

Summary

Electricity Asset Management Plan

2026



Nau mai, haere mai

Welcome to the summary of our Electricity Asset Management Plan (AMP) 2026.

While our AMP outlines the work we'll be doing over the next 10 years and how we will do it in detail, this summary is an overview of our priorities and what is planned network-wide to ensure we continue to connect our customers with affordable, reliable and safe electricity today and into the future.

We plan so we can make careful, well-timed decisions about the network our customers rely on every day. Electricity assets last for decades, demand is changing, and investment can't happen overnight. Forward planning helps us understand what needs replacing, where capacity may be needed, how to manage risk, and how to keep the network safe, reliable, resilient and affordable for customers now and in the future.

To find out more, head to our website to read our full 300+ page AMP.



Who we are

Connecting communities across the North Island

We own and operate the local electricity network that delivers power to more than 390,700 homes, businesses and industries across the North Island, connecting more than one million customers. We own and operate 33,273km of electricity lines and maintain and invest in the poles, lines, cables, substations and equipment that keep communities connected.¹

Our people

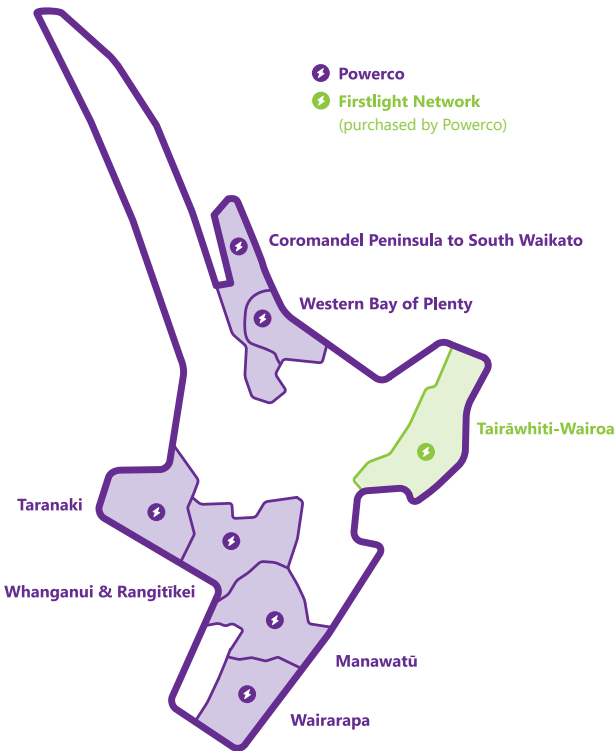
We live and work in the communities we serve, with around 650 people working across our network from offices in New Plymouth, Tauranga, Wellington, Palmerston North, Whanganui, Masterton, Te Aroha, Gisborne and Wairoa.

Ownership

Powerco Limited is 49% owned by Australian Retirement Trust, managed by QIC Limited, and 51% owned by funds managed by Dexu.

Our promise to customers

Our customers are at the heart of our mahi. Our customer commitments set out what customers can expect from us. They guide how we engage, the quality of service we provide, and the way we support a more sustainable energy future



Customer commitments



We engage with customers and communities to understand their needs



We are easy to deal with and quick to respond



Our network services and solutions provide value to customers



We minimise the impact of our assets and works on customers and communities



Our network is future ready and sustainably operated

¹ These figures are different from our full AMP26 as they include the addition of the Firstlight Network



The context we operate in

New Zealand’s electricity system is already largely renewable (about 85% of generation and improving), and increased use of electricity will play an important role in meeting future energy needs in industry and transport. Over time, the shift to electrification is expected to increase demand for electricity, requiring targeted and well-timed investment.

Our transition to a lower-carbon economy is increasing the importance of electricity. While demand growth is occurring more gradually than previously expected, the long-term trend remains clear. Our network must be ready to support increasing electrification while maintaining affordability and reliability for customers.

As we plan our investment in the network, we consider external opportunities and challenges. These include:

- **Energy affordability** – rising cost-of-living pressures make affordability a primary driver of system design.
- **Timing of electrification** – slower near-term uptake but sustained long-term momentum towards electrification.
- **Gas supply uncertainty** – declining domestic reserves and global market volatility impact energy security and pricing.
- **Asset management excellence** – maintaining safety, reliability, and resilience across the network.
- **Scarcity of skilled resources** – infrastructure delivery across Aotearoa risks capability constraints, influencing investment prioritisation.



