Central Hawke's Bay Consumer Power Trust

Annual Public Meeting held:
3:00pm, Friday 24 July 2026
at Centralines, 17 Coughlan Road, Waipukurau

MINUTES OF MEETING

1: WELCOME:
John Te Amo opened the meeting with a karakia.

2: PRESENT:

CHB Consumer Power Trust Trustees:
Karen Middelberg (Chair), Rachel Baker, Laura Billings, Thomas Good, Callum Gray, Robby Smith (Trustee), Vicki Winlove (Executive Assistant)

Centralines (Board of Directors):
Fenton Wilson (Chair), Anthony (Tony) Gray (Audit and Risk Committee Chair), Sarah von Dadelszen, Leonard (Len) Gould, Kevin Best, Sarah Tully (Board Observer)

Unison Networks Limited (Executive / Management):
Jaun Park (Chief Executive Centralines), Isabelle Crawshaw (General Manager Centralines), Rodney Andersen (Operations Manager Centralines), Stephanie George (Finance Manager Centralines), Jason Larkin (Group General Manager Customer, Commercial & Regulatory), Kim Parker (Communications & Marketing Manager)

Centralines Limited – Management and Staff:
Caroline Kerr (Management Assistant), Stuart Smith (Business Development Manager), Devon Brown (Service Delivery Manager), John Te Amo (Vegetation Control Team Leader), Josh Ross (Network Designer), Marcus Kupa (Line Mechanic – Leading Hand), Tyler Jones (Line Mechanic, Centralines), Olwen Williams (Office Manager), Kimberley Booth (Accounts Administrator)

Audit New Zealand:
Chris Webby (Audit Director)

Central Hawke's Bay District Council:
Kelly Annand (Councillor)

Public:
Graeme Dawson, Richard Hilson, Wayne Smith, Alex Walker, Andrew Wilson.

3: APOLOGIES:

Aaron Queree (Head of Group Finance, Unison Networks Limited), Stuart Ellingham (Trustee, Central Hawke's Bay Consumers Power Trust), Ross McLeod (Central Hawke's Bay District Council Chief Executive), Kate Taylor (Councillor), Shelley Burne-Field

4: MINUTES OF PREVIOUS MEETING (FRIDAY 25 JULY 2025):

It was resolved the Minutes of the Central Hawke's Bay Consumer Power Trust Annual Public Meeting held on Friday 25 July 2025, a copy having been circulated prior to the meeting, were taken as read and accepted as a true and accurate record.

Alex Walker / All in favour
CARRIED

5: MATTERS ARISING:

There were no matters arising.

6: CORRESPONDENCE:

Date: Monday, July 20, 2026
From: Shelley Burne-Field
Re: Questions to be discussed during general business

7: CONSOLIDATED FINANCIAL STATEMENTS (YEAR ENDED 31 MARCH 2026):

It was resolved that the audited consolidated financial statements of Centralines Limited and the Central Hawke's Bay Consumer Power Trust for the year ended 31 March 2026, a copy having been circulated prior to the meeting, be adopted as a true and correct.

Of Further Discussion:

Alex Walker questioned the level of Centralines' capital expenditure, noting it represents around 10% of the network's value, and asked how investment is split between maintaining existing assets and funding resilience, technology and network growth.

Centralines advised that approximately two-thirds of capital expenditure is spent on renewing and replacing ageing network infrastructure, with the remaining investment supporting system growth, new customer connections and strategic projects, including the Ruataniwha Substation Switch Room. Investment also includes technology upgrades and asset condition assessments to ensure the network is prepared for future demand while avoiding unnecessary costs being passed to future generations. Renewable energy-related investment accounts for less than 5% of expenditure, while customer connections make up around 15–20%. The company noted that planned capital expenditure is reducing under recent asset management plans, with a continued focus on efficient investment.

Alex also asked whether, given this expenditure is no longer regulated to the same extent, the Trust has sufficient oversight through its Letter of Expectation. The Trust confirmed it has a strong working relationship with the Centralines Board and management and is confident capital expenditure is being appropriately managed within the principles and expectations of a regulated industry.

