

# Monthly Operating Report

April 2020



Putting our energy where it matters

## April overview.

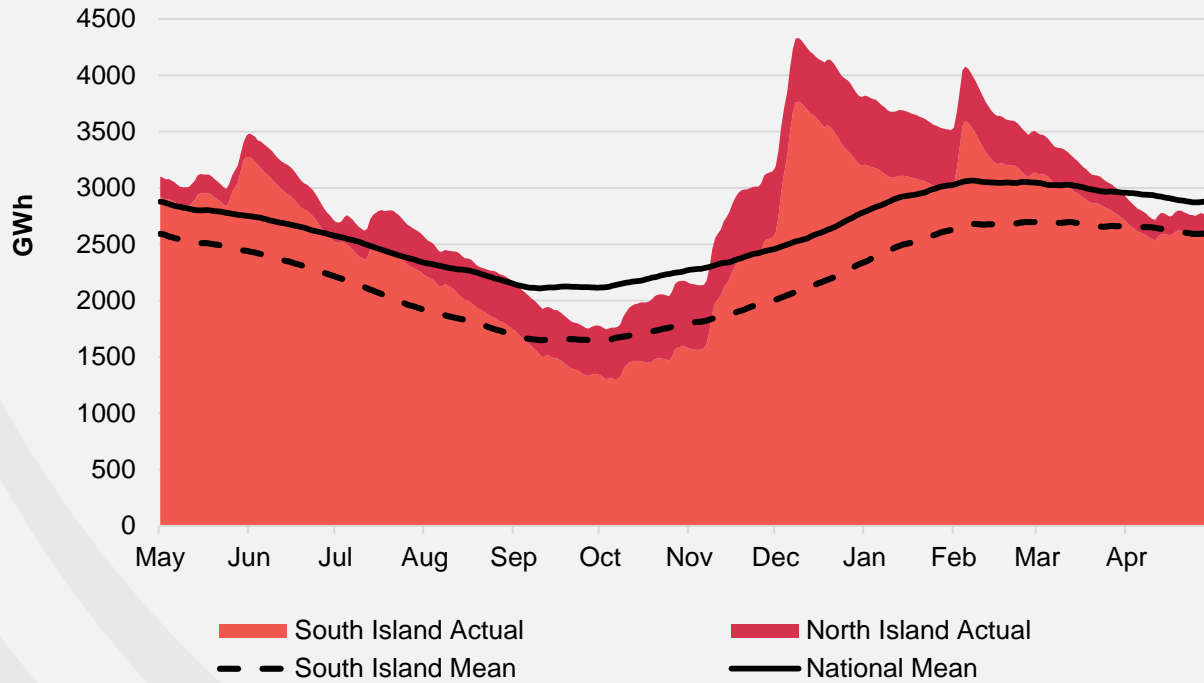
### For the month of April 2020

- » The Customer business recorded:
  - Mass market electricity and gas sales of 300 GWh (April 2019: 337 GWh)
  - Mass market electricity and gas netback of \$95.66/MWh (April 2019: \$86.47/MWh)
- » The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 548 GWh (April 2019: 673 GWh)
  - Electricity and steam net revenue of \$79.81/MWh (April 2019: \$75.60/MWh)
  - Electricity generated (or acquired) of 585 GWh (April 2019: 792 GWh)
  - The unit generation cost, which includes acquired generation was \$24.89/MWh (April 2019: \$33.62/MWh)
    - Own generation cost in the month of \$21.42/MWh (April 2019: \$29.73/MWh)
- » Otahuhu futures settlement wholesale price for the 3<sup>rd</sup> quarter of 2020 (ASX):
  - As at 13 May 2020: \$92/MWh
  - As at 30 April 2020: \$88/MWh
  - As at 31 March 2020: \$99/MWh
- » As at 13 May 2020, South Island controlled storage was 106% of mean (30 April 2020: 100%) and North Island controlled storage was 60% of mean (30 April 2020: 54%)
  - As at 13 May 2020, total Clutha scheme storage (including uncontrolled storage) was 110% of mean
  - Inflows into Contact's Clutha catchment for April 2020 were 83% of mean (March 2020: 90%, February 2020: 189%, January 2020: 68%)