Energy trilemma

The energy trilemma is the challenge of balancing three important goals in the energy system:

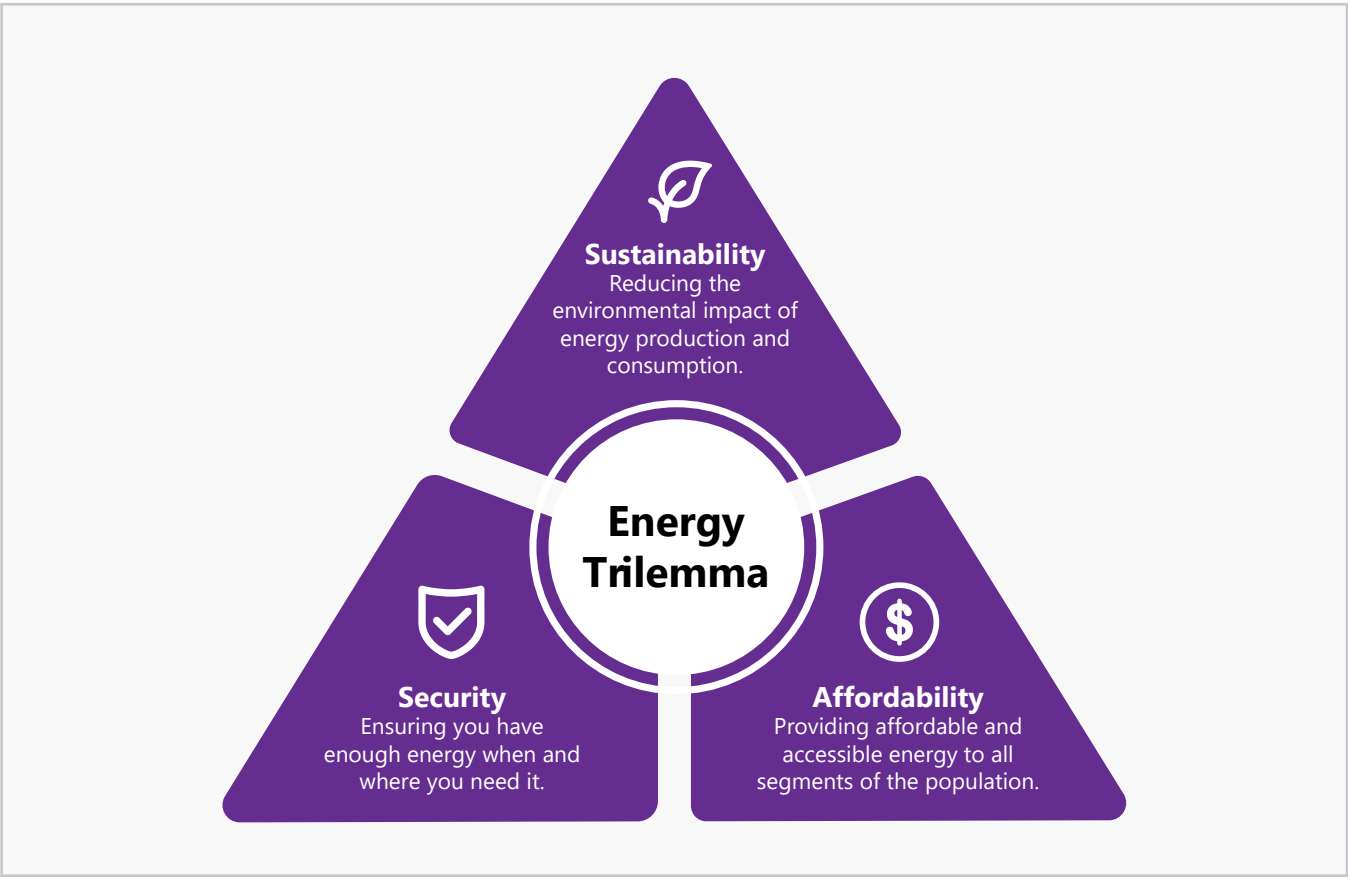
- **Affordability** – keeping energy costs fair and manageable for households, businesses and industry.
- **Security and reliability** – making sure energy supply is dependable, resilient and available when people need it.
- **Sustainability** – reducing emissions and supporting the transition to lower-carbon energy.

Traditionally New Zealand has balanced the trilemma well because of our high share of renewable electricity (~85%), but energy equity and security are rising in priority as customers and industry face affordability pressure and resilience challenges.

Our strategy is to be transition-ready, positioning the network to enable future electrification growth while keeping near-term expenditure disciplined and justified.

Environmental sustainability remains essential, but affordability and energy security are becoming increasingly important decision drivers. The electricity system needs to carefully balance the risk of under-building for decarbonisation with building too early or expensively and making the transition unaffordable.

The energy trilemma is no longer a simple trade-off between competing priorities. The objective is not to shift emphasis from one pillar to another, but to grow the system so it delivers improved affordability, reliability and sustainability together. This requires smarter utilisation of existing assets, greater operational flexibility, and investment made at the right time and scale.