Laura Billings / All in favour
CARRIED

8: APPOINTMENT OF AUDITOR:

It was resolved that, as the Trustees of the Central Hawke's Bay Consumer Power Trust had been unable to appoint an auditor for the 2026/27 financial year, the Office of the Auditor-General be requested to appoint an auditor on the Trust's behalf. ***Callum Gray / All in favour***
CARRIED

9: TRUSTEES REMUNERATION 2025/26:

The Trustees are not proposing an increase to Trustee remuneration for the 2026/27 financial year. Accordingly, annual remuneration will remain unchanged at **$19,936.80** for the Chair and **$9,968.40** for each Trustee. ***Rachel Baker / All in favour***
CARRIED

10: CHAIRPERSON'S REPORT:

Firstly, the Trust would like to thank the staff, management, and Board of Centralines for their hard work, commitment, and dedication over the past 12 months. Their collective efforts have delivered another successful year, with the completion of a comprehensive works programme alongside strong financial performance.

The Trust also acknowledges the open communication, transparency, and support it receives from the Board and management. This collaborative relationship enables the Trustees to effectively fulfil our governance responsibilities on behalf of our beneficiaries.

The Trust also extends its sincere thanks to the team at Unison for the expertise, professionalism, and support they provide under the Management Services Agreement. Their knowledge and commitment make a valuable contribution to the effective operation and governance of Centralines, and we greatly appreciate the strong working relationship that has developed.

As part of its governance responsibilities, the Trust issues a Letter of Expectation to the Directors of Centralines at the beginning of each financial year. In recent years, this has emphasised the importance of sustainable growth while ensuring Centralines is well positioned to respond to the significant changes occurring across the electricity industry. A key driver of this change is the transition to a low-emissions economy and the increasing demand for renewable energy. These changes require Centralines to continue investing in a resilient, reliable network that is capable of meeting the evolving energy needs of consumers while supporting the region's future growth.

As discussed last year, both the Trust and Centralines remain committed to improving engagement with our community. The closure of our local newspaper has significantly changed the way we communicate with consumers, requiring us to explore alternative channels to ensure our community remains well informed.

Centralines continues to provide regular updates through media releases, its website, Facebook page, and regional publications. Information relating specifically to the Trust, including statutory notices and governance updates, is currently available on a dedicated page of the Centralines website.

To further enhance transparency and clearly distinguish the governance role of the Trust from the operational role of Centralines, the Trust and Centralines are exploring the option of establishing a standalone website for the Trust. We are carefully weighing the benefits of this initiative against the associated costs to ensure any decision represents good value for consumers. As Trustees, we remain mindful that any additional expenditure must deliver a clear benefit to our beneficiaries.

This has been an exciting year for Centralines, highlighted by the development of its joint venture with Lodestone to establish the Ongaonga Solar Farm. Last week marked a significant milestone with the official sod-turning ceremony and blessing of the site, signalling the transition from planning to construction. It is exciting to see this important project now taking shape within our community.

Given the scale and strategic importance of the investment, the Trust was required to provide its approval. To ensure this decision was made with confidence and in the best interests of our beneficiaries, the Trust engaged an independent consultant to undertake comprehensive due diligence and provide an objective assessment of the proposal.

Following careful consideration of the consultant's findings and the information presented, the Trust resolved to approve the project. We are confident this investment aligns with the Trust's long-term objectives and will deliver significant benefits for Central Hawke's Bay consumers and the wider community.

The Trustees are excited about the opportunities this development will bring to Central Hawke's Bay. In addition to strengthening regional energy resilience and security, the project has the potential to increase retail competition on electricity prices for local consumers. It will also generate employment, training, and economic development opportunities during construction and beyond, delivering lasting benefits for our community.

I would also like to make consumers aware that Lodestone has recently launched a new electricity retail offering for Hawke's Bay residents. This is currently being advertised in the mainstream media and social media and encourage you to take a look to see if it would benefit yourselves.

Centralines also continues to demonstrate its commitment to the local community through its sponsorship programme. During the year, the company provided $189,000 in funding to 75 local organisations, supporting a diverse range of sports clubs, community events, social service organisations, and schools. These contributions help strengthen our communities and reflect Centralines' ongoing commitment to giving back to the region it serves.

Finally, on behalf of the Central Hawke's Bay community, I would like to thank my fellow Trustees for the professionalism, commitment, and diligence they bring to their governance role. Their dedication to acting in the best interests of the Trust and its beneficiaries is greatly appreciated.

Thank you.