# Hydro storage and forward prices.

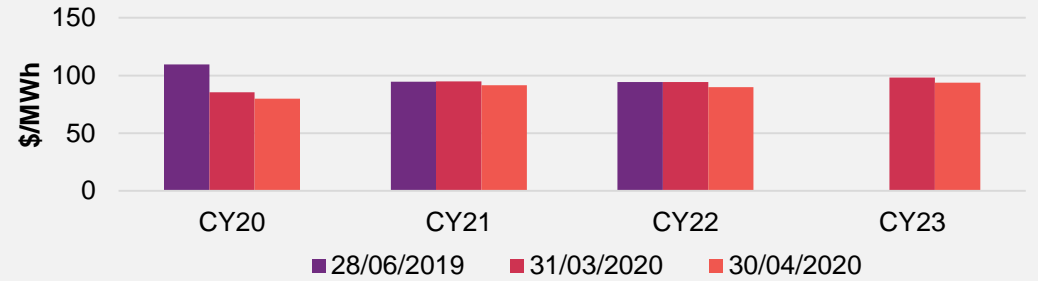
## New Zealand controlled hydro storage against mean

12 MONTHS

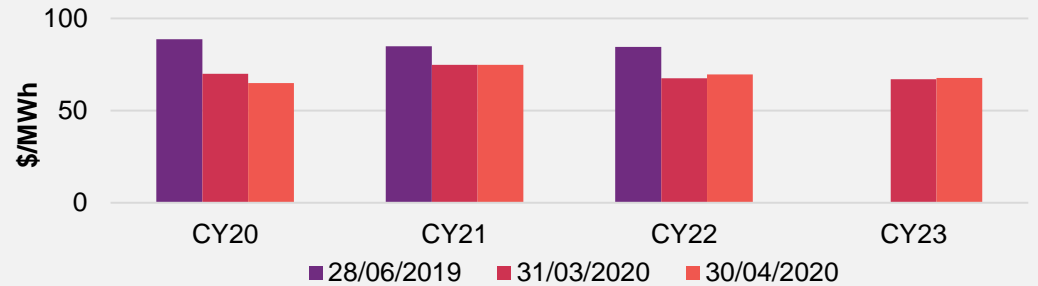


## ASX futures settlement

Otahuhu

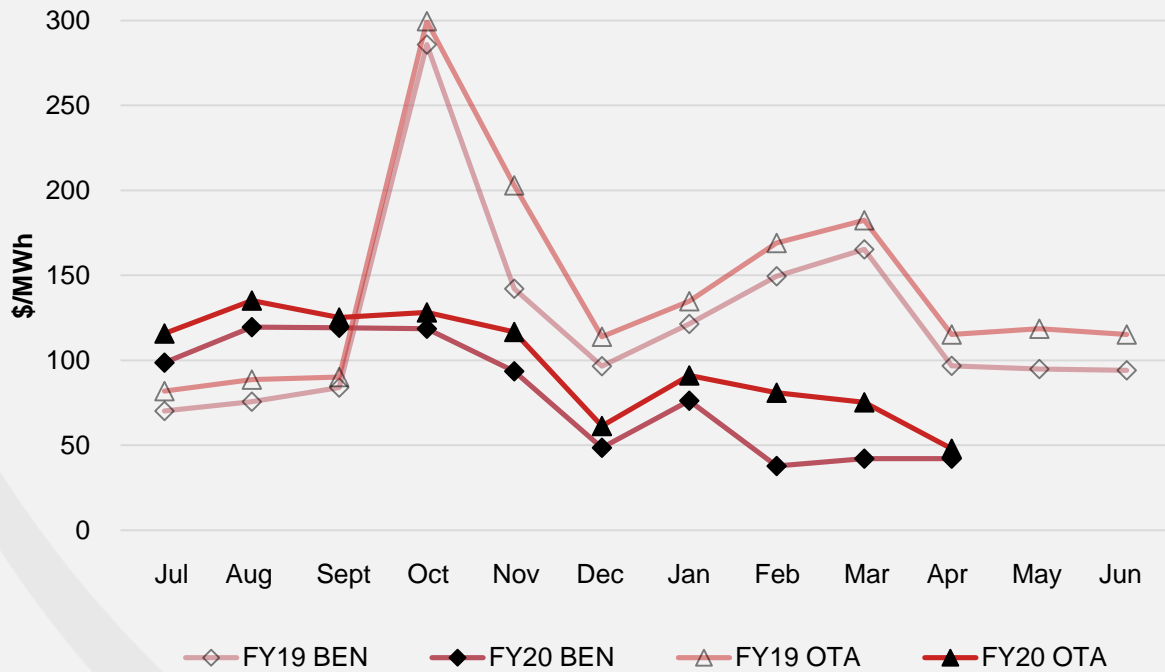


Benmore



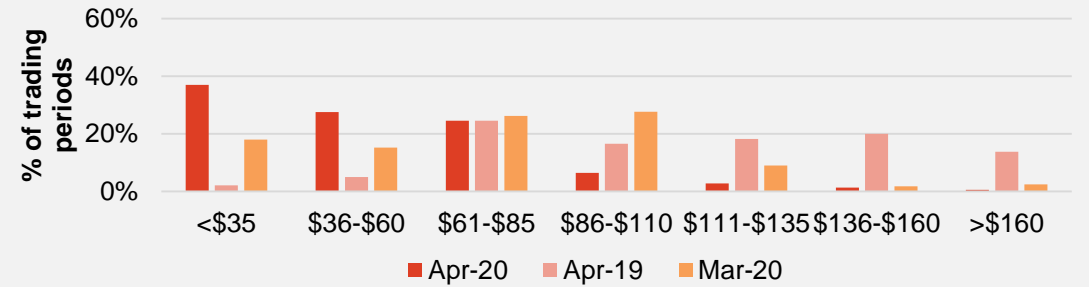
# Wholesale market.