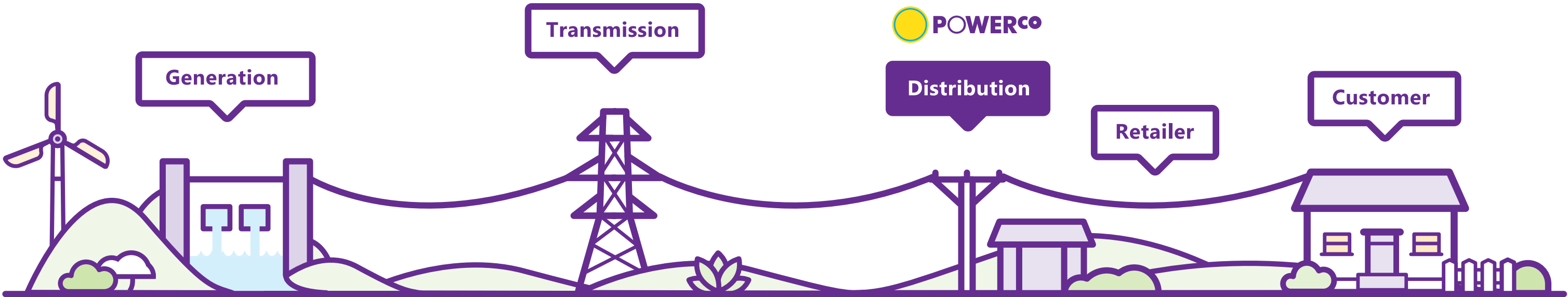


Electricity supply chain

We're one part of the electricity supply chain. Energy is generated by power stations, then sent along transmission networks operated by Transpower to distributors like us. We own and maintain the local lines and cables that deliver power to the people and businesses who use it. You pay your retailer for the energy you use, and some of what you pay comes to us so we can continue to invest in our network to ensure your power supply is safe and resilient.

Our regulators

We're regulated by the Commerce Commission to ensure we deliver reliable electricity supply at a fair price. It sets how much revenue we can earn through our customer charges, and limits for the length and frequency of outages that we must come under.



