TRANSPOWER

Summary of and response to consultation submissions

OTA–WKM A&B reconductoring – Auckland wider region section

August 2025

1 Executive summary

This document summarises submissions received on Transpower's Ōtāhuhu–Whakamaru A and B (OTA–WKM A&B) reconductoring consultation (the consultation paper) [1]. We are consulting on our preferred solution for reconductoring the Auckland wider region section of the Ōtāhuhu–Whakamaru A and B lines (OTA–WKM A&B), along with our cost-benefit analysis used to identify the preferred solution. These lines are an important part of the upper North Island transmission network, connecting the Auckland network to generation from the south. We have identified that 31 km of each circuit, from Flatbush to Hūnua, needs replacing due to corrosion.

We received two submissions from Meridian and Vector and appreciate the time and effort in reviewing our consultation material and providing valuable feedback. In this document we have summarised submitters' key points. For further details please refer to the individual submissions. We have also provided a response to the submissions.

Both Meridian and Vector submitted that indicative starting benefit-based investment (BBI) customer allocations (indicative starting allocations) should be provided as part of our investment consultation for customers to better engage with the proposed solution. Transpower will provide indicative starting allocations and estimated increases in transmission charges in our listed project application to the Commerce Commission. Our preliminary analysis indicates that both Vector and Meridian will likely be the main beneficiaries of the proposed investment.

Meridian also sought clarification of the unquantified benefits used in our analysis, our counterfactual and the potential benefits of firming intermittent generation in the upper North Island.

Following this consultation, we will further develop our proposal and submit it to the Commerce Commission later in 2025 for approval.

Please contact us at grid.investments@transpower.co.nz if you have any questions, feedback, or if you are interested in hearing more about this work.

2 Submissions received

This section provides a summary of each submission. Transpower thanks submitters for their submissions and welcomes the opportunity to incorporate the feedback into our OTA–WKM A&B reconductoring listed project.

Submissions were received from:

- Meridian – an electricity generation and retail business.
- Vector – an electricity (and gas) distributor.

[1] The consultation, the submissions and this document are available at Ōtāhuhu–Whakamaru A and B Lines reconductoring project consultation | Transpower

2.1 Meridian

Meridian submitted that the counterfactual (of immediately decommissioning the OTA—WKM A&B lines) for the cost-benefit assessment is not appropriate as it breaches the grid reliability standards (by not meeting N-1 transmission security to upper North Island).

Meridian also sought to understand better the potential benefits of this investment from being able to firm intermittent generation in the upper North Island and the unquantifiable benefits of using conductor options of a higher capacity rating.

Transpower's response: Transpower considers that a counterfactual where we keep the OTA—WKM A&B lines at their current or near future condition poses a significant safety risk as explained in section 2.2 of our consultation overview document. Transpower's obligation under clause 12.113 of the Electricity Industry Participation Code Part 12 is to maintain and operate interconnection assets in accordance with good electricity industry practice. For this reason, we have chosen a base case/counterfactual consistent with the default counterfactual for a replacement investment under clause 45 of the Transmission Pricing Methodology (TPM).

The potential benefit of being able to firm intermittent generation is incorporated in our benefits modelling by running our market dispatch model at an hourly resolution. This is explained further in our Assumptions Book[2], sections 2.3.4.4, 2.3.4.6 and 2.3.4.7. We have decided not to model under a reduced AC grid for this investment, as it will likely only strengthen our case to reconductor the OTA—WKM A&B lines.

The unquantified benefit considered in this investigation is the upgradeability of the OTA–WKM A&B lines. Higher temperature conductors have higher capacity ratings as shown in Figure 1. These higher capacity ratings cannot be realised until the rest of the OTA–WKM lines are uprated/reconductored to the same rating. Therefore, these are currently represented as an unquantified benefit.

2 Assumptions Book v2.0.pdf

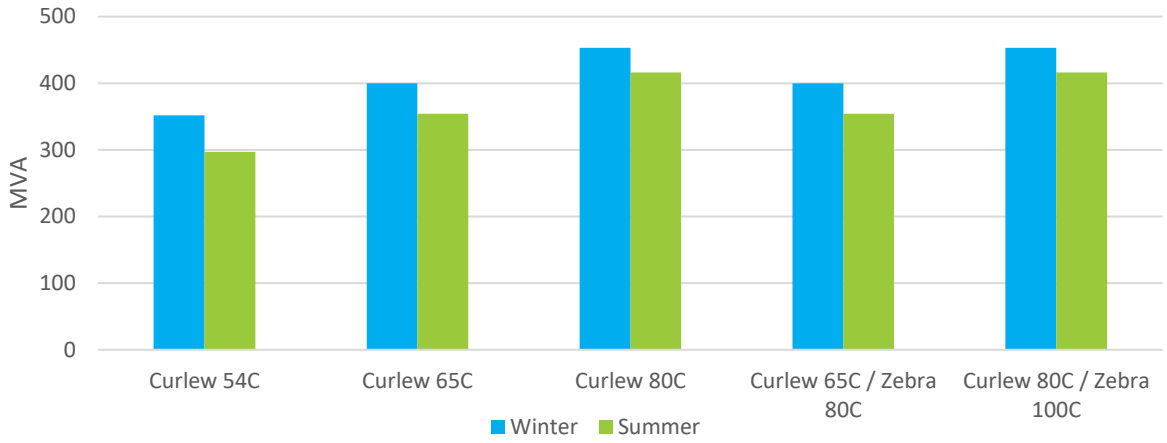

Figure 1: Ratings of shortlisted conductor options

2.2 Vector

Vector noted that the OTA—WKM A&B consultation has no details on the impacts of the investment on transmission charges, and submitted that consultations regarding grid investments must include an assessment of the impact on individual customers' transmission charges, including any decreases in residual charges or increases in benefit-based charges.

Transpower's response: We acknowledge the importance of understanding how proposed investments may affect individual transmission charges. In line with clause 7.5.1(1) of the Capex IM, we will include estimated increase in transmission charges resulting from the proposed expenditure in our listed project application to the Commerce Commission.

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