

# Monthly Operating Report

July 2020



Putting our energy where it matters

# July overview.

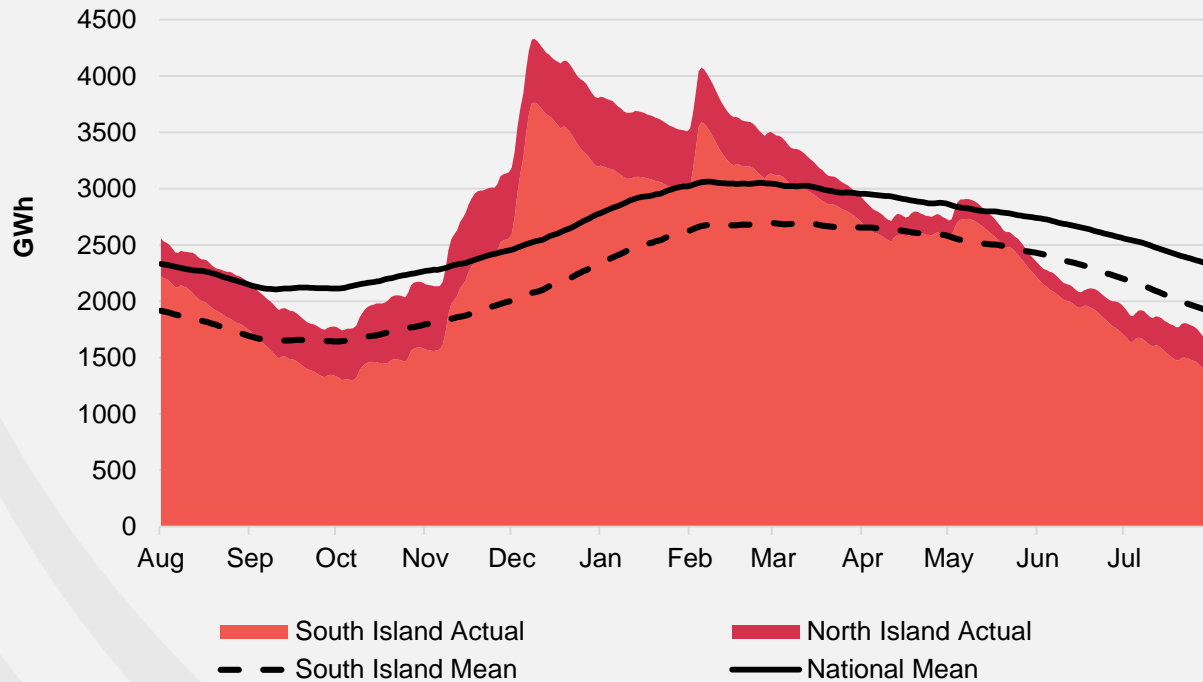
## For the month of July 2020

- » The Customer business recorded:
  - Mass market electricity and gas sales of 499 GWh (July 2019: 478 GWh)
  - Mass market electricity and gas netback of \$101.96/MWh (July 2019: \$91.75/MWh)
- » The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 795 GWh (July 2019: 790 GWh)
  - Electricity and steam net revenue of \$103.31/MWh (July 2019: \$91.80/MWh)
  - Electricity generated (or acquired) of 877 GWh (July 2019: 878 GWh)
  - The unit generation cost, which includes acquired generation was \$40.09/MWh (July 2019: \$35.00/MWh)
    - Own generation cost in the month of \$38.97/MWh (July 2019: \$32.35/MWh)
- » Otahuhu futures settlement wholesale price for the 4<sup>th</sup> quarter of 2020 (ASX):
  - As at 10 Aug 2020: \$99/MWh
  - As at 31 July 2020: \$96/MWh
  - As at 30 June 2020: \$112/MWh
- » As at 10 August 2020, South Island controlled storage was 73% of mean (30 July 2020: 72%) and North Island controlled storage was 59% of mean (30 July 2020: 70%)
  - As at 10 Aug 2020, total Clutha scheme storage (including uncontrolled storage) was 89% of mean
  - Inflows into Contact's Clutha catchment for July 2020 were 122% of mean (June 2020: 73%, May 2020: 64%, April 2020: 83%)

