



TRANSPOWER



POWERCO



# Western Bay of Plenty

## Transpower proposal to the Commerce Commission

### December 2024

## Powering a growing region

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The western Bay of Plenty region is growing. Its electricity infrastructure needs to grow too, to ensure power is available when and where people and businesses need it.

Transpower, the owner and operator of New Zealand's electricity grid, and local electricity distribution company Powerco are working together to plan and deliver the essential upgrades on the electricity network that are needed to enable this region to continue to flourish, now and in the future.

In 2023 and 2024 we consulted on options for how best to meet the region's growing electricity needs.

Your feedback said that we need to ensure our plans support a high level of long-term growth in the region and consider the changing future electricity needs of industry, businesses and communities.

Our goal was to find solutions that meet the region's future needs and are still cost efficient.

We have identified a preferred solution and development plan for the western Bay of Plenty and the next steps are for Transpower to apply to the Commerce Commission to recover the costs of the first parts of this work. This is what is called a Major Capex Proposal.

# The electricity development plan for the western Bay of Plenty

The overall planned work is below. The projects that form part of Transpower's Major Capex Proposal to the Commerce Commission are highlighted below.

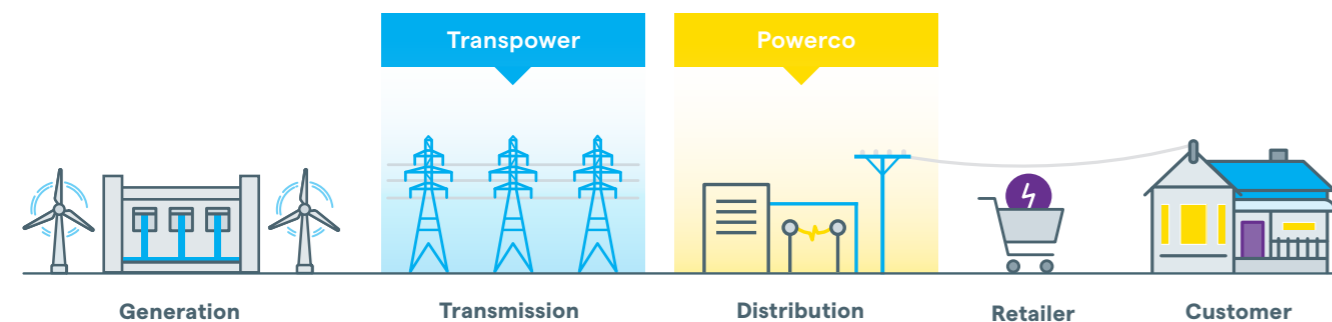
Project (see numbers in yellow circles on map)	Organisation	Indicative costs <sup>1</sup> (\$m)	Approximate completion <sup>2</sup>
1 Install an additional high voltage transformer at Kaitemako	Transpower	15	2030
2 Replace the conductor (wires) on the 110 kV lines in the region with a larger conductor	Transpower	55	2032
3 Upgrade the 110kV network out of the Te Matai substation and into Tauranga	Powerco	105	2030-2045
4 Upgrade the distribution network out of the Tauranga substation	Powerco/ Transpower	120/15	2035
5 Construct a new Grid Exit Point (GXP) and a connecting 220kv transmission line <sup>3</sup>	Transpower	50	2035
6 Upgrade the 220kV line from Tarukenga to where it branches off to the new substation	Transpower	30	2045

Transpower has submitted a Major Capex Proposal to the Commerce Commission seeking approval to recover capital costs of \$83.2 million<sup>4</sup> and up to \$2.5 million of opex for any economic non-transmission solutions for projects 1 and 2. The cost for the remaining projects will primarily be funded through Powerco distribution charges, with a small portion to be funded by Transpower.