## Wholesale electricity pricing

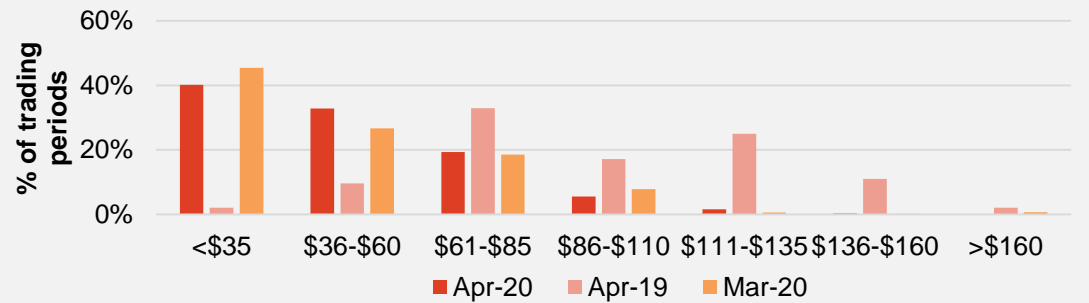


## Distribution of wholesale market price by trading periods

Otahuhu



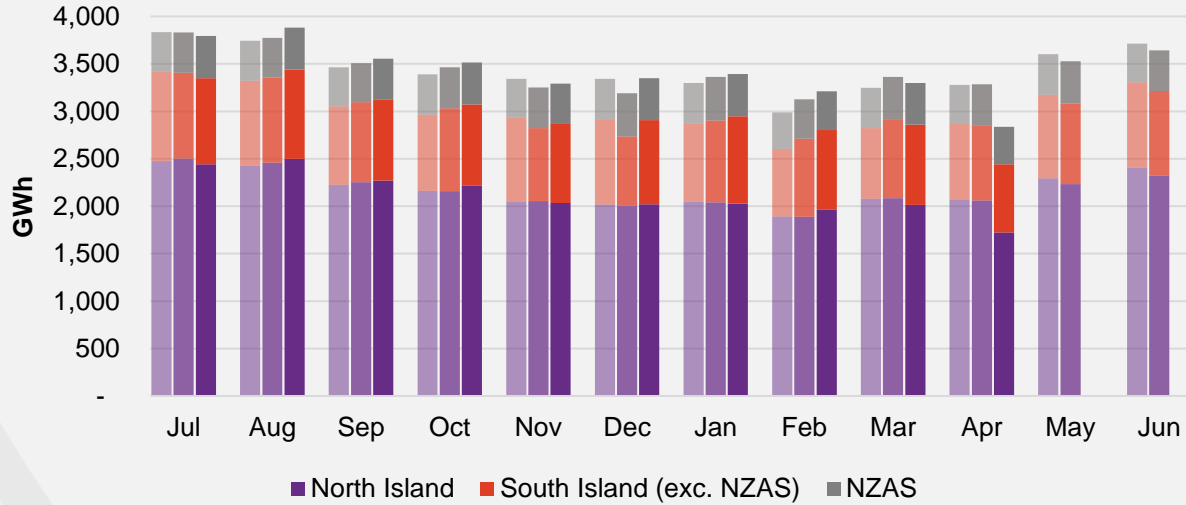
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# Electricity demand.

## Total national demand

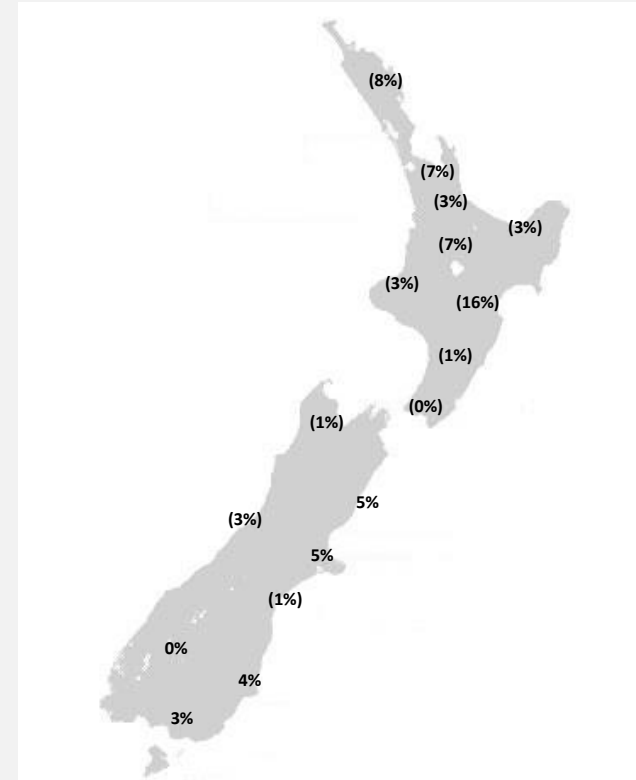
FY18, 19 and 20 respectively



- » New Zealand electricity demand was down 13.7% on April 2019 (down 13.5% on April 2018), COVID-19 L4 and L3 lockdown were in place throughout April:
  - Cumulative 12 months demand for May 2019 to April 2020 of 41,297 GWh is down by 0.5% on the prior comparative period.

## Regional demand change (%) on April 2019

Nationwide temperatures for April 2020 were 13.5°, 0.2° above average (April 2019: 13.1°)