Karen Middelberg
CHB Consumer Power Trust Chair

12: ONGAONGA ROAD SOLAR FARM PRESENTATION:

Presented by Stuart Smith (Business Development Manager, Centralines)

- Stuart Smith provided an update on the Ongaonga Solar Farm project, which has progressed from concept to construction over the past five years.
- The project is a partnership between Centralines and Lodestone Energy, an experienced solar developer with five completed solar projects across New Zealand.
- Lodestone's approach is to develop community-scale solar generation connected to local distribution networks, rather than the national transmission grid.
- The solar farm is located at 921 Ongaonga Road on a 34-hectare site and will comprise approximately 49,000 solar panels.
- The project will have a capacity of approximately 31MW DC (26MW AC), generating enough electricity to power around 7,000 homes.
- At peak generation, the solar farm will be capable of supplying the entire Centralines network, with excess electricity exported to the national grid.

- The solar panels have an expected operational life of at least 30 years, retaining approximately 82% of their generating capacity after that period.
- Lodestone will launch its first retail electricity offering to residential customers in Central Hawke's Bay, having previously only supplied large commercial customers.
- Key objectives of the project include:
    - Improving network resilience and increasing local electricity generation following lessons from Cyclone Gabrielle.
    - Encouraging greater retail competition and customer choice.
    - Reducing reliance on electricity imported from other regions and on thermal generation.
    - Creating a non-regulated income stream for Centralines.
    - Supporting local employment and economic growth through a project valued at approximately $50 million.
- The site was selected following a two-year search due to its flat terrain, minimal environmental constraints and proximity to existing 33kV network infrastructure.
- The solar farm will utilise single-axis tracking technology, allowing panels to follow the sun and maximise generation during higher-value morning and evening periods.
- Construction contractor New Energy is recruiting approximately 60 entry-level staff, with successful applicants receiving recognised solar installer training and qualifications.
- Centralines placed a strong emphasis on using local contractors, with electrical, civil, plumbing and fencing work all awarded to Central Hawke's Bay businesses.
- Groundbreaking was held on 15 July 2026, with representatives from Mana Whenua, Lodestone Energy, New Energy and Centralines in attendance.
- Construction is underway, with fencing progressing well, civil works commencing, mechanical installation scheduled for October 2026, and electricity generation expected to begin progressively from February 2027.

12: GENERAL BUSINESS:

Graeme Dawson - Consumer:
Graeme Dawson congratulated Centralines on the overall condition and quality of the network but noted the ongoing challenge of rising network charges, which are now significantly higher than the New Zealand average. Concern was expressed about the affordability of peak time-of-use tariffs for consumers and the long-term implications of maintaining a high-quality network with a relatively small customer base. The Trust acknowledged these challenges, advising that affordability and long-term sustainability remain key strategic priorities. It was noted that the Ongaonga Solar Farm is intended to diversify Centralines' income through non-regulated revenue streams, while shared management arrangements, industry collaboration and increased use of asset management technology are also being utilised to improve efficiencies, optimise asset life and help manage future costs. It was further acknowledged that these are common challenges faced by many smaller electricity distribution businesses.

Kelly Annand - Consumer:
Kelly Annand commended Centralines for its strong customer and community focus, noting that her organisation had received funding that enables young people across Central Hawke's Bay to obtain their driver's licences and improve their employment opportunities. She thanked Centralines for its ongoing community support, acknowledging that approximately $189,000 had been distributed to community initiatives, and expressed appreciation on behalf of the wider community. Kelly also acknowledged the ongoing discussion around industry amalgamation, noting the value of having a locally focused organisation that remains committed to the community. In response, the Chair passed on the thanks to the Centralines Board and management, recognising their work in delivering community sponsorships in line with the Trust's Letter of Expectation. The Chair also acknowledged the ongoing challenge of balancing community investment with affordability for consumers. Kelly also confirmed that local

employment opportunities associated with the Ongaonga Solar Farm were progressing as proposed, with Lodestone delivering on its commitments.

Andrew Wilson – Consumer:
Andrew Wilson commented on the challenge of balancing investment in the electricity network with the risk of overinvesting in assets that may become redundant as technology evolves. It was acknowledged that maintaining this balance is an ongoing consideration for the Board and management. The Chair agreed, noting the importance of providing an appropriate level of service while making prudent investment decisions. Andrew also commended Centralines for embracing new technologies, including the use of drones and upgraded information systems to improve asset management and decision-making. The Chair acknowledged that these investment decisions are supported by the technical expertise of management and engineering staff.