# Hydro storage and forward prices.

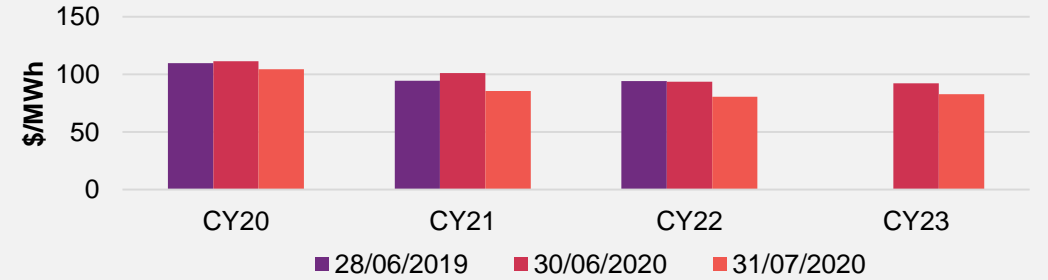
## New Zealand controlled hydro storage against mean

12 MONTHS

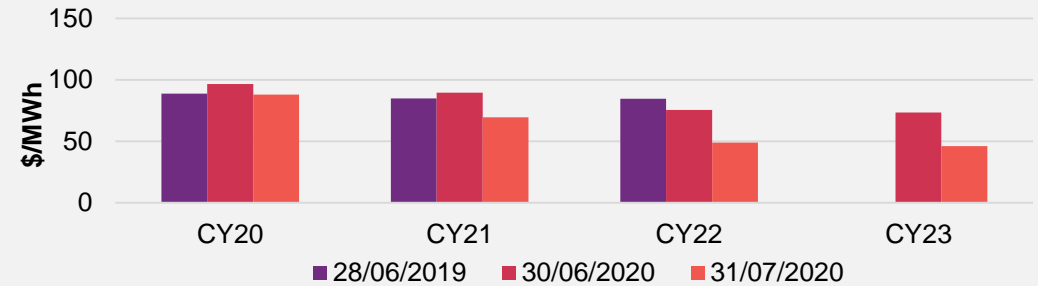


