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EST. 1861

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Better grid, bigger bills

Cost of Transpower upgrade swells from \$77m to \$193m: South Island households to bear brunt

ELECTRICITY
Blayne Slabbert

South Island households face higher power bills as Transpower's planned grid upgrade balloons from \$77 million to \$193m, with consumers now expected to shoulder most of the cost.

The national grid operator has lodged its \$193m upper South Island grid upgrade proposal with the Commerce Commission, seeking approval to build new switching stations, upgrade transmission lines, and install voltage support equipment.

The project's price tag has nearly tripled since it was first floated in 2022 at \$77m, then revised to \$164m earlier this year, and now set at \$193m.

Transpower says the increase reflects

a more detailed design, inflation, and the cost of keeping supply stable as demand rises from irrigation, farm electrification and population growth.

But households will bear the brunt. For a typical Christchurch family, the upgrade would add about \$35 to the annual power bill. The actual impact will depend on how Orion sets its tariffs and how demand grows.

In Marlborough and South Canterbury the hit per household could be higher because costs are spread across fewer customers.

Transpower says the project is unavoidable if the South Island is to keep pace with growing demand.

"With more homes and businesses switching to electricity use, and fore-

cast electrification of South Canterbury's farming and primary processing sectors, demand for electricity is expected to increase even further," said Matt Webb, Transpower's general manager of grid development.

Without the upgrades, areas north of Twizel could face voltage instability and forced outages by the late 2020s.

The Transpower plan lands on top of Orion's separate \$1.73 billion local overhaul across Christchurch and Selwyn. The Orion project, due to start in 2028, could add about \$8 a month to household bills.

Orion owns the local lines that carry power from Transpower's grid to nearly 230,000 homes and businesses, meaning Canterbury consumers face higher charges from both national and local investment

programmes. It comes as electricity prices have already been climbing. New data from Statistics New Zealand shows power prices have jumped 6.2% in the past year, while Consumer NZ surveying found one in five people have experienced financial difficulty paying their power bill in the last 12 months.

For the Transpower proposal, most of the cost will fall on consumers in Canterbury, Marlborough, Nelson, Tasman and the West Coast, where the reliability improvements are expected to have the greatest impact.

Transpower's modelling shows Orion would face the largest overall bill at about \$10.3m a year.

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No KITTING, 'star cars' to line up for charity

From Herbie's Love Bug to Knight Rider's KITT – a Rolleston man is staging what is thought to be New Zealand's first 'Star Cars' exhibition. And it's all for a jolly good cause.

Read more on page 4

Pictured: Scott Harvey with his Knight Rider car, a Pontiac Trans Am. Harvey knew when he finished building his KITT car it would turn heads and decided to channel the attention to charity.

ALDEN WILLIAMS/THE PRESS



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