essential Operating Requirements (DREOR) for both the single year and the five-year period.

Investment was made in undergrounding overhead lines in 12 locations, the most significant investment being in the continuation of the large undergrounding project in St. Heliers. Vector's ability to develop projects of this scale brings significant efficiencies to the undergrounding programme and enables Vector to optimise the length of network undergrounded.

Both Chorus and Auckland Transport continued their positive engagement in all undergrounding projects. Vector expects this support will continue in future years.

The undergrounding projects generated positive feedback from communities in and around the project areas, thereby creating significant goodwill in the community.

All projects were delivered without a lost time injury.

## 3 Background

The DREOR obliges Vector to expend \$10.5M per annum in the Energy Solutions Programme, comprising **overhead improvement projects** (i.e. undergrounding conversion) and/or **new solutions as alternatives to overhead lines**.

If in any financial year Vector expends less than \$10.5M on the Energy Solutions Programme, it shall nevertheless be deemed to have satisfied its expenditure obligation for that year if the average expenditure incurred by Vector for that financial year and in the four preceding financial years meets the Energy Solution Programme investment Base Amount.

#### 4 Energy Solutions Programme Investment

The Energy Solutions Programme Investment expenditure for the preceding four financial years is summarised in the table below:

|                                  | <b>Actual Investment</b> |
|----------------------------------|--------------------------|
| 2019/20                          | \$10.8M                  |
| 2020/21                          | \$11.6M                  |
| 2021/22                          | \$9.3M                   |
| 2022/23                          | \$11.6M                  |
| <b>Average Annual Investment</b> | <b>\$10.9M</b>           |

The average annual expenditure over the past four-year period exceeds the annual Energy Solutions Programme Base Amount of \$10.5M.

Actual investment expenditure in 2023/24 was \$10.6M, spent entirely on undergrounding projects, as summarised below:

|                            |                 |
|----------------------------|-----------------|
| Undergrounding expenditure | \$10.8M         |
| Customer contributions     | <u>(\$0.2M)</u> |
| Net expenditure            | \$10.6M         |

Together with the four previous years, the total expenditure over the five-year period is \$54.0M at an average of \$10.8M per annum.

With the expenditure made in 2023/24, and the average expenditure over the past five-year period both exceeding the \$10.5M investment Base Amount, Vector considers it has met its obligation under Clause 4 of the DREOR in FY23/24.

## 5. Achievements in 2023/24

As discussed, and agreed with trustees, the company focussed all the FY23/24 Energy Solutions Programme Investment on undergrounding projects.

Vector made undergrounding investments in;

- St Heliers
- Parau Street (Mt. Roskill)
- 95 Bassett Road ROW (Remuera)
- 33 Portland Road ROW (Remuera) \*
- Glenfell Place (Epsom) \*
- Lawrence Street (Herne Bay) \*
- Campbell Road (Maraetai) \*
- Newell Street (Pt. Chevalier)
- Ranfurly Road (Epsom)
- Ruru Street (Newton)
- Nikau Street (Newton)

(\* resident-initiated project)

Through these projects Vector invested \$10.785M in undergrounding works and received \$187k in contributions from residents in Carlton Crescent and Coney Lane for projects completed in 2022/23, and from Glenfell Place, Portland Road, Lawrence Street and Campbell Road for 2023/24 projects.

Chorus participated in all the FY23/24 undergrounding projects by investing to convert residential properties from overhead copper services to underground fibre services. Chorus' participation enhances undergrounding projects by enabling removal of all poles.

Auckland Transport have continued their valuable support for the undergrounding programme as well. Their support, through investment in new streetlight stands and streetlight lanterns, is necessary to replace the old streetlight brackets and lanterns that are hosted on Vector poles.

Pleasingly, all undergrounding works were delivered without a lost time injury and have received complimentary customer feedback upon completion.

These projects continue to provide positive customer engagements through Entrust branded project signs, project information flyers, project correspondences, and through social media platforms.

The following photos depict the “before” and “after” images of some of the undergrounding works completed or progressed in FY23/24:



**Waimarie Street/Riddell Road, St. Heliers**



**Maskell Street, St. Heliers**



**Sylvia Road/Yattendon Road, St. Heliers**



**Bay Road/Vale Road, St. Heliers**





**Parau Street, Mt Roskill**



**Glenfell Place, Epsom**



**Glenfell Place, Epsom**

A handwritten signature in black ink, appearing to read "Peter Ryan".

**Peter Ryan**  
Chief Operating Officer, Electricity, Gas & Fibre