## ASX futures settlement

Otahuhu

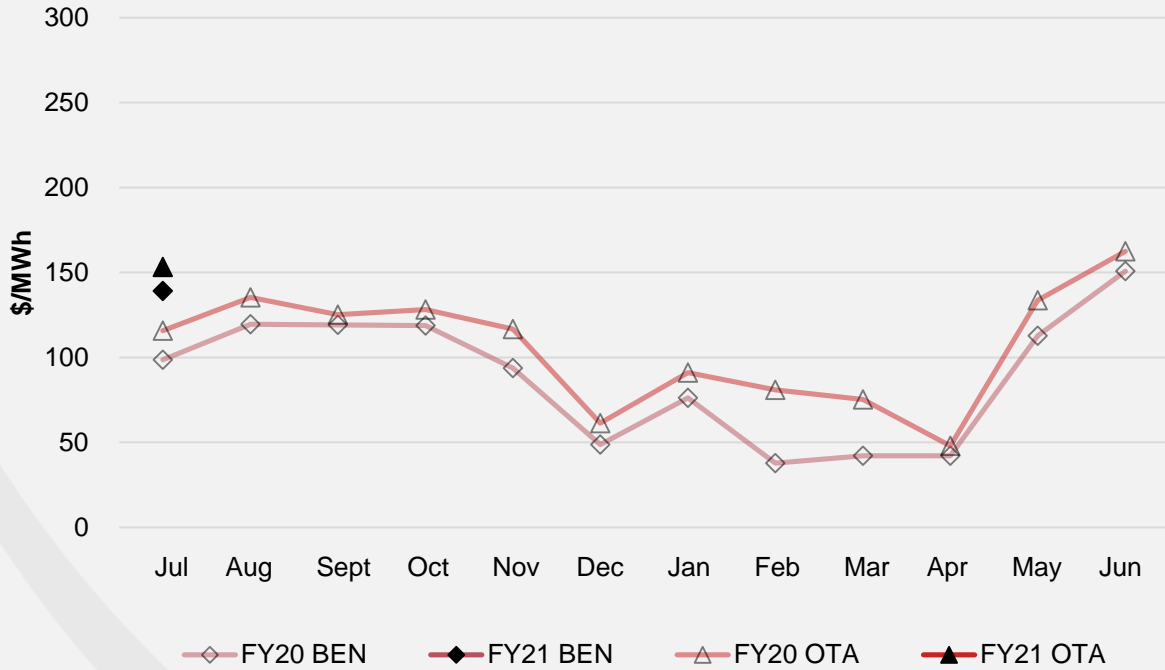


Benmore



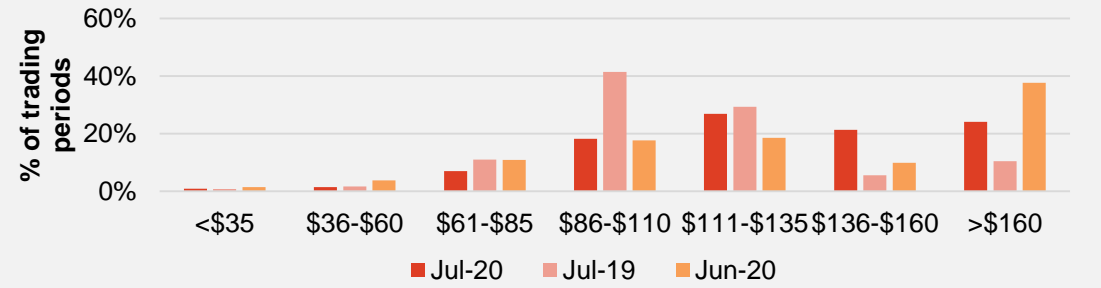
# Wholesale market.