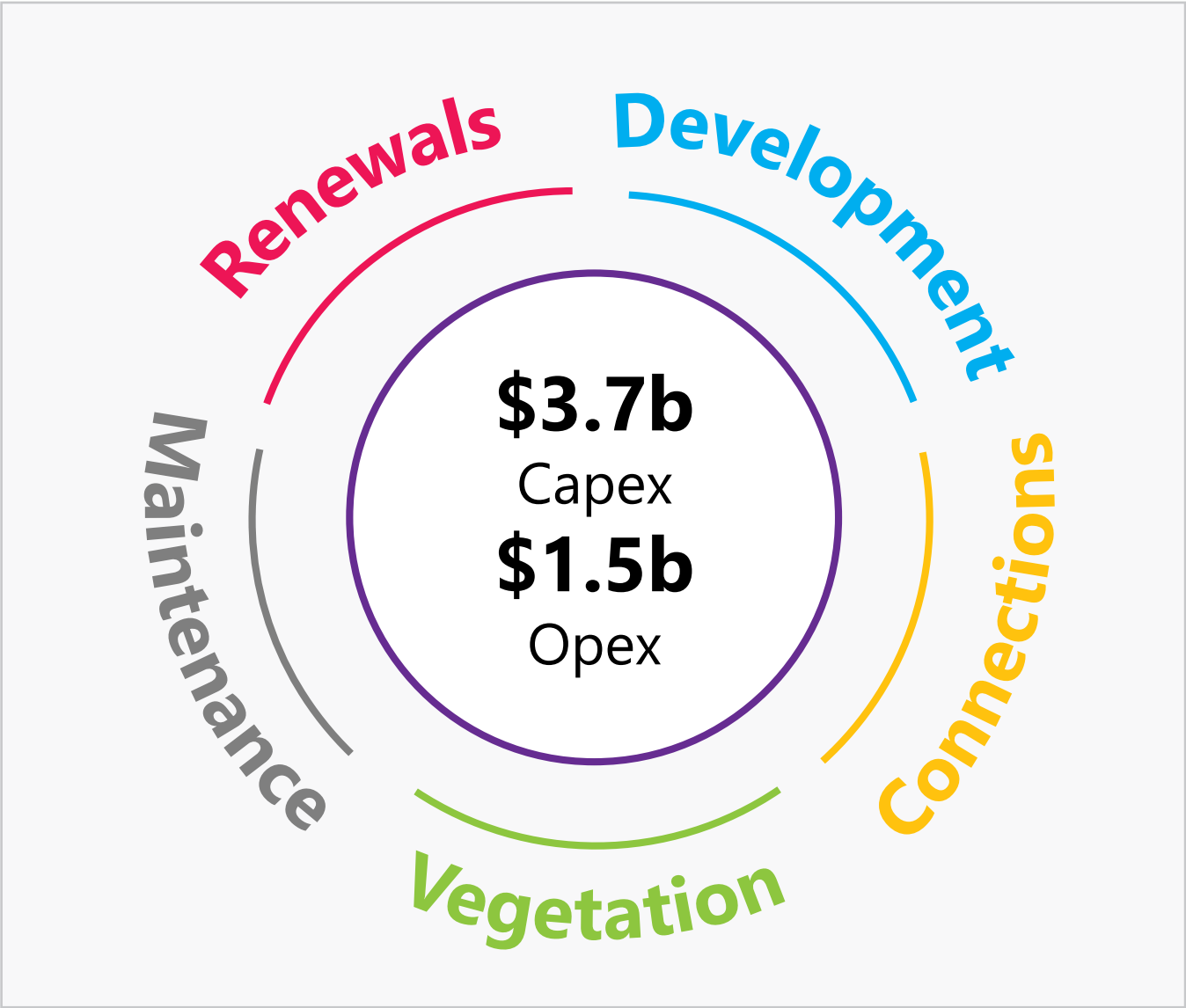
By the numbers

Our network

	Customer connections	363,127
	Poles	265,000
	Overhead circuit network length (km)	21,605
	Underground circuit network length (km)	7,691
	Zone substations	122
	Peak demand (MW)	940
	Energy throughput (GWh)	5,044
	Forecast expenditure for our electricity network over the next 10 years (Capex and Opex forecast)	\$5.1b

This reflects our network prior to the purchase of the Firstlight Network in August 2026. Investment in the Taha Rāwhiti (encompassing Tairāwhiti and Wairoa) part of our network will be included in our AMP27 update.

Total investment in our network over the next 10 years

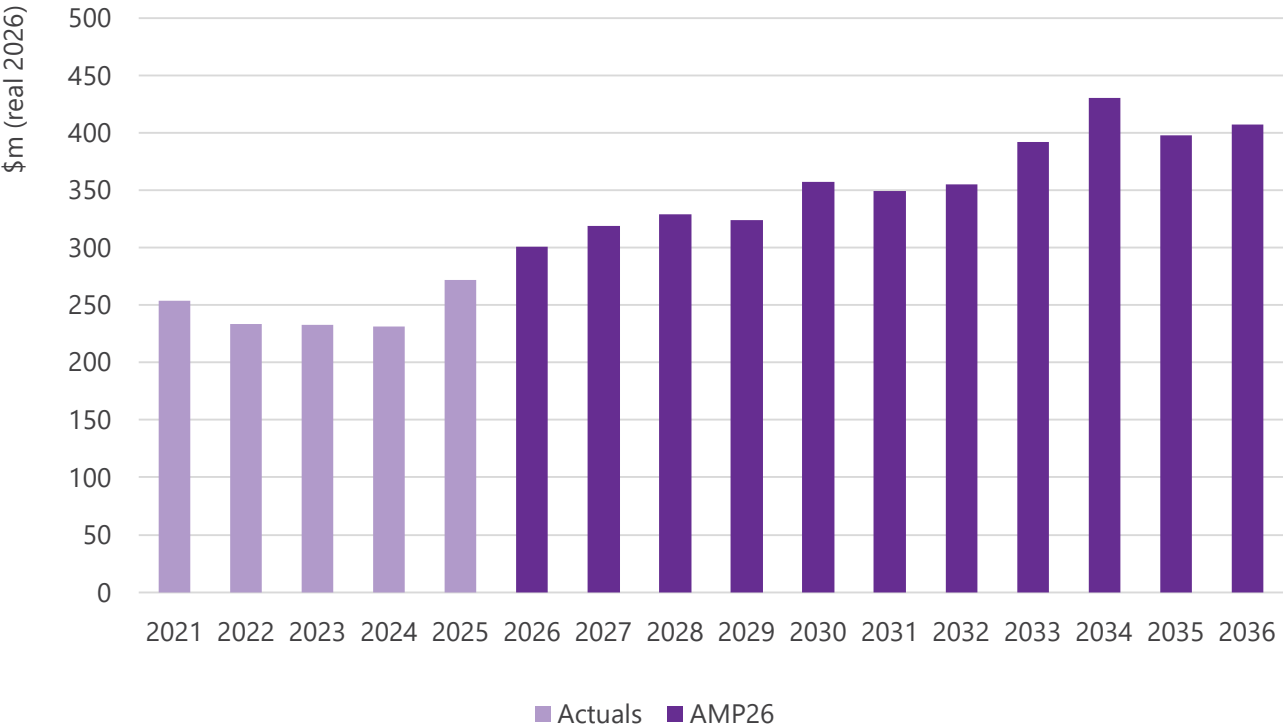


Note: Includes our forecast reactive expenditure and is net of customer contributions

Total Capex forecast (FY27-36)

We’re forecasting to spend \$3.65 billion of capital investment (Capex) in the next 10 years. This reflects:

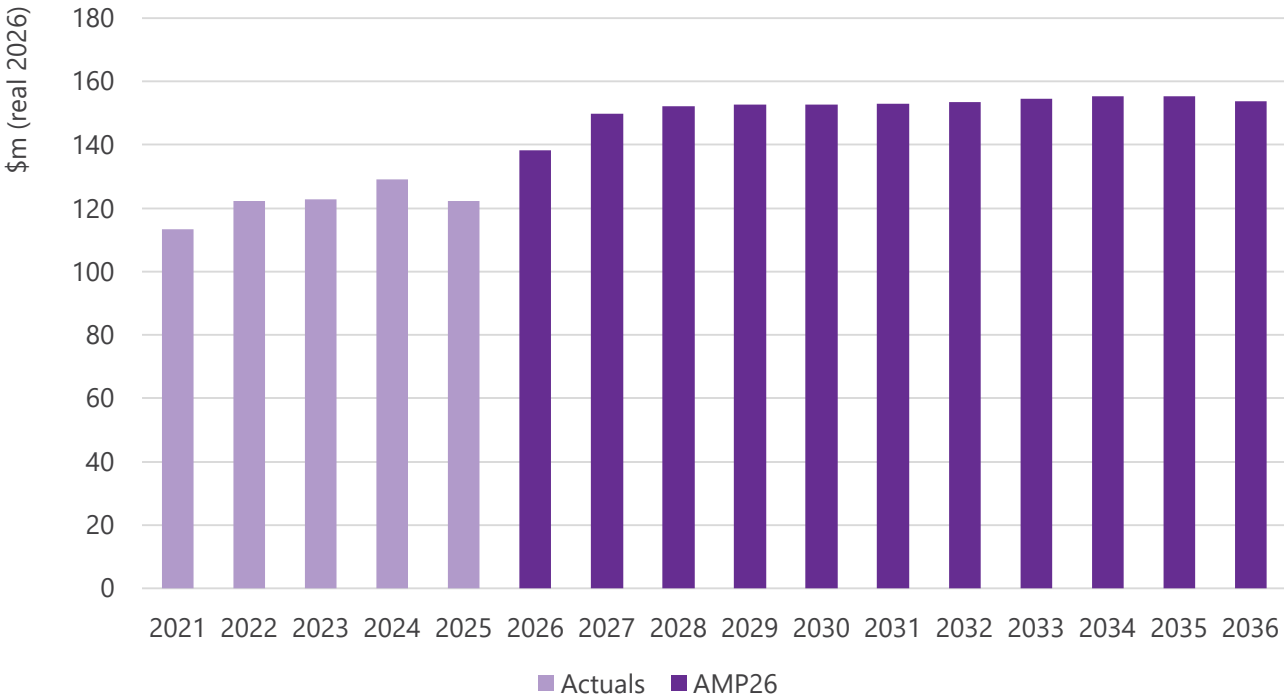
- The increasing need for the replacement of ageing assets. Many of our assets have an expected useful life of 50+ years, and the environment and general decay takes its toll over time. As these assets age the chance of failure increases, leading to power outages or health and safety events.
- Investment required to ensure our network has enough capacity to serve increased reliance on electricity. We understand our role in ensuring we enable current and future customers to electrify and decarbonise.
- Investment to ensure our network is safe for the public and for our teams who operate and maintain our network. Our network exists alongside day-to-day life for the communities we serve. We’re constantly assessing the health and safety risks our network presents.
- Investment in modern technology to improve our ability to minimise the impact of planned and unplanned outages. Modern electricity networks are increasingly connected through devices that can be operated remotely, significantly reducing the time it takes to restore power to our customers.
- We’re planning smarter ways to manage demand and use the existing network better, helping keep electricity reliable and affordable while delaying new infrastructure where possible.



Total Opex forecast (FY27-36)

We’re forecasting to spend \$1.54 billion of operating expenditure (Opex) in the next 10 years. This reflects:

- Vegetation management activities to ensure compliance with regulations and a renewed focus on outage-risk areas and vegetation outside of statutory zones.
- Services for responding to unplanned network outages – these services respond to faults, ensure the affected area is safe and restore power supply if possible.
- Inspection and maintenance programmes help us to find and fix issues before they cause problems for customers. This supports a safer, more reliable network and reduces the risk of unexpected outages.
- Provisions to procure flexibility solutions under our DSO programme.
- Non-network costs such as IT systems and employee costs. These services are vital to enable us to run a modern, digitally enabled and innovative network.



This reflects our forecast expenditure prior to the purchase of the Firstlight Network in August 2026. Investment in the Taha Rāwhiti (encompassing Tairāwhiti and Wairoa) part of our network will be included in our AMP27 update.

The network of the future

As demand for electricity grows and new technology emerges, the way we plan and operate our network is evolving to meet our customers' changing needs.