Alex Walker - Consumer:
Alex Walker thanked Chief Executive Jaun Park for his presentation at a recent energy forum, commenting that it was heartening to hear him speak about Centralines as a distinct organisation in its own right, rather than in comparison with or as an extension of Unison. Alex expressed her appreciation for the clear recognition of Centralines' unique identity and the way Jaun articulated the organisation's role and value within Central Hawke's Bay. She noted that he effectively communicated Centralines' contribution beyond simply delivering electricity, highlighting its commitment to supporting local consumers and the wider community. Alex acknowledged the importance of improving understanding of the value Centralines provides and reinforcing its position as an independent, community-focused organisation.

Supplied questions by Shelley Burne-Field – Consumer:

1. Consumer Benefit:
How does the Trust measure whether community ownership is delivering meaningful benefits to the electricity consumers who are its beneficiaries? How are those benefits identified, measured and communicated to consumers?
Trust Response: The Trust undertakes an independent ownership review every five years to assess whether the current ownership model continues to deliver benefits to electricity consumers. The most recent review was completed by PricewaterhouseCoopers in 2024 and considered alternative ownership models, as well as the effectiveness of the current structure, including the management services agreement with Unison. This review concluded the current ownership structure continues to serve the Trust beneficiaries well. The review is publicly available on the Trust's website, with a summary of key findings, providing transparency and accountability to consumers.

2. Community Investment and the Lodestone Solar Project:
Centralines has invested in the joint solar project with Lodestone Energy. How does the Trust measure and communicate the benefits that investments such as the Lodestone solar project are expected to provide to Central Hawke's Bay consumers? What outcomes will demonstrate that this investment has delivered value for the community?
Trust Response: This has been answered in the above presentation.

3. Consumer Awareness:
Has the Trust ever measured how many Central Hawke's Bay electricity consumers know they are beneficiaries of the Consumers Power Trust and understand the Trust's role? If not, does the Trust intend to better understand beneficiary awareness and engagement in the future?
Trust Response: The Trust has not undertaken a formal survey to measure consumer awareness of its role or beneficiary understanding. However, the most recent election recorded the highest voter turnout of any electricity distribution business, which the Trust considers a strong indication of community awareness and engagement. The Trust continues to focus on providing transparent communication to

consumers and considers that undertaking standalone surveys may provide limited additional value relative to the cost involved.

4. Transparency:
What principles guide the Trust's decisions about the governance information that is routinely made available to beneficiaries? For example, has the Trust considered publishing confirmed meeting minutes, or alternatively decision summaries, with commercially sensitive or confidential information appropriately redacted?
Trust Response: The Trust operates under its Trust Deed, which sets out the information requirements and obligations regarding transparency and public engagement, including the holding of this public meeting. The Trust has previously considered whether meeting minutes should be published online and obtained independent advice on the matter. The advice recognised the importance of maintaining a strong and effective relationship with the company and Board, noting that the Trust is exposed to commercially and personally sensitive information as part of its governance role. The Trust therefore needs to balance transparency with its responsibility to protect confidential information and maintain effective governance relationships. While meeting minutes are not published online, the Trust remains available to respond to questions and provide information to beneficiaries where appropriate.

5. Affordability and Community Priorities:
Many households are experiencing increasing electricity costs. While I recognise that not all components of electricity pricing are within the Trust's control, how does the Trust consider affordability when deciding how the benefits of community ownership are returned to consumers and how community investments are prioritised?
Trust Response: Affordability is a key focus for the Trust, the Board and management, and remains an important consideration across the business. As previously discussed, managing costs and maintaining affordability is an ongoing challenge. The Trust recognises the importance of operating efficiently and effectively today to ensure the network remains resilient and fit for purpose into the future, while balancing the need to keep costs reasonable for consumers. Maintaining affordability is also reflected in the Trust's Letter of Expectation. Centralines also supports consumers and businesses by helping raise awareness of the choices and opportunities available to manage energy costs. Recent initiatives, such as the energy summit, have helped businesses better understand available options and identify ways to operate more efficiently and affordably.

6. Beneficiary Engagement:
Outside trustee elections and the Annual General Meeting, what opportunities exist for beneficiaries to contribute to the Trust's priorities and provide feedback on whether they believe community ownership is delivering value?
Trust Response: The Trust reiterated that it remains available to answer questions and engage with beneficiaries outside of formal processes such as the Annual General Meeting. Consumers do contact the Trust directly, and the Trust encourages beneficiaries to continue providing feedback and raising any questions or concerns they may have.

The Chair thanked everyone for their attendance and engagement today.

12: CLOSE:
John Te Amo closed the meeting with a karakia.

MEETING CLOSED 3.39pm

DRAFT

SIGNED:

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Karen Middelberg (Chair) Date

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