## Wholesale electricity pricing

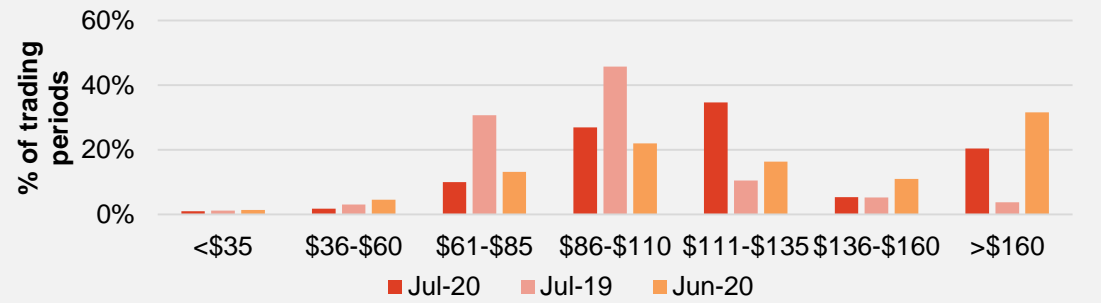


## Distribution of wholesale market price by trading periods

Otahuhu



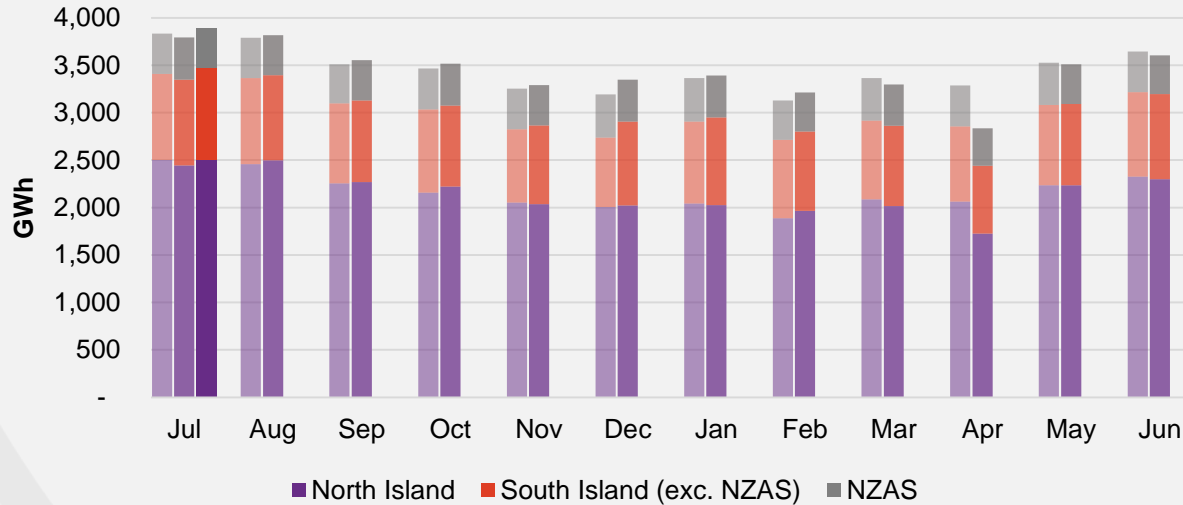
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# Electricity demand.

## Total national demand

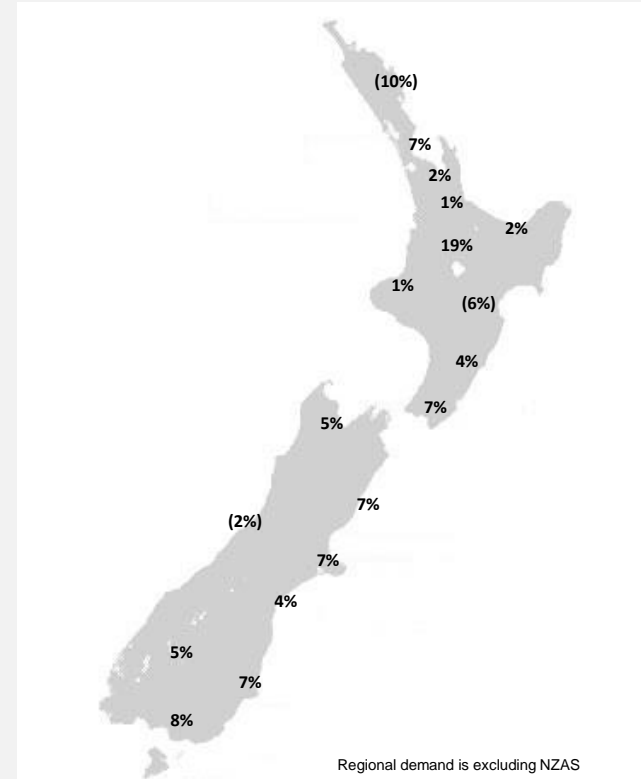
FY19, 20 and 21 respectively



- » New Zealand electricity demand was up 2.4% on July 2019 (up 1.4% on July 2018):
  - Cumulative 12 months demand for Aug 2019 to July 2020 of 41,328 GWh is in line with the prior comparative period.