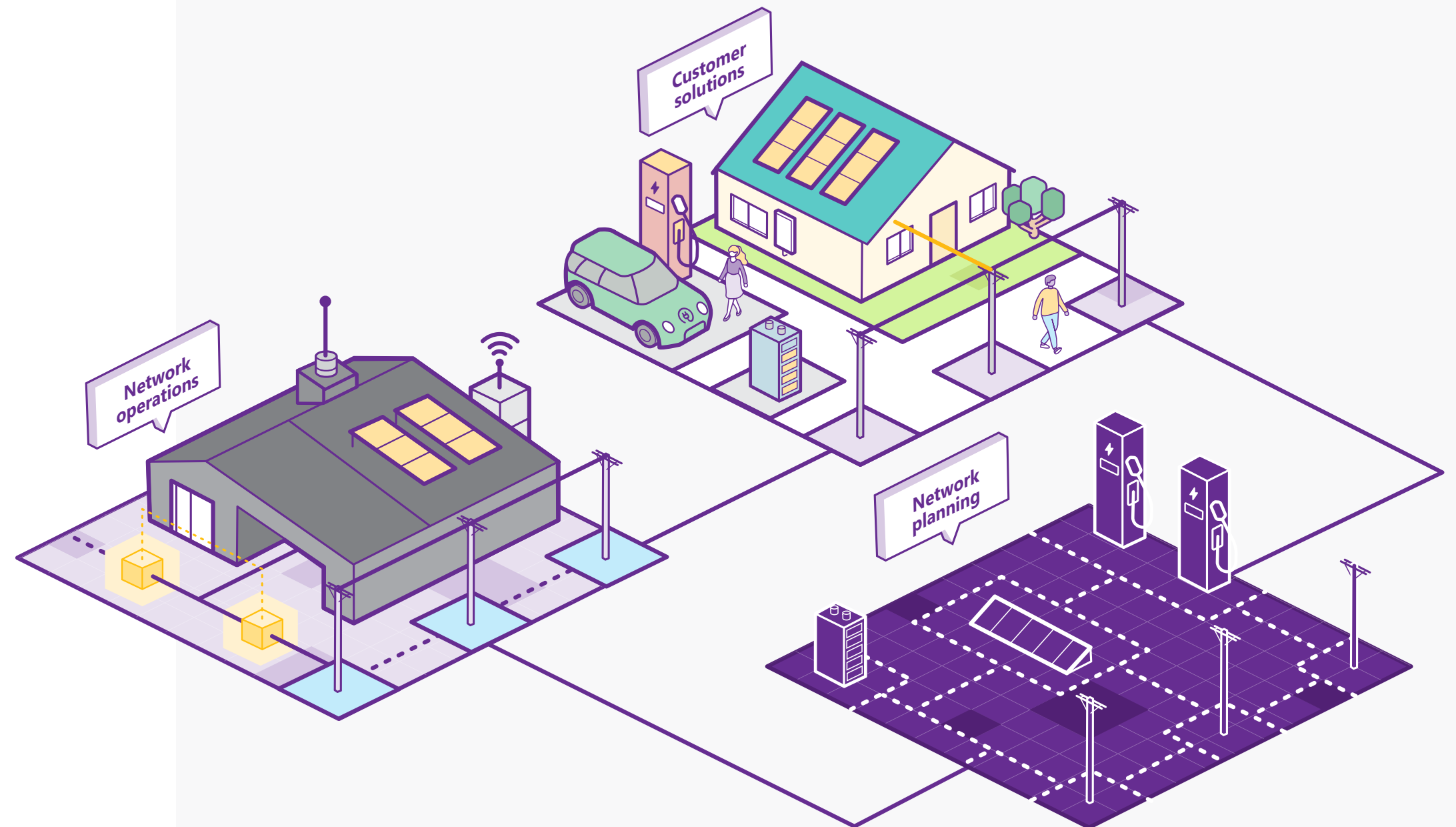
As more customers adopt solar and battery technology, we need to enable customers to feed their unused energy back into the grid. That's why we invest in smart systems and capabilities to safely manage the flow of power both to and from our customers.

We're also using new ways to meet peak demand through what is known as 'flex'. Traditionally we've built our network to meet the short periods of time when demand is highest – such as winter evenings when many people are using electricity to light and heat their homes. However, that means we need to build more capacity than is needed most of the time.

Through flex, we can defer or avoid that unnecessary and costly investment by working with customers to be part of the solution. Flex solutions can be things like:

- Shifting electricity use to off-peak times – charging EVs and running appliances at night for instance.
- Reducing use during peak times by turning things off.
- Charging and storing energy in batteries during off-peak times and sending it into the network when needed.

Overall, this dynamic and interconnected electricity network will ensure New Zealanders use electricity more efficiently and cost-effectively.