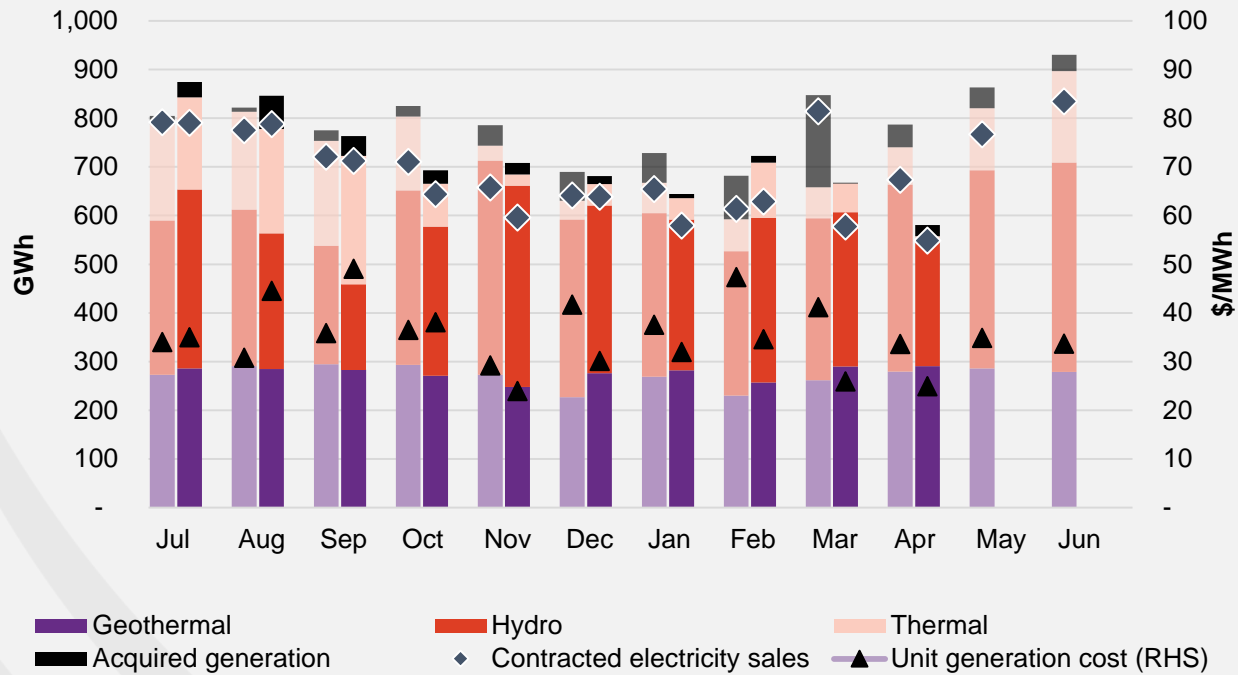


Source: Contact and Electricity Authority grid demand (reconciled) <http://www.emi.ea.govt.nz>, NIWA