## Regional demand change (%) on July 2019

Nationwide temperatures for July 2020 were 9.8°, 0.7° lower than July 2019: 10.5°

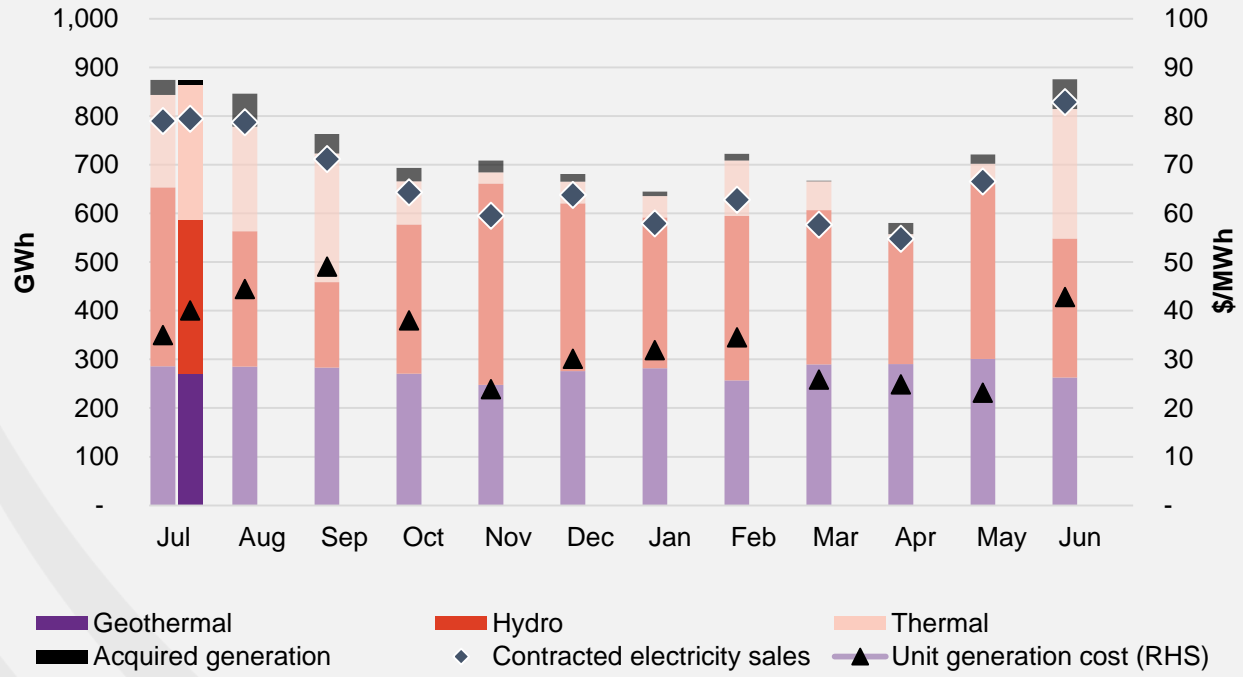


Source: Contact and Electricity Authority grid demand (reconciled) <http://www.emi.ea.govt.nz>