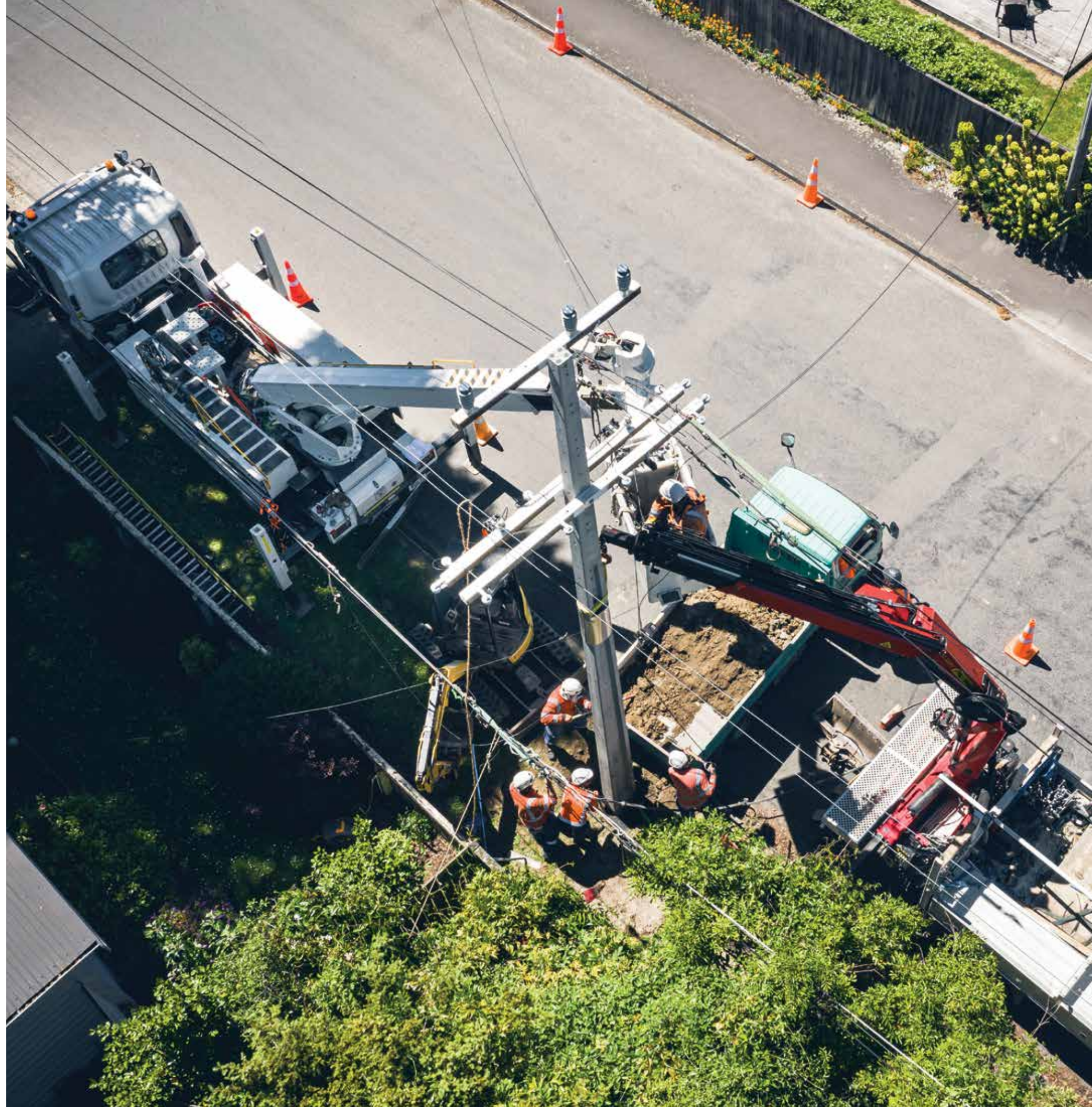
Our mahi in your region

To keep the energy flowing for customers, we categorise our work into planned projects, schedule routine and reactive mahi.

Planned projects – asset renewals, improving our security of supply, allowing for growth as well as customer-initiated work. We complete about **400-500** planned projects per year.

Scheduled routine work – maintenance, inspection, defect remediation and vegetation management.

Reactive work – repairing assets after outages including storm damage and third-party damage.

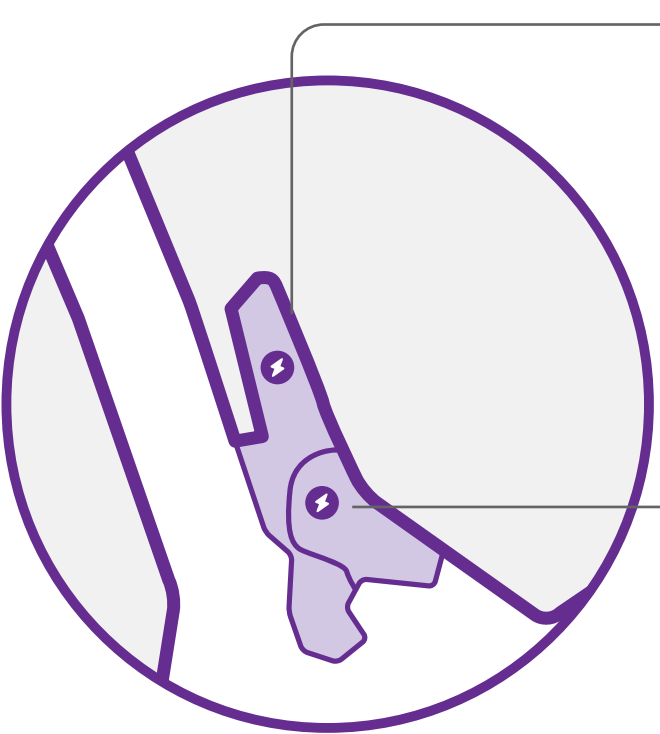


Project highlights across our network

This snapshot highlights some of the 400+ projects that are planned across our network each year.