# Business performance.

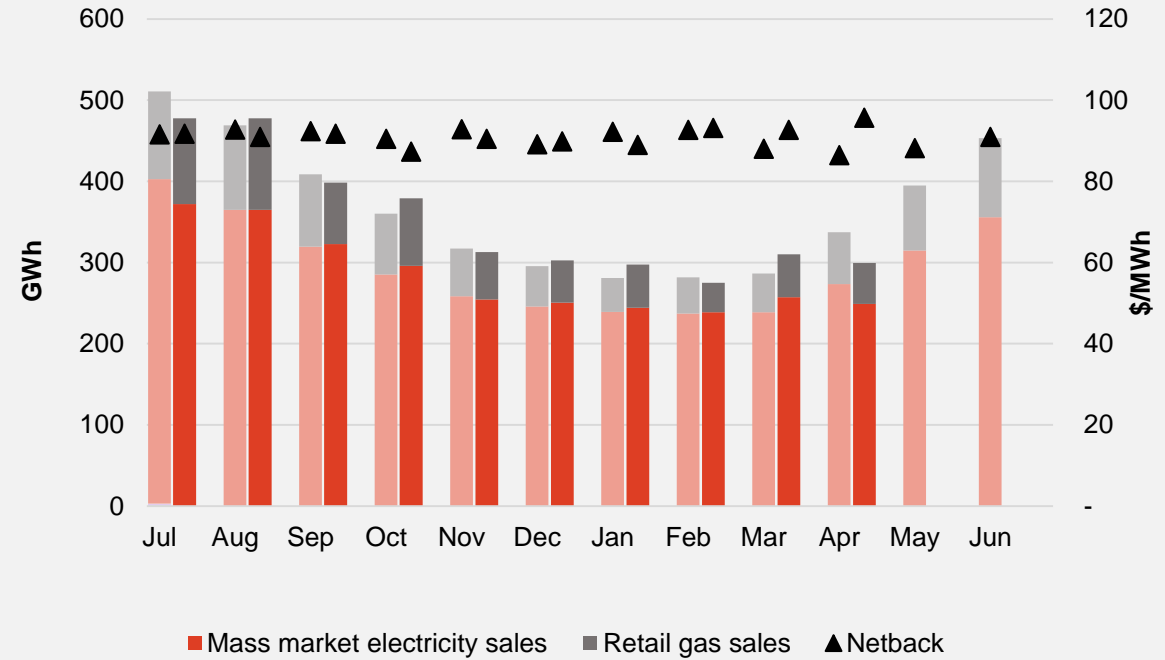
## Wholesale

Generation mix, gross sales position and unit generation cost (FY19 and 20 respectively)



## Customer

Retail sales volumes and netback (FY19 and 20 respectively)





## Operational data.

		Measure	The month ended April 20	The month ended April 19	The month ended March 20	Ten months ended April 20	Ten months ended April 19
Customer	Mass market electricity sales	GWh	249	273	257	2,850	2,862
	Retail gas sales	GWh	50	64	53	680	683
	Mass market electricity and gas sales	GWh	300	337	310	3,531	3,546
	Average electricity sales price	\$/MWh	253.78	245.37	250.32	245.49	245.49
	Electricity direct pass thru costs	\$/MWh	(122.41)	(122.62)	(123.77)	(119.79)	(120.74)
	Cost to serve	\$/MWh	(23.81)	(22.99)	(20.45)	(19.05)	(19.16)
	Customer netback	\$/MWh	95.66	86.47	92.71	91.19	91.00
	Energy cost	\$/MWh	(75.08)	(70.40)	(87.67)	(78.80)	(72.94)
	Actual electricity line losses	%	2%	2%	5%	6%	7%
	Retail gas sales	PJ	0.2	0.2	0.2	2.4	2.4
	Electricity ICPs	#	407,000	409,500	408,000		
	Gas ICPs	#	65,000	66,500	65,000		
Wholesale	Electricity sales to Customer business	GWh	253	279	270	3,021	3,083
	Electricity sales to Commercial and Industrial	GWh	139	223	164	1,873	2,580
	Electricity CFD sales	GWh	156	171	143	1,607	1,388
	Contracted electricity sales	GWh	548	673	577	6,502	7,051