# Business performance.

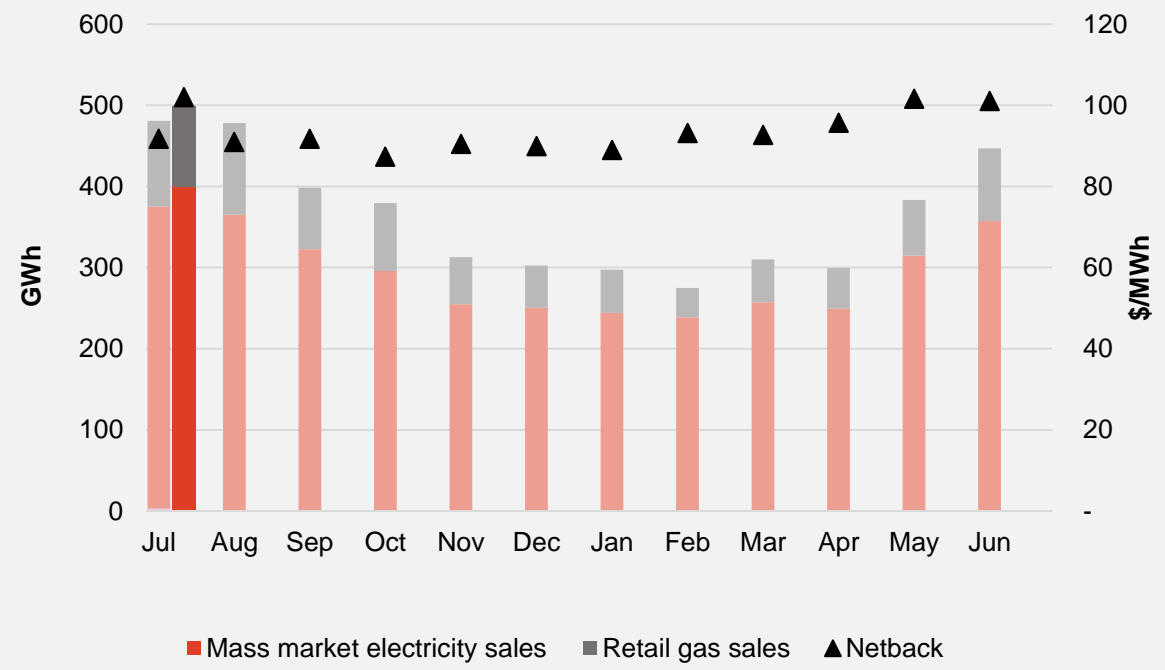
## Wholesale

Generation mix, gross sales position and unit generation cost (FY20 and 21 respectively)



## Customer

Retail sales volumes and netback (FY20 and 21 respectively)



## Operational data.

		Measure	The month ended July 20	The month ended July 19	The month ended June 20
Customer	Mass market electricity sales	GWh	400	372	357
	Retail gas sales	GWh	100	106	90
	Mass market electricity and gas sales	GWh	499	478	447
	Average electricity sales price	\$/MWh	238.89	237.24	236.67
	Electricity direct pass thru costs	\$/MWh	(102.69)	(112.39)	(107.66)
	Cost to serve	\$/MWh	(15.63)	(14.58)	(11.90)
	Customer netback	\$/MWh	101.96	91.75	101.03
	Energy cost	\$/MWh	(102.80)	(92.12)	(94.77)
	Actual electricity line losses	%	5%	6%	6%
	Retail gas sales	PJ	0.4	0.4	0.3
	Electricity ICPs	#	414,500	410,500	417,500
	Gas ICPs	#	64,500	66,500	65,000
	Broadband Connections	#	28,000	14,000	26,000
Wholesale	Electricity sales to Customer business	GWh	422	395	378
	Electricity sales to Commercial and Industrial	GWh	149	197	144
	Electricity CFD sales	GWh	223	198	307
	Contracted electricity sales	GWh	795	790	829
	Steam sales	GWh	28	22	20
	Total electricity and steam net revenue	\$/MWh	103.31	91.80	94.80
	C&I netback (at the ICP)	\$/MWh	103.75	97.09	92.35
	C&I line losses	%	4%	5%	4%
	Thermal generation	GWh	278	190	266
	Geothermal generation	GWh	271	286	263
	Hydro generation	GWh	317	367	285
	Spot electricity sales	GWh	865	843	815
	Electricity sales - Direct	GWh	2	3	1
	Acquired generation	GWh	9	31	61
	Electricity generated (or acquired)	GWh	877	878	877
	Unit generation cost (including acquired generation)	\$/MWh	(40.09)	(35.00)	(42.82)
	Spot electricity purchases	GWh	(569)	(590)	(521)
	CFD sale settlements	GWh	(223)	(198)	(307)
	Spot exposed purchases / CFD settlement	GWh	(793)	(787)	(828)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	144.85	103.74	160.43
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(154.01)	(109.79)	(161.03)
	LWAP/GWAP	%	106%	106%	100%
Gas used in internal generation	PJ	2.3	1.6	2.1	
Gas storage net movement (extraction) / injection	PJ	(0.2)	0.3	(0.7)	

## Keep in touch.

### Investors

#### Matthew Forbes – GM Corporate Finance

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