Projects in Tairāwhiti and Wairoa are not part of our AMP26 and are not included here. Tairāwhiti and Wairoa investment and projects will be included in our AMP27 update.

To find out details of what’s planned for your region, head to our website and read our AMP26.



South Waikato, Matamata-Piako, Hauraki and Thames-Coromandel districts

\$842m Capex | \$200m Opex

The focus of our work is renewal of poor condition overhead lines and improving security of supply. Projects include:

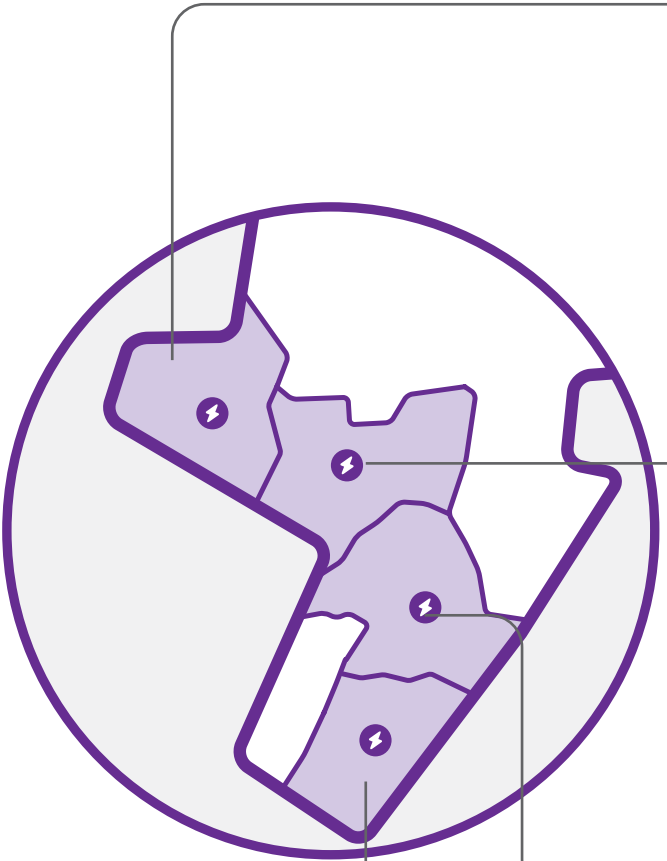
- Thames substation renewal
- Upgrading Waihou-Waitoa 33kV line
- Replacing poor condition crossarms between Coromandel and Whitianga

Western Bay of Plenty and Tauranga districts

\$860m Capex | \$126m Opex

The focus of our work is increasing capacity, renewal of poor condition underground equipment in Tauranga, and renewing overhead lines in the western Bay of Plenty area. Projects include:

- Western Bay of Plenty additional capacity upgrade with Transpower
- Flexibility service contracts to defer other additional capacity upgrades
- State Highway 29 overhead line renewal



New Plymouth, Stratford and South Taranaki districts

\$669m Capex | \$126m Opex

The focus of our work is overhead line and underground asset renewal, upgrading older, smaller capacity lines and enabling grid-scale solar farms. Projects include:

- South Taranaki overhead line renewals
- Hāwera oil cable replacement
- Replacing pole mounted transformers with clearance issues

Whanganui and Rangitikei districts, Waverley, Waitōtara and Raetihi

\$470m Capex | \$54m Opex

The focus of our work is overhead line renewal and improving security of supply. Projects include:

- Removing poles from the Whanganui tidal zone
- Continued renewal of overhead lines near Raetihi
- Waverley and Waitotara overhead line renewals

Manuwatū, Palmerston North and Tararua districts

\$548m Capex | \$92m Opex

The focus of our work is replacing underground assets with safety related issues, overhead line renewal and improving security of supply. Projects include:

- Palmerston North hospital capacity upgrades
- Removing cast resin switchgear with arc issues
- Overhead line renewal across the wider area

Masterton, Carterton and South Wairarapa districts

\$261m Capex | \$99m Opex

The focus of our work is overhead line renewal and improving security of supply. Projects include:

- Clareville substation upgrade
- Overhead line renewals across the wider Wairarapa area
- LV vault removal in the Castlepoint, Mataikona and Riversdale communities

While these projects are in our AMP, they are re-evaluated throughout their lifecycle to ensure they still meet customer and network needs.



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