SUBMISSION TO DCC ON THE PLANNED SALE OF AURORA ENERGY LTD. 1 May 2024

INTRODUCTION:
DCC should vote to KEEP Aurora Energy Ltd.

It is understandable in this difficult time, that the DCC would wish to sell Aurora Energy, but as a public asset/infrastructure/service, it is essential not to look to short-term gains, and consider fully, all the factors. Ratepayers will, unfortunately, and of necessity, be in line for increased costs. A 'big picture' approach involves assessing short-term against long-term gains and the role of democracy and citizen well-being. **Energy provision will be a critical process in the coming decades** and a question of equity; citizens should have their say.

Comments and Questions:

1. **Citizens were not given the opportunity to vote** on this major issue at the time of the 2022 elections and our Aurora 2024 submissions can be ignored.
2. **There is very limited detailed information provided** ie: Given both scenarios: what are the estimates of financial return; likely risks; true value; who is likely to buy; will it be asset-stripping to the disadvantage of ratepayers long-term. (The past has seen much privatization of local and national assets built up over years by rate and taxpayers and sold at less than their true value, to the detriment of the people both financially and socially).
3. **Greatest value from Future Investment:** Our current and medium term, (and likely future), global, financial situation, may not, in the long-run, provide the same potential return as Aurora – traded for unknown returns elsewhere – what guarantee? Privatization means shareholders interests only, are considered - democracy, long-term needs and security are abandoned. Decisions **must not be based on the business world as it is today** - the global and local future is quite uncertain.
4. **Local bodies can borrow funds at a lower rate of interest** to the benefit of citizens.
5. **Aurora Energy - a service, not a business / Questions of Dividends:** Aurora should be a service to the people like roads, sewerage etc. A business dividend is not required to serve the community – if it must be paid then the community is supported via the local economy and social activity. To borrow to pay dividends? What does this mean? An oxymoron? Accounting strategy?
6. **Privatization will see increased costs to ratepayers:** To **keep** Aurora will cost ratepayers, but give a level of energy security and local decision-making. To **sell** will mean greater costs of

privatization (as seen in the past), shareholder demands etc will increase the cost to ratepayers. **Future upgrades, of necessity, will have to be paid by the new owners,** then passed to electricity users. DCC would discharge the pricing to others at greater cost to its citizens – Increased electricity line charges will be paid instead of rates.

7. **Commerce Commission and EA regulation:** These are subject to change according to the energy environment and are not a guarantee of control over a monopoly business.
8. **2030 zero-carbon goals - Keeping our Options Open.** Since the energy industry is a crucial infrastructure it will be important to keep an open mind to future flexibility. **Community-produced energy** may well have a place at some time soon – the consequences of a sale of Aurora would be detrimental to a possible variety of future measures involving both services to and by the public, and in line with the **city's zero-carbon goals**.

CONCLUSION

Whatever the decision, ratepayers/citizens will pay in the future, (and have already paid to build up the company), either via rates for upgrades; but at the same time having local ownership and control; OR via a private electricity network company which will proceed with upgrades and prioritize shareholder. These facts must be considered fully in making a major decision on behalf of the Otepoti and Otago public. Many of us have seen the results of asset-stripping in the past eg: Our Dunedin, City Fathers' established and owned, Waipori Falls Hydro energy system was sold in 1998; NZ Rail, sold in 1993 which left citizens the poorer - (NZ rail re-nationalized in 2008 at a cost of $690m). A 'hands-off' approach by Council simply results in a serious disadvantage to the Dunedin householder both in terms of cost and future social decisions.