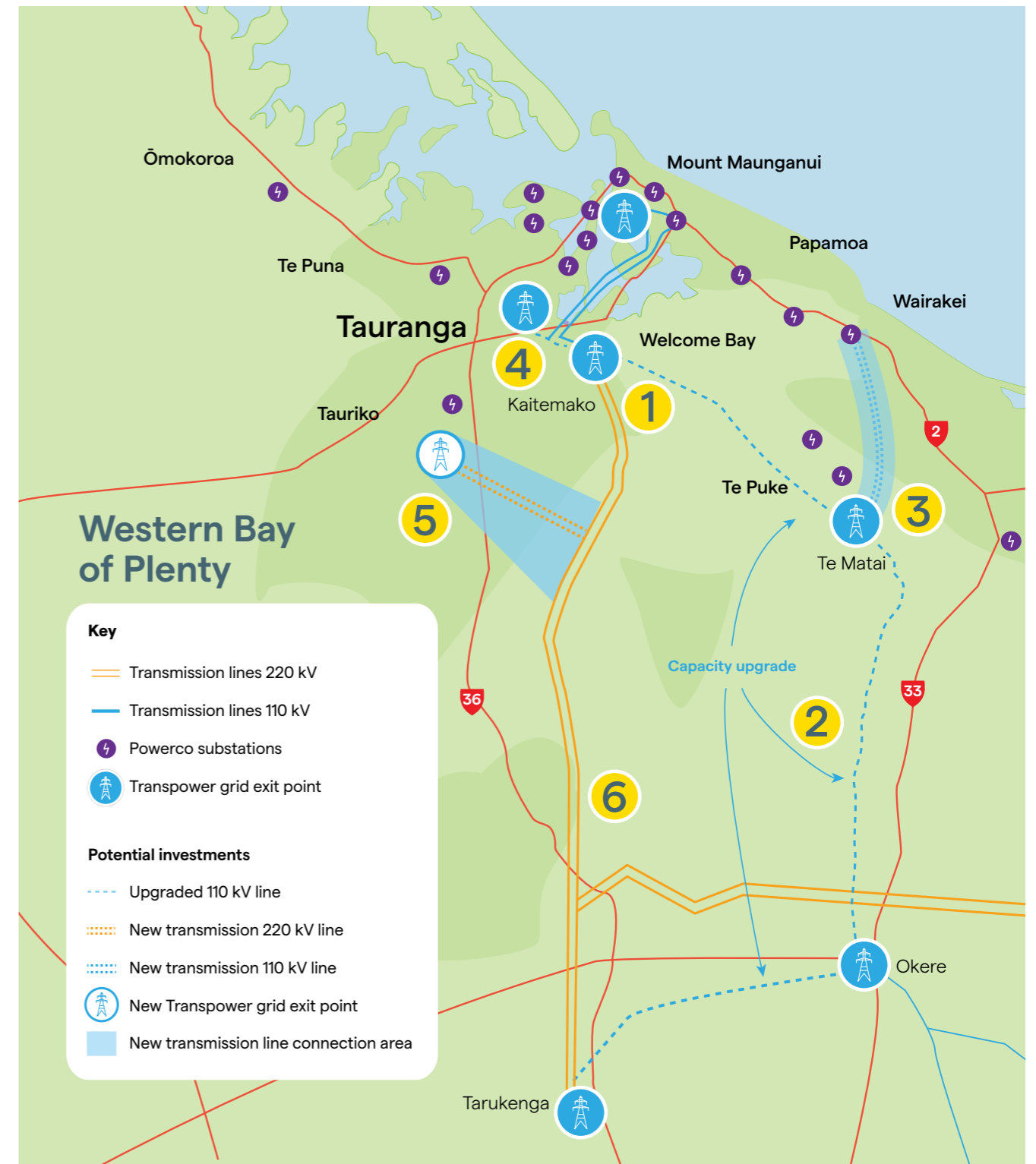
## Who we are

**Transpower** owns and operates the high-voltage, national electricity transmission network. We bring electricity from where it is generated to grid substations across New Zealand.

**Powerco's** lower-voltage, local electricity distribution network connects to these grid substations (GXP), bringing power to homes, workplaces and community facilities across the region.



1 Costs are not discounted, are in \$2024 and do not include either inflation or interest during construction costs.  
 2 For more detail on completion dates and option combinations, see MCP application.  
 3 Cost includes 220kV line to connect the GXP to the grid.  
 4 This number is not discounted and includes both inflation and interest during construction costs.



Please note that the map is for illustrative purposes only and that we have not begun the investigations for potential new asset locations.

# What happens next?

Now that we have submitted the Major Capex Proposal (MCP) to the Commerce Commission, covering the initial investments of the development plan to improve electricity resilience in the region, the next stage is for the Commerce Commission to consider our proposal. This will include further consultation by the Commerce Commission before making their final decision, which we expect will be around mid-2025.

Our detailed design and delivery plan will follow after the Commerce Commission process if the proposal is approved. In the meantime, Transpower and Powerco will keep working on parts of the project that are funded separately to the MCP. We will continue to update you on our progress. For more information on this project check out the Transpower website: <https://www.transpower.co.nz/projects/wbop>

## Timeline for MCP work