	Steam sales	GWh	19	39	33	497	528
	Total electricity and steam net revenue	\$/MWh	79.81	75.60	87.29	78.36	77.46
	C&I netback (at the ICP)	\$/MWh	81.30	89.55	90.51	83.24	83.80
	C&I line losses	%	4%	5%	7%	5%	4%
	Thermal generation	GWh	11	77	59	1,053	1,106
	Geothermal generation	GWh	291	279	290	2,768	2,691
	Hydro generation	GWh	256	384	317	3,106	3,394
	Spot electricity sales	GWh	557	740	666	6,927	7,191
	Electricity sales - Direct	GWh	4	5	4	75	79
	Acquired generation	GWh	23	46	1	255	557
	Electricity generated (or acquired)	GWh	585	792	672	7,258	7,827
	Unit generation cost (including acquired generation)	\$/MWh	(24.89)	(33.62)	(25.90)	(34.37)	(36.55)
	Spot electricity purchases	GWh	(388)	(497)	(430)	(4,819)	(5,585)
	CFD sale settlements	GWh	(156)	(171)	(143)	(1,607)	(1,388)
	Spot exposed purchases / CFD settlement	GWh	(544)	(668)	(573)	(6,427)	(6,973)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	46.06	103.09	59.03	90.40	136.24
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(49.76)	(111.27)	(66.15)	(96.45)	(142.34)
	LWAP/GWAP	%	108%	108%	112%	107%	104%
	Gas used in internal generation	PJ	0.2	0.8	0.7	10.7	11.3
Gas storage net movement (extraction) / injection	PJ	0.6	0.0	(0.1)	1.9	(2.6)	

## Keep in touch.

### Investors

#### Matthew Forbes – GM Corporate Finance

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